

# ***COLLECTION SERVICES AGREEMENT***

## ***Municipal Collections of America, Inc***

This COLLECTION SERVICES AGREEMENT, made the \_\_\_\_ day of \_\_\_\_\_, 2025 by and between Municipal Collections of America, Inc, (MCOA) an Illinois corporation, and the City of Bladensburg, Maryland, a municipal corporation in the State of Maryland (hereinafter referred to as THE MUNICIPALITY).

WHEREAS, MCOA is an Illinois corporation duly licensed to operate as a collection agency in the State of Maryland, and;

WHEREAS, MCOA possesses the personnel, experience, expertise, and equipment to effectively aid THE MUNICIPALITY in collecting the said fines through an effective collection process and;

WHEREAS, THE MUNICIPALITY may wish to list certain other debts with MCOA for collection from time to time and MCOA may wish to accept such claims for collection. MCOA retains the right to reject any debt submitted for collection and will provide explanation for such action if taken.

MCOA and THE MUNICIPALITY do hereby agree as follows:

### ***ARTICLE I***

THE MUNICIPALITY agrees that any debts and/or fines listed for collection with MCOA will be collected and administered pursuant to all the terms and conditions in this Agreement.

All municipal debts and fines listed for collection will be forwarded to MCOA, using the forms and procedures designated by MCOA.

Upon request of MCOA, THE MUNICIPALITY will provide certified copies of any documentation deemed necessary for use by MCOA in its collection efforts in a timely manner.

MCOA will acknowledge receipt of any violations listed for collection within five days thereof.

### ***ARTICLE II***

MCOA agrees to use its best efforts and any lawful means which in its judgment and discretion it believes will result in the collection of the debts/fines which are listed for collections. This may include the use of collection letters, phone calls, skip-tracing, MVA Flagging, or any other program or method made available by local ordinance or State statute.

### ***ARTICLE III***

No fees will be payable to MCOA unless money is collected, at which time MCOA will be paid as follows:

Upon listing for collection. A minimum thirty-five percent (35%) cost of collection (the "Debt Collection Fee") will be added to the outstanding balance owed to THE MUNICIPALITY. Upon collection of the debt, a twenty-five and 93/100 percent (25.93%) collection fee is retained by MCOA (the "Service Fee") from the full balance recovered and the original balance prior to the addition of the Debt Collection Fee shall be paid to THE MUNICIPALITY, or its designated agents. THE MUNICIPALITY reserves the right to increase the Debt

Collection Fee pursuant to local law but in no event shall the Service Fee retained by MCOA deviate from the percentage stated herein unless approved by the Mayor and Council and agreed to by the parties in writing

Any debts that are not eligible for adding on the cost of collection will be recovered with MCOA receiving 25% of the proceeds.

## ***ARTICLE IV***

Upon THE MUNICIPALITY'S listing of the violation for collection, MCOA shall have the exclusive right to collect the amounts owed thereunder until such time as it determines the debt is uncollectable or THE MUNICIPALITY requests return of the violation to THE MUNICIPALITY. Any inquiries concerning any debt listed for collections, including attempts to make payment, shall be referred at the earliest possible time to MCOA.

MCOA will deposit any money collected in THE MUNICIPALITY'S separate bank trust account established for that purpose.

After deduction of the fees allowable by this Agreement, MCOA will forward to THE MUNICIPALITY, its share of any amounts collected. Remittance to the MUNICIPALITY will be made by the 15<sup>th</sup> of the month for any amounts collected by the last day of the preceding month.

In the event that any funds are paid to THE MUNICIPALITY for violations which have been listed for collection, THE MUNICIPALITY will report such collections to MCOA daily for accounting under this Article.

## ***ARTICLE V***

THE MUNICIPALITY hereby authorizes MCOA to accept a negotiated settlement on any violations listed for collection. However, unless otherwise authorized by the MUNICIPALITY, any such settlements shall be no less than 100% of the available balance.

Should THE MUNICIPALITY make any settlement or otherwise takes any action in derogation of MCOA's exclusive right to collect on any violation listed for collection, then MCOA shall be entitled to payment in full, as delineated in Article III hereof, based on the full amount of the violation, as listed. Any such payments which may become due may be deducted from the MUNICIPALITY'S next monthly payment from MCOA.

## ***ARTICLE VI***

MCOA agrees to indemnify and hold THE MUNICIPALITY harmless against any and all liability, costs and expenses including attorney fees, occasioned by claims or suits for loss or damages arising out of the acts of the agents, servants or employees of MCOA during the term of this Agreement. MCOA shall defend and indemnify THE MUNICIPALITY from any claim or action arising out of MCOA's performance or non-performance of its obligations under this agreement, including but not limited to any violation of the Fair Debt Collection Practice Act, any law dealing with the credit rating of any individual, and other applicable laws arising out of the acts or omissions of MCOA or its agents or employees. Conversely, THE MUNICIPALITY agrees to indemnify and hold MCOA harmless against any and all liability, costs and expenses including attorney fees, occasioned by the claims or suits for loss or damages arising out of the acts of THE MUNICIPALITY, its servants or employees.

