

CONTRACT FOR SERVICES

THIS AGREEMENT ("Agreement") is made and entered into this 02 day of April, 2026, by and between the CITY OF MANTECA, a municipal corporation of the State of California (hereinafter referred to as "CITY"), and Cedars Business Services, LLC (hereinafter referred to as "CONSULTANT")

Cedars Business Services, LLC
Consultant

5230 Las Virgenes Road, Calabasas CA 91302
Suite 210

MAILING ADDRESS CITY STATE ZIP

California state-issued collection agency license number for **Cedars Business Services, LLC** is **10866-99**

CONSULTANT'S STATE LICENSE CLASSIFICATION & NUMBER (if required)
hereinafter referred to as "Consultant".

WITNESSETH:

A. WHEREAS, CITY desires to enter into this Agreement for services for Debt Collection Services.

B. WHEREAS, CITY desires to retain CONSULTANT to provide these services by reason of its qualifications, applicable license(s), and experience for performing such services, and CONSULTANT has offered to provide the required services on the terms and in the manner set forth herein.

NOW, THEREFORE, in consideration of their mutual covenants, the parties hereto agree as follows:

AGREEMENT

1. SCOPE OF SERVICES:

A. Consultant shall do all work, attend all meetings, produce all reports and carry out all activities necessary to completion of the services described in **Exhibit "A"**. This Contract and its exhibits shall be known as the "Contract Documents." Terms set forth in any Contract Document shall be deemed to be incorporated in all Contract Documents as if set forth in full therein. In the event of conflict between terms contained in these Contract Documents, the more specific term shall control. If any portion of the Contract Documents shall be in conflict with any other portion,

ATTACHMENT 1

provisions contained in the Contract shall govern over conflicting provisions contained in the exhibits to the Contract. To eliminate doubt, in the case of conflict between Consultant's proposal or Consultant's attachments and the City's Contract and attachments, the City's Contract and attachments shall take precedence over Consultant's proposal and attachments.

B. Consultant enters into this Contract as an independent contractor and not as an employee of the City. The Consultant shall have no power or authority by this Contract to bind the City in any respect. Nothing in this Contract shall be construed to be inconsistent with this relationship or status. All employees, agents, contractors or subcontractors hired or retained by the Consultant are employees, agents, contractors or subcontractors of the Consultant and not of the City. The City shall not be obligated in any way to pay any wage claims or other claims made against Consultant by any such employees, agents, contractors or subcontractors, or any other person resulting from performance of this Contract.

C. The Consultant agrees it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Contract is based on such independent investigation and research.

2. TERM OF CONTRACT

A. The services of Consultant are to commence upon execution of this Agreement and shall be completed and this Contract terminated on 04/01/2031, unless otherwise extended in writing by the mutual agreement of both parties.

B. The City Manager or his or her designee may, by written instrument signed by the Parties, extend the duration of this Contract in the manner provided in Section 5, provided that the extension does not require the payment of compensation in excess of the maximum compensation set forth in Section 3, Compensation.

3. COMPENSATION:

A. The Consultant shall be paid in accordance to the attached Payment Schedule in **Exhibit "C"**. Consultant charges separately for certain costs incurred in the representation, as well as for any disbursements to third parties made on City's behalf. Such costs and disbursements include, for example, the following: mileage (at the IRS rate in effect at the time the travel occurs), overnight delivery and messenger services. Consultant shall be reimbursed for expenses related to travel, for example (flights, hotels, meals). However, Consultant shall not make travel arrangements or incur costs on behalf of City without prior written authorization to incur said expenses and in no event shall total compensation under this Contract exceed **25% contingency (accounts under 1 year aged) 33% contingency (accounts over 1 year aged)**, without City's prior written approval.

B. Said amount shall be paid upon submittal of monthly billings showing completion of the tasks that month. Consultant shall furnish City with invoices for all expenses as well as for all materials authorized by this Contract. The invoices shall be submitted with the monthly billings.

