Contract for:
Online Auction Service
For Surplus Items
#10152015

This agreement is made and entered into this 1st day of February, 2016, between Alpine School District (ASD), Lead District for this Contract, along with participating districts from the EdPAC Cooperative Purchasing Organization (EdPAC CPO) and The Public Group.

Starting on February 1, 2016, The Public Group agrees to provide services described and set forth in the RFP solicitation #10152015 for a period not to exceed five (5) years.
and in The Public Group Online Auction Proposal

ASD and the participating districts reserve the right, subject to notice, to cancel/terminate the contract if the Supplier fails to -

- Provide the services as defined in RFP #10152015,
- Perform any other provision of the contract, or

ASD or a participating district may cancel/terminate their individual contract if there is a change within their school district that warrants a modification of district policy affecting their Surplus Department and its departmental structure.

It is agreed, a "Participating Addendum" (Exhibit I) will be signed by an authorized agent of the participating district and attached to said contract to certify a valid user of the contract.

**The following cost information is for quick reference only. For complete details of the contract, please refer to RFP #10152015. (Attached)

Cost –

5.5% Auction Selling Fee – District collects money from buyer and pays 5.5% selling fee to the Public Group.

8.5% Payment Collection Fee (Option through Public Processing) – Public Group collects the money from the buyer and forwards the proceeds of the sale minus the 8.5% fee to the district. Public Surplus uses Public Processing to collect payment from the buyer and will allow the buyer to pay via credit card or wire transfer.

A district has the option to pay the fees out of the proceeds of the sale or have the buyer pay the fees in addition to the sale price.

In witness of their agreement to the terms above, the authorized agents of each party hereby sign and attest to this contract.

The Public Group:

Derek MacFarland
Printed Name

Signature — Date 2/29/16

Alpine School District:

Robert W Smith
Printed Name

Signature — Date 18 Feb 2016

The Public | Group™

The Public Group Online Auction Proposal

Alpine School District
Request for Proposal for Online Surplus Auction Services

Derek MacFarland
President
(801) 932-7000 office

Zackary Corbett
Product Manager
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#Surplus10152015

Received by Email

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**Note* Any font that is in italics throughout the response comes directly from the Alpine School District's RFP. We format it this way to make it easy for the School District to see what question our answer is responding to.*

Certification of Proposal

Alpine School District Bid 10152015

I have read the Alpine School District Request for Proposal, RFP, and fully understand the intent. I certify that I have adequate personnel and resources to fulfill the RFP requirements. I further understand that my ability to meet the criteria and provide the required services shall be judged solely by The District.

I further certify that, since the receipt of this RFP, no contact, discussion, or negotiations have been made nor will be made regarding this proposal with any District contact. I understand that any such contact could disqualify this RFP.

I further certify that I am properly licensed to conduct business within the scope of this RFP, in the State of Utah.

I certify that all Schedules contained herein shall be considered part of the entire RFP response and that the complete RFP document submitted shall be considered a legally binding document.

Supplier Name:	The Public Group
Authorized Signature:	Zackary Corbett
Name and Title: Zackary Corbett – Product Manager	
Telephone:	1-801-932-7000 x 153
Date:	11/4/15_

Executive Summary

Alpine School District
490 North State Street
Lindon UT 84042

To Whom it May Concern:

The Public Group, LLC, is pleased to respond to the request for proposal from the Alpine School District for Online Auction Services and offer our solution to the challenges currently faced by your agency. We understand that the agency desires a response in providing Internet based surplus auction sales of excess School District inventory.

The Public Group offers an acclaimed online auction application, **Public Surplus,** which will allow the agency to enjoy significant returns from the sale of excess property while minimizing associated costs. This application is designed to meet the unique needs of government agencies. **Public Surplus** is the most comprehensive and easy-to-use online auction service available.

The online auction application, **Public Surplus**, for the disposition of surplus property currently makes its services available to any government agency in the State of Utah. We currently have over 150 clients in the State registered to use our system, including 44 school districts.

We have a proven record of providing online auction services to over 4,500 agencies including state entities, cities, counties, public utilities, and school districts. This includes numerous contracts in place in which the optional extensions have been executed until they were exhausted and required to go out to bid.

We focus on doing business with clients that are innovative and see the benefit of using online auctions from an economic and staffing standpoint. Our dedicated sales and support staff attend government trade shows and discuss our services and the benefit of online auctions via telephone with government clients. We do not expand our sales business beyond that which our support staff can handle. Our growth comes from providing the best customer support in the industry. Many of our new clients are word of mouth referrals that come to us from other users of our system. As the nation continues to adopt online practices for bidding and auction processes, The Public Group will continue to be the leader in the industry assisting agencies every step of the way.

The Public Group's online auction application, **Public Surplus**, is completely web-driven. The only requirement the agency will need to manage for conducting an auction is to supply digital pictures of the items to be sold and upload them via a web browser. The Public Group will supply a dedicated customer support representative to provide onsite assistance with the loading of assets to the auction site if the agency requires assistance.

There is no software to install or maintain, and The Public Group takes full responsibility in keeping the auction site up and running 24 hours a day, 7 days a week, 365 days per year. The Public Group's staff assigned to your account will be available for consultation with site staff on an as–needed basis between 6:00 AM and 6:00 PM, Mountain (MT) Monday through Friday.

The Public Group has over fifteen (15) years of experience in the online auction business and extensive knowledge of how to use diverse advertising media in potential markets to attract bidders who are seeking the type of surplus property the agency has for sale. Providing first class customer service is the goal of The Public Group.

The Public Group will provide all training, manuals and on-site/online sessions the agency requires in order to be comfortable using our system. There will not be any additional charges for training and setting up of the system. The Public Group will also provide dedicated customer support representatives to assist with any additional training and assistance needed throughout the entire usage of Public Surplus.

We provide in-person system training, webinars, online chat, as well as dedicated support representatives to assist with all the agency's needs. Agencies also have access to our online Help section, where there are detailed instructions for how to create and manage auctions.

Our expert team is ready to assist the agency with a wide variety of marketing methods. The Public Group has found that there are several successful ways to increase the revenue and visibility of auctions, in addition to the customary advertisements in periodicals, newspapers and trade publications. Our buyer contact team has spent more than 15 years researching and developing the largest qualified buyer database for government agencies. The Alpine School District will benefit directly from this team calling on its valuable auctions to increase revenue where it is needed the most.

Our system provides a detailed audit record of all activity which allows for reallocation of surplus items internally and provides online auctioning for those items that are not internally reallocated.

The Public Group has created a tool that analyzes various metrics, i.e., names, addresses, phone numbers, etc., and sends an alert to our fraud department to evaluate the threat potential and minimize said threat. In addition to our threat protection, the seller has the ability to block any buyer they deem a threat from their criteria, to prevent them from bidding on their auctions. We use address verification with credit cards and bid deposits which greatly reduces the number of default bidders since the buyer will lose their bid deposit if they do not complete the purchase of an auction they won.

This proposal is in all respects fair and in good faith without collusion or fraud and that the signer of the proposal, Zackary Corbett has the authority to bind the principal proponent.

Zackary Corbett

Zackary Corbett – Authorized for Communication and Representation of proposal.
Surplus Product Manager
1503 South 40 East Suite 350 Provo, UT 84606
(801) 932-7000 Ext 153
801-932-7001

Detailed Response

The Supplier shall provide a full process of an online action service.

