

PRO INDEPENDENT AGENT AGREEMENT

This Agreement is made on this: _____ day of: _____ in the year
of: _____, between PINNACLE REPOSSESSION ORGANIZATION ("Client" or "PRO"), with
registered offices located at 214 W. Texas Avenue, #203, Midland, Midland County, Texas 79701, and
_____ ("Agent"), with a principal place of business
at: _____ [address].

1. TERM OF CONTRACT

This Agreement will become effective: _____ and will continue in effect until terminated as
provided in this Agreement.

2. SERVICES TO BE PERFORMED BY AGENT

a. Specific Services. PRO has been authorized by a Secured Party ("Secured Party") to take possession
without judicial process, or authorize Agent to take possession without judicial process, of certain collateral
(hereinafter, the "Property") as a result of a default by the Secured Party's Customer ("Customer"). Agent is in
the business of repossessing collateral without judicial process (hereafter, the "Services"), and has knowledge
and expertise in this area. Agent is willing to make such Services available to PRO, on the terms and conditions
herein provided.

b. Agent Services

- a) General. Agent shall perform duties primarily on-site at the Customer's residence or business. Agent
agrees that because it will be performing such Services at such locations, in addition to compliance with
all other applicable legal regulations regarding such Services, it and its employees and representatives will
use the utmost care, respect and diligence in performing such services reasonably and without a breach
of the peace or damage to person or property, and will at all times safeguard the confidentiality, privacy
and security of PRO and the Secured Party. PRO represents that as to Property to be recovered,
Secured Party has the right to immediate possession of Property, either by assignment or otherwise.
Secured Party has agreed that it will not take any action causing the loss or waiver of the its right to
immediate possession of Property while the repossession assignment is open.
- b) Qualification for Duties. Agent shall provide to PRO a statement, attached as Exhibit A hereto, certifying
that all of its employees have undergone and passed background checks as set out therein, and are
subject to a prohibition of drugs and/or alcohol policy, and will undergo at least a post-accident drug
test pursuant to said policy. Results of the background checks and drug tests for any employee must be
provided to PRO in the event of any claim, upon the written request of PRO. Each year, Agent will
update PRO with a new certification as set out in Exhibit A. If Agent hires new employees, each will be
subject to the certification made by Agent to PRO hereunder. Agent warrants that it will maintain
adequate insurance and is fully licensed and bonded (i.e. insured against criminal activity of any
employee), proof of which will be provided to PRO. Other required office policies are also listed in the
attached Exhibit A, which is incorporated by reference herein as if fully set out in this section 2b(b).

Consent to Background Search. Agent hereby authorizes PRO to investigate Agents (including the
principal of the Agent signing below), it being understood that with respect to this section, said principal
is signing on behalf of the Agent as well as in his or her individual capacity) credit history and criminal
background and agrees to execute any documents required by banks, financial institutions or
governmental units to induce the release of financial information to PRO.

In connection with Agent's association (including contract services) with PRO, Agent understands that business or consumer reports which may contain public record information will be obtained through various third-party reporting agencies. This report may include but will not be limited to types of information such as: previous employment, education, personal character and reputation, consumer credit, personal banking and financial, civil record history, social security verification, driving record and criminal background from federal, state and other agencies which maintain such records; as well as information from various third-party consumer reporting agencies concerning previous record requests made from such agencies.