C. If the work is halted at the request of the City, compensation shall be based upon the proportion that the work performed bears to the total work required by this Contract, subject to Section 4.

4. TERMINATION:

A. This Contract may be terminated by either party, provided that the other party is given not less than thirty (30) calendar days' written notice (delivered by registered mail) of intent to terminate.

B. The City may temporarily suspend this Contract, at no additional cost to City, provided that the Consultant is given written notice (delivered by certified mail, return receipt requested) of temporary suspension. If City gives such notice of temporary suspension, Consultant shall immediately suspend its activities under this Contract.

C. Notwithstanding any provisions of this Contract, Consultant shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of this Contract by Consultant, and the City may withhold any payments due to Consultant until such time as the exact amount of damages, if any, due the City from Consultant is determined.

D. In the event of termination, the Consultant shall be compensated as provided for in this Contract, except as provided in Section 4C. Upon termination, the City shall be entitled to all work, including but not limited to, appraisals, inventories, studies, analyses, drawings and data estimates performed to that date in accordance with Section 7 hereof.

5. AMENDMENTS, CHANGES OR MODIFICATIONS:

Amendments, changes or modifications in the terms of this Contract may be made at any time by mutual written agreement between the parties hereto and shall be signed by the persons authorized to bind the parties hereto.

6. EXTENSIONS OF TIME:

Consultant may, for good cause, request extensions of time to perform the services required hereunder. Such extensions shall be authorized in advance by the City in writing and shall be incorporated in written amendments to this Contract in the manner provided in Section 5.

7. PROPERTY OF CITY:

A. It is mutually agreed that all materials prepared by the Consultant under this Contract shall become the property of the City, and the Consultant shall have no property right therein whatsoever. Immediately upon termination, the City shall be entitled to, and the Consultant shall deliver to the City, all data, drawings, specifications, reports, estimates, summaries and other such materials as may have been prepared or accumulated to date by the Consultant in performing this Contract which is not Consultant's privileged information, as defined by law, or Consultant's personnel information, along with all other property belonging exclusively to the City which is in the Consultant's possession.

B. Additionally, it is agreed that the parties intend this to be a contract for services and each considers the products and results of the services to be rendered by Consultant hereunder (the "Work") to be a work made for hire. Consultant acknowledges and agrees that the Work (and all rights therein, including, without limitation, copyright) belongs to and shall be the sole and exclusive property of the City.

8. COMPLIANCE WITH ALL LAWS:

A. Consultant shall comply with all applicable laws, ordinances, and codes of federal, State and local governments, and shall commit no trespass on any public or private property in performing any of the work authorized by this Contract. It shall be City's responsibility to obtain all rights of way and easements to enable Consultant to perform its services hereunder. Consultant shall assist City in providing the same.

B. Consultant warrants to the City that it is licensed by all applicable governmental bodies to perform this Contract and will remain so licensed throughout the progress of the Work, and that it has, and will have, throughout the progress of the Work, the necessary experience, skill and financial resources to enable it to perform this Contract.

9. WARRANTIES AND RESPONSIBILITIES - CONSULTANT:

A. Consultant agrees and represents that it is qualified to properly provide the services set forth in **Exhibit "A"** in a manner which is consistent with the generally accepted standards of Consultant's profession.

B. Consultant agrees and represents that the work performed under this Contract shall be in accordance with applicable federal, State and local law in accordance with Section 17A hereof.

C. Consultant shall designate a project manager who at all times shall represent the Consultant before the City on all matters relating to this Contract. The project manager shall continue in such capacity unless and until he or she is removed at the request of the City, is no longer employed by Consultant, or is replaced with the written approval of the City, which approval shall not be unreasonably withheld.

D. Consultant shall provide corrective services without charge to the City for services which fail to meet the above professional and legal standards and which are reported to Consultant in writing within sixty (60) days of discovery. Should Consultant fail or refuse to perform promptly its obligations, the City may render or undertake performance thereof and the Consultant shall be liable for any expenses thereby incurred.