1. *Use of auction site must be easily accessible and easy to use.*

   From our years of experience we have the majority of our clients inform us that our website is easier to use then most of our competitors out there. We have online chat buttons, online help tabs and question mark boxes that will inform a user how to use our system. We also have dedicated customer support representatives that can assist with anything needed. As the School District has been a user of our website for over 15 year I'm sure many of the current employees using the software can attest to the ease of use.

2. *The Supplier shall provide multiple methods for collection of payments (Supplier accept payment and reimburse Participating District; Direct payment collection by Participating District, etc)*

   The School District can collect payment directly from the buyer using whatever collection method they prefer. The School District can also have the buyer pay the buyer's premium directly to them and then forward it to Public Surplus or the School District can pay the fee directly.

   We do offer our payment collection service through Payment Processing that will handle all collecting of payments from buyers on behalf of the School District. We do accept Pay Pal, wire transfer and credit card payments if the School District chooses to utilize this service. Please see our cost proposal for additional information.

3. *The Supplier will provide all hardware, software, servers along with any/all maintenance and upgrades needed to operate the online auction service.*

   Public Surplus, our system is fully compatible with Windows and Apple products. Our system also does not require any installation or special software. It can be accessed on our website on any computer device by going to www.publicsurplus.com with any Internet browser. Our system is also fully functional with any mobile device such as a tablet or smart phone. We do not require any connection with the School District and the School District will be able to access our website through any common web browser.

4. *All internet connectivity shall be accessible through industry standard connections, web browsers, and email.*

   Users are able to access our website with any standard internet connection and web browser such as Chrome, Firefox or Internet Explorer. Users can also access our website on tablets and

phones with internet connection. We have our own built in e-mail system that will allow the School District to send and receive e-mails from buyers directly through our website.

5. *Supplier shall provide all security systems, anti-virus and firewalls capable of preventing the hacking of any auction information from the auction servers.*

   We provide all security measures on behalf of the school district and can provide the school district with PCI compliance and other documentation to show this if the school district requires.

6. *Supplier shall provide fraud protection/prevention capability.*

   We have a buyer support team dedicated to monitoring our buyers. We have fraud protection in place that requires the buyer's credit card information to match the address and contact information on their account as well as their phone number and e-mail address. If we collect payment for the school district we will provide all payment dispute assistance and fraud prevention services on our website.

7. *The system shall allow ASD and the participating districts to post their own item information, photos, Terms & Conditions and special instructions via a common internet browser.*

   The school district will have full access to upload any information they want to specifically for their agency and our system is a permission based system that will allow administrators to decide what other employees are able to upload and edit on the website.

8. *The successful Supplier will be required to meet or exceed bid specifications and vendor requirements for the Alpine School District.*

   We feel we meet all the specifications that the school district is looking for and would be happy to do an in person presentation to answer any additional questions the school district may have if needed.

9. *Alpine School District must be notified 48 hours prior to scheduled system maintenance that may affect access to the online auction process.*

   Anytime maintenance is to be performed on our website we do it over the weekend and will have a statement at the top of the website at least 48 hours in advance to notify our clients of the maintenance and downtimes. The only time this may change is in the rare circumstance of an urgent update in which case we will update the website as quickly and efficiently as possible as to not hinder any activity on the website for the schoold district.

10. Additional Items:

A. Billing and Financial Reporting

The Public Group provides standard reports that meet the School District's criteria as

well as customizable reports that allow the School District to select specific criteria for each report. Our reports are specifically designed to assist with audit and transparency standards that Government agencies require. We can develop specialized reports with set criteria if needed. Our system currently has the 9 standard reports that the School District will have access to. These reports can be downloaded into a PDF or Excel file and any user with the correct permission will be able to see the reports.

9 Standard reports the School District will be able to access:

Closed Auction Report
Customizable Sold Auction Report
Auction Payment Report
Reallocation Report
Bid Activity Report
Coop Revenue Report
Sold and Paid Report
Payment Collection Account
Payment Collection Report

Please see our confidential pages information for viewing an example of these reports.

B. Bidding Process

Our system makes the purchasing process as easy as possible for bidders. We have a dedicated Buyer support team that is available via e-mail, chat or our 1-800 number if needed. We assist buyers with payment and navigating the website with whatever they need.

We also make the bidding process as easy as possible for buyers and callow buyers to place proxy bids on items. Proxy bids are when you place the maximum amount that you are willing to pay for an auction and Public Surplus automatically increases the amount of a buyer's initial bid for them in set increments. For example: a TV is being sold that a buyer would like to bid on; it's currently listed at $60.00 with an increment level of $5.00; the buyer doesn't want to pay more than $100.00. The proxy bid will set their first bid at $65.00 so that they are the winning bidder. If another bid is made for $70.00, the proxy bid will automatically increase the bidder's bid amount to $75.00. It will continue doing this until it reaches the bidder's maximum bid amount of $100.00. Proxy bids are very useful for when a bidder doesn't want to have to watch an auction to verify their bidding status.

Our system will notify buyer's via e-mail if their bid has been rejected or if they have been outbid and they will be able to place a new bid if they wish. We will notify buyer

via e-mail if they win the item and were awarded the sale. We will also send each winning bidder the payment and delivery instructions after the auction ends so they know exactly what is expected and needed in order to purchase the item from the School District. the School District will have full control of what this e- mail says to buyers.

C. Customer Support

The Alpine School District will be assigned 3 customer support representatives to their account and these representatives will be available by work phone from 8 AM – 8 PM ET Monday – Friday excluding major national holidays (New Years Day, Christmas Day, Thanksgiving, Memorial Day, Labor Day, etc). the School District will also have access to their representatives cell phone numbers during off hours. The Public Group ALSO provides e-mail and chat support for all users of our website during those time. The Public Group also provides maintenance and upgrades to the hardware and software that the system needs.

D. Online Auction Process

Our system is a permission based system that allows the School District administrators to manually select the permissions and controls that each user in the system is able to access and navigate. The School District will be able to specify who is adminstrators on the website and who has the ability to create/release auctions. Once the School District begins using our system we will help them create their users with the needed access and then they can begin creating auctions.

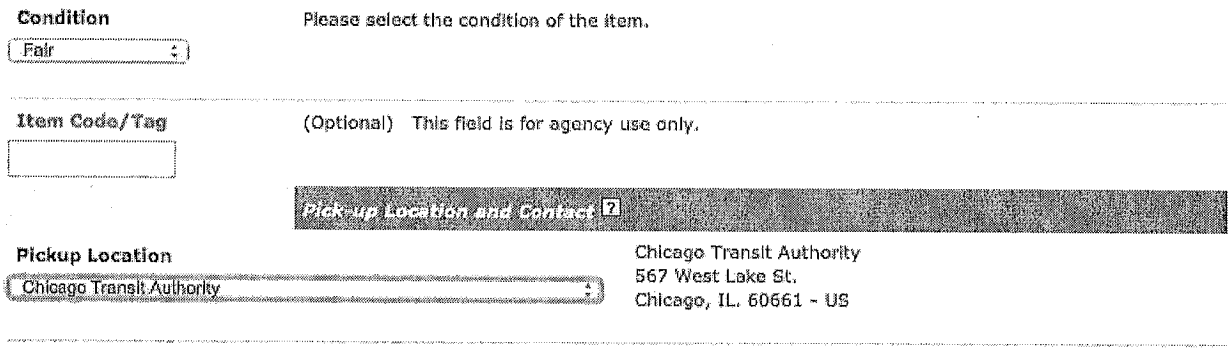
Our online system is designed for ease of use when it comes to auction creation. Users are able to use an excel upload file to create a lot of auctions or can manually create them 1 by 1 with our standard form. Once the auctions are live we have easy to use features that give the School District the ability to revise existing listings, copy existing listings for creation of new listings, and the ability to retract or end listings. All of these features are readily accessible from the seller user menu.

