



Agreement for Collection Services

THIS AGREEMENT, made and entered into on this _____ day of June in the year 2023 between **ADELA, INC** hereinafter called **COLLECTOR**, and **the CITY OF DIAMONDHEAD**, hereafter called **CLIENT**.

WHEREAS, **CLIENT** desires from time to time during the term of this Agreement to submit to **COLLECTOR** for collection certain claims, accounts, or other evidences of indebtedness, and

WHEREAS, **COLLECTOR** desires to provide **CLIENT** with collection services with respect to said claims, accounts, or other evidences of indebtedness.

NOW THEREFORE, for and in consideration of the mutual covenants hereinafter set forth, it is mutually agreed by and between the parties hereto that all actions taken by **CLIENT** and **COLLECTOR** pursuant to this Agreement shall be in accordance with the following Terms and Conditions

Terms and Conditions

- 1.0 All claims referred by **CLIENT** to **COLLECTOR** will be handled on a contingency fee basis with commission rates on all monies collected after claims are placed with **COLLECTOR** as follows:

COLLECTION FEES (as outlined in the Mississippi Code of 1972):

Accounts with address inside the State of Mississippi	25%
Accounts who live outside the State of Mississippi	50%
Accounts advancing to Legal status:	50%

No legal action will be taken on an account without written authorization of **CLIENT**. **CLIENT** will advance all court costs. All payments will be credited toward the court cost and remitted to **CLIENT** until paid before any payments are placed on the unpaid balance.

- 1.1 **COLLECTOR** shall remit a monthly statement, including monies collected and due to **CLIENT**. In addition, **COLLECTOR** will furnish collection activity reports to **CLIENT** at the end of each month.
- 1.2 After an account is referred to **COLLECTOR**, the **CLIENT** understands commission will be paid to **COLLECTOR** for any reduction in the balance of an account regardless of the source. **CLIENT** also agrees to report payments or balance reductions credited to the unpaid balance received in their office at least once a week. If an unreported payment is found through debtor contact, an additional fee of 15% will be added to the commission fee on that account. **CLIENT** agrees to periodically review payment reporting procedures with office personnel.
- 1.3 **COLLECTOR** agrees that all activities of service for **CLIENT** shall be carried out in compliance with all applicable federal, state, and local laws. **COLLECTOR** further agrees that all service activities shall be conducted peaceably and to only assign employees who are trained to the extent necessary to insure that all collection activities undertaken are, and will be, in full compliance with all local, state, and federal law.
- 1.4 **CLIENT** hereby warrants that all claims forwarded to **COLLECTOR** will be **valid and legally enforceable debts**, and **CLIENT** has complied with all applicable federal, state, and local laws with

_____ Initial

respect thereto prior to the referral of said claims to *COLLECTOR*. Further, *CLIENT* agrees to provide, when requested to do so by *COLLECTOR*, a written verification of a bad debt claim. Client warrants that none of the claims submitted by *CLIENT* to *COLLECTOR* are violative of the applicable statute of limitations.

- 1.5 Claims requiring legal action will be handled by *COLLECTOR* only with the prior authorization of *CLIENT*. *CLIENT* agrees to provide proof of claim of the debt and court cost. The first payments received on the debt shall be credited toward the *CLIENT*'S court costs to such time as the *CLIENT*'S court cost fees are reimbursed.
- 1.6 Compromise settlements will not be made on accounts without prior approval of *CLIENT*.
- 1.7 *CLIENT* agrees to discontinue the mailing of monthly statements from their office to prevent debtor confusion. *CLIENT* further agrees to notify *COLLECTOR* immediately upon receipt of any and all correspondence pertaining to a referred account including but not limited to **bankruptcy notices, attorney letters, dispute letters, insurance rejections, or similar matters of importance.**
- 1.8 An account cannot be recalled if an account is in legal status which includes a filing for judgment or garnishment.
- 1.9 *COLLECTOR* agrees to indemnify, defend and hold *CLIENT* harmless from any and all losses, damages, claims and/or causes of action for any kind or character arising out of or relating to any service or collection activity performed by or at the direction of *COLLECTOR*. *CLIENT* agrees to indemnify, defend and hold *COLLECTOR* harmless from any and all losses, damages, claims and/or causes of action as a result of any action or lack of action taken by the *CLIENT* pertaining to any and all claims referred to *COLLECTOR* for the purpose of recovering delinquent debts.
- 1.10 *COLLECTOR* agrees not to disclose any information on accounts referred to collection by the *CLIENT* to any third party and agrees to require all of its employees not to disclose such information, with the exception of submitting account information to a credit reporting agency in order for the past due debt to be placed on the consumer's credit file. In addition, *COLLECTOR* will not disclose information about the *CLIENT* to a third party without express permission of the *CLIENT*.
- 1.11 *COLLECTOR* agrees to provide insurance coverage for its collection activities contemplated by this Agreement. This provision shall survive any termination of this Agreement.
- 1.12 *COLLECTOR* agrees to obtain all necessary licenses or other approval from any and all agencies, boards, officials, departments, or other government or regulatory bodies in any jurisdiction, which *COLLECTOR* engages in collection activities.
- 1.13 This contract will be in force for a period of three (3) years from the date the contract was executed and shall thereafter be automatically renewed for successive three (3) year periods upon the anniversary date of the signing. *COLLECTOR* acknowledges that the contract must be ratified by any newly seated Council. In the event the new council does not ratify and wishes to terminate the contract, a written notification of intention to not renew the contract must be received by

ADELA AGENCY

Collection Contract

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COLLECTOR at least 60 days prior to the renewal date. CLIENT understands that COLLECTOR will retain any accounts which have payment arrangement in place at the time of termination of contract. All accounts withdrawn may be subject to a 4% fee for account processing and work performed in the attempt to collect the account.

- 1.14 It is understood and agreed that *COLLECTOR'S* services are made available and provided as an "independent contractor" only, and that *CLIENT* does not engage or appoint *COLLECTOR* as its employee in connection with such services.
- 1.15 By signing this agreement, *CLIENT* also consents to *COLLECTOR* communicating with *CLIENT* by fax, email, or any other form of delivery of written communications. *COLLECTOR* hereby consents to the same from *CLIENT*.
- 1.16 This Agreement shall be governed by the laws of the State of Mississippi and the forum for any contest or enforcement hereof shall be Forrest County, Mississippi.
- 1.17 Should the *CLIENT* elect to terminate this agreement, then the *COLLECTOR* shall be entitled to recover any and all funds expended by it for the postage, fees, or any other expense incurred by *COLLECTOR* in the collection of any and all claims, accounts, or other evidences of indebtedness.

THIS AGREEMENT, Consists of 3 pages including the **TERMS AND CONDITIONS**, and constitutes the entire Agreement between the parties hereto and cannot be amended, modified or canceled in any respect except by an amendment in writing signed by both parties.

CITY OF DIAMONDHEAD

By: _____

Print: _____

Title: _____

By: _____

Print: _____

Title: _____

Address: 5000 Diamondhead Circle
Diamondhead, MS 39525

Telephone: **228-222-5506**

Contact Person: Jeannie Klein, Municipal Clerk

Telephone: _____

Email: _____

Phys Add: same as above

ADELA, INC

By: _____

Print: Karan R. McGee

Title: President

P.O. Box 1745, Hattiesburg, MS 39403

601-583-5445 Lacy Young, operations

601-583-5494. Fax

601-606-7940 Karan McGee

Emails:

Billing, listing, or account questions:

operations@adelainc.com

Other questions: karan@adelainc.com

_____Initial