- c) Regulatory Compliance. Agent agrees to perform the Services in strict compliance with all applicable state, federal or local laws, rules, regulations, or ordinances, during any repossession or other activity hereunder, including without limitation all applicable licensing requirements. Agent **represents and warrants** that Agent, its employees, and representatives are aware of and will comply with all applicable state, federal and local laws, ordinances, including but not limited to applicable provisions of the Fair Debt Collection Practices Act and the Gramm Leach Bliley Act. Agent **warrants** that its employees and representatives shall not breach the peace in the performance of any of the services specified herein. Concerning applicable licensing requirements, Agent will provide to PRO a copy of all licenses, as well as such supporting documentation that PRO may, from time to time, request to verify the existence and renewals of such applicable licenses or permits.
- d) State Government. Agent hereby acknowledges and agrees that it is in good standing with the State government authorities in its State of residence, including the Secretary of State or other corporate governing entity and the State taxing authorities (as applicable).
- e) Employment of Assistants. Agent may, at Agent's own expense, employ any assistants that Agent deems necessary to perform the services required of Agent by this Agreement. PRO may not control, direct, or supervise Agent's assistants or Agents in the performance of those services. However, Agent, may not hire sub or independent Agents to perform any service required pursuant to this contract without prior written consent of PRO.
- f) Agent agrees to provide PRO a minimum of two years of business insurance loss runs applicable to its wrongful repossession and other insurance. If the Agent has not been in business two full years, but the individual owning and operating the Agent has the requisite experience, then Agent will (with proper permissions) provide PRO loss runs from the inception of Agent and loss runs for the balance of at least the two previous years for the business of the individual owning and operating Agent.
- g) Agent shall maintain a secured **office** facility reflecting the professional image necessary to maintain the national reputation of PRO and Allied Finance Adjusters. Agent shall have a safe and secure collateral **storage** facility, as well. The storage facility must have a hard-surfaced lot appropriate for storing repossessed vehicles and other Property, must be enclosed by a chain link (or more secure) fence at least six feet high, and be topped with barbed wire or other security features to prevent unauthorized entry, and must be equipped with security devices and/or equipment necessary to deter unauthorized entry. Both the office and storage facility must be manned during office-open hours, which office-open hours shall be kept from *at least* 9:00 a.m. to 5:00 p.m. (local time) every weekday except federal holidays. No change in office or storage location may be made by Agent without prior written notice to PRO and inspection of the proposed facility by PRO or its designee.
- h) Each office must be adequately equipped in order to offer its clients full collateral recovery and related services. This equipment includes, without limitation, a dedicated telephone voice line, a dedicated

computer, a digital camera; access to the necessary towing vehicles and field equipment to offer the client standard field recovery services. the office type, location and adequacy are subject to on-site physical inspection prior to approval by PRO.

3. DUTIES AND PROCEDURES

Agent shall:

- a. Utilize its best efforts to recover Property. Property that is located by Agent and is found to be in such a state of disrepair that recovery would be inefficient (i.e. burned, disassembled or stripped) should be photographed without taking possession and reported to PRO. PRO will invoice this situation to Secured Party as a repossession.
- b. Keep PRO informed as instructed per Secured Party schedule (but at least weekly), of its progress in recovering Property. Photographs of locations checked for Property are one of the best ways to document progress and are strongly encouraged to be included with each progress report.
- c. Conduct its business in full compliance with all applicable requirements of the Fair Debt Collection Practices Act (FDCPA), the Gramm Leach Bliley Act, the Driver Protection Privacy Act and all other applicable local, state and federal laws, including but not limited to those specifically pertaining to collection of debts and the repossession of personal property. Agent **warrants** that it trains its employees and representatives to properly abide by said laws. Copies of all relevant training program certifications and/or continuing education certifications will be provided to PRO and will be supplemented annually.
- d. Recover all property without breaching the peace.
- e. Prepare and upload relative information including post repossession notification, electronically via **My Recovery System** (MRS) or by mutually accepted means. Successful repossessions should be documented in MRS within two (2) hours of recovery, including recovery location and identification of law enforcement agency and law enforcement individual to whom recovery was reported.
- f. Prepare and forward to PRO, no longer than a period of twelve (12) *business hours* of effecting repossession, a **condition report** for Property recovered. The condition report shall be an objective evaluation of the physical appearance of the recovered Property and will not be deemed an evaluation of the mechanical condition. The condition report shall include a minimum of three (3) digital pictures of the exterior and three (3) digital pictures of the interior of the Property. Pictures of any and all damage to the Property should be in addition to the above. The repossession shall not be considered complete for billing purposes until the condition report (with pictures) is received by PRO.
- g. All repossessed collateral must be stored inside a secured storage facility that provides adequate protection against theft and damage.
 - (a) Motorized vehicles and boats should be stored within the confines of the fence.
 - (b) Motorcycles, all-terrain vehicles, personal watercraft, snowmobiles, office equipment, furniture, tools and any collateral small enough to be carried should be stored inside a secure building.
 - (c) All gates to the secured storage facility must be LOCKED at all times.
 - (d) All keys to collateral should be secured in an inside storage facility. Keys should NOT be left inside repossessed vehicles.
- h. All **personal effects** taken during a repossession, which are not covered by the Secured Party's sales contract or loan agreement, must be properly inventoried on the form titled, "PERSONAL EFFECTS INVENTORY LIST" and any other form required by law. The personal effects must then be stored in an

inside storage facility. The items need to be marked with the owner's name and stored in a secured storage facility for the length of time required by Agent's State law.

