CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number_____

Meeting Type: Regular

Meeting Date: 4/24/2014

Action Requested By:
Police

Agenda Item Type
Select...

Subject Matter:

Contract between City of Huntsville (Police Dept.) and PropertyRoom.com to allow vendor to auction court adjudicated evidentiary items currently held in Huntsville Police Evidence where the property owners cannot be found.

Exact Wording for the Agenda:

Resolution authorizing the Mayor to enter into an Agreement between the City of Huntsville and PropertyRoom.com for the disposal of property/evidence held by Huntsville Police Dept.

Note: If amendment, please state title and number of the original

Item to be considered for: Action

Unanimous Consent Required: No

Briefly state why the action is required; why it is recommended; what Council action will provide, allow
and accomplish and; any other information that might be helpful.

Contract will allow the Huntsville Police Dept. to transfer items to PropertyRoom.com personnel so they can auction the items on our (Police Dept's) behalf.

Associated Cost:

Budgeted Item: Select...

MAYOR RECOMMENDS OR CONCURS: Select...

Department Head: Lewis Morris

Date: 4/11/2014

revised 3/12/2012

ROUTING SLIP
CONTRACTS AND AGREEMENTS

Originating Department: **Police** Council Meeting Date: 4/24/2014

Department Contact: **Jessica Winn** Phone # **(256) 427-7002**

Contract or Agreement: **Agreement between City of Huntsville and PropertyRoom.com**

Document Name:

City Obligation Amount:

Total Project Budget:

Uncommitted Account Balance:

Account Number:

Procurement Agreements

TITLE 4/ ~~Select...~~	~~Select...~~ Competitive ~~SOLE SOURCE~~

Grant-Funded Agreements

~~Select...~~ N/A	**Grant Name:**

Department	Signature	Date
1) Originating	Lewis Morris	1/13/2014
2) Legal	Mary C Cates	4/21/2014
3) Finance		1/15/2014
4) Originating		
5) Copy Distribution		
a. Mayor's office (1 copies)		
b. Clerk-Treasurer (Original & 2 copies)		

Revised 04/15/2011

RESOLUTION NO. 14 - _____

BE IT RESOLVED by the City Council of the City of Huntsville, Alabama that the Mayor be, and he is hereby authorized to enter into an Agreement between the City of Huntsville and PropertyRoom.com, on behalf of the City of Huntsville, a municipal corporation in the State of Alabama, which said Agreement is substantially in words and figures similar to that certain document attached hereto and identified as "Property Disposition Service Agreement Between the City of Huntsville and PropertyRoom.com" consisting of eighteen (18) pages, and the date of April 24, 2014, appearing on the first page, together with the signature of the President or President Pro Tem of the City Council, an executed copy of said document being permanently kept on file in the Office of the City Clerk-Treasurer of the City of Huntsville.

ADOPTED this the 24th day of April, 2014.

_____
President of the City Council
Of the City of Huntsville, Alabama

ADOPTED this the 24th day of April, 2014.

_____
Mayor of the City of Huntsville,
Alabama

PROPERTY ROOM.COM

5257 Buckeystown Pike, Suite 475
Frederick, MD 21704
Tel: 240.751.9123
Fax: 240.230.0229
Federal Tax ID: 86-0962102

Property Disposition Service Agreement

Version date: 2012-May

Owner Name: Huntsville, AL Police Dept.	NJPA Agreement: Yes ☐ No ☐
Mailing Address: P.O. BOX 2085	NJPA Member #:
City, State, Zip Huntsville, AL 35804	Signature Date:
Telephone: (256) 427-7002	Automatic Renewal: Yes ☐ No ☒
Fax: (256) 427-7003	Expiration Date: (if not automatic renewal)
Primary Contact Name: Jesthenry Malone Primary Contact Phone: (256) 427-5297	Primary Contact Email: jeshenry.malone@huntsvilleal.gov

This agreement ("Agreement") documents the terms and conditions under which PropertyRoom.com, Inc., a Delaware corporation ("Contractor"), will provide storage, auction and disposition services ("Services") on behalf of owner named above ("Owner").

At request of Owner, Contractor agrees to establish separate accounts under the terms of this Agreement for any other departments or agencies related to Owner for purposes of complying with Owner's financial accounting requirements. Contractor also recognizes the common practice in many jurisdictions to permit related agencies the opportunity to use the services in this Agreement (to "Piggyback") according to the terms and pricing contained herein.

Contractor further stipulates that any municipal, county, or state governmental agency located in the same state as Owner may also Piggyback this Agreement. Owner acknowledges Contractor has advised Owner about Contractor's nationally awarded contract vendor status from the National Joint Powers Alliance ("NJPA") for Services described in this Agreement, and Owner can obtain complete details of the related RFP process at www.NJPAcoop.org.

This Agreement comprises the entire agreement between Contractor and Owner relating to the storage, auction and disposition of property and supersedes any prior understandings, agreements, or representations by or between the parties, be they written or oral.

President of the City Council

Date

1. **Items Requiring Services.** Owner will designate items of property ("Property") it desires to provide to Contractor for Services. For the sake of clarity, in this Agreement, Property means smaller items, such as jewelry, electronics, bicycles and surplus spare parts, as well as larger items, such as cars, trucks, planes or industrial compressors. Contractor retains the right to accept or reject certain Property in its sole discretion.