10. SUBCONTRACTING:

None of the services covered by this Contract shall be subcontracted without the prior written consent of the City, which will not be unreasonably withheld. Consultant shall be as fully responsible to the City for the negligent acts and omissions of its contractors and subcontractors, and of persons either directly or indirectly employed by them, as it is for the negligent acts and omissions of persons directly employed by Consultant.

11. ASSIGNABILITY:

Consultant shall not assign or transfer any interest in this Contract whether by assignment or novation, without the prior written consent of the City which will not be unreasonably withheld. However, claims for money due or to become due Consultant from the City under this Contract may be assigned to a financial institution, or to a trustee in bankruptcy, without such approval. Notice of any assignment or transfer whether voluntary or involuntary shall be furnished promptly to the City.

12. INTEREST IN CONTRACT:

Consultant covenants that neither it, nor any of its employees, agents, contractors, subcontractors has any interest, nor shall they acquire any interest, direct or indirect, in the subject of the Contract, nor any other interest which would conflict in any manner or degree with the performance of its services hereunder. Consultant shall make all disclosures required by the City's conflict of interest code in accordance with the category designated by the City, unless the City Manager determines in writing that Consultant's duties are more limited in scope than is warranted by the category designated by the City code and that a narrower disclosure category should apply. Consultant also agrees to make disclosure in compliance with the City conflict of interest code if, at any time after the execution of this Contract, City determines and notifies Consultant in writing that Consultant's duties under this Contract warrant greater disclosure by Consultant than was originally contemplated. Consultant shall make disclosures in the time, place and manner set forth in the conflict of interest code and as directed by the City.

13. MATERIALS CONFIDENTIAL:

All of the materials prepared or assembled by Consultant pursuant to performance of this Contract are confidential and Consultant agrees that they shall not be made available to any individual or organization without the prior written approval of the City, except by court order.

14. LIABILITY OF CONSULTANT-NEGLIGENCE:

Consultant shall be responsible for performing the work under this Contract in a manner which is consistent with the generally-accepted standards of the Consultant's profession and shall be liable for its own negligence and the negligent acts of its employees, agents, contractors and subcontractors. The City shall have no right of control over the manner in which the work is to be done but only as to its outcome and shall not be charged with the responsibility of preventing risk to Consultant or its employees, agents, contractors or subcontractors.

15. INDEMNITY AND LITIGATION COSTS:

To the fullest extent permitted by law, Consultant shall indemnify, defend, and hold harmless the City, its officers, officials, agents, and employees against all claims, damages, demands, liability, costs, losses and expenses, including without limitation court costs and reasonable attorneys' fees, arising from Consultant's negligent acts or negligent failure to act, errors, omissions or willful misconduct incident to the performance of this Contract except such loss or damage caused solely by the active negligence, sole negligence, or willful misconduct of the City. The provisions of this paragraph shall survive termination or suspension of this Contract.

16. CONSULTANT TO PROVIDE INSURANCE:

A. Consultant shall not commence any work before obtaining, and shall maintain in force at all times during the duration and performance of this Contract, the policies of insurance specified in this Section. Such insurance must have the approval of the City as to limit, form, and amount, and shall be placed with insurers with a current A.M. Best's rating of no less than A VII (an NR rating is acceptable for Worker's Compensation insurance written with the State Compensation Insurance Fund of California).

ATTACHMENT 1

B. Prior to execution of this Contract and prior to commencement of any work, the Consultant shall furnish the City with certificates of insurance and copies of endorsements providing evidence of coverage for all policies required by the Contract. The Consultant and its contractors and subcontractors shall, at their expense, maintain in effect at all times during the performance of work under the Contract not less than the following coverage and limits of insurance, which shall be maintained with insurers and under forms of policy satisfactory to the City. The maintenance by Consultant and its contractors and subcontractors of the following coverage and limits of insurance is a material element of this Contract. The failure of Consultant or of any of its contractors or subcontractors to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of this Contract. Approval of the insurance by the City shall not relieve or decrease any liability of Consultant.