Further, the MUNICIPALITY warrants and represents to MCOA that any debt listed for collection will be a legal and valid debt owed to the MUNICIPALITY; and in addition to the indemnities listed above, the MUNICIPALITY agrees to indemnify and hold MCOA harmless against any and all liability, costs, and expenses including attorneys' fees occasioned by claims or suits under the Federal "Fair Debt Collection Practices Act", due to the breach of these warranties and representations.

## ***ARTICLE VII***

This Agreement is for a period of 24 months from the date first above written, however, it shall continue under the same terms and conditions for additional one-year periods until termination by either party, by notice given in writing to the other party, at least sixty days prior to termination. MUNICIPALITY may terminate this Agreement for any reason, at any time during the initial term by providing at least sixty days prior notice.

However, in the event of any termination of the Agreement by either party, THE MUNICIPALITY shall have the option of requesting MCOA to continue any outstanding collection efforts on debts until the debt is either paid or determined to be uncollectible under the same terms of this Agreement.

## ***ARTICLE VIII***

At least once per year, MCOA will return to THE MUNICIPALITY such violations which it determines, in its sole judgment and discretion, to be uncollectible.

## ***ARTICLE IX***

Any notices to be given pursuant to this Agreement shall be deemed as served when placed in the United States Mail, with postage prepaid, sent by certified mail, return receipt requested; to the address designated, in writing, by either party. Until such time as a different address is designated notices shall be sent as follows:

If to MCOA,	Municipal Collections of America, Inc. 3348 Ridge Road Lansing, Illinois 60438
-------------	--

If to THE MUNICIPALITY,	Town of Bladensburg 4229 Edmonston Rd Bladensburg, MD 20710
-------------------------	---

## ***ARTICLE X***

This Agreement contains the entire agreement between the parties hereto and supersedes any prior agreements or understandings between the parties. This agreement may only be altered or modified by written instrument signed by both parties.

## ***ARTICLE XI***

This Agreement, or any right or interest under this Agreement, shall not be assigned, nor shall any work or obligation to be performed under this Agreement (an "assignment") be delegated, voluntarily, by operation of law or otherwise, without the parties' prior written consent. Any attempted assignment in contravention of this Section shall be void and ineffective. The terms of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the permitted respective successors and assigns of the parties hereto.

## ***ARTICLE XII***

This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland, without regards to conflicts of laws principles. The parties hereby irrevocably consent to the jurisdiction of the state and federal courts located in Prince George's County, Maryland, in any action arising out of or

relating to this Agreement and waive any other venue to which either party may be entitled by domicile or otherwise.

### ***ARTICLE XIII***

(a) This Agreement may be signed in counterparts, which together shall constitute one agreement. If this Agreement is signed in counterparts, no signatory hereto shall be bound until both parties named below have duly executed, or caused to be duly executed, a counterpart of this Agreement.

(b) The person signing on behalf of each party represents that he or she has the right and power to execute this Agreement.

### ***ARTICLE XIV***

This Agreement expresses the full and complete understanding of the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous proposals, agreements, representations and understandings, whether written or oral, with respect to the subject matter.

### ***ARTICLE XV***

If any part of this Agreement is ruled unenforceable or invalid, the remainder of the Agreement shall continue to be valid and deemed enforceable against the parties. In the event of a ruling of invalidity or unenforceability of any part of this Agreement, the parties shall work in good faith to modify the Agreement to effectuate the original intent of the parties.

### ***ARTICLE XVI***

(a) No waiver by a party of any breach shall be effective unless in writing, and no waiver shall be construed as a waiver of any succeeding breach, whether or not of the same or a different term or condition;

(b) This Agreement shall be construed as to its fair meaning and not strictly for or against either party.

(c) The headings hereof are descriptive only and not to be construed in interpreting the provisions hereof.

(d) Each party shall comply in all respects with all applicable legal requirements governing the duties, obligations, and business practices of that party and shall obtain any permits or licenses necessary for its operations. Neither party shall take any action in violation of any applicable legal requirement that could result in liability being imposed on the other party.

## ***ARTICLE XVII***

This Agreement may not be modified or amended except by written instrument executed by the parties hereto that explicitly refers to the amendment of this Agreement and that is signed by authorized representatives of both parties.

## ***ARTICLE XVIII***

The parties hereto are independent contractors, and nothing contained in this agreement is intended, and shall not be construed, to place the parties in a relationship of partners, principal and agent, employer/employee or joint venture. Unless otherwise specifically authorized herein, MCOA shall not have any right, power or authority to bind or obligate MUNICIPALITY.

IN WITNESS WHEREOF, the parties have signed and sealed this Agreement of the date first above written.

**MCOA**

**THE MUNICIPALITY**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE \_\_\_\_\_

TITLE \_\_\_\_\_

DATE: \_\_\_\_\_