2. **Title to Property.** Owner shall retain legal title to Property until it is purchased by auction or otherwise disposed of in accordance with the Agreement, at which time Owner will be deemed to have transferred title to the purchaser or other acquirer of the Property (the "Buyer"). Owner appoints Contractor as its representative and instrumentality to hold and offer for sale on Owner's behalf the Property, in accordance with this Agreement. Owner appoints Contractor as its attorney-in-fact to sign any and all documents necessary to assign to Buyers all of Owner's right, title and interest in and to Property sold or disposed. Owner's Property shall, at all times before sale or disposition, be subject to the direction and control of Owner. Cash receipts, accounts receivable, contract rights, notes, general intangibles, and other rights to payment of every kind, arising out of the sales and dispositions of Property (collectively the "Proceeds") belong to Owner, subject to payment of amounts owed by Owner to Contractor and to third parties pursuant to this Agreement, which amounts shall be disbursed by Contractor on behalf of Owner as provided herein.

3. **Services Offered.** Contractor offers four Services for storage, auction and disposition of Property. Owner may use all or any combination of Services depending on Owner's needs as well as the type and nature of Property. Descriptions below summarize the four Services. Attached data sheets, incorporated by reference, provide more details for each Service.

   As and when applicable, for all four Services, Contractor agrees to use commercially reasonable efforts to store and auction Property as well as to dispose of Property not purchased at auction, subject to the ultimate control of Owner. Contractor shall sell and dispose of Property "as is" without any liability to Owner. Contractor is solely responsible for identifying and resolving sales and use tax issues arising from Property sales, including charging, collecting and remitting such taxes.

   a. **Portable Service**. The Portable Service applies to Property items small enough to be picked-up and loaded onto box trucks. Contractor will, on Owner's behalf as its representative, pick-up, test (if applicable and practicable), erase or destroy (in the case of electronic goods) hard disks and SIM cards, photograph, research, store, and list Property for sale by internet auction to the public on one or more domains selected by Contractor. Typical Property processed under the Portable Service include law enforcement property and evidence items approved for disposition, seized items, municipal surplus, and abandoned property as well as lost and found items.
   b. **Gold Service.** The Gold Service applies to Property items too large for pick-up in a box truck and for which Owner agrees to auction-in-place. At Owner's request, Contractor will list such Property for sale by internet auction to the public on one or more domains selected by Contractor. Contractor will use descriptions and digital photographs supplied by Owner. For the sake of clarity, with Gold Service, Contractor will not pick-up and store Property but rather Owner will maintain physical control until transfer of title to Buyers. Contractor will complete auctions and collect funds from Buyers and then provide Owner and Buyers mutual contact information to facilitate Property pick-up by Buyers. Typical Property processed under the Gold Service includes cars and trucks located too far from storage yards to make it economically feasible to tow; additional items include large compressors, generators, etc.
   c. **Titanium Service.** The Titanium Service applies to Property vehicles seized and or impounded by law enforcement agencies. At Owner's request, Contractor will receive tows of seized and impounded vehicles at local yard facilities ("Yards"), storing vehicles while awaiting Owner decision on whether to release a vehicle to a citizen or send to auction. For release-to-citizen vehicles ("Released Vehicles"), Contractor will process paperwork and collect storage fees from citizens. Alternatively, Contractor will, on Owner's behalf as its representative, clean, photograph, store and list the Property for sale by internet auction to the public. Contractor offers Titanium Services in conjunction with subcontractor, Copart, Inc., a publicly traded company ("Subcontractor") with approximately 150 Yards around the U.S.

d. **Platinum Service.** The Platinum Service applies to the auctioning of municipal fleet vehicles and surplus equipment, i.e., Property. At Owner's request, Contractor will tow the Property to, or take delivery at Yards. Contractor will, on Owner's behalf as its representative, tow, verify drivability, clean, photograph, store and list Property for sale by internet auction to the public. Contractor offers Platinum Services in conjunction with Subcontractor. Typical Property sold under this service include municipal fleet vehicles such as automobiles and light trucks as well as specialty equipment such as fire trucks, ambulances, trash collection trucks, and other large public works equipment.

4. **Term and Termination.**
   a. The Agreement will become effective upon signature by the parties (the "Signature Date") and, as indicated in the top section of this Agreement, will continue for either:
      (1) An initial term of 1-year from the Signature Date and thereafter will automatically renew for consecutive 1-year terms unless written notice of non-renewal is provided by either party to the other at least 60 days prior to the expiration of the then current term; or
      (2) An initial term specified by the Owner of at least 1-year, after which a renewal agreement will be required by the Owner. If Owner selects this option, Contractor will send Owner a Notice of Renewal 60 days prior to Agreement expiration.
   b. The Agreement may be terminated by either party upon 30 days prior written notice to the other party.
   c. The rights of the parties to terminate the Agreement are not exclusive of any other rights and remedies available at law or in equity, and such rights will be cumulative. The exercise of any such right or remedy will not preclude the exercise of any other rights and remedies.
   d. Notwithstanding any termination by either party of the Agreement, Contractor will continue to remit Proceeds arising under the Agreement (net of amounts owed by Owner to Contractor and to third parties pursuant to the Agreement) in connection with any sales made before the effective date of the termination. At the time of termination, any unsold inventory shall continue to be auctioned by Contractor or disposed on behalf of Owner or returned to Owner, at Owner's election and cost.

