

**CONTRACT FOR COLLECTION
OF DELINQUENT WARRANTS AND ACCOUNTS**

THIS CONTRACT is made and entered into by and between the **CITY OF JONESBORO, ARKANSAS**, 515 West Washington, Jonesboro, AR 72430, acting herein by and through its governing body, hereinafter styled "JONESBORO", and **LINEBARGER GOGGAN BLAIR & SAMPSON, LLP**, hereinafter styled FIRM. This contract creates an attorney-client relationship between JONESBORO and FIRM.

I.

JONESBORO agrees to employ and does hereby employ FIRM to enforce the collection of delinquent warrants and accounts receivable ("accounts") pursuant to the terms and conditions described in this contract. This contract supercedes all prior oral and written agreements between the parties, and can only be amended if done so in writing and signed by all parties. Furthermore, this contract cannot be transferred or assigned by either party without the written consent of all parties.

II.

JONESBORO agrees to refer delinquent accounts to FIRM for collection by electronic or magnetic medium, in a format and frequency to be agreed upon by the parties. An account is considered "delinquent" as that term is defined by Arkansas Code or applicable law. It is anticipated that JONESBORO will forward all accounts to FIRM for collection when the account becomes "delinquent", or as otherwise agreed between the parties. JONESBORO will provide FIRM with copies of, or access to, the information and documentation necessary to effectuate the services that are subject to this contract. FIRM shall use account information provided by JONESBORO for the purposes of account collection only, and shall keep all such information confidential from any third party without express written authority from JONESBORO. FIRM will provide JONESBORO with status reports in the frequency and manner agreed upon by the parties. Should it become necessary for FIRM to provide computer hardware, software, programming services and/or in-house personnel to JONESBORO, in order for this contract to be performed, a separate agreement and fee structure may be negotiated and agreed to in writing by both parties hereto.

III.

FIRM is to refer all payments and correspondence to JONESBORO as mutually agreed. FIRM reserves the right to return all accounts not collected within two (2) years of referral by JONESBORO, or such other timeframe as agreed between the parties. Accounts identified as being in bankruptcy and/or when the account holder is found to be deceased, deemed indigent or otherwise unable to pay shall be returned. Upon return of these accounts, neither party will have any obligation to the other party to this contract with regard to the returned accounts.

IV.

FIRM shall indemnify and hold JONESBORO harmless from and against all liabilities, losses and/or costs arising from claims for damages, or suits for losses or damages, including reasonable costs and attorney's fees, which may arise as a result of FIRM's performance of the services described in this contract. The indemnity provision of this contract shall have no application to any claim or demand which results from the sole negligence or fault of JONESBORO, its officers, agents, employees or contractors. And furthermore, in the event of joint and/or shared negligence or fault of JONESBORO and FIRM, responsibility and indemnity, if any, shall be apportioned in accordance with Arkansas law and without waiving any defenses of either party. The provisions of this paragraph are intended for the sole benefit of the parties hereto and are not intended to create or grant any right, contractual or otherwise, to any other persons or entities.

V.

As compensation and fee for services provided pursuant to this contract, JONESBORO agrees to pay to FIRM twenty-five percent (25%) of the total amount collected on all accounts referred for collection pursuant to Section II above*. This same fee will cover the existing backlog of accounts included in the initial referral placement at the beginning of this contract, regardless of the delinquency age of the account(s). JONESBORO shall pay over fees due to FIRM on a monthly basis by check, wire transfer, or other agreed method of payment no later than the 30th day following the end of the calendar month within which the JONESBORO receives payment on the referred account from the debtor.

* During the initial one year term of this contract pursuant to Section VI below, the services described herein will be provided by FIRM to JONESBORO at a discounted fee rate of twenty-two and one-half percent (22.5%) of the total amount collected on all accounts referred for collection.

VI.

The initial term of this contract is one year, beginning March 1, 2010, or on the date of the initial referral of accounts by JONESBORO to FIRM, whichever date is later, and continuing to and through February 28, 2011, or one year from the date of the initial referral of accounts by JONESBORO to FIRM, whichever date is later. Following the expiration of this initial term, and in the event this contract has not been formally extended as provided for herein, this contract shall, thereafter, automatically renew and continue on an annual basis. Prior to the natural expiration of this contract, JONESBORO may exercise its reserved option to extend the initial term of the contract for four additional one-year periods. Following the expiration of any extended term this contract shall, thereafter, automatically renew and continue on an annual

basis. Either party may, without cause, terminate this contract at the end of the initial contract term or thereafter by giving the other party written notice of termination.

During the initial term of this contract either party shall have the right to terminate the same prior to its expiration; provided however, that the party giving notice shall grant the receiving party a period of thirty (30) days, from the date of written notice, the opportunity to attempt to cure any unsatisfactory terms, acts, omissions or conditions. Should the party receiving notice be found not to have remedied the unsatisfactory terms, acts, omissions or conditions to the satisfaction of the party giving notice, the party giving notice may terminate the contract.

The effective date of any termination by JONESBORO or FIRM shall be sixty (60) days from the date the notice of termination is received in writing by the receiving party; said sixty (60) day period being deemed adequate for the purpose of FIRM in winding down its affairs with regards to work in progress.

JONESBORO is entitled, but is not required, to refer additional accounts to FIRM after notice of termination has been received by FIRM. In any event, FIRM shall be entitled to payment of its fee, pursuant to Paragraph V. of this contract, for all amounts collected on referred accounts during the sixty (60) day "winding down" period and until and through the actual date of contract termination. At the end of that period, all accounts shall be returned to JONESBORO by FIRM as required by agreement of the parties or as required by law.

VII.

For purposes of sending notice under the terms of this contract, all notices from JONESBORO shall be sent to FIRM by certified United States mail, or delivered by hand or by courier, and addressed as follows:

Linebarger Goggan Blair & Sampson, LLP
Attention: Director of Client Services
P.O. Box 17428
Austin, Texas 78760

and

Linebarger Goggan Blair & Sampson, LLP
Attention: Scott McGlasson
819 Walnut, Suite 309
Kansas City, MO 64106

VIII.

This contract is made and is to be interpreted under the laws of the State of Arkansas. In the event that any provision(s) of this contract shall for any reason be held invalid, illegal or unenforceable, the invalidity, illegality or unenforceability of that provision(s) shall not affect any other provision(s) of this contract, and it shall further be construed as if the invalid, illegal or unenforceable provision(s) had never been a part of this contract.

IX.

The services and terms of this contract are available to other political subdivisions as allowed by applicable law.

X.

In consideration of the terms and compensation herein stated, FIRM hereby accepts said employment and undertakes performance of said contract as set-forth above.


This contract is executed on behalf of JONESBORO by the presiding officer of its governing body who is authorized to execute this instrument by order heretofore passed and duly recorded in its minutes.

This contract may be executed in any number of counterparts, and each counterpart shall be deemed an original for all purposes. Signed facsimiles shall be binding and enforceable.

WITNESS the signatures of all parties hereto this, the 14th day of DECEMBER, 2009.

LINEBARGER GOGGAN BLAIR & SAMPSON, LLP

By:


Michael T. Vallandingham, Partner