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## Sequoia Financial Services Collection Agreement

This Agreement is made and entered into this 27 day of January, 2026, by and between Sequoia Concepts, Inc., dba Sequoia Financial Services, hereinafter referred to as “**Sequoia**”, a Collection Agency incorporated in the State of California, and Housing Authority of the City of Needles hereinafter referred to as “**Client**”.

### I. BACKGROUND INFORMATION

#### A. Assignment of Debtor Accounts

Client is desirous of retaining the professional services of Sequoia for the collection of its accounts receivable.

#### B. Collection Services

Sequoia is willing to provide collection services for the accounts that may be referred by Client according to the terms, conditions and charges referred to within this Agreement.

### II. AGREEMENT

#### A. Responsibilities of Client

##### 1. Debtor File Documentation

Client agrees to provide to Sequoia all file documentation, when available, as is ordinarily necessary to properly exercise collection activity for account(s). Additionally, Client agrees to promptly expedite all requests from Sequoia to provide additional information as may be necessary from time to time to further the collection activity on said account(s).

##### 2. Payment Notification

Client agrees to promptly advise Sequoia of all payments made directly to Client that relate to all accounts referred to Sequoia.

##### 3. Phone Inquiries and Correspondence

Client agrees to refer all phone calls and correspondence received from debtors and/or related third party to Sequoia pertaining to those accounts that have been referred to Sequoia for handling.

4. Legal Proceedings

- a. Client agrees to promptly respond to Sequoias' requests for authorization on all accounts being recommended for litigation by Sequoia and to forward any additional documentation that may be requested in order to proceed with authorized legal proceedings.
- b. In the event that Sequoia advances court costs for litigation and, thereafter, Client requests that legal proceedings be terminated, Sequoia shall be reimbursed by Client for the expended legal fees and court costs on said account and in addition Sequoia shall have a lien on any future collections to the extent of services rendered, but not less than 20% of the assigned amount.
- c. Client agrees to, when necessary, furnish to Sequoia a witness for all trials, mediations, arbitrations and hearings as needed, in addition to providing any and all declarations and documents necessary for litigation.
- d. Client warrants that none of the claims assigned to Sequoia hereunder, have been assigned to other collection agencies, attorneys or other third party debt collectors, unless such prior assignments have been terminated and reassigned to Client. Any monies received by a prior third party debt collector for accounts assigned to Sequoia hereunder, shall be deemed to be direct payments to Client for which Sequoia shall be entitled to its full fee.

B. Responsibilities of Sequoia

1. Collection Services

Sequoia agrees to accept all accounts assigned by Client under the terms, conditions and charges referred to within this Agreement. Sequoia will use due diligence and employ such lawful means, methods and procedures as Sequoia, in its judgment, discretion and experience, believe will best effect the collection of all accounts assigned. Sequoia adheres to the Federal Fair Debt Collection Practices Act (15 U.S.C.A. Sections 1601 et. seq.), any regulations or rules promulgated pursuant thereto, and all other applicable laws, rules and regulations, whether federal, state or local.

2. Insurance Coverage

Sequoia agrees to maintain Liability and Errors & Omissions Insurance in the amount of \$1,000,000 to protect Client against any neglect, error, or omission that may result from Sequoia's activities as a collection agency.

Commercial general liability insurance in an amount of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate; Sequoia agrees to have its insurer endorse the general liability coverage required herein to include as additional insured's City, its officials, employees and agents. Sequoia also agrees to require

all contractors and subcontractors to provide the same coverage required under this Section.

Workers' Compensation insurance for any of Sequoia's employees that will be providing any Services hereunder. Sequoia will have a state-approved policy form providing statutory benefits as required by California law. The provisions of any Workers' Compensation insurance will not limit the obligations of Sequoia under this Agreement. Sequoia expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents.

Errors and omissions insurance in a minimum amount of \$2 million per occurrence to cover any negligent acts or omissions committed by Sequoia, its employees and/or agents in the performance of any Services for City.

Liability Insurance REQUIRED IF CHECKED HERE ONLY  (Technology Professional Liability – Errors and Omissions), with limits not less than \$2,000,000 per occurrence or claim, and \$2,000,000 aggregate or the full per occurrence limits of the policies available, whichever is greater. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Sequoia in this Agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations. Sequoia will file with City, before beginning professional services, certificates of insurance (Acord Form 25 or equivalent) satisfactory to City evidencing.

C. Terms, Conditions, and Charges

1. Commission

Client agrees to pay a fee to Sequoia on all monies collected, subsequent to the date assigned as of the date of this Agreement.

- a. The following is the commission rate structure for Client assigned under this Agreement:
  - i. A fee of 25% will be charged for collection of any portion of the assigned claim prior to filing suit.
  - ii. A fee of 35% after suit is filed. (Legal Action)
- b. Sequoia is entitled to receive commission on the full recovery regardless of the dollar amount actually assigned by Client, whether the recovery is less than or greater than the assignment amount.