5. **Allocation of Sales Proceeds.**
   For all Services, "Winning Bid" means the highest amount committed and paid by any auction participant ("Buyer") for a Property item sold. For the sake of clarity, Winning Bid does not include shipping, buyer or other fees, nor does Winning Bid mean or include an amount that a Buyer commits to pay but later fails to pay.

   a. **Portable Service**
      (1) **Sales Price.** Total Proceeds paid by Buyer shall be called "Sales Price." Sales Price shall include the Winning Bid plus fees (the "Fees"), such as shipping and handling, taxes, and insurance costs associated with the transaction and paid by Buyer.
      (2) **Transaction Costs.** Contractor shall utilize Fees, and not the Winning Bid, to pay or remit costs for shipping and handling, taxes, and insurance.
      (3) **Contractor Commission.** For each item of Property, Owner will pay to Contractor a fee (the "Contractor Commission") equal to 50% of the first $1,000 of the Winning Bid and 25% of the Winning Bid portion, if any, that exceeds $1,000. The amount of the Winning Bid remaining after deduction and payment of the Contractor Commission will be called "Owner's Gross Proceeds".
      (4) **Processing Costs.** Credit card processing costs ("Credit Card Cost") and affiliate processing fees (the "Affiliate Fees," which include commissions and processing costs paid to third parties if such a third party sent the winning bidder to the website), will be borne by Owner and Contractor in proportion to the ratio of Owner's Gross Proceeds to Contractor Commission. Owner's portion of Credit Card Cost and Affiliate Fees (collectively, the "Processing Costs") will be paid by Contractor to applicable third parties on Owner's behalf.
      (5) **Net Proceeds.** "Owner's Net Proceeds" shall mean the amount of the Winning Bid paid to Owner after deduction and payment of Contractor Commission and Processing Costs.

(6) **Fuel Surcharge.** For Portable Services, Contractor does not charge pick-up fees, hourly labor rates or mileage charges. However, if and when fuel prices rise above a level as shown in the schedule below, a fuel surcharge ("Fuel Surcharge") will be paid to Contractor out of Owner's Net Proceeds for each manifest of Portable items. Contractor tracks benchmark average retail diesel prices as published online by the Energy Information Administration of the U.S. Department of Energy and resets the Fuel Surcharge quarterly based on average weekly pricing from the prior quarter. Fuel Surcharges, if any, are deducted from monthly Owner's Net Proceeds.

Fuel Surcharge Schedule

Retail Diesel (per gal)	Fuel Surcharge*
< $ 2.50	$ 0.00
$ 2.50 to $ 2.99	$ 12.40
$ 3.00 to $ 3.49	$ 24.80
$ 3.50 to $ 3.99	$ 37.20
$ 4.00 to $ 4.49	$ 49.60**

* Divides across locations and/or sub-accounts picked-up same day
** Table continues at same rate of $12.40 increments per $0.50 per gal change in Retail Diesel.

(7) **Disposal.** To the extent that Property is not sold by auction, Contractor will dispose of Property in a commercially reasonable manner, including, but not limited to, sending to recycling, landfill, or scrap processor. Owner understands and agrees:
(a) For Property not sold by Auction, disposition activities create additional Contractor processing costs (the "Disposal Costs") and potentially a disposition Sales Price (the "Disposition Proceeds").
(b) Disposal Costs include, but are not limited to, labor cost of reloading Property onto a truck, labor and vehicle costs associated with transporting Property for disposition, and third-party fees, such as landfill, recycling, and hazardous material disposal fees.
(c) Disposition Proceeds include, but are not limited to, a Sales Price obtained for scrap metal.
(d) Contractor will bear the burden of Disposal Costs.
(e) Contractor will retain Disposition Proceeds, if any, as an offset to Disposal Costs, except if Disposition Proceeds for an item of Owner Property exceed $250, in which case Owner shall be entitled to retain a portion of Disposition Proceeds calculated in accordance with Section 5a above, provided that Disposition Proceeds will be deemed be equivalent to "Winning Bid" and the Disposal Costs will be deducted as a processing cost under Section 5a(4) above.

b. **Gold Service**
(1) **Sales Price, Transaction Costs, Processing Costs & Net Proceeds.** Same as in 5a(1), 5a(2), 5a(4) and 5a(5).
(2) **Contractor Commission.** For each item of Property sold at auction, Owner will pay to Contractor a fee equal to 5% of the Winning Bid. In addition, Contractor will separately charge Buyer a 15% buyer's premium paid directly to Contractor by Buyer (the "Buyer's Premium").

c. **Titanium Service.** Owner will pay Contractor a "Contractor Commission", "Tow Fees", and "Storage Fees" as described below
(1) **Contractor Commission.** For each item of Property sold at auction, Owner will pay to Contractor a fee equal to 12.5% of the Winning Bid.
(2) **Tow Fees.** For vehicles that can be hauled on a standard vehicle transporter, such as automobiles and light trucks, tow services are provided for free within thirty nautical miles of any Yard. A $10 tow fee applies for every additional 10 nautical miles, or portion thereof, over

the first 30 free nautical miles. For over-sized vehicle tows (e.g., cranes, buses, backhoes, etc.) Contractor will seek competitive bids from several haulers and Owner may choose which company to use. In addition, fees for acquiring titles on behalf of Owner, if any, will be borne entirely by Owner.

(3) **Buyer Fees.** Subcontractor will charge fees to Buyers for additional services, such as lot access, vehicle loading assistance, shipping and transportation, and other services.