The Public Group understands that the School District will exclusively determine the items and equipment available for surplus. The School District will have the utmost flexibility in how the listings may be conducted. The following functionality is included in our solution:

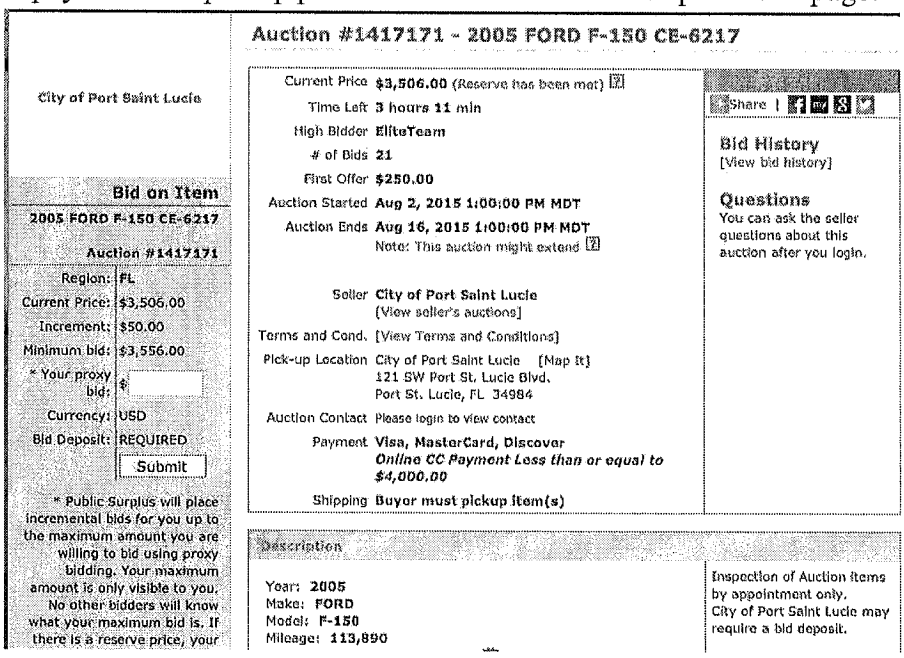
I. Ability to have multiple line items per lot (ie. Computers);
ii. Ability to have one asset per listing (i.e. vehicles);
iii. Ability to have dutch auctions (i.e. same item and condition but multiple

quantities and multiple bidders can purchase one or many)

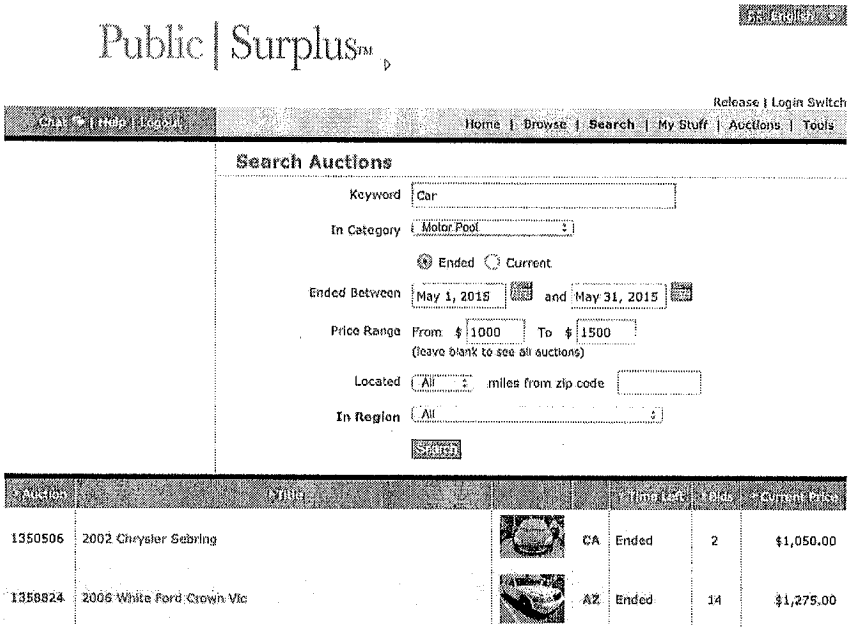
Our system is built specifically for government agencies and we have the ability for agencies to add their own inventory categories they want on each item. These fields are customizable and can be tracked and reported. We are able to customize whatever information for tracking purposes that the School District would need.



After the School District inputs the information they want in the auction creation page it will go to a "Held" section that will allow any School District users with the correct permissions to view and release the items for sale. While the auctions are out for sale the School District will be able to view who is bidding on the item, the number of bids and the current price the bidding is out. The auction page will also show all contact information for the School District employees responsible for the auction. The School District will also be able to place any additional information about the item that they would like in this section such as payment and pickup procedures. Below is an example of this page.

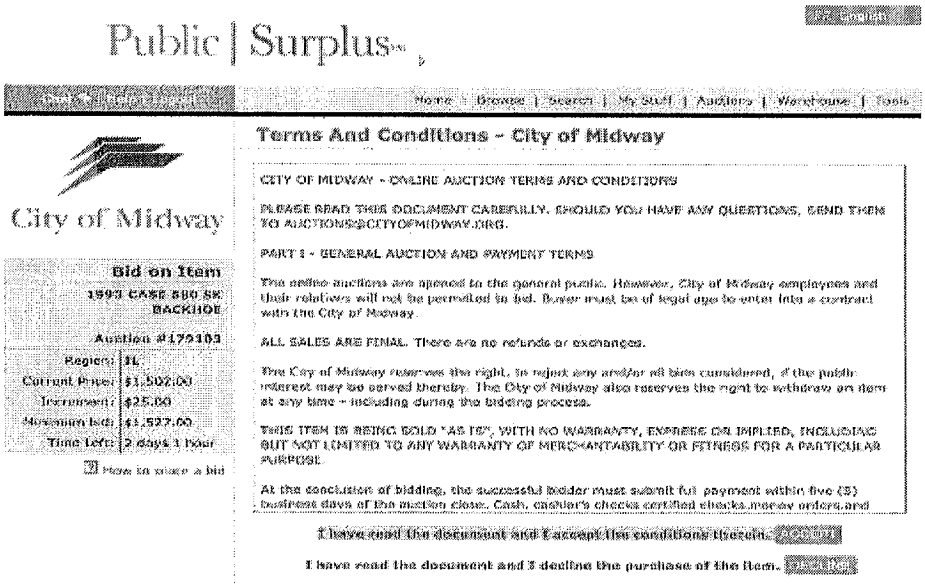


Once an item is released for sale our system allows any user to search for auctions on our website using our search feature. Users that are on the website will be able to search for current auctions as well as closed auctions. Buyers are able to search for items by a specific region and/or specific agency. Below is an example of using this search feature for past auction data.