- c. Both parties mutually agree that in the event a payment is made directly to Client, Sequoia will be entitled to the commission fees described above.

2. Settlement Authorization

Client hereby authorizes Sequoia to settle any account assigned to a maximum of seventy five percent (75%) of the principal balance, which is a twenty five percent (25%) reduction. Any settlement for an amount greater than 25% reduction requires prior written consent by Client. Sequoia will make every effort on all accounts assigned by Client to recover the full amount of the principal balance due from the debtor.

3. Remittance Advice/Invoice

- a. Sequoia will remit to Client on a monthly basis.
- b. Sequoia shall have the right to endorse for deposit and collection all remittances received in the name of Client on accounts assigned to Sequoia and to deduct from such remittance its authorized commission.
- c. If at the time of Sequoia's monthly remittance Client is indebted to Sequoia, Client agrees to allow Sequoia to offset (deduct) said indebtedness from the amount of the remittance.

4. Legal Proceedings

- a. Sequoia agrees to file suit only upon receipt of written authorization from Client for suit authorization.
- b. Sequoia will advance all court costs and attorney fees in the event suit is filed. It is agreed by both parties that Sequoia will be allowed to withhold first monies received to offset court costs advanced by Sequoia.

5. Interest and Attorney fees

Sequoia will compute interest on all accounts assigned for collection at an interest rate currently allowed by law. All interest and attorney fees collected will be retained by Sequoia whether pre-judgment or post judgment. Interest and attorney fees will only be retained by Sequoia after the principal balance assigned has been collected.

6. Credit Reporting

Sequoia will list with member credit reporting agencies all accounts that are referred for direct collection based on applicable laws and criteria that may be set by Client.

7. Mutual Indemnification

Sequoia agrees to defend, indemnify and hold Client harmless of and from any and all claims, actions, causes of action, losses or damages based upon acts of omissions of Sequoia, its employees or agents (other than acts undertaken by Sequoia in good faith based specifically upon information provided by Client to Sequoia). Client agrees to defend, indemnify and hold Sequoia harmless of and from any and all claims, actions, causes of action, losses or damages based upon acts or omissions are alleged to have occurred before or after the assignment to Sequoia.

Each party shall be responsible for its own acts and omissions in connection with this Agreement. Neither Sequoia nor Client shall be required to defend, indemnify, or hold harmless the other party from or against any claims, damages, losses, liabilities, costs, or expenses arising out of or resulting from that other party's negligence or willful misconduct.

8. Term and Termination

No account(s) may be withdrawn during the first 180 days after assignment without the consent of Sequoia.

This agreement shall continue in effect for 2 years, unless earlier terminated by either party, with or without cause, upon sixty (60) days' written notice to the other party ("Term"). In the event of termination, Sequoia is entitled to maintain and continue collection activity under the terms, conditions and charges of this Agreement on all accounts assigned prior to termination or otherwise be entitled to full commission compensation from Client for accounts in a paying, promise to pay or legal status.

9. Severability

The invalidity of any provision of this Agreement will not affect the validity of any other provision.

10. Governing Law

The laws of the State of California will govern the interpretation and enforcement of this Agreement. In the event that any litigation is commenced between the parties arising out of or relating to this Agreement, such litigation shall be brought exclusively in the state or federal courts located within San Bernardino County, California, and the parties hereby consent to the personal jurisdiction and venue of such courts.

11. Dispute Resolution Procedure

In lieu of litigation, Client and Sequoia agree that any dispute that cannot be resolved by negotiation between parties shall be submitted to arbitration with

and pursuant to the Rules of the Los Angeles County Bar Association or such other arbitration rules as may be mutually agreed upon by the parties, with the arbitration to be conducted in San Bernardino County, California. . Each party agrees to submit to such arbitration, to participate in the arbitration hearing, and to pay one-half of the costs and expenses as charged by the Association for such arbitration. The award of the arbitrators shall be final, non-appealable, and binding, and may be enforced by petition to the Superior Court of the State of California. The parties stipulate and submit to venue in the County of San Bernardino, California. This agreement to arbitrate shall be specifically enforceable in accordance with the laws of the State of California.

12. Modification and Effect

This Agreement contains the entire understanding of the parties and will be modified only by written document signed by each party. This Agreement expressly supersedes any agreement Sequoia may have with Client and such agreements will automatically terminate upon execution of this Agreement.

Agreed To By:

Client: Housing Authority of the City of Needles

Name/Title(Print): Patrick Martinez, Executive Director

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Sequoia Concepts Inc., dba Sequoia Financial Services  
28632 Roadside Drive, Suite 110  
Agoura Hills, CA 91301

Name/Title(Print): \_\_\_\_\_

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_