(4) **Storage Fees**. For Owner vehicles sold at auction, daily storage fees ("Owner Storage Fees) equal $5.00 per vehicle per day. For Release Vehicles, daily storage fees ("Citizen Storage Fees") equal $10.00 per vehicle per day. Owner has the right to charge citizens higher storage fees for Release Vehicles and Contractor will collect such fees along with other citizen fees set by Owner, such as tow charges, administrative charges, court processing fees, etc. ("Citizen Payments").

(5) **Net Proceeds.** "Owner's Net Proceeds" shall mean the amount of the Winning Bid plus Citizen Payments (if any) paid to Owner after deduction and payment of Contractor Commission, Tow Fees (if any), Owner Storage Fees, Citizen Storage Fees, and any other fees for ancillary services requested by Owner, such as title fees, decal removal, etc.

d. **Platinum Service.** Owner will pay Contractor a "Contractor Commission" and "Tow Fees" as described below. Note: There are no storage fees for Platinum accounts.

(1) **Contractor Commission.** Same as 5c(1).

(2) **Tow Fees.** Same as 5c(2).

(3) **Buyer Fees.** Same as 5c(3).

(4) **Net Proceeds.** Same as 5c(5)

6. **Payment Terms.** Once a month, Contractor will remit to Owner the Owner's Net Proceeds arising from completed sales and Services rendered during the prior month. Sales are deemed completed when all items comprising a line item on the original manifest or other list of Property are sold. With each payment of Owner's Net Proceeds, Contractor will make available to Owner, online, a report setting forth the following information for the immediately preceding month:

a. Completed sales during the prior month, including the total amount of related Proceeds collected, Citizen Remittances (if any), Contractor Commissions, the Owner and Contractor share of Processing Costs, Tow Fees (if any), Owner and Citizen Storage fees (if any), any applicable Title Fees and/or Fuel Surcharges, and Owner's Net Proceeds;

b. Other dispositions of Property during the month; and

c. The Property, if any, inventoried by Contractor at end of month.

7. **Contractor Obligations.** With respect to Contractor's delivery of Services:

a. Contractor will exercise due care in the handling and storage of Property;

b. Contractor shall keep Property free of liens, security interests, and encumbrances, and shall pay when due all fees and charges with respect to the Property;

c. Contractor shall sign and deliver to Owner any UCC-1 financing statements or other documents reasonably requested by Owner;

d. Contractor shall obtain and maintain insurance in an amount (determined by Contractor) not less than the replacement value of Property in its possession. The insurance will cover the Property against fire, theft, and extended coverage risks ordinarily included in similar policies. Contractor shall give Owner a certificate or a copy of each of the above upon Owner's request.

e. Contractor agrees, in order to help Owner comply with local public notification statutes, if any, as well as to help Owner achieve higher Winning Bids, to allow Owner to place one or more clickable links (the "Links") from one or more Owner websites to www.PropertyRoom.com or other websites Contractor uses for sale of Owner items. Contractor agrees to supply technical requirements for Links to Owner.

8. **Owner Obligations.** While this Agreement is not exclusive and has no minimum requirements, Owner will use reasonable efforts to provide Contractor such Property as becomes available for sale. Owner will complete paperwork reasonably necessary to convey custodial possession of Property

items to Contractor, including a written manifest or list that describes the items of Property in sufficient detail for identification.

Owner agrees it will not knowingly provide Property that is illegal or hazardous or infringes the intellectual property rights of any third party ("Prohibited Property"), including but not limited to explosives, counterfeit or unauthorized copyrighted material ("knock-offs"), poisons or pharmaceuticals. In the event Contractor determines in good faith that any Property consists of Prohibited Property, Contractor shall have the right to immediately suspend or cancel (even if completed) any auction or disposal of such Property and may refuse to sell, offer to sell or otherwise dispose of such Property. To the extent requested by Contractor, Owner will provide reasonable assistance in determining whether such Property in fact consists of Prohibited Property.

In the event any Buyer asserts a claim that any Property consists of Prohibited Property and Contractor determines in good faith that such claim is reasonably likely to be determined to be correct, Contractor may, in its discretion, accept the return of such Property and refund the Sales Price for such Property to Buyer, in which event Contractor may then destroy such Property or return such Property to Owner and such refunded Sales Price shall be deducted from future remittances of Owner's Net Proceeds made by Contractor.

9. **Restrictions on Bidding**. Contractor and its employees and agents may not directly or indirectly bid for or purchase auctioned Property on Contractor websites.

10. **Representations and Warranties of Owner.** Owner hereby represents warrants and covenants as follows (the "Conditions Precedent"):
    a. Property delivered to Contractor is available for sale to the general public without any restrictions or conditions whatever and does not consist of Prohibited Property; and
    b. Owner has taken necessary actions for Owner to auction the Property or to transfer title to the Property to Buyers.

11. **Books and Records.** Contractor will keep complete and accurate books of account, records, and other documents with respect to the Agreement ("Books and Records") for at least 3 years following Agreement expiration or termination. Upon reasonable notice, Books and Records will be available for inspection by Owner, at Owner's expense, at the location where Books and Records are regularly maintained, during normal business hours.

12. **Assignment.** The Agreement may not be assigned, in whole or in part, by either of the parties without the prior written consent of the other party (which consent may not be unreasonably withheld or delayed). Notwithstanding the foregoing, an assignment of the Agreement by either party to any subsidiary or affiliate or a third party acquisition of all or substantially all of the assets of such party will not require the consent of the other party, so long as such subsidiary, affiliate or acquiring entity assumes all of such party's obligations under the Agreement. No delegation by Contractor of any of its duties hereunder will be deemed an assignment of the Agreement, nor will any changes in control or any assignment by operation of law by either party. Subject to the restrictions contained in this section, the terms and conditions of the Agreement will bind and inure to the benefit of each of the respective successors and assigns of the parties hereto.