- i. Agent, its employees, and/or its representatives are prohibited from operating or converting to personal use, any stored collateral, personal effects and/or proceeds of any stored collateral and/or personal effects. A violation is grounds for immediate termination of the Agreement, at PRO's discretion, without further notice or opportunity to cure the breach.
- j. **Release** all recovered Property to the Vendor or customer designated by PRO in writing, and as otherwise specifically instructed by PRO; or Deliver all recovered Property to the location designated by PRO in writing, and as otherwise specifically instructed by PRO.
- k. Under no circumstances will Agent hold Property as security for any dispute with PRO arising hereunder, but in all cases release the Property as instructed by PRO. Any disputes between Agent and PRO arising hereunder shall be addressed without assertion of control or possession of the Property as leverage for the other party's compliance, it being understood that the Property is owned or controlled by the Secured Party, not the Agent or PRO. In the event that Agent breaches this section and holds Property in contravention of instructions received by PRO, Agent shall pay liquidated damages to PRO in the amount of Two Hundred and Fifty Dollars (\$250.00) per day per vehicle so held. Agent acknowledges that the damages caused to PRO and its relationship(s) with client(s) is impossible to estimate and so agrees that liquidated damages are appropriate in such an instance.
- l. Perform all work and associated duties hereunder strictly through **employees** of the Agent's company, without reassignment, forwarding or subcontracting in any manner to other persons or entities.
- m. **Privacy Act.** At all times Agent shall adhere to all applicable legal and PRO requirements regarding protection of PRO and PRO's clients, PRO's clients' customers, and their customers' private information, as legally defined. Such requirements shall include, but not be limited to, the destruction or return to the appropriate party, of any documents or property of any kind or nature which contain[s] personal private information of PRO, its employees, its clients, or its clients' customers.
- n. **Working Time.** While performing work for PRO, Agent shall not (i) act for his or her own account in any manner which is competitive with any of the business of PRO or which would interfere with the performance of Services under this Agreement. The parties recognize that this Agreement is not exclusive and Agent is free to work for other Clients when not performing services pursuant to this Agreement.
- o. **Use of Personal Vehicle.** Agent acknowledges that its duties for PRO hereunder require use of Agent's own vehicle(s) and tools to perform the services required. Each of Agent's employees that operate motor vehicles in the performance of this Agreement shall maintain a current valid driver's license, and Agent shall provide PRO proof of such licenses, as well as automobile insurance on any vehicle used pursuant to this Agreement, throughout the term of this Agreement. Agent shall keep its vehicle(s) in a clean and maintained condition. Agent shall not allow any individual who is not necessary for the specific services being performed hereunder to accompany its employees during the performance of Services hereunder.
- p. **Damage or Loss of Equipment.** Agent acknowledges that any equipment damaged or lost in the performance of Services for PRO hereunder, shall be the Agent's responsibility, and the resulting costs shall be the sole responsibility of Agent.
- q. **Appearance and Professionalism.** Agent's employees and representatives shall maintain a neat and clean appearance and conduct themselves in a courteous and professional manner at all times. Agent shall be

responsible for damages resulting from the negligent performance of services or intentional misconduct arising from or related to performance. Agent shall advise PRO immediately in the event of any problems, injuries (to Agent or others) or damages occurring in the performance of Services hereunder.

- r. **Redemption of Secured Property by Customer.** Agent will not release any recovered Property to a Customer without the express written instruction of PRO. In the event that Agent receives instructions directly from the Secured Party to take any action with respect to the Property, Agent shall immediately notify PRO of the same. Agent will not release any recovered Property to any party without express written instruction from PRO.
- s. Agent will attend, or have a representative attend, any and all communication gathering(s) (i.e. meetings, webinars, conference calls) mandated by PRO. Failure to attend, or have a representative attend a meeting of this nature called by PRO will be grounds for negative consequences to Agent up to and including immediate termination of this Agreement. PRO acknowledges and agrees that mandatory communication gatherings would be of a very serious or emergency nature, and not a regular meeting of vendors to PRO.

