MASTER AGREEMENT FOR COLLECTION SERVICES

This Master Agreement ("Master Agreement") is made and entered into on January 1, 2014 ("Effective Date") between the Judicial Council/Administrative Office of the Courts ("AOC") and Progressive Financial Services, Inc. ("Contractor") (individually, a "Party"; collectively, the "Parties").

BACKGROUND

1. Contractor was selected by a competitive solicitation process to furnish collections services to one or more of the 58 Superior Courts of California; the Counties of the State of California; and other governmental or regulatory entities identified by the AOC (individually, a "Participating Entity"; collectively, the "Participating Entities").

2. Contractor is willing and able to provide collection services to Participating Entities.

AGREEMENT

The Parties agree to the following:

1. DEFINITIONS

The following defined terms used in this Master Agreement will have the meanings specified below:

"Business Day" means any day on which the Participating Entity is open for business.

"Client Data" means all data and information (i) which is created for a Participating Entity in the course of Contractor's performance of its obligations under this Master Agreement and the Participating Agreement, or ii) that has been submitted or made available to Contractor by or on behalf of the Participating Entity, including all data and information relating to the Participating Entities and their respective contractors, agents, employees, technology, operations, facilities, markets, products, capacities, systems, procedures, security practices, court records, court proceedings, research, development, business affairs and finances, ideas, concepts, innovations, inventions, designs, business methodologies, improvements, trade secrets, copyrightable subject matter, patents and other intellectual property and proprietary information.

"Participating Agreement" means the contract entered into between a Participating Entity and Contractor which specifies collection services to be performed under the terms of this Master Agreement and which references this Master Agreement.

2. SERVICES

2.1 Scope of Services. Contractor will provide any or all of the services set forth in Exhibit A, Statement of Work (the "Services") to each Participating Entity upon execution by

Contractor and each Participating Entity of a Participating Agreement specifying the scope and range of the Services requested by the Participating Entity, . Contractor shall perform and complete all Services in compliance with the requirements of this Master Agreement, the applicable Participating Agreements, and to the satisfaction of the respective Participating Entity.

2.2 Obligation. This Master Agreement does not obligate any potential Participating Entity to contract with Contractor under this Master Agreement nor does it guarantee Contractor a specific volume of accounts.

2.3 Non-Exclusivity. This is a non-exclusive agreement. The AOC, on behalf of itself and the potential Participating Entities, reserves the right to perform, or have others perform the Services, the right to bid the Services to others, or procure the Services by other means. Contractor shall reasonably cooperate with any third parties retained by the AOC or the Participating Entity to perform the Services.

2.4 Subcontracting. Contractor will not subcontract or delegate any of its obligations under this Master Agreement.

3. PAYMENTS TO CONTRACTOR

3.1 Fees. Contractor will accept all accounts for collection referred by a Participating Entity on a contingency fee basis. Compensation will be in accordance with Exhibit B, Fee Schedule, or as otherwise specified in the Participating Agreement. For victim restitution, Contractor's fee will be limited to the 10% administration fee allowed by statute and if authorized by a resolution by a County Board of Supervisors. Contractor will not be entitled to invoice a Participating Entity for this fee until the victim's restitution has been paid in full.

3.2 Expenses: Except as expressly set forth in this Master Agreement, or in a Participating Agreement, all expenses relating to the Services are included in the fees. Contractor is responsible for all start-up and on-going operational costs, including all costs associated with the transfer of paper records to electronic data. There will be no additional fee for reporting to credit bureaus.

3.3 Payment Schedule: Each month during the term of this Agreement, and in such a manner that the Participating Entity receives Contractor's invoice within ten (10) Business Days after the last day of such month, Contractor shall invoice the Participating Entity for the Services satisfactorily performed during such month. Contractor will not withhold its fee from any collected amounts to be forwarded to the Participating Entity.

3.4 Time and Payment of Invoices. Unless provided otherwise in a Participating Agreement, payment will be made net thirty (30) days after the Participating Entity's receipt of each itemized invoice, subject to Participating Entity's right to withhold amounts disputed by the Participating Entity. Contractor shall provide invoices with the level of detail reasonably requested by the Participating Entity.

3.5 Taxes. Unless otherwise required by law, the Participating Entity is exempt from federal excise taxes, and will not make payment for any personal property taxes levied on

Contractor or for any taxes levied on employee wages. The Participating Entity shall pay for only federal, state or local sales, service, use, or similar taxes imposed on the Services.

3.6 FTB/DMV Collection. The California Department of Motor Vehicles (DMV), and the California Franchise Tax Board (FTB) under its Tax Intercept Program, will sometimes collect the money due on an account that has been referred to the Contractor. The DMV and FTB will transmit these monies directly to the Participating Entity. Contractor will receive no compensation from those accounts where monies are collected by the DMV or the FTB; i.e., no fee will be paid to Contractor if the debt is paid through the DMV or collected by the FTB.

3.7 FTB Transfer Services. For FTB Transfer Services described in Section 1.3 of Exhibit A, Services, Contractor will invoice the Participating Entity, and will be compensated for collections performed by and received from the FTB, at rate identified in Exhibit B, Fee Schedule, net of the amount received from the FTB.

4. TERM/TERMINATION

4.1 Term. The term of this Master Agreement will commence upon the Effective Date and shall continue in full force and effect for two (2) years, unless earlier terminated in accordance with the termination provisions contained in this Master Agreement. The AOC, in its sole discretion, will have the ability to renew this Master Agreement for up to three (3) additional successive one (1) year periods. If the AOC elects to renew this Master Agreement, the AOC may negotiate price adjustments applicable during the extension period(s) and any agreed-upon price adjustments will be set forth in a written amendment to this Master Agreement.

4.2 Termination for Convenience. The AOC may terminate this Master Agreement, in whole or in part, for convenience upon written notice to Contractor specifying the extent of the termination and its effective date, provided that Contractor has at least thirty days notice.

4.3 Termination for Cause.

a. The AOC may, by written notice of breach to Contractor, terminate this Master Agreement, in whole or in part, effective upon notice, for cause. Termination may be made for cause if any of the representations or warranties set forth in Section 5 become untrue at any time during the term of this Master Agreement, or if Contractor fails or is unable to meet any of its duties under this Master Agreement, and such failure is not cured within thirty (30) days of written notice of such failure, or is not capable of cure. Whether or not any breach by Contractor is capable of cure, or is cured, is within the sole discretion of the AOC.

b. A Participating Entity may terminate a Participating Agreement for cause, which will include AOC's termination of this Master Agreement. Each Participating Agreement will specify this and any other termination provisions agreed by the parties thereto, including termination for convenience.

4.4 A Participating Entity's failure to perform any of its responsibilities under a Participating Agreement will not be deemed to be grounds for termination of this Master

Agreement by Contractor; provided, however, that Contractor's nonperformance of its obligations under the Master Agreement will be excused if and to the extent: (i) such Contractor nonperformance results from the Participating Entity's failure to perform its responsibilities; and (ii) Contractor provides the Participating Entity with reasonable notice of such nonperformance and uses commercially reasonable efforts to perform notwithstanding the Participating Entity's failure to perform.

5. CONTRACTOR OBLIGATIONS, REPRESENTATIONS AND WARRANTIES.

5.1 At all times during the term of this Master Agreement, and in the performance of the Services;

a. Contractor shall observe and comply with all applicable federal, state, and local laws, rules, and regulations affecting the Services and the operation of Contractor's business;

b. Contractor shall obtain and keep current all necessary licenses, approvals, permits and authorizations required by applicable laws. Contractor will be responsible for all fees and taxes associated with obtaining such licenses, approvals, permits and authorizations.

c. Except where this Master Agreement or a Participating Agreement specifically provides otherwise, Contractor is responsible for providing any and all facilities, assets, and resources (including personnel, facilities, equipment, and software) necessary and appropriate for performance of the Services and to meet Contractor's obligations. Equipment, software licenses and third party service contracts to which access or use is being provided to Contractor will be provided on an "as is, where is" basis.

d. Contractor shall perform the Services with promptness and diligence, in a professional manner and will conform to the requirements of this Master Agreement. During the term of this Master Agreement, Contractor shall, at its sole cost and not as part of the charges for the Services, correct any non-conformity with the foregoing representation and warranty and will use best efforts to do so as expeditiously as possible.