13. **Notices.** Any notice or other communication given under the Agreement will be in writing and delivered by hand, sent by facsimile (provided acknowledgment of receipt thereof is delivered to the sender), sent by certified, registered mail or sent by any nationally recognized overnight courier service to the addresses provided on the signature page of the Agreement. The parties may, from time to time and at any time, change their respective addresses and each will have the right to specify as its address any other address by at least 10 days written notice to the other party.

14. **Interpretation.** Whenever possible, each provision of the Agreement will be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of the Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent

of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of the Agreement. The Agreement headings are inserted for convenience of reference only and shall not constitute a part hereof.

15. **Governing Law.** The internal law, and not the law of conflicts, of the state in which Owner is located will govern all questions concerning construction, validity and interpretation of the Agreement and the performance of the obligations imposed by the Agreement. The proper venue for any proceeding at law or in equity will be the state and county in which the Owner is located, and the parties waive any right to object to the venue.

16. **Further Assurances.** Contractor and Owner will each sign such other documents and take such actions as the other may reasonably request in order to effect the relationships, Services and activities contemplated by the Agreement and to account for and document those activities.

17. **Relationship of the Parties.** No representations or assertions will be made or actions taken by either party that could imply or establish any joint venture, partnership, employment or trust relationship between the parties with respect to the subject matter of the Agreement. Except as expressly provided in the Agreement, neither party will have any authority or power whatsoever to enter into any agreement, contract or commitment on behalf of the other, or to create any liability or obligation whatsoever on behalf of the other, to any person or entity. Whenever Contractor is given discretion in the Agreement, Contractor may exercise that discretion solely in any manner Contractor deems appropriate. Contractor shall not be liable to Owner for any Losses incurred by reason of any act or omission performed or omitted by Contractor in good faith on behalf of the Owner and in a manner reasonably believed to be within the scope of authority conferred on Contractor by the Agreement, except that Contractor shall be liable for any such Losses incurred by reason of Contractor's fraud, gross negligence or willful misconduct.

18. **Force Majeure.** Neither party will be liable for any failure of or delay in performance of the Agreement for the period that such failure or delay is due to acts of God, public enemy, war, strikes or labor disputes, or any other cause beyond the parties' reasonable control (each a "Force Majeure"), it being understood that lack of financial resources will not to be deemed a cause beyond a party's control. Each party will notify the other party promptly of any Force Majeure occurrence and carry out the Agreement as promptly as practicable after such Force Majeure is terminated. The existence of any Force Majeure will not extend the term of the Agreement.

This Agreement, including all of the terms and conditions set forth above as well as the data sheet attachments for the four Contractor service offerings as well as any addendums (indicate inclusion of Owner Addendum by checking here: ✓) comprises the entire Agreement between the Parties. This Agreement cannot be modified except in writing by the duly authorized representatives of both parties.

	OWNER	CONTRACTOR
Signor Name:	Tommy Battle	PJ Bellomo
Signor Title:	Mayor	President, COO+CEO
Signature:		PJ Bellomo
Date:		March 7, 2014

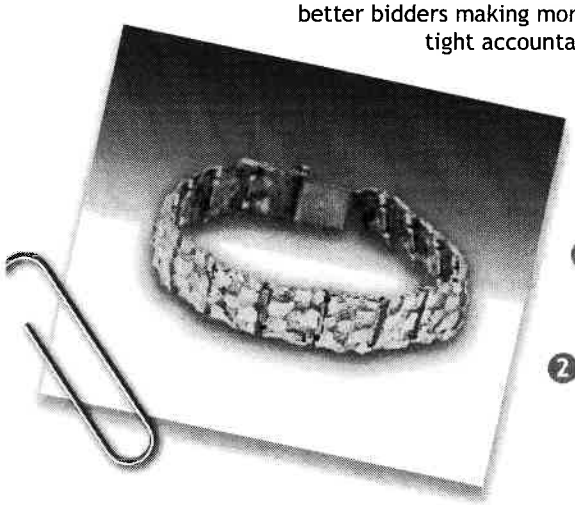
Portables Auction Service

PropertyRoom.com's Portable Items auction program specializes in selling abandoned, seized, and recovered property as well as evidence items no longer required to be retained by your department. We also accept items of surplus municipal property that can easily be transported by our trucks back to our processing centers.

Our Portable Items program service includes: supplying you manifest forms and bar code labels; regularly scheduling pick-up dates from our fleet of trucks; photographing, cleaning, sorting, and assessing the condition of the items you send us; reasonable repairs of items; research and evaluation of items to enhance their salability; appraisals or certification when we feel that would increase bidding interest; listing your property in our online auction catalogue; exposing your property to our more than 1.2 million registered and verified bidders; conducting the online auction using our proprietary technology; processing payments from successful bidders either by credit card or PayPal accounts; shipping items to purchasers; providing 24x7x365 email support to customers; maintaining live customer support facilities for your agency to contact us during business hours; remitting payments to you each month. We also provide a detailed audit trail for all property provided to us for sale that records all bids received, the successful bidder and the payment terms. These reports are available to you via an online access into our servers we provide for your account, so you always have the latest data available for your own internal reporting and accountability requirements.