1. Commercial General Liability Insurance.

a. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than two million dollars (\$2,000,000) per occurrence and four million dollars (\$4,000,000) minimum limit for general aggregate for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. Consultant's general liability policies shall be primary and shall not seek contribution from the City's coverage, and be endorsed using Insurance Services Office form CG 20 10 (or equivalent) to provide that City and its officers, officials, employees, and agents shall be additional insureds under such policies. For construction projects, an endorsement providing completed operations coverage for the additional insured, ISO form CG 20 37 (or equivalent), is also required.

b. Any failure to comply with reporting provisions of the policies by Consultant shall not affect coverage provided the City.

c. Coverage shall state that Consultant insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

d. Coverage shall contain a waiver of subrogation in favor of the City.

2. *Automobile Liability.* If the vehicles are brought onto city facilities, covering any auto, or of Contractor has no owned autos, hired, and non-owned autos, the Contractor shall maintain automobile liability with limits no less than one million dollars (\$1,000,000) minimum limit per accident for bodily injury and property damage.

3. *Workers' Compensation and Employers' Liability.* Consultant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance with limits of at least one million dollars (\$1,000,000). Consultant shall submit to City, along with the certificate of insurance, a waiver of subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

4. *Professional Liability.* Consultant shall maintain professional liability insurance that insures against professional errors and omissions that may be made in performing the Services to be rendered in connection with this Agreement, in the minimum amount of two million dollars (\$2,000,000) per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement, and Contractor agrees

ATTACHMENT 1

to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

5. All Coverages.

a. Each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or reduced in limits except after thirty (30) days' prior written notice has been given to the City, except that ten (10) days' prior written notice shall apply in the event of cancellation for nonpayment of premium.

b. All self-insurance, self-insured retentions, and deductibles must be declared and approved by the City.

c. Evidence of Insurance - Prior to commencement of work, the Consultant shall furnish the City with certificates, additional insured endorsements, and waivers of subrogation evidencing compliance with the insurance requirements above. The Consultant must agree to provide complete, certified copies of all required insurance policies if requested by the City.

d. Acceptability of Insurers - Insurance shall be placed with insurers admitted in the State of California and with an A.M. Best rating of A- VII or higher.

e. Subcontractors and Consultants - A category of risk and the applicable insurance requirements will be determined on a "per subcontractor" or "per consultant" basis, considering the particular work to be done by the subcontractor or consultant and the interrelationship of that work to other work being conducted by the Consultant.

6. No other provision of this Agreement or any attachment thereto shall reduce the insurance or indemnity obligations imposed under this Section.

A. In addition to any other remedy the City may have, if Consultant fails to maintain the insurance coverage as required in this Section, the City may obtain such insurance coverage as is not being maintained, in form and amount substantially the same as is required herein, and the City may deduct the cost of such insurance from any amounts due or which may become due Consultant under this Contract.

B. No policy required by this Contract shall be suspended, cancelled, terminated by either party, or reduced in coverage or in limits unless Consultant has provided thirty (30) days prior written notice by certified mail, return receipt requested, to the City.

C. Any deductibles or self-insured retentions in excess of \$10,000 must be declared to, and approved by, the City.

D. The requirement as to types, limits, and the City's approval of insurance coverage to be maintained by Consultant are not intended to, and shall not in any manner, limit or qualify the liabilities and obligations assumed by Consultant under the Contract.

A. City of Manteca shall, subject to all requirements of law:

- Write authorizations for settlements on claims, in its sole discretion.
- Provide the Consultant with a list of outstanding receivables.
- Provide referrals and supply the necessary account information to the Consultant

- necessary as needed to effect recovery of each account.
- Notify the Consultant if efforts need to be ceased on accounts that are recalled.
- Notify Consultant to reactivate and continue collection efforts when appropriate.
- Request inventory listing, cancellation reports, history reports and dispute-resolution.
- Provide Consultant with information on direct pays within a week or less for any account held with Consultant.