5.2 Contractor represents and warrants:

a. That no gratuities, in the form of entertainment, gifts, or otherwise, were offered by Contractor or any agent, director, or representative of Contractor, to any officer, official, agent, consultant, or employee of the AOC with a view toward securing this Master Agreement or securing favorable treatment with respect to any determinations concerning the performance of this Master Agreement;

b. Contractor has full power and authority to enter into this Master Agreement and any Participating Agreement.

c. The execution, delivery and performance of this Master Agreement, and any Participating Agreement, and the consummation of the transactions contemplated herein and by each Participating Agreement have been duly authorized by all requisite corporate action;

d. The execution, delivery and performance of this Master Agreement or any Participating Agreement will not constitute: (i) a violation of any judgment, order or decree; (ii) a material breach under any material contract by which it or any of its material assets are bound; or (iii) an event that would, with notice or lapse of time, or both, constitute such a breach.

e. There is no claim, or any litigation, proceeding, arbitration, investigation or controversy pending to which Contractor, any Contractor affiliate, any or Contractor agent is a party, relating to the Services, and which would have an adverse effect on Contractor's ability to enter into this Master Agreement or to perform the Services and, to the best of Contractor's knowledge, no such claim, litigation, proceeding, arbitration, investigation or material controversy has been threatened or is contemplated.

f. Contractor will perform the Services and its responsibilities under this Master Agreement in a manner that (i) does not infringe, or constitute an infringement, misappropriation or violation of, any copyright or trade secret of any third party, and (ii) to the best of Contractor's knowledge, does not infringe any patent rights or trademarks of any third party.

g. Contractor is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of PCC 10286.1, and is eligible to contract with the AOC and any Participating Entity.

h. Contractor has no interest that would constitute a conflict of interest under PCC 10365.5, 10410 or 10411; Government Code sections 1090 et seq. or 87100 et seq.; or California Rules of Court, rule 10.103 or 10.104, which restrict employees and former employees from contracting with the AOC or a Participating Entity..

i. To the best of Contractor's knowledge, this Master Agreement does not create a material conflict of interest or default under any of Contractor's other contracts.

j. Contractor provides a drug free workplace as required by California Government Code sections 8355 through 8357.

k. Contractor does not engage in unlawful harassment, including sexual harassment, with respect to any persons with whom Contractor may interact in the performance of this Master Agreement, and Contractor takes all reasonable steps to prevent harassment from occurring.

l. Contractor complies with the federal Americans with Disabilities Act (42 U.S.C. 12101 et seq.), and California's Fair Employment and Housing Act (Government Code sections 12990 et seq.) and associated regulations (Code of Regulations, title 2, sections 7285 et seq.). Contractor does not unlawfully discriminate against any employee or applicant for employment because of age (40 and over), ancestry, color, creed, disability (mental or physical) including HIV and AIDS, marital or domestic partner status, medical condition (including cancer and genetic characteristics), national origin, race, religion, request for family and medical care leave, sex (including gender and gender identity), and sexual orientation. Contractor will notify

in writing each labor organization with which Contractor has a collective bargaining or other agreement of Contractor's obligations of non-discrimination.

m. No more than one, final unappealable finding of contempt of court by a federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a federal court requiring Contractor to comply with an order of the National Labor Relations Board. Contractor swears under penalty of perjury that this representation is true.

5.3 The rights and remedies of the AOC and each Participating Entity provided in this Section 5 will not be exclusive and are in addition to any other rights and remedies provided by law or under this Master Agreement.

6. PROVISIONS APPLICABLE TO CERTAIN AGREEMENTS. THE PROVISIONS IN THIS SECTION ARE *APPLICABLE ONLY TO THE TYPES OF ORDERS SPECIFIED IN THE FIRST SENTENCE OF EACH SUBSECTION.* IF THIS AGREEMENT IS NOT OF THE TYPE DESCRIBED IN THE FIRST SENTENCE OF A SUBSECTION, THEN THAT SUBSECTION DOES NOT APPLY TO THE AGREEMENT.

6.1 Union Activities Restrictions. *If the Contract Amount is over $50,000, this section is applicable.* Contractor agrees that no funds received under this Master Agreement will be used to assist, promote or deter union organizing during the term of this Master Agreement. If Contractor incurs costs, or makes expenditures to assist, promote or deter union organizing, Contractor will maintain records sufficient to show that no funds were used for those expenditures. Contractor will provide those records to the Attorney General upon request.

6.2 Domestic Partners, Spouses, and Gender Discrimination. *If the Contract Amount is $100,000 or more, this section is applicable.* Contractor is in compliance with, and throughout the term of this Master Agreement will remain in compliance with, PCC 10295.3 which places limitations on contracts with contractors who discriminate in the provision of benefits regarding marital or domestic partner status.

6.3 Child Support Compliance Act. *If the Contract Amount is $100,000 or more, this section is applicable.* Contractor recognizes the importance of child and family support obligations and fully complies with (and will continue to comply with during the term of this Master Agreement) all applicable state and federal laws relating to child and family support enforcement, including disclosure of information and compliance with earnings assignment orders, as provided in Family Code section 5200 et seq. Contractor provides the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

6.4 Priority Hiring. If the Contract Amount is over $200,000 and this Agreement is for services (other than Consulting Services), this section is applicable. Contractor shall give priority consideration in filling vacancies in positions funded by this Master Agreement to qualified recipients of aid under Welfare and Institutions Code section 11200 in accordance with PCC 10353.

6.5 Iran Contracting Act. If the Contract Amount is $1,000,000 or more and Contractor did not provide to the AOC an Iran Contracting Act certification as part of the solicitation process, this section is applicable. Contractor certifies either (i) it is not on the current list of persons engaged in investment activities in Iran ("Iran List") created by the California Department of General Services pursuant to PCC 2203(b), and is not a financial institution extending $20,000,000 or more in credit to another person, for forty-five (45) days or more, if that other person will use the credit to provide goods or services in the energy sector in Iran and is identified on the Iran List, or (ii) it has received written permission from the AOC to enter into this Master Agreement pursuant to PCC 2203(c).

6.6 Antitrust Claims. *If this Agreement resulted from a competitive solicitation, this section is applicable.* Contractor shall assign to the AOC all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by Contractor for sale to the AOC or a Participating Entity. Such assignment shall be made and become effective at the time the AOC or a Participating Entity tenders final payment to Contractor. If the AOC or a Participating Entity receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this section, Contractor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the AOC or a Participating Entity any portion of the recovery, including treble damages, attributable to overcharges that were paid by Contractor but were not paid by the AOC or a Participating Entity as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Upon demand in writing by Contractor, the AOC or a Participating Entity shall, within one (1) year from such demand, reassign the cause of action assigned under this part if Contractor has been or may have been injured by the violation of law for which the cause of action arose and (a) the AOC or a Participating Entity has not been injured thereby, or (b) the AOC or a Participating Entity declines to file a court action for the cause of action.

6.7 Good Standing. If Contractor is a corporation, limited liability company, or limited partnership, and this Master Agreement is performed in whole or in part in California, this section is applicable. Contractor is, and will remain for the term, qualified to do business and in good standing in California.

7. RECORDS; CONFIDENTIALITY

7.1 Data Security. Unless otherwise provided in a Participating Agreement, during the term of this Master Agreement Contractor shall establish and maintain safeguards against the destruction, loss or alteration of Client Data in the possession of Contractor. Contractor will ensure that only personnel and agents who require access to Client Data to perform the Services will have such access. Contractor will not transmit or otherwise send Client Data out of the United States nor will Contractor allow Client Data to be accessed from outside of the United States.

7.2 Ownership of Client Data. All Client Data provided by the Participating Entities is and will remain the property of the respective Participating Entities. The Participating Entities

will have all right, title and interest, including worldwide ownership of trade secret rights, copyright and patents, in and to Client Data and all copies made from it. Except as set forth herein, without the Participant Entity's approval (in its sole discretion), Client Data shall not be (i) used by Contractor or its agents other than in connection with providing the Services, (ii) disclosed, sold, assigned, leased or otherwise provided to third parties by Contractor or its agents or (iii) commercially exploited by or on behalf of Contractor or its agents.

7.3 Correction of Errors. At Contractor's expense, Contractor shall promptly correct any errors or inaccuracies in the Client Data to the extent such errors or inaccuracies were caused by Contractor or its agents.

7.4 Confidentiality. Contractor will treat Client Data as confidential information that will be protected from unauthorized use and disclosure with at least the same degree of care, but no less than a reasonable degree of care that Contractor employs with respect to its own information of a similar nature. Contractor shall require that its employees, agents, and subcontractors comply with the confidentiality restrictions of this Master Agreement. Subject to the provisions of this Section 7, Contractor may disclose Client Data to its subcontractors and consultants as reasonably necessary for the performance of the Services, provided that such subcontractor or consultant has signed a reasonable nondisclosure agreement. In the event of unauthorized disclosure or loss of Client Data, Contractor shall immediately notify the affected Participating Entity in writing. The obligations in this Section 7 shall not restrict any disclosure pursuant to any applicable law or by order of any court or government agency (provided that Contractor give prompt notice to the Participating Entity of such order in such time as to permit the Participating Entity to participate in the response to any such order) and will not apply with respect to information that (1) is independently developed by Contractor without violating the Participating Entity's proprietary rights, (2) is or becomes publicly known (other than through unauthorized disclosure), (3) is disclosed by the owner of such information to a third party free of any obligation of confidentiality, (4) is already known by Contractor at the time of disclosure, as shown by the Contractor's written records, and Contractor has no obligation of confidentiality other than pursuant to this Master Agreement or any confidentiality agreements entered into before the effective date of the Master Agreement, (5) is rightfully received by the Contractor free of any obligation of confidentiality, or (6) with respect solely to a particular disclosure, such disclosure is approved in writing by the Participating Entity.

7.5 Breach of Security or Confidentiality. In the event Contractor discovers a breach or potential breach in security relating to Client Data or unauthorized possession, use or knowledge, or attempt thereof, of Client Data, Contractor shall immediately (1) notify the affected Participating Entity and furnish to the Participating Entity the details of the security breach or unauthorized possession, use or knowledge, or attempt thereof, of Client Data; (2) assist the Participating Entity in investigating, curing, or preventing the recurrence of any security breach or unauthorized possession, use or knowledge, or attempt thereof, of Client Data; (3) cooperate with the Participating Entity in any litigation and investigation against third parties deemed necessary by the Participating Entity to protect its rights; and (4) provide the affected Participating Entity with assurance satisfactory to that Participating Entity that such breach or potential breach will not recur.

7.6 Return of Client Data. From time to time and upon the Participating Entity's request, Contractor will return, in a form acceptable to the Participating Entity, or destroy Client Data.