4. **TERMINATION**

This Agreement will commence immediately and will be terminable at any time by PRO, if in PRO's sole discretion it determines that Agent has breached any provision of this Agreement. Any notice of termination of this Agreement shall be in writing and delivered by overnight or certified mail or personal delivery.

Otherwise, this agreement shall continue in full force and effect until such time as it terminated by either party by giving thirty (30) days prior written notice to the other. Notice of termination shall not affect the obligations of the parties which exist at the time of said notice. Upon termination, Agent shall promptly release to PRO all Property in its possession in at least the same condition as when such Property was recovered by Agent.

5. **APPLICABLE LAWS**

Each party **warrants** full compliance with all applicable laws, rules, regulations and ordinances covering the Services supplied hereunder. Agent shall give all notification documents needed to obtain permits and/or licenses as required by any relevant governmental agencies and obtain, at Agent's cost, all permits and licenses which may be required by any governmental authorities in respect to the Services provided hereunder.

6. **COMPENSATION**

PRO shall provide to Agent a copy of the fee schedule (or a summary rendering of the fee schedule) negotiated with each of PRO's clients. Agent shall invoice to PRO via MRS, and PRO shall pay to Agent via check or ACH, 75% of each and every fee applicable to the service provided by Agent on each account worked by Agent hereunder. In order to prevent PRO from "fronting" funds for the client(s), payment shall be due from PRO to Agent within ten *business days* following payment from PRO's client to PRO on each account for which Agent has timely submitted an invoice to PRO.

PRO shall not be required to pay any other fee or benefit to the Agent for the Services.

Agent recognizes and agrees that it is an independent Agent for all purposes under this Agreement, and that therefore, PRO is not required and shall not provide Agent or its employees or representatives with worker's compensation or any other employee benefit applicable to PRO's employees generally. Agent shall be responsible for payment of all taxes arising out of the Agent's activities in accordance with this Agreement, including by way of illustration and not limitation, federal and state income, social security, self-employment, unemployment and disability taxes. Agent shall have absolute and entire charge, control and supervision of the manner and means of performing the Services and shall have the authority to hire and discharge its workers. Agent shall have no authority to act for or on behalf of PRO or Secured Party except specifically as set forth herein.

Under no circumstances shall amounts due, paid or applicable to one repossession account be set-off or applied to, for or against amounts due, paid or applicable to a different repossession account. The parties recognize and acknowledge that Secured Party has legally required duties to its customers that could be affected by any type of

offset or cross-application of funds. Such affect could cause harm to Secured Party and is, therefore, completely unacceptable and forbidden.

7. **SAFETY**

Agent, at its own expense, shall adhere to, conform to, and comply with, an effective safety program ensuring safe working conditions, at all times. Agent, at its own expense, shall adhere to, conform to, and comply with, all applicable specific requirements promulgated by any governmental authority, including, without implied limitation, the applicable requirements of the Occupational Safety and Health Act of 1970, and all other laws relating to employee safety, applicable to Agent and/or its business by law. Agent will take all precautions which are necessary to protect against any conditions created during the progress of Agent's activities which involve any risk of bodily harm to persons or a risk of damage to any property. Agent acknowledges, represents and agrees that it is the controlling employer in the performance of the Services.

Agent further agrees that, in the event an action is undertaken against PRO for violations created by Agent or its employees or representatives, regardless of tier, Agent shall be responsible for all costs or damages assessed related to this action, including attorney's fees incurred in the defense or appeal of such action. PRO shall immediately tender defense of such a matter to Agent, and Agent agrees to undertake such defense immediately, with defense counsel reasonably acceptable to PRO.