We provide an exclusive, free service to the public for return of their lost or stolen items. If citizens prove any item on our site is rightfully theirs we will - after consultation with your staff - arrange to return the property to them free of all charges.

The benefits of using our services are: ease of use; a reliable process for periodic purges of your property and evidence rooms; reduction in staff time spent on routine processing and redeployment to higher value assignments; higher returns on property sales from attracting more and better bidders making more and higher bids; and our detailed reports that help you maintain tight accountability on the assets you are responsible for protecting.



Fee Structure:

1. Your agency gets 50% of the first $1,000 of sales receipts for each item.

   Plus

2. Your agency gets 75% of all sales receipts exceeding $1,000 per item.

PROPERTY ROOM.COM

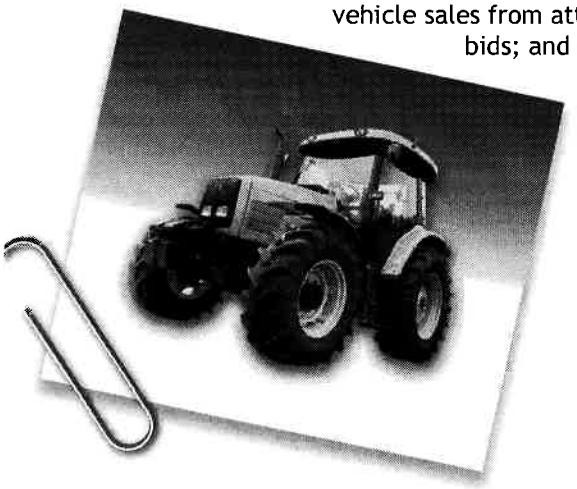
Gold Auction Service

PropertyRoom.com's Gold auction program specializes in selling abandoned, seized, and forfeiture vehicles as well as fleet vehicles and other large pieces of property which do not lend themselves to truck transport to our processing centers.

Our Gold program service includes uploading up to ten digital photographs and a vehicle description from your staff; describing and listing your vehicles or other equipment in our online auction catalogue; conducting an online auction that reaches our more than 1.2 million registered and verified bidders; selling your property to the highest bidder; collecting the successful bid payment; and remitting the proceeds due to your agency. We also provide a detailed audit trail for all property provided to us for sale that records all bids received, the successful bidder and the payment terms. These reports are available to you via an online access into our servers we provide for your account, so you always have the latest data available for your own internal reporting and accountability requirements.

Once the auction is completed and we have collected the funds, we put the successful bidder in touch with your agency to facilitate title and registration transfer and delivery of the item.

The benefits of using our services are: ease of use; reduction in staff time spent on routine processing and redeployment to higher value assignments; higher returns on vehicle sales from attracting more and better bidders making more and higher bids; and our detailed reports that help you maintain tight accountability on the assets you are responsible for protecting.



Fee Structure:

1. Your agency gets 95% of sales proceeds
2. We retain 5% of sales proceeds

PROPERTY ROOM.COM

Data Sheet

Platinum Auto Auction Service

PropertyRoom.com and Copart, Inc., both leaders in online auctions, have joined forces to create a full-service solution for the public sector marketplace. We specialize in selling abandoned, seized, and forfeiture vehicles as well as fleet vehicles.

Our Platinum program service includes towing vehicles from either your agency storage location or from your contract local tow companies; cleaning and photographing your vehicles; describing and listing your vehicles in our online auction catalogue; conducting public inspection periods; conducting an online auction that reaches a local as well as national and international audience of bidders; selling your vehicles to the highest bidder; collecting the successful bid payment; facilitating title and registration transfer; delivering the vehicle to the successful bidder; and remitting the proceeds due to your agency. We also provide a detailed audit trail. We record all bids received, the successful bidder, the payment terms, and the title transfer information. These reports are sent to your agency at the conclusion of each sale week so you always have the latest data available for your own internal reporting and accountability requirements.

Our towing services are free for automobiles and small trucks if your pick-up location is within 30 nautical miles of our local yard facility. Heavy equipment towing is charged at our cost.

The benefits of using our services are: ease of use; reduction in staff time spent on routine processing and redeployment to higher value assignments; less cost for storage and towing charges; higher returns on vehicle sales from attracting more and better bidders making more and higher bids. Automated processing of title and registration documents by our staff saves both time and money for your agency and our detailed reports help you maintain tight accountability on the assets you are responsible for protecting. Because we also can process totaled and wrecked vehicles we provide a 100% solution to your disposition needs and minimize the number of vendors you have to work with and oversee.

Fee Structure:

1. Your agency gets 87.5% of sales proceeds
2. We retain 12.5% of sales proceeds

Copart

PROPERTY ROOM.COM

Platinum Auto Auction

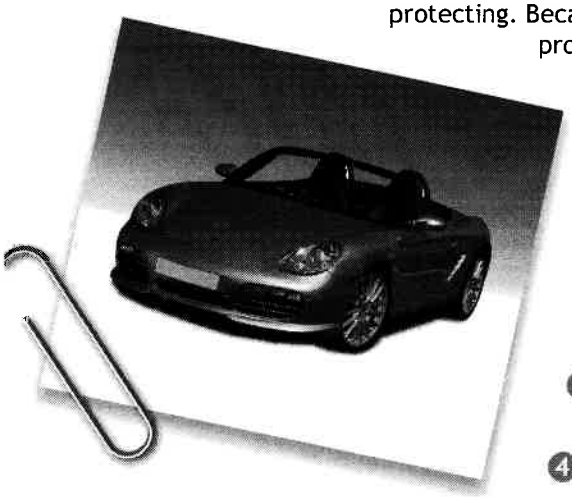
Data Sheet

Titanium Auto Auction Service

PropertyRoom.com and Copart, Inc., both leaders in online auctions, have joined forces to create a full-service vehicle disposition solution for the public sector marketplace. We specialize in selling abandoned, seized, and forfeiture vehicles as well as fleet vehicles.