8. STAFFING

8.1 Project Manager. Contractor shall appoint a project manager (the "Project Manager") who, from the Effective Date, shall serve as the primary Contractor representative and project manager under this Master Agreement. Any change in the Project Manager will be subject to the AOC's prior written approval (such decision not to be unreasonably withheld). Contractor shall notify the AOC of the proposed assignment, introduce the individual to appropriate AOC representatives and provide the AOC with a resume and other information about the individual reasonably requested. The Project Manager shall (1) have overall responsibility for managing and coordinating the performance of Contractor obligations under this Master Agreement and the Participating Agreements, including the performance of all Contractor agents, and (2) be authorized to act for and bind Contractor and Contractor agents in connection with all aspects of the Master Agreement and Participating Agreements. The Project Manager shall respond promptly and fully to all AOC inquiries during the term of this Master Agreement. The Project Manager responsibilities shall include: (1) providing administrative, supervisory, and technical direction to project staff; (2) monitoring performance hereunder for accuracy, timeliness, efficiency as required by the provisions of this Master Agreement and the Participating Agreements, (3) adhering to the terms and conditions of this Master Agreement and all Participating Agreements; and (4) coordinating the resolution of issues and the implementation and enforcement of problem escalation procedures.

8.2 Key Personnel. Contractor shall confer with each Participating Entity to determine the appropriate levels of staffing for the Services to be provided by Contractor to such Participating Entity. Where individual employees are assigned primarily or exclusively to provide Services to a Participating Entity, such Participating Entity will have the right to approve the identities and seniority levels of such employees. Contractor will identify in the each Participating Agreement the lead collectors and/or information technology personnel (the "Key Personnel") assigned to that Participating Agreement. The Participating Entity has the right to interview and approve proposed Key Personnel prior to their assignment. Contractor shall not replace or reassign an Key Personnel for twelve (12) months from the date of assignment, unless the Participating Entity consents to reassignment or replacement, or such Key Personnel (1) voluntarily resigns or takes a leave of absence from Contractor, (2) is dismissed by Contractor for misconduct (i.e., fraud, drug abuse, theft) or fails to comply with Contractor's conduct guidelines, (3) fails to perform his or her duties and responsibilities, (4) dies or is unable to work due to his or her disability, or (5) voluntarily requests reassignment for reasons of personal hardship (but specifically excluding career advancement and job satisfaction considerations). If Contractor needs to replace Key Personnel for any of the foregoing reasons, Contractor shall (1) notify the Participating Entities immediately, (2) provide resumes for proposed replacement Key Personnel within five (5) Business Days of occurrence of so notifying the Participating Entity, and (3) assume all costs and expenses associated with the transition of work to such replacement personnel, including any costs associated with familiarizing such replacement Key Personnel with the Services.

8.3 On-Site Staff.

While providing on-site Services, Contractor shall, and shall cause its agents to: (1) comply with the requests, standard rules and regulations and policies and procedures of the Participating Entity regarding safety and health, security, personal and professional conduct (including the wearing of an identification badge and adhering to site regulations and general safety practices or procedures) generally applicable to such Participating Entity locations, and (2) otherwise conduct themselves in a businesslike manner. Contractor shall enter into an agreement binding all on-site staff to non-use and non-disclosure requirements at least as protective as those required of Contractor with respect to the Client's Data in connection with Contractor provision of the Services (to the extent that such agreements do not already exist). The Participating Entity, at its expense, has the right to conduct a background check, as permitted by law, on all persons granted access to its premises or computer and information systems. Contractor shall reasonably cooperate with the Participating Entity in performing such background checks, and shall promptly notify the Participating Entity of any such person refusing to undergo such background checks, and shall reassign such person and any other person whose background check results are unacceptable to the Participating Entity to another area reasonably satisfactory to the Participating Entity. Contractor shall obtain, to the extent permissible under applicable law, all releases, waivers, or permissions required for the release of such information to the Participating Entity.

9. AUDITS

9.1 Services. Except with respect to records and supporting documentation subject to Section 9.2 below, upon reasonable prior notice from the AOC or a Participating Entity, Contractor shall provide, and shall cause its agents to provide, the AOC and the Participating Entity and any regulatory entity with reasonable access to records related to Contractor's performance of the Services and any reasonable assistance that they may require for the purpose of performing audits. In addition to the provisions of Section 9.3, if any audit by an auditor designated by the Participating Entity or a regulatory authority results in Contractor being notified that Contractor or its agents are not in compliance with this Master Agreement or a Participating Agreement, any applicable audit requirement or any applicable law, Contractor shall, and shall cause its agents to, promptly take actions to comply as directed by the AOC.

9.2 Records. Upon the AOC or a Participating Entity's request, the AOC or Participating Entity or its designated representative has the right to audit and copy any records and supporting documentation pertaining to performance under this Master Agreement or Participating Agreement (excluding any cost information or internal financial audit reports except to the extent necessary to confirm the accuracy of payments made). Contractor shall maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated by applicable law. Contractor shall allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees or others who might reasonably have information related to such records. Further, Contractor shall include a similar right of the Participating Entity to audit records and interview staff in any subcontract related to performance of this Master Agreement. Any audit will be conducted during normal business hours upon reasonable advance written notice.

9.3 Overcharges. If, as a result of an audit hereunder, a Participating Entity determines that Contractor has overcharged the Participating Entity, it will notify Contractor of the amount of any overcharge and Contractor shall promptly pay to the Participating Entity the amount of such overcharge, plus interest, calculated from the date of receipt by Contractor of such overcharged amount until the date of payment to the Participating Entity.

In the event any such audit reveals an overcharge to the Participating Entity of five percent (5%) or more in the aggregate of the fees paid by the Participating Entity during any one year period (net of any undercharges in such year), Contractor shall, at the Participating Entity's option, issue to the Participating Entity a credit against the fees, or reimburse the Participating Entity, in an amount equal to the cost of such audit.

9.4 Audit Results. Contractor shall make available promptly to the AOC and relevant Participating Entities the results of a review or audit conducted by Contractor, its agents, or their respective contractors, agents or representatives (including internal and external auditors), relating to Contractor's operating practices and procedures to the extent relevant to the Services or the Participating Entity.

10. TRANSITION SERVICES

10.1 Upon expiration or termination of a Master Agreement or Participation Agreement, Contractor shall provide to the Participating Entity proof of destruction of hard copy information of accounts transferred to Contractor for collection; all electronic account information must be deleted from Contractor's computer systems, including backup copies. In addition, Contractor shall send a letter to all accounts notifying them that Contractor will no longer be handling the account.

10.2 Contractor shall continue to forward all payments received by it to the appropriate Participating Entity. If Contractor forwards payment to the Participating Entity within 60 days of expiration or termination of the Master Agreement or Participation Agreement, the Participating Entity will pay Contractor the fee identified in the Exhibit B, Fee Schedule. If the Contractor forwards payment to the Participating Entity after 60 days of expiration or termination of the Master Agreement or Participation Agreement, the Contractor will no longer be due, nor will the Participating Entity pay a fee.

10.3 A Participating Entity may request Contractor to transfer accounts to a new Contractor in a format described by that Participating Entity. The Participating Entity has the right to withhold Contractor's last payment until accounts have been transferred in a format acceptable to the Participating Entity.

11. INDEMNITIES; LIMITATION OF LIABILITY

11.1 General Indemnity. Contractor shall indemnify, defend, and save harmless the AOC, the Participating Entities, and their respective officers, agents and employees from and against any and all losses, costs, including reasonable attorneys' fees, liabilities, damages, and deficiencies, including interest, penalties and settlement amounts entered into, in each case, with respect to any and all claims that arise out or are connected or related to the Services,

Contractor's obligations under this Master Agreement, and a breach of Contractor's representation and warranties under this Master Agreement. The Participating Entity will notify Contractor in writing within thirty (30) days of the Participating Entity's first knowledge of such claim.

11.2 Intellectual Property Indemnity. Contractor shall indemnify, defend, and save harmless AOC, the Participating Entities, and their respective officers, agents and employees from and against any and all losses, costs, including reasonable attorneys' fees, liabilities, damages, and deficiencies, including interest, penalties and settlement amounts entered into, in each case, with respect to any and all third party claims which arise out of any actual or alleged infringement or misappropriation of any patent, trade secret, copyright or other proprietary rights by (including use of) the software, systems, or other subject matter provided by Contractor or Contractor's agents to the Participating Entities or Participating Entities' agents under this Master Agreement (collectively, the "Covered Items"). The Participating Entity will notify Contractor in writing within thirty (30) days of the Participating Entity's first knowledge of such claim.

If any Covered Items are held to, or the Participating Entity or Contractor believe they may, infringe any third party intellection property rights, then Contractor shall at the Participating Entity's request: (1) obtain for the Participating Entities and their agents (including their respective subcontractors) the right to continue to use such Covered Items as provided in this Master Agreement; or (2) replace or modify such Covered Items so as to make them non-infringing, provided that the replacement materials or modified Covered Items provide functionality substantially the same as the unmodified Covered Items. Contractor shall have no liability for any claim of infringement under this Section 10 to the extent based on (i) the use of a superseded or altered release of any Covered Items by the Participating Entity if the infringement could have been avoided by the use of the current unaltered release of such Covered Items that Contractor provided to the Participating Entity and the Participating Entity had agreed in advance to install; (ii) the use of such Covered Items by the Participating Entity other than in accordance with their specifications as delivered in writing in advance to the Participating Entity by Contractor, (iii) use of information or materials not provided by Contractor with the Covered Items (unless such information or materials were approved by Contractor or the Covered Items were intended to be used with such information or materials), if the infringement could have been avoided by the use of the Covered Items alone; or (iv) Covered Items necessarily created to meet Participating Entity-designed specifications, without the use of the Contractor's judgment.