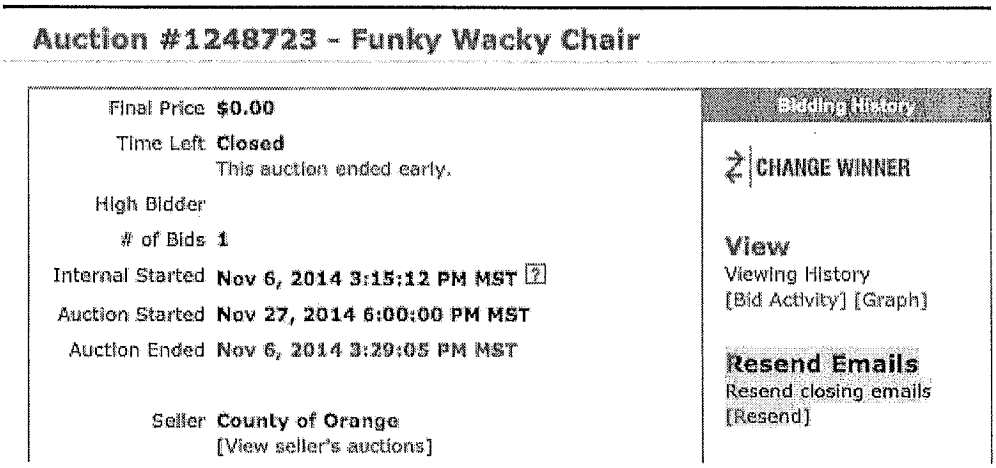
During the duration of the auction buyers are able to access the auction page and ask questions they may have pertaining to the auction. The user that created the auction will then be notified of the question and be able to answer it via e-mail and/or on the website. The user will be able to review the question and approve or deny it before responding and providing an answer.

When a buyer goes to bid on an auction they will have to agree to the terms and conditions that the School District is able to create and edit. When a buyer goes to bid on these items they must agree to the terms, which works as an electronic signature agreeing to whatever specifications the agency has set forth. Below is an example of an agreement page.

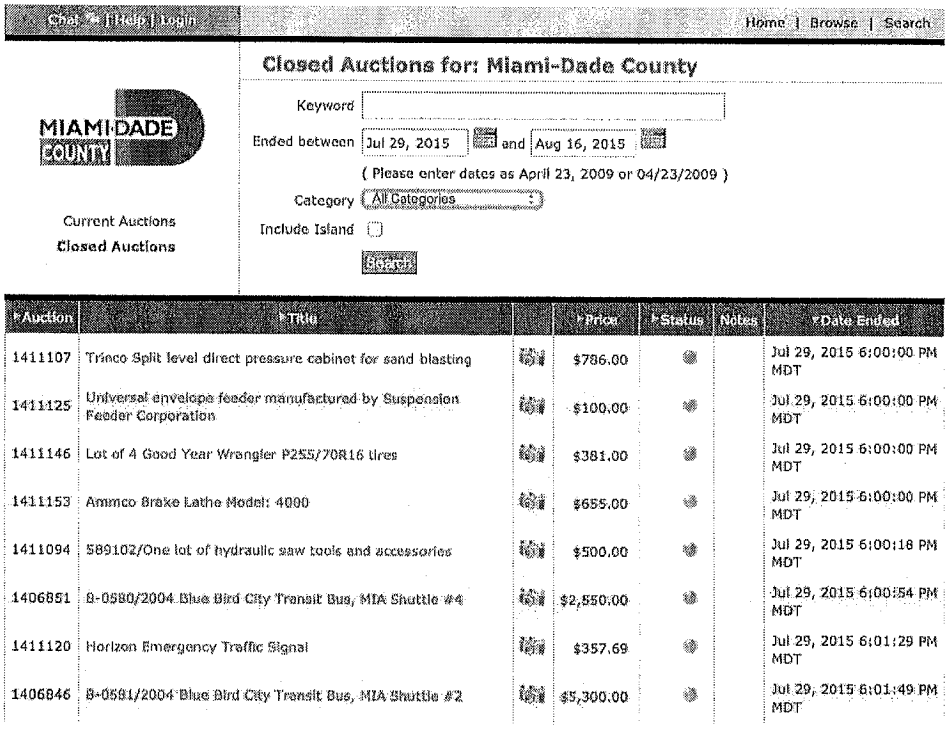


Once an auction ends our system automatically sends a winning notification and payment notification to the buyers after payment has been made. The School District will be able to customize the information e-mailed to the buyers. The School District also has the ability to manually send notifications through our e-mail system within our website.

These winning bidder notifications go out automatically after each auction is ended. The winning bidder and School District will both receive the e-mail notification. The School District is able to customize the information they want within this winning notification. The School District is also able to manually send this information to the winning bidder or second bidder if they want to offer the item to them through our system.



You can view any auctions that ended on our closed auction tab which will show all auctions that closed, the price they ended for bid and who the winning bidder was. The main closing page on an auction looks like the following:



Auction	Title		Price	Status	Notes	Date Ended
1411107	Trinco Split level direct pressure cabinet for sand blasting		$786.00			Jul 29, 2015 6:00:00 PM MDT
1411125	Universal envelope feeder manufactured by Suspension Feeder Corporation		$100.00			Jul 29, 2015 6:00:00 PM MDT
1411146	Lot of 4 Good Year Wrangler P255/70R16 tires		$381.00			Jul 29, 2015 6:00:00 PM MDT
1411153	Ammco Brake Lathe Model: 4000		$655.00			Jul 29, 2015 6:00:00 PM MDT
1411094	589102/One lot of hydraulic saw tools and accessories		$500.00			Jul 29, 2015 6:00:18 PM MDT
1406851	B-0580/2004 Blue Bird City Transit Bus, MIA Shuttle #4		$2,550.00			Jul 29, 2015 6:00:54 PM MDT
1411120	Horizon Emergency Traffic Signal		$357.69			Jul 29, 2015 6:01:29 PM MDT
1406846	B-0581/2004 Blue Bird City Transit Bus, MIA Shuttle #2		$5,300.00			Jul 29, 2015 6:01:49 PM MDT

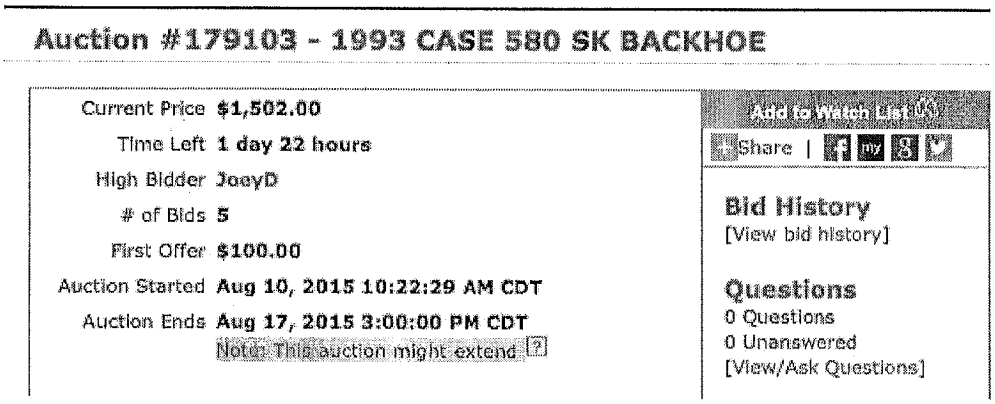
Once the auction closes the buyer has 5 business days to pay for their item and then 5 days from payment to pickup the item. The School District can negotiate these terms with the buyer if they so desire. If the School District has any issues with buyers then the School District will have the ability to block or otherwise decline bidders / buyers whom have defaulted on previous School District or any other government agencies auctions. Additionally, Public Surplus can block or otherwise restrict buyers on a per case basis.