Our Titanium program service includes towing vehicles from either your agency storage location, impound lot, or local tow companies; storing your vehicles while awaiting resolution of their legal status or while awaiting citizen reclamation; processing citizen returns upon proof of clearance from your agency; scheduling for sale all vehicles approved for disposition by your agency; cleaning and photographing your vehicles; describing and listing your vehicles in our online auction catalogue; conducting public inspection periods; conducting an online auction that reaches a local as well as national and international audience of bidders; selling your vehicles to the highest bidder; collecting the successful bid payment; facilitating title and registration transfer; delivering the vehicle to the successful bidder, and remitting the proceeds due to your agency. We also provide a detailed audit trail. We record all bids received, the successful bidder, the payment terms, and the title transfer information. These reports are sent to your agency at the conclusion of each sale week so you always have the latest data available for your own internal reporting and accountability requirements.

The benefits of using our services are: ease of use; reduction in staff time spent on routine processing and redeployment to higher value assignments; less cost for storage and towing charges; higher returns on vehicle sales from attracting more and better bidders making more and higher bids. Automated processing of title and registration documents by our staff saves both time and money for your agency and our detailed reports help you maintain tight accountability on the assets you are responsible for protecting. Because we also can process totaled and wrecked vehicles we provide a 100% solution to your disposition needs and minimize the number of vendors you have to work with and oversee.



Fee Structure:

1. Your agency gets free towing for automobiles and light trucks for the first 30 nautical miles
2. Your agency pays only $5.00 per day for storage
3. Your agency receives a rebate of the $5.00 per day storage on citizen returns when citizens pay a $15.00 per day storage charge
4. Your agency gets 87.5% of sales proceeds

Copart

PROPERTY ROOM.COM

Titanium Auto Auction

Information Required for New Account Set Up

Once we have the signed agreement, we will provide you with a password and log on for your access into our Agency Web system which permits you to track all actions on any assets you give us to sell from the time of listing right through sale and collection of the funds and remittance of the funds to your account. We need the following seven questions answered so we can get your new account established on our system:

1. Checks Payable to and address to be mailed to:

Huntsville, AL Police Dept.
P.O. Box 2085
Huntsville, AL 35804
Attn: Jessica Winn

2. Main Pick up Location of property:

3000 12th Avenue
Huntsville, AL 35805

3. Main Contact's name, title, telephone, fax and email information. For the following; receives a Welcome call from New Client Services, mailed the double bar codes, mailed the monthly checks. Contacted every 30 days for pickups and scheduled as needed and has primary access to the Agency Web system for tracking and auditing:

Melanie Hutchison
Property Custodian
(256) 427-7110

4. Any other Dept. Personnel that you want to access Agency Web with a Name, Title and e-Mail address:

5. Name, email, and telephone number of the person responsible for your department's web site who will coordinate putting the notice to the public link on your site to ours with our IT staff:

Jason Fanning
Public Safety Services Assistant
(256) 427-7135

6. 2 good times and Days for the Main contact to receive a Teleconference Welcome Call. I will confirm the time and date as soon as I get confirmation from our Client Services Manager and then send you a free dial in phone number and an access code:

7. Name, email, and telephone number of the person responsible for media relations in your department who should deal with our marketing staff regarding any media inquiries:

Captain Jes Henry Malone
(256) 427-5297

Addendum to Property Disposition Services Agreement

This addendum is attached to and made part of_____ Property Disposition Services Agreement dated _____ (the "Agreement"). In the event of a conflict between the provisions of the Agreement and this Addendum, the terms of this Addendum shall govern.

The Agreement is hereby modified as follows:

The Following Paragraphs on Page 1: Second and Third Paragraph are hereby deleted in its entirety:

"At request of Owner, Contractor agrees to establish separate accounts under the terms of this Agreement for any other departments or agencies related to Owner for purposes of complying with Owner are financial accounting requirements. Contractor also recognizes the common practice in many jurisdictions to permit related agencies the opportunity to use the services in this Agreement (to "Piggyback") according to the terms and pricing contained herein.

Contractor further stipulates that any municipal, county, or state governmental agency located in the same state as Owner may also Piggyback this Agreement. Owner acknowledges Contractor has advised Owner about Contractor's nationally awarded contract vendor status from the National Joint Powers Alliance ("NJPA") for Services described in this Agreement, and Owner can obtain complete details of the related RFP process at www.NJPAcoop.org."

SECTION # 3: It is understood that the City of Huntsville PD will be using the Portable Service only on this Agreement. (See Attachment A).

SECTION # 4: TERM and TERMINATION;

It is understood by the parties that the term of this agreement shall be one year with the Owner having the option to renew the agreement for two additional one-year terms. The Owner shall exercise this option by notifying the Contractor in writing of its intent do so at least thirty days prior to the end of the existing term.

Section # 5 (A) (4): Definition of Affiliate Fees:

"A Third Party who directs a bidder to the Propertyroom.com website and that person becomes a WINNING BIDDER of property belonging to the City of Huntsville.