11.3 IN NO EVENT WILL EITHER THE AOC OR THE PARTICIPATING ENTITIES BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES WHETHER IN AN ACTION IN CONTRACT OR TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), INCLUDING WITHOUT LIMITATION LOST DATA, PROFITS, AND REVENUES, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

11.4 IN NO EVENT WILL EITHER THE AOC OR THE PARTICIPATING ENTITIES' AGGREGATE LIABILITY FOR DIRECT DAMAGES TO CONTRACTOR ARISING OUT OF OR RELATED TO THIS MASTER AGREEMENT FOR ANY CAUSE

WHATSOEVER, AND REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT OR IN TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), EXCEED THE AMOUNTS PAYABLE HEREUNDER IN THE TWELVE MONTHS PRIOR TO THE DATE THE CAUSE OF ACTION AROSE.

11.5 THE LIMITATIONS OF LIABILITY CONTAINED IN THIS SECTION REFLECT A DELIBERATE AND BARGAINED FOR ALLOCATION OF RISKS BETWEEN THE PARTIES AND ARE INTENDED TO BE INDEPENDENT OF ANY EXCLUSIVE REMEDIES AVAILABLE UNDER THIS MASTER AGREEMENT, INCLUDING ANY FAILURE OF SUCH REMEDIES TO ACHIEVE THEIR ESSENTIAL PURPOSE.

12. INSURANCE

12.1 General Insurance Requirements. Contractor shall obtain and maintain the minimum insurance set forth in this Section ~~11~~ 12, below. By requiring such minimum insurance, neither the AOC nor the Participating Entities will be deemed or construed to have assessed the risks applicable to Contractor. Contractor will assess its own risks, and if it deems appropriate and/or prudent, maintain greater limits and/or broader coverage. For full coverage, each insurance policy will be written on an "occurrence" form. Each insurer must be reputable and financially responsible insurance carriers, with a Best's minimum rating of "A+" (or any future equivalent").

12.2 Minimum Scope & Limits of Coverage. Contractor shall maintain the following minimum coverage:

a. Workers' Compensation at statutory requirements of the state of residency;

b. Employers' Liability with minimum limits of $1,000,000.00 for each accident/each employee covering all employees;

c. Commercial General Liability Insurance, including bodily injury and property damage coverage with minimum limits of $1,000,000.00 per occurrence, $2,000,000.00 aggregate where applicable;

d. Business Automobile Liability Insurance with minimum limits of $1,000,000.00 for each occurrence, including owned and non-owned and hired automobile coverage, as applicable;

e. Commercial Crime Insurance with minimum fidelity limits of $1,000,000.00 per claim, minimum forgery limits of $1,000,000.00 per claim, and minimum theft limits of $1,000,000.00 per claim; and

f. Errors and Omissions Liability insurance appropriate to the Contractor's profession. Coverage shall be for a professional error, act or omission arising out of the Services with limits not less than $1,000,000 each claim/$2,000,000 aggregate.

12.3 Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to, and approved by, the AOC. The deductible and/or self-insured retentions will not limit or apply to Contractor's liability to either the AOC or a Participating Entity and will be the sole responsibility of Contractor.

12.4 Endorsements; Additional Insureds. All insurance that Contractor is required to carry under this Master Agreement shall

a. with respect to commercial general liability and commercial criminal insurance, be endorsed to name the AOC and any Participating Entity as additional named insureds; and

b. require the insurer to provide at last thirty (30) days prior written notice to the AOC and any Participating Entity of cancellation.

12.5 To the extent of Contractor's negligence or misconduct, Contractor's insurance coverage will be primary insurance with respect to the AOC, a Participating Entity, and their respective officers, officials, employees and agents. Any insurance and/or self-insurance maintained by the AOC or a Participating Entity, and their respective officers, officials, employees or agents will not contribute with the insurance, or benefit Contractor in any way.

12.6 Contractor's insurance will apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.

12.7 Contractor will provide the AOC (and on request, any Participating Entity) with certificates of insurance satisfactory to the AOC, evidencing all required coverage before Contractor performs any Services, and provide complete copies of each policy upon request. Contractor shall also furnish separate certificates of insurance for each subcontractor. Insurance coverage provided by subcontractors as evidence of compliance with the insurance requirements of this Section 11 shall be subject to all of the requirements stated herein except for professional errors and omissions liability insurance.

12.8 Waiver of Subrogation. Contractor and its insurance carrier waive any and all rights of subrogation against the AOC and the Participating Entities. This waiver will be reflected on the Certificate of Insurance provided by Contractor. If Contractor fails to obtain the appropriate waivers of subrogation, additional insured status, or certificates of insurance from carrier, Contractor will indemnify the AOC and the Participating Entities for all costs and liability caused by Contractor's breach.

13. DISPUTE RESOLUTION

The Parties shall attempt in good faith to resolve potential disputes informally and promptly. If a dispute persists, either Party may submit a written demand to the other Party at the earliest practicable time that the dispute is identified (the "Demand"). The Demand will: (i) be fully supported by detailed factual information; (ii) state the specific Master or Participating Agreement provisions on which the Demand is based; and (iii) if the Demand involves a cost adjustment, state the exact amount of the cost adjustment accompanied by all records supporting

the Demand. The Demand shall include a written statement signed by an authorized person indicating that the Demand is made in good faith, that the supporting data are accurate and complete, and that the amount requested accurately reflects the adjustment for which the submitting Party believes the other Party is responsible. To assist the other Party in its review of the Demand, the submitting Party shall comply with reasonable requests for additional information. The receiving Party shall provide a written response to the submitting Party's Demand stating a decision as to whether the receiving Party accepts or rejects the Demand. Failure by the receiving Party to provide such a response shall be deemed a decision by the receiving Party constituting a rejection of the Demand.

14. MISCELLANEOUS

14.1 Entire Agreement. This Master Agreement and its Exhibit(s) contains the entire and complete understanding of the parties and supersedes any and all other previous agreements, oral or written.

14.2 Amendment. No addition to or alteration of the terms of this Master Agreement will be valid unless made in the form of a written amendment to this Master Agreement, which is formally approved and executed by the governing bodies of each of the parties of this Master Agreement.

14.3 Days. Unless specifically stated to the contrary, all references to days herein shall be deemed to refer to calendar days. If the final date for payment of any amount or performance of any act falls on a Saturday, Sunday or holiday, such payment shall be made or act performed on the next succeeding business day.

14.4 Headings. The Section headings are for reference and convenience only and shall not be considered in the interpretation of this Master Agreement.

14.5 Survival. Provisions that will survive any termination or expiration of this Master Agreement include, but are not limited to, those provisions relating to Indemnity, Limitation of Liability, Insurance, Representations and Warranties, and Audit Rights.

14.6 Further Assurances. Each Party agrees to cooperate with the other, and to execute and deliver, or cause to be executed and delivered, all such other instruments and documents, and to take all such other actions as may be reasonably requested of it from time to time, in order to effectuate the provisions and purposes of this Master Agreement.

14.7 Time of Performance. Time is of the essence in the performance of each of the provisions of this Master Agreement.

14.8 Assignment. The Master Agreement will not be assignable by either Party in whole or in part (whether by operation of law or otherwise) without the written consent of the other Party; provided that the AOC may, without the Contractor's consent, assign this Master Agreement or any of its rights or delegate any of its duties under this Master Agreement to any state or local government entity or agency in California. Any assignment made in contravention

of the foregoing will be void and of no effect. Subject to the foregoing, this Master Agreement will be binding on the parties and their permitted successors and assigns.

14.9 Notices. Any notices required or permitted by this Master Agreement will be in writing and may (a) be personally delivered; (b) be mailed by depositing such notice in the United States mail, first class postage prepaid; or (c) be sent by reputable overnight delivery service; addressed as follows or to such other place as each Party may designate by subsequent written notice to the other Party:

If to the AOC: Judicial Council of California,
Administrative Office of the Courts
455 Golden Gate Avenue
San Francisco, CA 94102-3688
Attn: Grant Walker, Senior Manager

If to Contractor: _____
_____
_____
Attn: _____

Either Party may change its address for notification purposes by giving the other Party written notice of the new address in accordance with this Section. Notices will be considered to have been given at the time of actual delivery in person, three (3) Business Days after deposit in the mail as set forth above, or one (1) day after delivery to an overnight air courier service.

14.10 Waiver. Any waiver by either Party of a breach of any of the terms of this Master Agreement shall not be construed as a waiver of any succeeding breach of the same or other term of this Master Agreement.

14.11 Counsel and Drafting. Each Party, by its due execution of this Master Agreement, represents to the other Party that it has reviewed each term of this Master Agreement with their counsel, or has had the opportunity for such review with their counsel. No Party will deny the validity of this Master Agreement on the ground that such Party did not have the advice of counsel. Each Party has had the opportunity to participate in drafting and preparation of this Master Agreement. The provisions and terms of this Master Agreement will be interpreted in accordance with the plain meaning thereof, and will not be construed in favor or against either Party.

14.12 Counterparts. This Master Agreement may be executed in one or more counterparts, all of which together shall constitute one and the same agreement.

14.13 Severability. In the event any provision of this Master Agreement is held by a court of competent jurisdiction or arbitration to be invalid, void or unenforceable, the remaining

provisions will nevertheless continue in full force and effect without being impaired or invalidated in any way.