Ability to activate an "Auto Extension of the auction time" option

Our system was the first online auction system to offer an auto extension feature. If a bid is placed during the final 5 minutes of an auction, the end time will automatically extend for an additional 5 minutes. This will continue until no bids are placed during the last five minutes.

This is much like a live auction: When the auctioneer is concluding the sale of an item, a person might make a bid at the last moment. The auctioneer then asks if anyone else would like to make a higher bid, essentially extending the auction until everyone has had a chance to make their final bid on the item.

Most online auctions are bid on during the final minutes. This option allows everyone a fair chance to bid until no more bids are placed.



E. Role of Users

Alpine School District has used our services for over 10 years but we have outlined our standard training plan for the school district, if needed—which includes what is needed from the agency and from our staff. These roles vary and are subject to change as needed.

The Public Group's Role

-Provide onsite or online auction training as needed to ensure the agency is as comfortable as possible with the system.
-Provide the buyers an easy-to-use system to bid on the items and provide all customer support for buyers as they attempt to bid on agency's items.
-Provide an auction extension feature and marketing of items that will ensure we make more money for the agency then any other auction avenue available.
-Provide a system that will make sure our buyers are qualified bidders and perform functions like a bid deposit that will keep buyer's accountable on the transactions they purchase.
-Provide a payment collection service that will handle all payments from buyers on an agency's auction and remit the payment back to the agency on a Net30 cycle.
-Provide constant improvements to the website that make the auction process easier for agency's and implement ideas that agency's may bring forth on their unique account.
-Assist the agency with advertising items in their local newspaper as well as providing a logo link to bring more traffic to the agency's auctions.
-Provide all website security measures and protocols to meet the rules and regulations that are needed during the government auction process.

-Provide all report and audit functions that government agencies need including customizable reports they can access whenever needed.
-Provide all customer support items an agency may need such as online chat, help tabs and a dedicated customer support representative.

Agency's Role
-Setup users in the The Public Group's system that will have the permissions to create auctions and manage the auction system.
-Provide pictures and descriptions of items that need to be sold. These description items include condition of item and VIN, hours or mileage if applicable.
-Provide a location for buyers to be able to pick the items up. There can be multiple locations within an agencies account if needed.
-Provide an auction contact person that will be available to view and answer any questions a buyer may ask about the item.
-Provide the buyers with a pickup time for them to come and remove the property from the agency's location in a timely manner.
-Provide the transfer of titles if needed on vehicle items.

Buyer's Role
-Register on our website and meet all of our qualification processes in order to be a user in our system.
-Place bid or proxy bid on an item that will exceed the agency's reserve price and complete the bid deposit process.
-Provide adequate and approved payment of items within 5 business days after the auction closes.

For the Alpine School District the two representatives (Zackary Corbett, Megan Gatwood) with resumes below will be assigned to your account as main contacts.

Description of Services – Staffing

Name	Classification/Title	No. of yrs. w/ Company	No. of yrs. with online auction systems
Zackary Corbett	Surplus Product Manager	6 Years	6 Years
Megan Gatwood	National Account Executive	4 Years	4 Years

ZACK CORBETT

♦ (800) 591-5546 Ext. 153 ♦ zackaryc@thepublicgroup.com

EXPERTISE

With over 6 years of experience in customer service and client relations, along with strong training and support background, Zack is a trusted asset in our company. With all 6 years of e-commerce experience specifically with government agencies, Zack has held top sales and support positions, and earned recognition for sales and support performance on several projects. He takes pride in his customer relations skills and goes the extra mile to assure the agency the best possible outcome. His unique understanding of Governments and their disposal process is unmatched within TPG.

CORE COMPETENCIES

New Business Development ♦ Account Management ♦ Client Relations
♦ Proposal Development ♦ Prospecting/Cold Calling ♦ Issues Resolution

TPG SUMMARY

Public Surplus Product Manager.....2013 – 2015

Manages the top 500 government agency sales accounts in the nation; helps implement processes and procedures to bring success to all agencies; provides high end customer service to existing and potential agencies; develops long-lasting client relationships; performs product demos; attends trade shows to exhibit TPG products; meets and exceeds all requirements set forth.

Large Agency Sales/Support.....2009 - 2013

With a passion for customer relations and a willingness to 'dig in' to a project, it quickly became apparent that Zack would thrive in a training position. He trains our larger agencies, some with several hundred users, on our specialized software applications. Zack has a long career with TPG.

- Strong eCommerce background
- Ability to remain focused in a high volume setting

ROLE FOR THE SCHOOL DISTRICT

Zack will be the lead trainer and support contact for the School District. In this role he will assure proper training of all School District users utilizing this contract by providing each with individual attention for their specific needs pertaining to their surplus programs. Zack champions the success and understanding of the online surplus disposal process. The School District will have at its disposal our top support representative.

EDUCATION

Bachelors in Business Management ♦ Ashford University

Masters in Business Administration♦ University of Massachusetts

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MEGAN GATWOOD

♦ (801) 932-7001 Ext. 186 ♦ megangatwood@thepublicgroup.com

EXPERTISE

With over 8 years of professional experience in account management, customer service and client relations, Megan is a trusted asset in our company. With her 2 1/2 years of experience with government agencies, Megan has held top support positions within the company. Her understanding of the government sector and ability to build relationships with her accounts is one of her strongest assets.

CORE COMPETENCIES

Client Relationship Management ♦ Account Management ♦ Strategic Account Development ♦ Prospecting/Cold Calling ♦ Issue Resolution

TPG SUMMARY

Large Agency Sales/Support.....2012 - Present

·Manage 300+ National Accounts
·Implement processes and procedures to bring success to all agencies
·Develop long lasting client relationships
·Meet and exceed all requirements set forth

ROLE FOR THE SCHOOL DISTRICT

MEGAN WILL BE AN ADDITIONAL LEAD TRAINER AND SUPPORT CONTACT FOR THE SCHOOL DISTRICT. IN THIS ROLE SHE WILL ASSURE PROPER TRAINING OF ALL SCHOOL DISTRICT USERS UTILIZING THIS CONTRACT BY PROVIDING EACH WITH INDIVIDUAL ATTENTION FOR THEIR SPECIFIC NEEDS PERTAINING TO THEIR SURPLUS PROGRAMS. MEGAN CHAMPIONS THE SUCCESS AND UNDERSTANDING OF THE ONLINE SURPLUS DISPOSAL PROCESS. THE SCHOOL DISTRICT WILL HAVE AT ITS DISPOSAL ONE OF OUR TOP SUPPORT REPRESENTATIVES.