8. **INSURANCE**

Agent, at its sole cost and expense, shall procure and maintain the insurance coverages described below, naming PRO as Certificate Holder and Additional Insured, and providing for at least thirty (30) days' notice of cancellation to PRO. Agent shall provide certificates of insurance on Acord Form(s) to PRO evidencing the following *minimum* coverages:

- a. **Limits:** \$1,000,000 limit (with \$3,000,000 aggregate) combined-single-limit bodily injury and property damage
- b. **Coverage:**
 - (a) Premises/Operations Liability
 - (b) Independent Contractors
 - (c) Completed Operations/Products Liability
 - (d) Contractual Liability
 - (e) Personal Injury Liability
 - (f) Advertising Injury Liability
 - (g) Broad Form Property Damage
 - (h) Hired Automobile Liability
 - (i) Non-Owned Automobile Liability
 - (j) Non-Owned Watercraft Liability
 - (k) Limited Worldwide Liability
 - (l) Extended Bodily Injury
 - (m) On-Hook: \$100,000 per vehicle
 - (n) Garage keepers: \$500,000 per location

All storage locations must be insured and showing (by address) on the insurance certificate(s). Every vehicle used for and by Agent in the process of repossessing Property must be insured under the above coverage(s). Proof of Worker's Compensation coverage is required where required by law; otherwise Agent must provide a statement that coverage is not required and the reason therefor.

c. **Deductibles:**

- (a) For liability coverage, if the deductible is more than \$5,000 per claim, Agent must provide financial

information sufficient to verify ability to pay the deductible at any given time, in the event of a claim involving an account forwarded by PRO.

(b) For Garage keepers and On-Hook coverage a \$500 deductible per unit.

9. **PRIVACY AND CONFIDENTIALITY**

a. Privacy. Pursuant to Federal Law and Regulation, any information provided to PRO and Agent by Secured Party and PRO, respectively, is provided only to allow Agent to perform the services necessary under this Agreement, to process and/or service a transaction, or as required by Federal and/or State Law and/or Regulation. Once this information is received by Agent, whether it is directly or indirectly through an PRO, Agent may not disclose it to any person that is not affiliated with either the Secured Party, PRO or Agent, unless the disclosure would be lawful if made directly by Secured Party. Agent acknowledges these regulations and agrees to be bound thereby, and to require its employees and representatives to be bound thereby.

Agent also agrees to maintain physical, electronic and procedural safeguards that comply with federal regulations, and/or take any other appropriate measures to guard nonpublic personal information to protect the confidentiality and security of this information shared by Secured Party and PRO pursuant to this Agreement. Agent shall ensure that any party in receipt of this information via Agent will be bound by a written agreement containing provisions substantially similar to those contained in this Agreement. Agent also agrees to promptly notify PRO in the event Agent is under the reasonable belief that the integrity of the confidentiality of this information has been compromised.

b. Confidentiality. Agent acknowledges that, during the course of its association with PRO and Secured Party, Agent has been and will be in contact with customers of Secured Party, with other parties having business relationships with Secured Party, and with other personnel of Secured Party and PRO. In the course of the contacts described above, Agent acknowledges that it has had access to "Trade Secrets" of PRO and Secured Party. As used herein, the term "Trade Secrets" means information of any nature and in any form which at the time or times concerned is deemed confidential by law or by the owner thereof, is not generally known to those persons engaged in businesses similar to those conducted or contemplated by the owner thereof (other than by the act or acts of an Agent not authorized to disclose such information), and which relates to any one or more of the aspects of the owner thereof's business, including, but not limited to, the unpublished records, Agreements, books of accounts, corporate documents, work papers, correspondence, member lists or memoranda, or copies of extracts of any of the foregoing; confidential information relating to competition and competitive strategies, marketing strategies, sales, advertising, promotions, financial matters, leases, accounts, books and records, profits, and cost and pricing data. Agent acknowledges and agrees that disclosure of such Trade Secrets to parties other than Secured Party or PRO, or the improper use thereof, will cause serious irreparable injury to PRO and Secured Party. Accordingly, Agent agrees to, at all times, keep secret and confidential all "Trade Secrets", as delineated above, of PRO and Secured Party which Agent now knows or may hereafter come to know unless and until such information shall enter the public domain.

c. Reciprocity. PRO agrees to, at all times, keep secret and confidential all "Trade Secrets", as delineated above, of Agent which PRO now knows or may hereafter come to know unless and until such information shall enter the public domain.