14.14 Governing Law. The Master Agreement and performance under it will be exclusively governed by the laws of the State of California without regard to its conflict of law provisions and Contractor hereby irrevocably submits to the exclusive jurisdiction of the state and federal district courts located in San Francisco, California in any legal action concerning or relating to this Master Agreement.

14.15 Independent Contractor. Contractor shall perform this Master Agreement as an independent Contractor, exercising due care and providing the Services with such skill that is customary for providers of such Services. Contractor and the officers, agents and employees of Contractor are not, and will not be deemed, employees of the AOC or any Participating Entity for any purpose, including workers' compensation, and will not be entitled to any of the benefits accorded to employees of the AOC or any Participating Entity. Contractor shall determine, at its own risk and expense, the method and manner by which the duties imposed on Contractor in general by this Master Agreement will be performed; provided, however, that the AOC or a Participating Entity may monitor the work performed. Neither AOC nor any Participating Entity will deduct or withhold any amounts whatsoever from the reimbursement paid to Contractor, including, but not limited to amounts required to be withheld for state and federal taxes or employee benefits. Contractor alone shall be responsible for all such payments.

14.16 Order of Precedence. In the event of a conflict between this Master Agreement and the terms of any of the Exhibits, the terms of the Master Agreement will prevail.

14.17 Consents and Approvals. All consents and approvals to be given by either Party under this Master Agreement will not be unreasonably withheld or delayed, and such consents and approvals will not be construed as relieving a Party of its obligations or as a waiver of its rights under this Master Agreement.

14.18 Survival. Termination of this Master Agreement does not affect the rights and/or obligations of the Parties that arose prior to any such termination (unless otherwise provided herein) and such rights and/or obligations shall survive any such expiration or termination. Terms which survive any termination or expiration of this Master Agreement include, but are not limited to, data security and confidentiality indemnity, warranties, infringement indemnity, audit rights, and assignment.

14.19 Publicity. Unless otherwise exempted, news releases and other public disclosures pertaining to this Master Agreement will not be made without prior written approval of the AOC's Business Services Manager.

14.20 Third Party Beneficiaries. Except as otherwise provided by this Master Agreement with respect to the Participating Entities and their agents, each Party intends that this Master Agreement shall not benefit, or create any right or cause of action in or on behalf of, any person or entity other than the Parties.

IN WITNESS WHEREOF, the parties have executed this Master Agreement as of the day and year first above written.

CONTRACTOR:
Progressive Financial Services, Inc.

By: _____
Name: Barbara Haerner
Title: Corporate Counsel
Date: 13 January 2014

AOC:
Judicial Council of California,
Administrative Office of the Courts

By: _____ for
Name: Grant S. Walker
Title: Senior Manager,
Business Services
Date: 1/22/14

APPROVED AS TO FORM:
Administrative Office of the Courts,
Legal Services Office

By: _____
Name Linda Nguyen
Title: Attorney
Date: 1-17-14

EXHIBIT A
STATEMENT OF WORK

I. Statement Of Work

1.1 Required Account Services

Any Proposer selected by the AOC ("Contractor") will be required to provide collection services for Accounts due and payable from members of the public to a Participating Entity, including but not limited to the following:

(a) Fees, fines, forfeitures, penalties, and assessments arising from infractions, misdemeanor, felony, and traffic proceedings or actions;

(b) criminal justice related fees, reimbursements, and other legally enforceable debts;

(c) civil, family law, and juvenile law fees, including filing fees;

(d) probation, guardianship, conservatorships, and public defender fees;

(e) sanctions imposed by any Participating Entity;

(f) direct restitution to victim ordered pursuant to California Penal Code section 1202.4 (a) 1;

(g) victim restitution fund fines ordered pursuant to California Penal Code section 1202.4 (b) 1;

(h) reimbursements owed or as ordered by a court pursuant to California Family Code section 3150 et seq.;

(i) reimbursement owed to the California Supreme Court for overcharges for representation of indigent defendants in death penalty cases;

(j) fees, penalties, fines, or reimbursements owed to the California State Bar pursuant to California Rule of Court, rule 9.10(g), and California Business and Professions Code sections 6086.10(a) and 6140.5(a); and

(k) any other legally enforceable debt owed to a Participating Entity or that a Participating Entity has a right to collect.

1.1.1 Contractor will, in the collection of Accounts:

(a) employ skip tracing and other standard collection techniques to locate debtors, including the capability to: (1) communicate in Spanish (or other languages, as

needed), both orally and in written form; and (2) pursue debtors residing within the boundaries of the United States, including military bases and tribal lands;

(b) report outstanding receivables on behalf of the Participating Entity to a nationally available credit history reporting database (credit bureau) approved by the Participating Entity; there shall be no additional fee for this service;

(c) transfer funds electronically, and be able to receive Accounts on a daily basis, Monday through Friday, except days which are not business days for the relevant Participating Entity;

(d) if requested by a Participating Entity, provide staff, including bilingual individuals, and necessary equipment, at public counter areas to assist the public (e.g. accept payments, answer questions, set-up payment arrangements, etc.) during all hours the Participating Entity is open to the public;

(e) provide various and multiple reports in an electronic or hardcopy format on a daily, weekly, and/or monthly basis, as requested by the Participating Entity;

(f) comply to the extent possible with the reporting requirements set forth in Penal Code section 1463.010, as required by the Judicial Council/AOC, and any future reporting requirements resulting from legislation or regulation;

(g) adjust the receivable record within two (2) business days of any information transferred by the Participating Entity;

(h) remit the entire gross amount of all receivables collected to the Participating Entity preferably in electronic format on a daily, weekly or monthly basis at the discretion of the Participating Entity, together with supporting documentation;

(i) ensure that all data it receives from, processes, or transmits to any Participating Entity is not stored, accessed from, or transmitted outside the United States;

(j) Contractor will be responsible for all start-up and on-going operational costs, including all cost associated with the transfer of paper records to electronic data;

(k) Contractor will provide computer terminals or dial-up or internet access for access to its system, and all necessary phones and related equipment, at its own cost and expense, including phone charges and supplies, and will provide all additional equipment necessary for the conduct of its business except that equipment specifically provided by the Participating Entity; and

(l) Contractor will provide fully functional on-line inquiry capability into its collection system to designated Participating Entity staff at any requested Participating Entity's location

(m) If requested by Participating Entity, Contractor will provide a list of old cases (infraction cases older than 5 years and misdemeanor cases older than 10 years) annually, or as specified by the Participating Entity. The Participating Entity may request a list of cases, but only the collecting entity can review these cases and determine eligibility for discharge under Government Code section 25257-25259.95. The Participating Entity may recall eligible cases from the Contractor or instruct Contractor to transfer select cases to the FTB-COD and/or FTB-IIC program for additional collection efforts. The Discharge from Accountability Report sample attached hereto in Appendix A-1.

1.2 On-site Personnel (At Option of Participating Entity)

(a) At a Participating Entity's option, Contractor shall provide on-site staff at public counter areas to assist the public (e.g. accept payments, answer questions, set-up payment arrangements, etc.) during all hours the Participating Entity is open to the public, including night hours. The night hours for each Participating Entity will be specified in the Participating Agreement. Participating Entity shall be consulted prior to the addition, removal, or replacement of on-site personnel.

(b) Contractor shall provide sufficient on-site staff to ensure the waiting time for assistance averages no more than ten (10) minutes. If the Participating Entity determines that the waiting time is too lengthy, the Contractor shall provide additional staff and other resources necessary to bring the waiting time to a level acceptable by the Participating Entity.

(c) At a Participating Entity's option, Contractor shall provide sufficient bilingual staff (for example Spanish and other languages, as needed) to meet the waiting time requirement at each location during all hours the Participating Entity is open to the public, including night hours.

(d) Contractor shall have sufficient trained staff available locally to cover unexpected absences and staff emergencies.

(e) Contractor shall provide staff and equipment to Participating Entities as specified in the Participating Agreement, at the rates set forth in the Master Agreement or as otherwise provided in the Participating Agreement.

1.3 FTB Transfer Services (At Option of Participating Entity)

A Participating Entity may request Contractor to transfer any or all accounts, including accounts transferred to Contractor for collection, to the FTB for further collection efforts in a format described by that Participating Entity. Upon such a referral to the FTB, Contractor will cease all collection work on the account, but will remain responsible for canceling and adjusting all accounts, as appropriate and answering inquiries related to the FTB from debtors. If a Participating Entity selects these optional services, the Contractor will be responsible for all programming costs associated with the identification, transfer, and separate reporting of accounts referred to the FTB.

1.4 Account Recall

A Participating Entity may recall an Account transferred for collection without a charge or penalty imposed, if during the past six (6) months no payments have been received, no new payment has been agreed to by the debtor, and no adjustments have been made by the Court. Recall of other Accounts will be on the terms and conditions agreed by the parties in a Participating Agreement. Each Participating Entity shall prescribe the criteria and procedures for returning uncollected Accounts.

1.5 Reporting Requirements

(a) Contractor shall comply with the then-current reporting requirements set forth in Penal Code Section 1463.010, any other applicable state law or regulation, and as specified by the Judicial Council/ AOC.

(b) Unless otherwise set forth by a Participating Entity in its Participating Agreement, Contractor will provide the reports described in this Section 1.5 to each Participating Entity, in the form attached hereto as Appendix A-1, and will agree to provide any additional reports required by the Participating Entity. At the Participating Entity's option, the reports may be electronically transferred or provided in hardcopy format.

(c) For Participating Entities that are courts, separate reports must be provided for each location with division reports for account reconciliation and court-wide summaries for court-wide analysis and strategic planning.