SECTION # 5 (A) (6): FUEL SUR- CHARGES:

Contractor tracks benchmark average retail diesel prices as published online by the Energy Information Administration of the U.S. Department of Energy and resets the Fuel Surcharge quarterly based on average weekly pricing from the prior quarter. Fuel Surcharges, if any, are deducted from monthly Owner's Net Proceeds.

It is understood by both Parties that this Fuel Sur charge is adjusts on a quarterly basis And is deducted from revenue generated from auctioning of Property. This is a national; Average.

SECTION 7 CONTRACTOR OBLIGATIONS:

The following is added to this Section Under Sub –Section # 7:

"Contractor shall carry insurance of the following kinds and amounts in addition to any other forms of insurance or bonds required under the terms of the contract specifications. Contractor shall procure and maintain for the duration of the job until final acceptance by the City, or as later indicated, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by Contractor, it agents, representatives, employees or subcontractors"

Owner

By: _____ _____ _____ Date

Name: Tommy Battle, Mayor

PropertyRoom.com, Inc.

By: RJ Bellomo March 7, 2014 Date

Name: RJ Bellomo

to property which may arise from or in connection with the performance of the work hereunder by Contractor, it agents, representatives, employees or subcontractors.

A. MINIMUM SCOPE OF INSURANCE:

1. General Liability:
Insurance will be written on an occurrence basis. Claims-made coverage will be accepted only on an exception basis after the City's approval.

Commercial General Liability
Products and Completed Operations
Contractual
Personal Injury
Broad Form Property Damage

2. Professional Liability:
Insurance may be written on a "claims-made" basis, providing coverage for negligent acts, errors or omissions in the performance of professional services. Coverage will be maintained for three years after completion of the professional services and Certificates of Insurance will be submitted to the City within reasonable economic terms. For purposes of this provision, reasonable economic terms shall mean that such coverage is carried by at least 25% of the firms within the discipline of concern in the United States. Such coverage shall be carried on a continuous basis including prior acts coverage to cover the subject project. The professional liability insurance shall contain contractual liability coverage.

3. Automobile Liability:
Business Automobile Liability providing coverage for all owned, hired and non-owned autos. Coverage for loading and unloading shall be provided under either automobile liability or general liability policy forms.

4. Workers' Compensation Insurance:
Statutory protection against bodily injury, sickness or disease or death sustained by employee in the scope of employment. Protection shall be provided by a commercial insurance company or a recognized self-insurance fund authorized before the State of Alabama Industrial Board of Relations. Waivers of subrogation in favor of the City shall be endorsed to Worker's Compensation coverage.

5. Employers Liability Insurance:
Covering common law claims of injured employees made in lieu of or in addition to a worker's compensation claim.

B. MINIMUM LIMITS OF INSURANCE:

1. General Liability:
Commercial General Liability on an "occurrence form" for bodily injury and property damage:

$ 2,000,000 General Aggregate Limit
$ 1,000,000 Products - Completed Operations Aggregate
$ 1,000,000 Personal & Advertising Injury

$ 1,000,000 Each Occurrence

2. Professional Liability:
Insurance may be made on a "claims-made" basis:

$ 100,000 Per Claim - Land Surveyors
$ 250,000 Per Claim - Other Professionals

3. Automobile Liability:
$ 500,000 Combined Single Limit per accident for bodily injury and property damage.

4. Workers' Compensation:
As Required by the State of Alabama Statute

5. Employers Liability:
$ 100,000 Bodily Injury by Accident or Disease
$ 500,000 Policy Limit by Disease

C. OTHER INSURANCE PROVISIONS:
The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverage's Only:

a. The City, its elected and appointed officials, employees, agents and specified volunteers are to be covered as Additional Insureds, as their interests may appear, as respects: liability arising out of activities performed by or on behalf of Contractor for products used by and completed operations of Contractor; or automobiles owned, leased, hired or borrowed by Contractor. Additional insured status shall be through ISO Additional Endorsement CG 20 10 11 85 or equivalent that is sufficient to provide the coverage required by this Agreement.

b. Contractor's insurance coverage shall be primary insurance as respects the City, its elected and appointed officials, employees, agents and specified volunteers, as their interests may appear. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents or specified volunteers shall be excess of Contractor's insurance and shall not contribute to it.

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

2. All Coverages:

a. Contractor is responsible to pay all deductibles. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. Cancellation of coverage for non-payment of premium will require ten (10) days written notice to the City.
b. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its officers, employees, agents or specified volunteers.

D. ACCEPTABILITY OF INSURERS:
Insurance is to be placed with insurers with an A. M. Best's rating of no less than **B+ V.**

E. VERIFICATION OF COVERAGE:
The City shall be indicated as a Certificate Holder, and Contractor shall furnish the City with Certificates of Insurance reflecting the coverage required by this document. The A. M. Best Rating and deductibles, if applicable, shall be indicated on the Certificate of Insurance for each insurance policy. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies at any time.

F. CONSULTANTS AND/OR SUBCONTRACTORS WORKING FOR THE CONTRACTOR:
Contractor shall include all subcontractors and/or consultants as insureds under its policies or shall furnish separate certificates and/or endorsements for each subcontractor and/or consultant.

Owner

By: _____ _____ _____ Date

Name: Tommy Battle, Mayor

PropertyRoom.com, Inc.

By: RJ Bellomo March 7, 2014 Date

Name: RJ Bellomo