EDUCATION

BACHELORS IN MATHEMATICS ♦ ROOSEVELT UNIVERSITY

Qualifications/Experience

We feel that the best way to share our experience is to have examples and testimonials of agencies that have used our system. Below is numerous examples and agencies that have provided this information.

Our first example -
TPG has assisted an agency in turning a regular expense into a new stream of revenue as documented in the email below:

Testimonial: NYC Director of Bridge Painting

With the advent of the online auction process, even some of the most un-sellable items are able to be advertised and marketed to a much, bigger set of potential end users. As such, New York School District DOT would like to share with you their 100% positive experiences in the very short time that they have been using the online auction process to market and sell excess/unwanted inventory. Specifically NYCDOT would like to focus on the various paints, which they have been able to market and sell to the general public. Recently NYCDOT was able to sell, via online auction approximately 800, 5 gallon buckets of paint, generating an income to the School District of approximately $20,000. Without **Public Surplus**, disposal of this paint would have taken the traditional route of transferring it into 55 gallon drums and then paying an environmental subcontractor $220 per drum to cart away and legally dispose of the paint. This would have been 73 each 55 gallon drums x $220 per drum = $16,060. By my math, this results in a net savings to the School District of $20,000 + $16,060 + all of the man hours saved to transfer the paint into the drums and then cart away the empty buckets via dump truck to a transfer station, easily another $5000.

NYDOT usually does not make it a policy to endorse any particular outside vendor or company, but in this case we feel compelled to break our rules and go out of my way to praise **The Public Group** and their outstanding customer support representatives. Their company is full of talented self-starters and conduct themselves with the highest level of professionalism and customer-focused service attitude. NYDOT is very pleased to be using **The Public Group** and will continue to use it wherever possible as we know they are the best avenue for disposing of surplus in a timely, profitable manner.

-Director of Bridge Painting, NYC, Ron Rauch

Our second testimonial demonstrates our ability to dispose of items that are specific to the School District's and the scope of our buyers' base.

Testimonial: Metropolitan Atlanta Rapid Transit Authority (MARTA)

We have been using **Public Surplus** for more than 3 years. MARTA has sold over 200 buses, 12 retired police cars, and over 100 Auctions for surplus and obsolete equipment in the past year on **Public Surplus**, obtaining bids from Alabama to Portland, Oregon. The ability to obtain as many as 25 bids for our obsolete and surplus equipment maximizes the revenue we make versus local auction houses alone and we are completely satisfied with the service.

Roger Mahler
Purchasing Manager
Metropolitan Atlanta Rapid Transit Authority

Our third example - TPG has assisted an agency in disposing of an item for more than the price the same item was being sold for:

Testimonial: Oldham School District, TX

Oldham School District is located in the beautiful, high plains of the Texas panhandle. In the past year the Sheriff's department had the good fortune of discovering **Public Surplus** at the annual Texas Sheriff's Convention. After investigating **Public Surplus**, how they work and the great things they have done for other agencies we decided the smartest thing we could do was join up and give **Public Surplus** a try. The School District had a group of seized vehicles that in the past they would sell at a local auction. This time we decided to try to power of **Public Surplus** and we where not disappointed. Over the next couple months we auctioned off vehicles that had been sitting around for years. After seeing what **Public Surplus** could do we were able to come to the conclusion that online auctions is the way to go and we have seen considerable revenue growth compared to our local live auction of the past. One vehicle of note was a motor home that you could find the same year, make and model for sale on the Internet for $12,995.00, with **Public Surplus** it went for over $17,000! This made even more money for the Sheriff's department. Overall we are very satisfied and look forward to using and making more money in the future with **Public Surplus**.

Our fourth testimonial states the significant increase in revenue since utilizing our **Public Surplus** application.

Testimonial: School District of Albuquerque, NM

To whom it may concern:

Public Surplus has been our web-based auction since 2007. Since then, our revenue has increased about $400,000 to 500,000 a year. Customer service has been excellent in regards to reports, reconciling and customer communication. The program is simple and user friendly. It is easy to use all around and is an enjoyable auction website. We would definitely recommend it to all Government surplus based companies and entities

Our fifth testimonial shows the effectiveness of our training, customer service, and increases revenue and is from the School District of Mesa.

References

Reference #1

Client/Company Name and Address: Utah County - 100 East Center Street, Provo UT 84606		
Contact Name: Daniel Gibson	**Contract # (Start-End Date) :** January 2007 - Current	**Sales Volume:** Over $1.6 Million on our website
Contact Phone Number: (801) 851-8680	**Contact Email Address:** danielgg@utahSchool District.gov	
Brief Description of Scope of Services: Utah County has been using Public Surplus for over 8 years and they sell all their equipment through our website. They utilize our internal reallocation feature as well as our departments feature. They actually have the ability to use different island accounts through our system that allows them to post items for one department but receive separate checks and account configurations based on the agency's preference. For instance, the fleet department has Public Surplus collect payment and remit it on a net7 cycle while the warehouse department has the payments collected on a net30 cycle. The School District posts all items on their website and is working with other agencies to bring items to their facility to sell if needed.		

Reference #2

Client/Company Name and Address: Nebo School District - 350 South Main, Spanish Fork UT		
Contact Name: Roxann Hoffman	**Contract # (Start-End Date) :** February 2007 - Current	**Sales Volume:** Over $250,000 on our website.
Contact Phone Number: (801) 798-4069	**Contact Email Address:** roxann.hoffman@nebo.edu	
Brief Description of Scope of Services:		

This agency utilizes many services we offer including our auction technician service at times. We have a dedicated representative that can make on site visits to the agency's location to gather pictures and descriptions of items the agency needs to sell. Once the technician has the information they help create the auction listings for the agency. This agency also has the option to use our internal reallocation system. By offering surplus items to other departments within their organization prior to the auctions being listed for public sale, the School District is able to reduce their purchasing budgets. This allows them to redistribute the items to other School District departments free of charge before it goes out for public bid. Using this process, the agency has been able to reallocate thousands of items and save the taxpayers thousands of dollars.

Reference #3

Client/Company Name and Address:		
Canyons School District - 9150 South 500 West Sandy UT 84070		
Contact Name: Kari Johnson	**Contract # (Start-End Date) :** September 2009 - Current	**Sales Volume:** Over $500,000 on our website
Contact Phone Number: (801) 826-5307	**Contact Email Address:** kari.johnson@canyonsdistrict.org	
Brief Description of Scope of Services: Canyons School District has been using Public Surplus for over 6 years and they sell all their equipment through our website. They utilize our island department feature. They actually have 2 different island accounts through our system that allows them to post items for one department but receive separate checks and account configurations based on the agency's preference. They have their fleet department and general department that use our system but have the same contact on the account.		

Reference #4

Client/Company Name and Address:		
Granite School District - 2500 South State Street, Salt Lake School District UT 84115		
Contact Name:	**Contract # (Start-End Date) :**	**Sales Volume:**

Sandy Cummings	March 2010 - Current	Over $2,000,000 on our website
Contact Phone Number: (385) 646-4286	**Contact Email Address:** slcummings@graniteschools.org	
Brief Description of Scope of Services: We provide this agency with full time customer support on an ongoing basis. The School District users take pictures of surplus, write descriptions, and create auction listings. We provide the School District with all marketing to buyers as well as payment collection services. This agency also utilizes our pickup locations feature which enables them to sell items on different locations without having to bring items to one location. We have further enhanced our site to handle unique features requested. We are a software development company that is willing to go out of their way to satisfy our strong surplus customers and the School District will attest to that.		