(d) Unless otherwise indicated, all information must be reported by category with subtotals per category and a grand total. Whenever debtors' names are displayed, they will be displayed last name first.

(e) The Contractor will provide sample reports to the Participating Entity for approval prior to implementation and as changes are made during the term of the Participating Agreement.

1.5.1 Account Payment History

Contractor shall supply an account payment history for each Account on the Participating Entity's request. An account payment history shall include the following:

(a) Debtor's name and case number.

(b) The amount of bail and/or fine referred, the amount applied to the bail and/or fine and any balance remaining.

(c) The amount of civil assessment added (separate from the bail and/or fine), the amount applied to the civil assessment and any balance remaining.

(d) A chronological list of payments.

1.5.2 Acknowledgment Report

Upon request, Contractor will provide a complete list to the respective Participating Entity of all Accounts by account category each time a Participating Entity refers Accounts to it. The report will be provided within two business days following the date the Contractor can access the referrals, and will list as applicable: 1) debtor's name; 2) case number; 3) appearance date or fine due date; 4) amount of bail, fine, or debt referred; 5) total item count; and 6) total bail, fine, or debt amount referred.

1.5.3 Daily Payment Transmittal Report

Upon request, Contractor will provide each Participating Entity a daily payment information report, on the next business day, reflecting the prior day's payments. The daily payment transmittal report will include a listing of every account upon which a payment has been made, and for each such account, where applicable: 1) debtor's name; 2) case number; 3) balance owed; 4) previous amount paid; 5) amount of current payment; 6) total paid; and 7) balance due. The daily payment transmittal report will also indicate how the current payment was distributed; e.g., amount applied to bail and/or fine, amount applied to civil assessment. The last line will be the total of all amounts in each column. The daily payment transmittal report will be sorted first by account category, then alphabetically, beginning with the debtor's last name.

1.5.4 Daily Adjustment Report

Upon request, on the business day following the processing of any adjustment on any Account, Contractor will provide the relevant Participating Entity with a daily report of each Account where an adjustment has been made to any previously applied payment or amount referred or owed. In addition, the report will summarize each day's adjustment reasons by category of "Cash" or "Non-Cash". Examples of adjustment reasons in each category are listed below (a Participating Entity may add other adjustment reasons or categories in the future).

(a) Cash-related Adjustment Reasons include:

- Returned Check
- Misapplied Payment
- Overpayment

(b) Non-Cash-related Adjustment reasons include:

- Referred in Error by the Participating Entity
- Incorrect Amount Referred
- Payment collected by the Participating Entity
- Reduced by lawful court order
- Increased by lawful court order
- Assigned to Public Work Service

The daily adjustment report will include the following information, as applicable: 1) Debtor's name (sorted by last name); 2) case number; 3) adjustment reason code (2 or 3 characters); 4) original bail, fine, or debt amount referred or owed; 5) new bail, fine, or debt amount owed; 6) type of change (increase or decrease); 7) original civil assessment owed; and 8) the new civil assessment owed. The report will contain an adjustment reason code legend.

1.5.5 Summary of Account Activity Report

Within five (5) business days after the end of each calendar month, Contractor will provide each Participating Entity a summary of Account activity for that month. The report will display all information by group with subtotals for each group and a grand total.

1.5.6 Agency Activity Report

Within five (5) business days after the end of each calendar month, or unless otherwise agreed in writing, Contractor will provide each Participating Entity a summary of the activity performed by Contractor on the Participating Entity's Accounts. The information contained on the report may be used to measure performance goals and compliance with any performance standards established by the Participating Entity or as approved by the Judicial Council.

1.5.7 Collection Analysis Report

Within five (5) business days after the end of each calendar month, or unless otherwise agreed in writing, Contractor will provide a summary of collections for the month and include referrals in numbers and dollar value, gross collections in dollars and percentages matched against the month the account was placed, non-cash adjustments and commission expense in dollars and percents, and Accounts remaining.

1.5.8 Account Status Report

Within five (5) business days of the end of each calendar month, Contractor will provide each Participating Entity a complete listing of all such Participating Entity's Accounts, by location, currently held by the Contractor. The report shall be on disc or other electronic media that does not require the Contractor or the Participating Entity to produce a hard copy report. The account status report will include, as applicable, 1) the debtor's name; 2) case number; 3) referral; 4) beginning balance; 5) total payments and adjustments; and 6) the current balance. The account status report will be sorted alphabetically by debtor's last name.

1.5.9 Other Reports to the AOC

Contractor shall notify the AOC within ten (10) business days of entering into an agreement with a California Superior Court for collections services under this Master Agreement. The Contractor shall provide copies of the executed Participating Agreement or at minimum the contract execution date and commission rate(s).

On an annual basis, the superior courts of the State of California and the counties of the State of California are required to complete and submit to the AOC a *Collections Reporting Template* with aggregate referred and collected amounts. At no additional cost to the

courts and counties, Contractor shall provide the required data to complete the *Collections Reporting Template* to all the courts and counties to which Contractor is providing collection services under the Statewide Master Agreement. The current data that needs to be provided is included in Appendix A-1 - Collections Reporting Data.

Contractor shall notify the AOC within ten (10) business days of any leadership position changes within the organization that occurs after the execution of the Master Agreement.

Contractor shall notify the AOC within thirty (30) business days of lawsuits not disclosed in the proposal that occur after the execution of the Master Agreement.

1.6 Contractor Computer Systems

(a) Contractor's computer system will be capable of interfacing, and will interface its computer system, with the Participating Entity's existing criminal, traffic, minor offense and/or Participating Entity's accounting systems.

(b) Contractor's computer system must also be capable of interfacing, and will interface its computer system, with each Participating Entity's planned replacement for its case management or accounting systems. As such, it must, at a minimum, be capable of processing a standard formatted file with the following information:

i) Case number

ii) Debtor name, address, phone number & demographics

iii) Account type and status

iv) Case balance

v) Next payment

1.7 Transition Services

A Participating Entity may request Contractor to transfer accounts to a new Contractor in a format described by that Participating Entity. The Participating Entity shall have the right to withhold Contractor's last payment until accounts have been transferred in a format acceptable to the Participating Entity. Upon expiration or termination of a Master Agreement or Participating Agreement, Contractor will:

(a) destroy all hard copy account information of the affected Participating Entity;

(b) delete all electronic account information from its computer systems, including backup copies;

(c) send a letter to all Accounts notifying them that Contractor will no longer be handling the Account;

(d) Contractor will continue to forward all payments sent to it by any Account to the Participating Entity. If payment is forwarded to the Participating Entity within 60

calendar days of expiration or termination of the Master Agreement or Participation Agreement, the Participating Entity will pay Contractor the fee identified in the Master Agreement. If the Contractor forwards payment to the Participating Entity after 60 calendar days of expiration or termination of the Master Agreement or Participation Agreement, the Contractor will no longer be due, nor will the Participating Entity pay, a fee.

1.8 Procurement Process – Use of Master Agreement

After award of a Master Agreement(s), Contractor will issue Participating Agreements, substantially in the form of Exhibit C, to each Participating Entity requesting collection services. Contractor will negotiate individual Participating Agreements that will reference the Master Agreement and incorporate the terms and conditions of the Master Agreement unless the parties agree otherwise by specific reference to provisions of the Master Agreement. The Participating Agreement will take precedence over the terms and conditions of any contract or terms and conditions included on an invoice or like document.

1.9 Historical Data

	Non-Forthwith Gross Revenue	Number of Outstanding Cases	Outstanding Court Ordered Debt (Accounts Receivable) (1)	Reporting Programs (2)
Fiscal Year 2004-05	$ 933,976,593	7,869,438	$ 4,293,480,383	49
Fiscal Year 2005-06	$ 814,219,210	7,088,343	$ 4,638,087,649	48
Fiscal Year 2006-07	$ 811,038,314	7,625,613	$ 4,831,775,501	48
Age: 0-7 yrs.....			$ 4,309,037,809	
Age: 7 yrs. or more.....			$ 522,737,692	
Fiscal Year 2008-09	$ 565,518,493	8,980,145	$ 5,963,017,014	57
Fiscal Year 2009-10	$ 605,441,956	9,604,064	$ 7,019,190,743	58
Fiscal Year 2010-11	$ 710,408,401	10,920,060	$ 7,526,252,867	58
Fiscal Year 2011-12	$ 707,966,677	11,116,600	$ 7,952,364,854	58

Data as reported by the court and/or county on the *Collections Reporting Template.*

(1) FY2006-07 accounts receivables include payments related to court-ordered fines, fees, penalties, and assessments whether or not delinquent. Includes delinquent payments (whether or not on installment payment plan) and non-delinquent installment payments. Does not include forthwith payments or victim restitution paid directly to victim.

FY 2007-08 collection information not available, programs were not required to report.

(2) There are 58 courts/counties in California.

*Case age was not tracked in FY2004-05 and 2005-06 or after FY2008-09.

1.10 Pricing Structure

1.10.1 Contractor will accept all Accounts referred by a Participating Entity on a contingency fee basis, understanding that compensation will be paid only from those monies collected by the Contractor and allocated as noted below.

1.10.2 Except for services described in Section 1.3, for which Contractor will propose a separate fee structure, Contractor's sole payment for all of the services set out in this Exhibit A, including any required equipment, staff, or work necessary to enable Contractor to perform or a Participating Entity to receive the services, will be the percentage commission set out in Exhibit B, Fee Schedule.