10. **AUDITING**

At least once a year, PRO may audit the records of Agent regarding, but not limited to, lawsuits filed, consumer complaints made, security, and compliance with drug and background checks. It is the duty of Agent to notify PRO of any lawsuits filed against Agent or involving Agent's service hereunder, consumer complaints made against Agent, breaches or allegations of breaches of security, or any bankruptcies filed. Further, it is the duty of Agent to maintain on file with PRO accurate documentation regarding its policies, practices, procedures, and training.

11. RELEASE AND INDEMNITY

a. **Agent Indemnification of PRO and Secured Party.**

- (a) Indemnity for Theft, Damage or other Breach of this Agreement. Agent shall be responsible to PRO and to the Secured Party to fully defend, indemnify and hold harmless from:
- i. any claim of theft of, loss of, or damage to, any recovered Property, or any part thereof, while such recovered Property is in the care, custody and control of Agent or its agents; and
 - ii. any claim of theft of, loss of, damage to, or improper handling of personal effects found in, on or around recovered collateral; and
 - iii. any claim resulting from or related to Agent's efforts in recovering Property, including (but not limited to) claims for intentional or negligent acts, breach of peace, or any other claims arising from or related to the performance of the Services by Agent, its employees or representatives; and
 - iv. any other claim of whatever kind or nature arising from or related to Agent's breach of obligations imposed hereunder.
- (b) Indemnity for Injury and Damage Claims. Agent hereby does RELEASE and DISCHARGE, INDEMNIFY, and HOLD HARMLESS PRO, its owners, parent companies (if any), and their respective subsidiaries, affiliates, divisions, officers, directors, shareholders, investors, employees, agents, servants, insurers, representatives, predecessors, successors and assigns (collectively herein "Indemnitees") and shall DEFEND, from and against any and all demands, claims, actions, suits, damages, losses, liabilities and expenses, of whatsoever kind, including reasonable attorney fees and incidental, special and consequential damages (collectively herein "Liabilities"), arising from or related to Agent's obligations hereunder. **This indemnity shall be broadly construed, shall apply to the fullest extent allowed by law, and shall apply regardless of whether it is alleged that the Indemnitees and Agent were jointly negligent.**

b. **Secured Party and PRO Indemnification of Agent**

- (a) Indemnity for Customer's Claims of Wrongful Repossession. Secured Party and PRO (either or jointly) shall defend, indemnify and hold Agent harmless from and against any claim against Secured Party's (and thereby PRO's) right to repossess Property from a Customer. However, such indemnity obligations shall be limited solely to claims arising from defects in the legal right to repossess Property, and shall in no way be triggered by any claims arising from or related to Agent's services or methods in performing or attempting to perform such repossession.
- (b) Indemnity for Injury and Damage Claims. PRO hereby does RELEASE and DISCHARGE, INDEMNIFY, and HOLD HARMLESS Agent, its owners, parent companies (if any), and their respective subsidiaries, affiliates, divisions, officers, directors, shareholders, investors, employees, agents, servants, insurers, representatives, predecessors, successors and assigns (collectively herein "Indemnitees") and shall DEFEND, from and against any and all demands, claims, actions, suits, damages, losses, liabilities and expenses, of whatsoever kind, including reasonable attorney fees and incidental, special and consequential damages (collectively herein "Liabilities"), arising from or related to PRO's obligations hereunder. **This indemnity shall be broadly construed, shall apply to the fullest extent allowed by law, and shall apply regardless of whether it is alleged that the Indemnitees and PRO were jointly negligent.**

d. **Indemnification Procedures.**

- (a) Tender of Defense and Defending. Should either party receive notice of a claim for which it is entitled and wishes to assert its right(s) to defense, hold harmless or indemnity hereunder, that Indemnified Party shall immediately tender defense of the matter to the Indemnifying Party hereunder, in writing, at the

address for notices applicable hereto. The Indemnifying Party shall immediately undertake the defense thereof, with counsel reasonably acceptable to the Indemnified Party. The Indemnified Party may, in its sole discretion and at its sole expense, retain counsel of its own to work with, or alongside, the Indemnifying Party's counsel providing such defense, indemnification and hold harmless. Both parties agree to cooperate in all reasonable manner and matters in the defense thereof. Settlement of any matter will be at the discretion of the Indemnifying Party with reasonable agreement of the Indemnified Party.