17. MISCELLANEOUS PROVISIONS:

A. Compliance with Laws. Consultant shall keep itself fully informed of, shall observe and comply with, and shall cause any and all persons, firms or corporations employed by it or under its control to observe and comply with, applicable federal, state, county and municipal laws, ordinances, regulations, orders and decrees which in any manner affect those engaged or employed on the work described by this Contract or the materials used or which in any way affect the conduct of the work.

B. Unlawful Acts. Consultant shall not engage in unlawful employment discrimination. Such unlawful employment discrimination includes, but is not limited to, employment discrimination based upon a person's race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, gender, citizenship, or sexual orientation.

C. Record Retention. Consultant shall maintain and make available for inspection by the City and its auditors accurate records of all of its costs, disbursements and receipts with respect to any work under this Contract. Such inspections may be made during regular office hours at any time until six (6) months after the final payments under this Contract are made to the Consultant.

D. Notice. All notices that are required to be given by one party to the other under this Contract shall be in writing and shall be deemed to have been given if delivered personally or enclosed in a properly addressed envelope and deposited in a United States Post Office for delivery by registered or certified mail addressed to the parties at the following addresses:

City:

Blanca Perry
Administrative Assistant
City of Manteca- Finance Dept.
1001 W. Center St.
Manteca, CA 95337

Consultant:

Patrick Miller
Director of Development & Solutions
Cedars Business Services, LLC
5230 Las Virgenes Road, Suite 210
Calabasas, CA 91302
(214) 307-4227 / (757) 560-5801 (mobile)
pmiller@cedarfinancial.com

E. Governing Law and Venue. This Contract shall be interpreted and governed by the laws of the State of California, and any legal action relating to this Contract shall take place in the Superior Court, County of San Joaquin.

ATTACHMENT 1

F. Waiver. Waiver of any breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach or default of the same or any other provision under this Contract.

G. Severability. If any provision of this Contract is held to be invalid, illegal or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Contract shall continue in full force and effect.

H. Mediation. In the event of any controversy or claim arising out of or relating to this Agreement or the Services provided by Consultant (each referred to as a “Dispute” and all collectively referred to as the “Disputes”), the Parties shall try to resolve all Disputes through good faith, direct discussions involving the representatives of each Party who possess the necessary authority to resolve such Dispute. If direct discussions are unsuccessful in resolving a Dispute, the Parties shall endeavor to resolve the matter by mediation through and administered by JAMS or its successor in interest. JAMS shall provide the parties with the name of five (5) qualified mediators. Each party shall have the option to strike two of the five mediators selected by JAMS, and thereafter the mediator remaining shall hear the dispute. If the dispute remains unresolved after mediation, either party may commence litigation.

I. Costs and Attorney' Fees. If either party commences any legal action against the other party arising out of this Agreement or the performance thereof, the prevailing party in such action may recover its reasonable litigation expenses, including court costs, expert witness fees, discovery expenses, and attorneys' fees.

J. Entire Agreement. This Contract constitutes the entire agreement between the parties relative to the services specified herein and no modification hereof shall be effective unless and until such modification is evidenced by a writing signed by both parties to this Contract. There are no understandings, agreements, conditions, representations, warranties or promises, with respect to this Contract, except those contained in or referred to in the writing.

K. Execution. This Contract may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy has been signed by both parties.

L. Authority to Enter Agreement Consultant warrants that it has all requisite power and authority to conduct its business and to execute, deliver, and perform this Contract. Each party warrants to the other that the signature to this Contract have the legal power, right, and authority to enter into this Contract and to bind each party.