1.10.3 For victim restitution fines, Contractor's fee will be limited to the 10% administration fee allowed by Penal Code section 1202.4(a) and if authorized by a resolution by a county Board of Supervisors. For direct restitution to victim, Contractor's fee is limited to an administrative fee of up to 15% of total amount ordered, as allowed by Penal Code section 1203.1(1). Contractor will not be entitled to invoice a Participating Entity for these fees until the victim's restitution has been paid in full.

1.10.4 For the optional services described in Section 1.3, Contractor will invoice the Participating Entity, and will be compensated for collections performed by and received from FTB, at the rate identified in Exhibit B, Fee Schedule, which will be calculated on the amount received from the FTB net of FTB's commission.

1.10.5 Contractor understands that the California Department of Motor Vehicles (DMV), and the California Franchise Tax Board (FTB) under its Tax Intercept Program, will sometimes collect the money due on an Account that has been referred to the Contractor. The DMV and FTB will transmit these monies directly to the Court or County. Absent a specific agreement with the Participating Entity, Contractor shall receive no compensation from those accounts where monies are collected by the DMV or the FTB; i.e., no fee will be paid to Contractor if the debt is paid through the DMV or collected by the FTB.

Master Agreement No. MA-201311
with Progressive Financial Services, Inc.

APPENDIX A-1
Report Samples

Acknowledgement Report – [Category] - Date XXXXXX

Acknowledgement of Referrals Received			
Case Number	**Last Name, First Name, Mi**	**Appearance or Fine Due Date**	**Bail/Fine Amount**
Total Item Count			**Total Amount Referred**

Daily Payment Transmittal Report – [Category] - Date XXXXXX

Payment ID		Payment Application					Payment Distribution			
NAME Last, First MI	Case #	Bail/Fine Amount	Civil Assessment Amount	Comm. Expense	Payment Total	Amount Referred	Previous Amt Paid	Payment Amount	Total Paid	Balance Due
Total		$	$	$	$	$	$	$	$	$

Daily Adjustment Report (Date)

NAME Last, First MI	Case #	Adj. Code	Original Bail or Fine Amount	New Bail or Fine Amount	Change (+/-)	Original Civil Assessment Amount	New Civil Assessment Amount	Change (+/-)	Net Change (+/-)
			Total	Total	Calc	Total	Total	Calc	

Summary of Account Activity

For the Period of _____

Account Category: Group ID	No. of Accounts	Bail or Fine	Assessment	TOTAL
Beginning Balance (+)				
Accounts Transferred to Contractor (+)				
Accounts Paid in Full (-)				
Accounts satisfied by Adjustments (-)				
Accounts returned as uncollectable (-)				
Ending Balance				
Accounts with Partial Payments				
Accounts with Partial Adjustments				
SUBTOTAL				
Repeat for Each Category				
TOTAL				

Collection Analysis Report

For the Period Ending: _____

CASES AND AMOUNT REFERRED FOR CIVIL ASSESSMENT					COLLECTIONS						TOTAL COLLECTIONS (Including Non-Cash)			ACCOUNTS REMAINING	
Month/Yr. of Ref	# of Accts Ref	Bail/Fine Amt. Ref	Civil Assessment Added	Total Amt. Ref	Collections - Current Month	Bail/Fine Paid to Date	Civil Assessment Paid to Date	Total Paid to Date	Total Paid as % of Referrals	Cost	Non-Cash Adj.'s	Total Deducted from Amt. Ref (Paid + Adj.'s)	Total Deducted as a % of Referrals	Number of Remain Accts	Dollar Value of Remain Accts
FY Total															
CCum. Total															

Bail/Fine received during the Month: _____

Civil Assessment received during the Month: _____

Commission earned during the Month: _____

Total collected during the month _____

REPORT SAMPLE

Discharge from Accountability
Government Code section 25259 and 25259.95

	Case Name	Case Number	Amount Owing	Amount to be Discharged	Case Type:	No. Years Since Debt Became Delinquent	Reason for Discharge
1			$0.00	$0.00	Select Option:	Select Option:	Select Option:
2			$0.00	$0.00	Select Option:	Select Option:	Select Option:
4			$0.00	$0.00	Select Option:	Select Option:	Select Option:
5			$0.00	$0.00	Select Option:	Select Option:	Select Option:
6			$0.00	$0.00	Select Option:	Select Option:	Select Option:
7			$0.00	$0.00	Select Option:	Select Option:	Select Option:
8			$0.00	$0.00	Select Option:	Select Option:	Select Option:
9			$0.00	$0.00	Select Option:	Select Option:	Select Option:
10			$0.00	$0.00	Select Option:	Select Option:	Select Option:
11			$0.00	$0.00	Select Option:	Select Option:	Select Option:
12			$0.00	$0.00	Select Option:	Select Option:	Select Option:
13			$0.00	$0.00	Select Option:	Select Option:	Select Option:
14			$0.00	$0.00	Select Option:	Select Option:	Select Option:
15			$0.00	$0.00	Select Option:	Select Option:	Select Option:
16			$0.00	$0.00	Select Option:	Select Option:	Select Option:
17			$0.00	$0.00	Select Option:	Select Option:	Select Option:
18			$0.00	$0.00	Select Option:	Select Option:	Select Option:
19			$0.00	$0.00	Select Option:	Select Option:	Select Option:
20			$0.00	$0.00	Select Option:	Select Option:	Select Option:
21			$0.00	$0.00	Select Option:	Select Option:	Select Option:
22			$0.00	$0.00	Select Option:	Select Option:	Select Option:
23			$0.00	$0.00	Select Option:	Select Option:	Select Option:
24			$0.00	$0.00	Select Option:	Select Option:	Select Option:
25			$0.00	$0.00	Select Option:	Select Option:	Select Option:

26			$0.00	$0.00	Select Option:	Select Option:	Select Option:
27			$0.00	$0.00	Select Option:	Select Option:	Select Option:
28			$0.00	$0.00	Select Option:	Select Option:	Select Option:
29			$0.00	$0.00	Select Option:	Select Option:	Select Option:
30			$0.00	$0.00	Select Option:	Select Option:	Select Option:
31			$0.00	$0.00	Select Option:	Select Option:	Select Option:
32			$0.00	$0.00	Select Option:	Select Option:	Select Option:
33			$0.00	$0.00	Select Option:	Select Option:	Select Option:
34			$0.00	$0.00	Select Option:	Select Option:	Select Option:
35			$0.00	$0.00	Select Option:	Select Option:	Select Option:
36			$0.00	$0.00	Select Option:	Select Option:	Select Option:
37			$0.00	$0.00	Select Option:	Select Option:	Select Option:
38			$0.00	$0.00	Select Option:	Select Option:	Select Option:
39			$0.00	$0.00	Select Option:	Select Option:	Select Option:
40			$0.00	$0.00	Select Option:	Select Option:	Select Option:
41			$0.00	$0.00	Select Option:	Select Option:	Select Option:
42			$0.00	$0.00	Select Option:	Select Option:	Select Option:
43			$0.00	$0.00	Select Option:	Select Option:	Select Option:
44			$0.00	$0.00	Select Option:	Select Option:	Select Option:
45			$0.00	$0.00	Select Option:	Select Option:	Select Option:
46			$0.00	$0.00	Select Option:	Select Option:	Select Option:
47			$0.00	$0.00	Select Option:	Select Option:	Select Option:
48			$0.00	$0.00	Select Option:	Select Option:	Select Option:
49			$0.00	$0.00	Select Option:	Select Option:	Select Option:
50			$0.00	$0.00	Select Option:	Select Option:	Select Option:
	TOTAL		**$0.00**	**$0.00**			

*This report is provided only a sample of the information required under Government Code section 25259 and 25259.9.

Master Agreement No. MA-201311
with Progressive Financial Services, Inc.

EXHIBIT B
FEE SCHEDULE

Newly Delinquent = Accounts not fully paid 30 days past its stated due date, or on which an installment payment has not been paid 30 days past its stated due date.

Up to 1 year (2 years, etc.) = Accounts that remain with an outstanding balance 360 days (or 720, etc.) following the determination of delinquency.

Commission Fees: Fees, fines, forfeitures, penalties, and assessments arising from infractions, misdemeanor, felony, and traffic proceedings or actions (see Section 4.1(a))

Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
15%	15%	15.5%	16%	16.5%	17%	17.5%

Commission Fees: Criminal justice related fees, reimbursements, and other legally enforceable debts (see Section 4.1(b))

Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
15%	15%	15.5%	16%	16.5%	17%	17.5%

Commission Fees: Civil, family law, and juvenile law fees, including filing fees (see Section 4.1(c))

Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
15%	15%	15.5%	16%	16.5%	17%	17.5%

Commission Fees: Probation, guardianship, conservatorships, and public defender fees (see Section 4.1(d))

Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
15%	15%	15.5%	16%	16.5%	17%	17.5%

Commission Fees: Sanctions imposed by any Participating Entity (see Section 4.1(e))

Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
15%	15%	15.5%	16%	16.5%	17%	17.5%

Commission Fees: Direct restitution to victim ordered pursuant to California Penal Code section 1202.4 (a) 1 (see Section 4.1(f))

Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%

Commission Fees: Victim restitution fines ordered pursuant to California Penal Code section 1202.4 (b) 1 (see Section 4.1(g))

Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%

Commission Fees: Reimbursements owed or as ordered by a court pursuant to California Family Code section 3150 et seq. (see Section 4.1(h))

Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
15%	15%	15.5%	16%	16.5%	17%	17.5%

Commission Fees: Reimbursement owed to the California Supreme Court for overcharges for representation of indigent defendants in death penalty cases (see Section 4.1(i))

Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
15%	15%	15.5%	16%	16.5%	17%	17.5%

Commission Fees: Fees, penalties, fines, or reimbursements owed to the California State Bar pursuant to California Rule of Court, rule 9.10(g), and California Business and Professions Code sections 6086.10(a) and 6140.5(a) (see Section 4.1(j))

Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
15%	15%	15.5%	16%	16.5%	17%	17.5%

Commission Fees: Any other legally enforceable debt owed to a Participating Entity or that a Participating Entity has a right to collect (see Section 4.1(k))

Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
15%	15%	15.5%	16%	16.5%	17%	17.5%

Victim Restitution Fine – Commission Fee set at 10% (see Section 1.10.3 of Exhibit A)

Direct Restitution to Victim – Commission Fee set at 15% (see Section 1.10.3 of Exhibit A)

Note: Collection of the above debt is <u>not</u> at the option of the Contractor

Fee for FTB transfer services as described in Section 1.3, FTB Transfer Services of Exhibit A

9% of Commission Fee of net collected by FTB or flat fee of $10.00.