- (b) Failure to Defend. In the event that Indemnifying Party refuses to defend or indemnify the party or parties entitled to defense, hold harmless and indemnity hereunder, or fails to respond to a request for same within five (5) business days of the date the request for defense/indemnity is sent to it, Indemnified Party may retain counsel of their respective choice[s] and defend the matter, then seek reimbursement from Indemnifying Party. Handling or settlement of any matter under this provision 11d(b) shall not require any agreement of the party failing to defend.
- (c) Agent shall immediately report to PRO, each and every claim of \$500.00 and over, for property damage of any kind.
- (d) Agent shall immediately report to PRO, each and every bodily injury or liability claim, of any nature, regardless of amount.
- (e) Any repair work or settlement offer made by Agent without prior approval by PRO will be the full responsibility of Agent without regard to any agreement for defense or indemnity provisions of this contract.

12. SALES AND USE TAX (TEXAS ONLY). Because PRO is physically located in Texas, it must answer to the Texas Comptroller of Public Accounts regarding sales tax on invoices. PRO will make every reasonable attempt to obtain and keep on file a Sales Tax Exemption Certificate from Secured Parties for which it does business. However, when an Exemption Certificate is not available, for any reason whatsoever, PRO will collect and remit sales tax if and when the Secured Party is "engaged in business in Texas" and a customer against whom repossession is sought is located in Texas.

13. REMEDIES. Each party's exercise of, or failure to insist upon or exercise, any right or remedy provided herein shall be without prejudice to the right to exercise or insist upon later exercise of the right or remedy or to any other right or remedy provided herein or by law. All rights and remedies of each party hereto shall be nonexclusive and cumulative and may be exercised singly or concurrently by the party in its sole discretion.

14. MISCELLANEOUS

- a. In the event any portion of this Agreement is deemed by competent judicial authority to be invalid or unenforceable, it is the intent of the parties hereto that all remaining provisions of the Agreement shall remain in full force and effect.
- b. The provisions herein providing for indemnification and confidentiality shall survive termination or suspension of the Agreement.
- c. The Agreement shall not be assigned or transferred by either party without express written consent of the other party hereto.
- d. The Agreement shall be amended only by another written document, signed and dated by both parties hereto.

15. NOTICES. All notices under this Agreement shall be deemed given when either hand-delivered or delivered by reputable letter carrier with tracking confirmation, at the addresses listed with the signatures on this Agreement. Each party shall provide written notice of any change in address within ten days of such change.

16. ASSIGNMENT. This Agreement, including the orders entered under the Agreement and any supplements thereto, shall not be assigned or transferred by either party except with the prior written consent of the other party, which consent shall not be unreasonably withheld.

17. ENTIRE AGREEMENT. This Agreement (including the Exhibits attached hereto), constitutes the entire agreement between PRO and Agent relating to the Services. This Agreement shall be amended only by writing, signed and dated by both parties. All and any prior agreements, items discussed, or other statements made between the parties shall not be binding on either party unless included herein.

18. CHOICE OF LAW AND JURISDICTION.

The law of the State of Texas shall apply to any dispute arising under this Agreement, notwithstanding any state's choice of law rules to the contrary. Any lawsuit filed by either party based upon a dispute arising hereunder shall be filed in United States District Court in Midland, Texas, if the dispute meets the requirements for federal jurisdiction. Otherwise, the lawsuit shall be filed in any court of competent jurisdiction in Midland County, Texas. **THE PARTIES HERETO AGREE TO WAIVE TRIAL BY JURY IN ALL PROCEEDINGS.** Agent consents irrevocably to the jurisdiction of the Texas courts over its person, and service of process upon Agent shall be considered effective if served by certified mail, return receipt requested, or air courier with delivery tracking.

AGENT HEREBY ACKNOWLEDGES THAT AGENT (i) HAS READ THIS AGREEMENT IN ITS ENTIRETY INCLUDING ALL EXHIBITS ATTACHED HERETO AND (ii) HAS HAD AMPLE OPPORTUNITY TO ASK QUESTIONS AND TO SEEK LEGAL ADVICE FROM ITS OWN COUNSEL ABOUT THESE PROVISIONS, BEFORE SIGNING BELOW.