CITY OF MANTECA

By: _____
Toni Lundgren, City Manager

ATTACHMENT 1

ATTEST:

By: _____
Cassandra Candini-Tilton, City Clerk

APPROVED AS TO FORM:

By: _____
Kousha Mckeenejad, Deputy City Attorney

CONSULTANT

By: 
Title: Patrick Miller, Director of Government
Development & Solutions

EXHIBIT A

Consultant Proposal/Scope of Work

A. The Consultant shall provide debt collection services as described below:

1. Perform skip-tracing abilities at the state level.
2. Possess credit report accounts nationwide.
3. Possess a valid California business license.
4. Maintain current certificates of insurance covering professional liability and worker's compensation. Upon request from City or Manteca, the Consultant shall provide certificates of coverage.

B. Consultant shall perform services in accordance with all applicable state and federal laws which include but are not limited to the: Fair Credit Billing Act; Federal Equal Credit Opportunity Act; federal Fair Debt Collection Practices Act; state Rosenthal Fair Debt Collection Practices Act; and Regulation B, as amended, of the Consumer Credit Protection Act. Consultant shall adopt procedures and practices to ensure City of Manteca compliance with the Accounts Receivable Management Act.

1. Consultant shall provide full-service collection to include, but not be limited to, written correspondence and telephonic means of collection.
2. Consultant shall provide fully computerized office services, not merely an account card service, which shall include:
 - Reporting to credit bureaus electronically
 - Using an automated direct dialer system.
 - Storage of all documents on a computer.
 - Backing up data to a secure server.
 - Working directly from the computerized system.
 - In collaboration with City of Manteca, Consultant shall establish a secure, timely, and efficient transfer of account information. Any electronic exchange of information shall be via an approved method mutually agreed upon by the City of Manteca and the Consultant.
3. Consultant shall maintain a database accessible to City of Manteca with real-time information and data regarding collection accounts.

4. The database shall be formatted in such a manner that the screens are printable, and the data is exportable.

5. The Consultant shall notify City of Manteca of any changes via email to IT accessibility and/or compatibility within ten (10) business days.

- Consultant shall not release personal information and shall safeguard the information from disclosure. The Consultant is liable and shall be held accountable by City of Manteca for inappropriate use or disclosure of personal information.

6. The Consultant shall implement the following debt collection processes when providing services under this Agreement:

a. Collection Process:

- After the initial telephone/dialer contact, the account is transferred to a collector with an automatically generated credit report, based upon pre-determined account criteria.
- Collectors shall make contact attempts approximately every three (3) to ten (10) business days; depending on propensity to pay score, until contact is made. If no contact is made, skip-tracing begins. If no phone number is available (within City of Manteca media/data), skip-tracing begins immediately after assignment to contact the debtor.
- When contact is made, the Consultant shall request that the debtor make a payment towards the full balance. If the debtor is unable to pay the amount owed, all demographics and financial history are sought to determine ability to pay.

b. Skip-Tracing Process:

- The Consultant shall perform skip-tracing, employment and income verification, and property search services. The Consultant's services shall include, but are not limited to the following:
 - The Consultant shall utilize standard tools, such as credit reports from all three (3) major credit bureaus (Equifax, Experian, and Trans-Union), crisscross books, reconciling information from cable companies, and other entities, as well as matching it to the Consultant's debtor account database.
 - The Consultant shall have and retain records which include information on debtors' property ownership, marriages, divorces, probates, name changes, and criminal indexes.
 - The Consultant shall update current database(s) quarterly. Updated information shall include the following if applicable:

1. Real Estate by Situs & Alpha for specific states
2. UCC filings
3. Fictitious files
4. Crisscross phone and address for the continental United States
 5. Corporate status
 6. BOE

c. Cancellations:

- After extensive collection activities and all skip-tracing efforts have been exhausted, the account will be given a final management review by the Consultant. The Consultant's management staff will review all accounts, in order to verify that every effort has been made and the debtor has no assets to justify a lawsuit for balances of Ten Thousand dollars (\$10,000.00) or higher. The Consultant's management staff may return the account to the Consultant's collection staff after the instructive management review where the collector will continue to perform additional specific work, if necessary.
- The Consultant shall immediately cease efforts on recalled accounts upon request of City of Manteca. The Consultant shall cancel and pull the account from the collection process and submit a "Client Cancellation Acknowledgement Report" electronically to City of Manteca.
- The Consultant shall continue to skip-trace inactive accounts quarterly in order to re- establish contact or locate assets. The Consultant shall possess computer systems adequate for the storage and retrieval of all accounts (both active and inactive).
- At the time of closure, the Consultant shall return all debt collection files to City of Manteca, unless otherwise instructed by City of Manteca, and remove the delinquent account from national credit reporting. Once a debtor's account has been cancelled, City of Manteca may choose, after review, to re-activate and continue collection efforts.

d. Procedures and Timelines Used to Process Claims:

- Once City of Manteca has made its referrals and supplied the necessary account information to the Consultant, including when available; the debtor's social security number (SSN), the Consultant shall use its federally mandated first notice, which shall be sent to each debtor. Media/data format from City of Manteca may be hard copy or electronic download. An initial telephone call and/or telephone contact shall be made for each delinquent account as a first attempt for a possible quick resolution. Between one (1) to five (5) business days after City of Manteca has made its referral, each referred account shall have a minimum of one (1) notice and one (1) telephone call contact or attempted contact.

e. Required Reports:

Consultant shall provide reports that capture information as described below and combine all accounts into one (1) cumulative list.

- Monthly Activity Report: The Consultant shall provide monthly activity reports to City of Manteca. The monthly activity report shall provide information including, but not limited to, an account's assignment date, balance, date last worked, geography, area code, and a variety of other additional information (as may requested by City of Manteca and when available to the Consultant).
- Performance Statistics: Upon City of Manteca request, the Consultant shall submit monthly Performance Statistics, which capture information on account summaries by age and statistical overview by status codes, etc.
- Acknowledgement Report: Upon City of Manteca request, the Consultant shall confirm (in writing) all accounts/claims referred by City of Manteca where an account number has been assigned. The Acknowledgement Report shall include the debtor's name, date assigned, Consultant's account number, total dollars.
- Inventory Listing: Upon City of Manteca request, the Consultant shall furnish an inventory listing to City of Manteca. The Consultant shall submit the listing either monthly or quarterly (as required by City of Manteca), which captures information including debtor's name, account number, assigned amount, payments to date, outstanding balance, and the Consultant's recovery statistics.
- Cancellation Report: The Consultant shall submit monthly, to City of Manteca, a Cancellation Report containing an itemization and summary of all accounts returned to City of Manteca. The Cancellation Report shall include the account number, debtor's name, balance owing, and reason(s) for cancellation.
- History Report: Upon City of Manteca request, the Consultant shall provide History Reports to City of Manteca, which are cumulative reports reflecting the amount of dollars collected during the current statement period against the month in which they were assigned.
- Dispute-Resolution Report: The Consultant shall notify City of Manteca, in the event a debtor disputes all or part of the outstanding fine or cost recovery. The disputed accounts will remain suspended until additional information is obtained relative to the dispute and instructions are given by City of Manteca to proceed, cancel, etc.

EXHIBIT B

CERTIFICATE OF COMPLIANCE WITH LABOR CODE § 3700
[Labor Code § 1861]

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

CONSULTANTS

By: Director of Government
Development & Solutions

A handwritten signature in blue ink that reads "Patrick D. Mills". The signature is written in a cursive style with a large initial "P" and "M".

EXHIBIT C

Payment Schedule

Cedars Business Services (CONSULTANT) will be paid the following contingency fees for all moneys collected:

- **25% contingency fee** for accounts younger than 1 year
- **33% contingency fee** for accounts older than 1 year

The CITY will report to the CONSULTANT any direct payments from delinquent accountholders that have been placed with the CONSULTANT for collection services. The CITY and the CONSULTANT will agree upon a process for the reporting of direct payments during the client implementation process.