EXHIBIT C
FORM OF PARTICIPATION AGREEMENT

SUPERIOR COURT OF CALIFORNIA, COUNTY OF _____
AND _____

THIS PARTICIPATING AGREEMENT ("Agreement"), is made and entered into as of this ___day of _____, 201_, by and between the SUPERIOR COURT OF CALIFORNIA, COUNTY OF_____, an entity organized under Article VI of the California Constitution, [address] ("Court"), and _____., a corporation with offices at [address] ("Contractor").

WHEREAS, Contractor and the Judicial Council of California, Administrative Office of the Courts, on behalf of the superior courts and counties of the State of California, are parties to that Master Agreement No. MA-201311 ("Master Agreement") for collections services effective January 1, 2014;

WHEREAS, the Master Agreement sets forth the terms and conditions upon which Contractor will provide collections services to the superior courts, counties, and certain other designated entities in the State of California, should any such party desire to engage Contractor for such services;

WHEREAS, Court pursues initial collection efforts on all accounts it establishes for unpaid fees, fines, forfeitures, penalties and assessments arising from criminal and traffic actions or proceedings;

WHEREAS, Court desires to engage Contractor to perform collection services ("Services") in accordance with the Master Agreement on selected accounts established by the Court and not fully paid 30 or more days from the date of their assessment or imposition, or on which an installment payment is not fully paid within 30 days of the date such payment was due under an installment payment plan ("Accounts").

AGREEMENT

NOW, THEREFORE, the parties agree as follows:

1. Participation of Court/Employment of Contractor. Court engages Contractor to perform additional collection services on Accounts transferred to Contractor by Court according to **Schedule A** hereto, and Contractor will provide such services to Court, on the same terms and conditions and as if such services were provided by Contractor under the Master Agreement, except where specifically stated herein. Terms defined in the Master Agreement will have the same meaning when used herein.

2. Scope of Services. Accounts transferred to Contractor for collection services under this Agreement will qualify for Services.

a. *Collection Services*. Contractor will perform collections activities on the Accounts transferred to it as set forth in Exhibit A of the Master Agreement.

b. *Court Ordered Debt Program.* Contractor will refer Accounts it receives to the FTB Court Ordered Debt ("COD") Program, liaise with FTB regarding such Accounts, and administer such Accounts under the terms and conditions set forth in Section of the Master Agreement.

c. Contractor will refer to the FTB COD Program Accounts that meet the criteria set forth in Revenue and Taxation Code Section 19280, and all of the following criteria:

   i. The remaining balance owed on the case is [$100] or more;

   ii. Court records regarding the Account indicate that, during the past [six (6) months, no payments have been received, no new payment plan has been agreed to by the defendant, and no adjustments have been made by the Court on the Account; or

   iii. the Account has been rejected by the FTB COD Program for any reason, or returned to the Court as uncollectible.

d. *Tax Intercept Program.* In addition to other Services provided hereunder, Contractor shall prepare an electronic file transfer for those accounts forwarded from Court that are eligible for the FTB Tax Intercept Program. Court will forward eligible Accounts to the FTB, liaise with FTB regarding such Accounts, and perform the equivalent administrative functions regarding such Accounts as that set forth in Section 1.3 of Exhibit A of the Master Agreement. Court staff will integrate the file with Court records also being sent. Court staff will assist with written instructions and procedures as necessary, which Contractor will follow.

   Contractor will forward to Court by the 5th day of each calendar month during the term of this Agreement via electronic transfer or remittance check representing the total amount of funds received by Contractor on Accounts during such period, with accompanying statements.

3. Contacts. Each of the Court and the Contractor will appoint a Project Manager, who will be authorized to make day-to-day decisions related to the implementation of this Agreement that do not substantially limit rights or expand the responsibilities of the Court or the Contractor, subject to paragraph 12 below. The respective Project Managers and their contact information is as follows:

Court Project Manager		**Contractor Project Manager**	
Name:	_____	Name:	_____
Title:	_____	Title:	_____
Address:	_____	Address:	_____
Phone:	_____	Phone:	_____
Email:	_____	Email:	_____

4. Payment and Pricing Structure. Contractor shall invoice Court on a monthly basis for Commission Fees charged for its collections services under this Agreement, which will be the following percentage, calculated each month on the total funds collected during such month on all Accounts transferred to Contractor under this Agreement.

5. On-site personnel. Contractor [is/is not] required to perform services under this Agreement on-site at Court locations.

6. Reporting Requirements. Notwithstanding the required reports and schedule of reports set forth in Section of the Master Agreement, the parties hereto agree that Contractor will provide reports on the following schedule:

_____

Contractor will provide additional reports upon request by the Court.

7. Term. The respective duties and obligations of the parties hereto shall commence on the date first written above, and shall automatically renew for the option periods described in Paragraph 1 of the Coversheet of the Master Agreement unless the options to extend are not renewed by the AOC or the Master Agreement is earlier terminated. Notwithstanding the foregoing, ether party may terminate all or any of the services under this Agreement by giving ninety (90) days written notice to the other party. In addition, this Agreement is expressly conditioned upon the ability of the Court under currently applicable California state law and policy to pay Contractor for services hereunder from revenue collected by Contractor on the Accounts. If any applicable law or policy is amended or enacted such that the revenue under this Agreement may not be applied to Court's obligations under this Agreement, the Court may, by written notice, terminate this Agreement on the effective date of such amended or enacted law or policy.

8. Credit Reporting. Contractor will be able to report outstanding receivables on behalf of the Court to the three nationally available credit history reporting databases (credit bureaus). There will be no additional fee for this service.

9. Independent Contractor. Contractor is, for all purposes, an independent contractor and shall not be deemed an employee of the Court.

a. The Contractor specifically acknowledges that it controls the manner and means by which the product is accomplished, agrees to hold itself out as an independent contractor, and waives any rights to claim that it is an employee of the Court under the common law agency test, the economic realities test, or any other legal test.

b. It is expressly understood and agreed that the Contractor shall in no event, as a result of this contract or any work performed under this contract, be entitled to any benefits to which Court employees are entitled, including but not limited to overtime or other pay differentials, retirement benefits, social security benefits, disability insurance benefits, unemployment compensation or insurance, workers' compensation benefits, and injury, vacation, sick, or other leave or employment benefits. The Contractor expressly agrees that all legal recourse for performance and severance of the relationship between it and the Court is set forth in this Agreement, and not in any statutes or case law relating to rights of employees.

c. The Contractor agrees to notify its own employees that they are not employees of the Court and are not entitled to any benefits to which Court employees are entitled, as set forth above. The Contractor furthermore agrees to indemnify, defend and hold harmless the Court, its judges, subordinate judicial officers, officers and employees, from any such claims made by employees of the Contractor.

10. Indemnification. Contractor shall indemnify and save harmless Court and its respective judges, subordinate judicial officers, officers, agents and employees from and against any and all loss, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, resulting directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, the use of Contractor's facilities or equipment provided by Court or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on Court, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of Court and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee.

11. Entire Agreement. This Agreement and the incorporated documents constitute the entire understanding between the parties and supersede any and all prior understandings and agreements, oral or written, relating to the subject matter of this Agreement. Each party acknowledges that no representations, inducements, promises, or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not included in

this Agreement, and no other agreement, statement, or promise not contained in this Agreement shall be valid or binding.

12. Amendment. No alteration or amendment to the terms of this Agreement shall be valid unless it is made in writing and is signed by the parties, and no oral understanding or agreement shall be binding on the parties.

13. Assignment. Inasmuch as this Agreement is intended to secure the specialized services of Contractor, Contractor may not assign, transfer, delegate or sublet any interest herein without the prior written consent of Court.

14. Governing Law. This Agreement will be construed under the laws of the state of California, without regard to its conflict of law provisions.

15. Waiver. Any waiver by either party of a breach of any of the terms of this Agreement will not be construed as a waiver of any succeeding breach of the same or other term of this Agreement.

16. Further Assurances. Each party hereto agrees to cooperate with the other, and to execute and deliver, or cause to be executed and delivered, all such other instruments and documents, and to take all such other actions as may be reasonably requested of it from time to time to effectuate the provisions and purposes of this Agreement.

17. Severability. If any part of this Agreement is held unenforceable, all other parts remain enforceable.

18. Time. Time is of the essence in the performance of services under this Agreement.

19. Counterparts. This Agreement may be executed in counterparts, each of which is considered an original.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the day and year first above written.

SUPERIOR COURT OF CALIFORNIA,	_____
County of _____	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____