Reference #5

Client/Company Name and Address: City of South Jordan - 1600 West Towne Center Drive, South Jordan UT 84095		
Contact Name: Tom Volt	**Contract # (Start-End Date) :** May 2012 - Current	**Sales Volume:** Over $600,000 on our website
Contact Phone Number: (801) 254-3742	**Contact Email Address:** tvolt@sjc.utah.gov	
Brief Description of Scope of Services: This agency has been using us for over 3 years and have had us provided on site trainings for them for different staff members that have needed the learning as new contacts have come into place. They use us to sell all of their items including vehicles, heavy equipment and small items.		

Cost Proposal

Public Surplus can be paid by the agency or in the form of Buyer's Premium for the use of our application. A Buyer's Premium is a set percentage that is in addition to the winning bid; this amount is in addition to any applicable taxes and charges. The Buyer's Premium is listed as a separate line item from the winning bid amount. Any applicable fees such as taxes are totaled and charged to the Buyer.

All auctions clearly state and explain the Buyer's Premium for all Bidders (if the School District elects to have one), along with the methods acceptable for payment. Winning bidders also receive this information via email once the buyer has won the auction. If an item listed by the School District is not successfully won, The Public Group does not collect a fee. We feel strongly about our application, we do not charge additional fees found by other online auction sites.
We also do not charge any setup or startup costs. Some of these fees, which we do not charge for, includes:

- Re-Listing fees
- Uploading fees for:
  - Photos
  - Manuals
  - Item supporting documentation
  - Warranty information
- Internal re-allocation fee
- Targeted marketing
- Email blasts
- Contacting specialty buyers
- Record Storage fees
- Integration into the agency's website

Our fee breakdown service is as follows:

5.5% Auction Selling Fee – Our service is completely free for the school district as you will not pay us anything directly. Our standard fee is 7% and the buyer would pay this fee in the form of a buyer's premium. **We offer the school district buyer's a discounted rate of 1.5% which would bring the buyer's premium to a total of 5.5%.**
Example: If the item sells for $100 and the School District charges a buyer's premium the School District will receive $100. The buyer will pay $105.50 and Public Surplus will receive $5.50 from the buyer.
If the School District elects to pay the fee then in the scenario above the buyer would pay $100, the School District would receive $94.50 and Public Surplus would receive $5.50.
This fee can also be reduced if a volume-pricing discount is applied.
Any agency joining this contract would be on our standard rate of 7% auction selling fee.

3% Payment Collection Fee (Optional through Public Processing) – This additional fee is applied if the School District decides to have Public Surplus collect payment from the buyer's. Public Surplus uses Public Processing to collect payments from the buyer and will allow the buyer to pay via credit card or wire transfer. This 3% fee is paid by the buyer on top of the sale price. For example, if an items sells for $100 the School District will receive $100 and the buyer will pay $108.50 which will pay

$8.50 to Public Surplus/Public Processing.

Billing and Payment Remittance Cycles

This section is only applicable if the School District decides to have Public Surplus collect payment directly from the buyer.
Under our payment collection service, Public Processing, LLC accepts payments directly from buyers and remits net proceeds to the government agency via ACH transfer. Payment remittance to agencies is based on set billing cycles and subject to the terms of the Public Processing, LLC Agreement for Payment Processing.

Standard Billing Cycle (Net 30)
The Standard Billing Cycle is 30 days. This billing cycle starts on the 1st of the month that begins after Public Processing, LLC has received payment. Payment is remitted during the first week of the month following the end of the billing cycle. For example:

Auction closes on August 10th and payment is received on August 15th.
Billing cycle will begin on September 1st and will end on September 30th.
Public Processing will remit payment via ACH transfer to the agency during the first week of October.

Expedited Billing Cycle (Weekly ACH Transfer)
The Expedited Billing Cycle is offered to agencies that need to receive payment on an expedited schedule. Under the Expedited Billing Cycle, Public Processing, LLC will remit payment via ACH transfer to the agency on a weekly schedule. Agencies who elect to implement the Expedited Billing Cycle will pay an additional fee of 1%, bringing the total fee to 4% of the winning bid price. This can be passed on to buyers in the form of a buyer premium.

This weekly billing cycle starts on Sunday, and includes all items that are ***paid for*** in the previous week. A week is defined as Sunday through Saturday. Payment is remitted on the second Tuesday following the beginning of the billing cycle. It can take up to 48 hours for funds to be credited to the agency's account. For Example:

Sunday, January 1st - Saturday, January 7th
Any item that is ***paid for*** within the week will be included in the January 8th billing cycle. Payment will be remitted via ACH transfer on Tuesday, January 17th and may not reach the agency's account until Thursday, January 19th.

Sunday, January 8th -Saturday, January 14th
Any item that is ***paid for*** within the week will have an ACH payment transfer sent on Tuesday, January 24th, and may not reach the agency's account until Thursday January 26th.

MISCELLANEOUS OPTIONS

Discounted Rates – If the agency sells over $1,000,000 worth of items within a year, the auction selling fee will be discounted by 0.25% on the next year of auctions. For every $1,000,000 the agency sells there is an additional 0.25% discount.

Also, on large ticket, single sell items that have a value over $200,000 we can offer a flat buyer's premium of 5% + collection fees if applicable (3%).

Price Match Guarantee

The Public Group's online model is especially designed to maximize sales for government agencies while reducing operating costs for both the agency and The Public Group. Our agencies benefit immediately by receiving some of the most aggressive pricing in the market. We are so confident of our model and savings for government agencies that we will NOT be beat on price for similar services. If the School District finds similar services at a lower cost than the The Public Group's quote, we will beat the lower price in the amount of 0.25%.

Auction Technician Service Option

We offer an auction technician service to create auctions on behalf of the School District. This service would be provided by our Utah Auction Technician. They will be able to come on location once a month for the School District and post auctions for as many items as the School District needs posted.