The parties hereto sign this Agreement by their lawfully authorized representative as of the date first stated above.

PINNACLE REPOSSESSION ORGANIZATION, LLC

AGENT TO COMPLETE

(Pinnacle Signature)

(Agent Company Name)

By: _____
(Pinnacle Printed name))

By: _____
(Agent Printed Name)

(Pinnacle Title)

(Agent Signature)

P.O. Box 1891
San Marcos, TX 78666

(Company Address)

(Company City, State & Zip Code)

EXHIBIT A
AGENT CERTIFICATION

I, _____ (printed name),

on behalf of Company Name: _____ (Agent)
in the above Repossession Services Agreement with Professional Repossession Organization (“PRO”), do hereby certify to PRO that the following facts are true and will remain true throughout the entire term of this Agreement:

1. None of Agent’s employees that are involved in the repossession services provided to PRO in the field are under the age of 23.
2. All of Agent’s employees that are involved in the repossession services provided to PRO **are** employees and **not** independent contractors.
3. All of Agent’s employees that are involved in the repossession services provided to PRO have undergone criminal background checks that include information for every State and County in which Agent operates and in which employee has lived over the past ten years, and have been found to have:
 - a. No felony convictions within the past ten years; and
 - b. No theft convictions within the past ten years; and
 - c. No convictions for crimes evidencing moral turpitude within the past ten years; and
 - d. No outstanding arrests or warrants for arrests.
4. All of Agent’s employees that are involved in the repossession services provided to PRO are U.S. Citizens or are properly documented to work in the U.S. or its territories (as applicable).
5. None of Agent’s employees that are involved in the repossession services provided to PRO are Specially Designated individuals on the U.S. Office of Foreign Assets Control (“OFAC”) list maintained by the U.S. Office of the Treasury.
6. All of Agent’s employees that are involved in the repossession services provided to PRO are subject to a “prohibition of drugs and/or alcohol” policy, and will undergo at least a post-accident drug test pursuant to said policy
7. Results of the background checks and drug tests for any employee will be provided to PRO in the event of any claim, upon the written request of PRO.
8. If Agent hires new employees after the date of this certification, each will be fully subject to the certification from his or her date of hire.
9. Agent has and will maintain adequate insurance and is fully licensed and bonded (i.e. insured against criminal activity of any employee), proof of which will be provided to PRO.
10. All of Agent’s employees that are involved in the repossession services provided to PRO have a compliance certification from a recognized compliance vendor in the collateral recovery industry.
11. All of Agent’s employees that are involved in the repossession services provided to PRO undergo at continuing education regarding compliance with federal and state law applicable to services rendered by Agent, including periodic (at least annual) education for owner and all field and office personnel.
12. Agent has adopted the following office policies *in writing*, has reviewed each policy with all of Agent’s employees and representatives at least once per year, and requires as a condition of employment that each employee adheres to all of these policies:

Agent Initials: _____ PRO _____

- a. NO BADGES OR OTHER DISPLAY OF AUTHORITY
- b. Continuing Education Policy
- c. Clean Desk Policy
- d. Complaint Handling Policy
- e. Data Security and Breach Policy
- f. Disaster Recovery Plan
- g. Drug Abuse Prevention Policy
 - a) Including no use of controlled substance on the job; and
 - b) at least post-accident drug testing
- h. Employee Confidentiality
- i. Red Flags Rule Policy
- j. Safe Driving Practices Policy
- k. Wrongful Repossession Procedure Policy
- l. Pre-Employment Background Checks Policy
- m. Non-Public Information Compliance Policy
- n. Facilities Security Policy
- o. Identity Theft Prevention Policy
- p. Communications with Debtors and Third-Party Policy
- q. Personal Property Handling and Disposal Policy

13. Each year, or more often if necessary, Agent will update PRO with a new certification reflecting additional policies and procedures adopted by Agent.

14. Agent will place and maintain on file with PRO a current W-9 form.

AGENT: _____

 (Company Name)

 Signature

By: _____
(Printed name)

Title: _____