Auction Tech Services to include:

1. Taking photographs of items
2. Surplus item description writing
3. Uploading information on each listing
4. Creating auction listings
5. Releasing auction listings upon approval

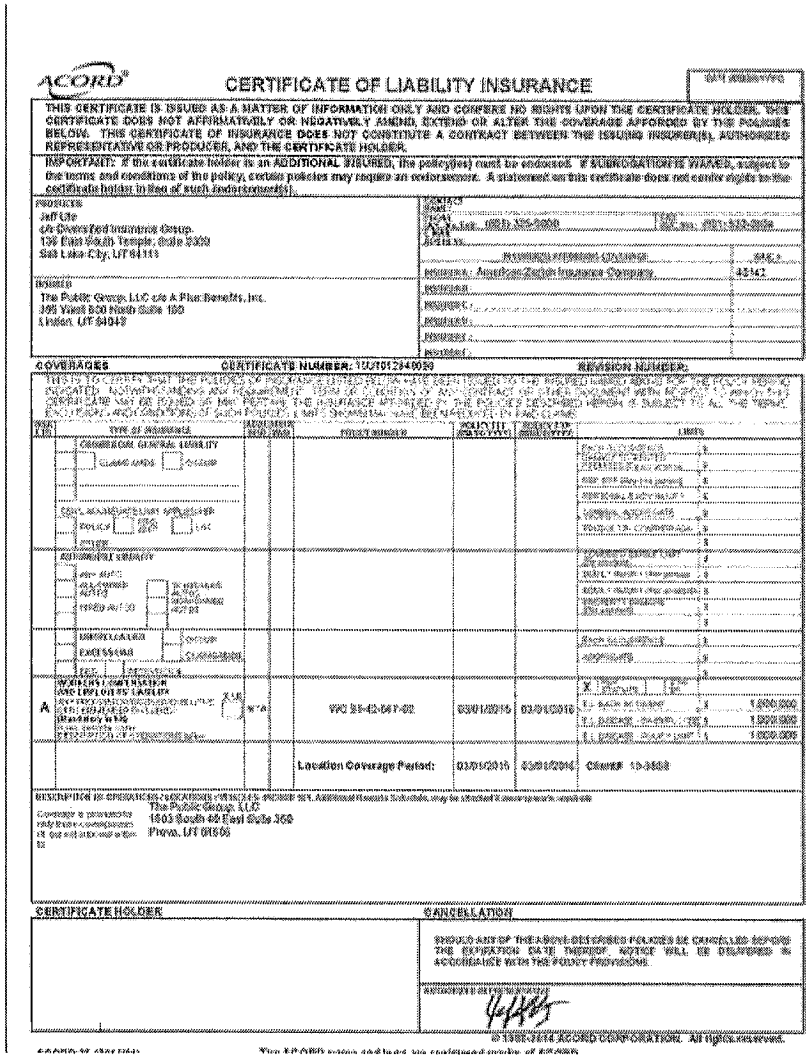
If the School District does need this service more often then once a month we can negotiate on pricing depending on the items being sold but this fee will not exceed 4%.

Insurance Documents

Must provide Certificate of Liability Insurance that will protect the Supplier from the following: claims under workmen's compensation acts and other employee benefit acts, claims for damages resulting in bodily injury and claims for damages to property which may arise from the Supplier's actions pursuant to the fulfillment of this contract, whether such operations be by himself or by any partner/Supplier or anyone directly or indirectly employed by the Supplier.

We can give the Alpine School District a copy of the ACORD Business liability and Workman's comp certificate (see below).

If we are to win the RFP and Alpine School District has us signing the agency contract we can add Alpine School District on the Liability Insurance and and Workman's comp.



ACORD

CERTIFICATE OF LIABILITY INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Jeff Lee
c/o Diversified Insurance Group
136 East South Temple, Suite 2300
Salt Lake City, UT 84111

INSURED
The Public Group, LLC c/o A Plus Benefits, Inc.
395 West 800 North Suite 100
Lindon, UT 84042

CONTACT NAME:
PHONE (A/C, No, Ext): (801) 355-2800 FAX (A/C, No): (801) 355-2808
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: American Zurich Insurance Company	40142
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

COVERAGES CERTIFICATE NUMBER: 1507012940030 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE $
	CLAIMS-MADE / OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence) $
							MED EXP (Any one person) $
							PERSONAL & ADV INJURY $
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE $
	POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG $
	OTHER:						$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) $
	ANY AUTO						BODILY INJURY (Per person) $
	ALL OWNED AUTOS / SCHEDULED AUTOS / HIRED AUTOS / NON-OWNED AUTOS						BODILY INJURY (Per accident) $
							PROPERTY DAMAGE (Per accident) $
							$
	UMBRELLA LIAB / OCCUR						EACH OCCURRENCE $
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE $
	DED / RETENTION $						$
A	WORKERS COMPENSATION AND EMPLOYER'S LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	X / N/A		WC 21-42-067-02	03/01/2015	03/01/2016	X PER STATUTE / OTHER; E.L. EACH ACCIDENT $ 1,000,000; E.L. DISEASE - EA EMPLOYEE $ 1,000,000; E.L. DISEASE - POLICY LIMIT $ 1,000,000
				Location Coverage Period:	03/01/2015	03/01/2016	Claim# 15-3603

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ATTACH ACORD 101, Additional Remarks Schedule, if more space is required)
Coverage is provided only for those employees in our employ and under our supervision.
The Public Group, LLC
1603 South 40 East Suite 360
Provo, UT 84606

CERTIFICATE HOLDER

CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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CERTIFICATE OF LIABILITY INSURANCE

THIS CERTIFICATE ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

HARTFORD FIRE INSURANCE CO
2007 E. P.
PO BOX 1015
SAN ANTONIO TX 78249

THE PUBLIC GROUP LLC, THE PUBLIC GROUP OF CALIFORNIA
PO BOX 5014
FRESNO CA 93755

Hartford Casualty Ins Co

COVERAGES — CERTIFICATE NUMBER: — REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR X General Liab GEN'L AGGREGATE LIMIT APPLIES PER: POLICY [ ] PRO-JECT [X] LOC OTHER:	X		TB 680 987486	02/15/2015	02/15/2016	EACH OCCURRENCE $2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) $1,000,000 MED EXP (Any one person) $10,000 PERSONAL & ADV INJURY $2,000,000 GENERAL AGGREGATE $4,000,000 PRODUCTS - COMP/OP AGG $4,000,000
A	AUTOMOBILE LIABILITY ANY AUTO X ALL OWNED AUTOS X SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS			TB 680 987481	02/15/2015	02/15/2016	COMBINED SINGLE LIMIT (Ea accident) $2,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
A	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DED X RETENTION $10,000			TB 680 987481	02/15/2015	02/15/2016	EACH OCCURRENCE $4,000,000 AGGREGATE $4,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A					E.L. EACH ACCIDENT $ E.L. DISEASE - EA EMPLOYEE $ E.L. DISEASE - POLICY LIMIT $

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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ADDENDUMS TO RFP

Did not receive any addendums that need to be responded too.

Confidential Information – Page 1

Our expert team is ready to increase revenue and visibility of the School District's auctions using a wide variety of marketing tools. The Public Group's buyer contact team has researched and developed the largest qualified buyer database for government agencies. The School District will benefit directly from this team calling and sending emails regarding its valuable auctions in order to increase revenue where it is needed most. Our transition team will review the School District's current methods, offer suggestions for improvement, and offer the use of additional advertising tools such as:

1. Trade magazine advertisements
2. Targeted email blasts
3. Flyer distribution
4. Links on all School District websites – such as banner ads
5. Specialty Advertising
6. Promotion to previous buyers
7. Utilization of mailing lists and contact lists
8. Notification to Special Interest Buyers of various assets
9. Listing advertisements in periodicals and newspapers
10. Strategic emails to Buyers
11. Power Point presentations for viewing on Public Television
12. Advertising in Trade Publications
13. Telephone call campaigns
14. Highlighted website listings

In addition to our advertising strategies, our team will review the School District's current efforts to determine if we can provide any additional support in these areas. The Public Group will provide links for the School District to embed in their current website so all visitors to the School District's site can review the School District's surplus from the site. the School District will be able to incorporate their logo onto their own specific web page within our Public Surplus application.

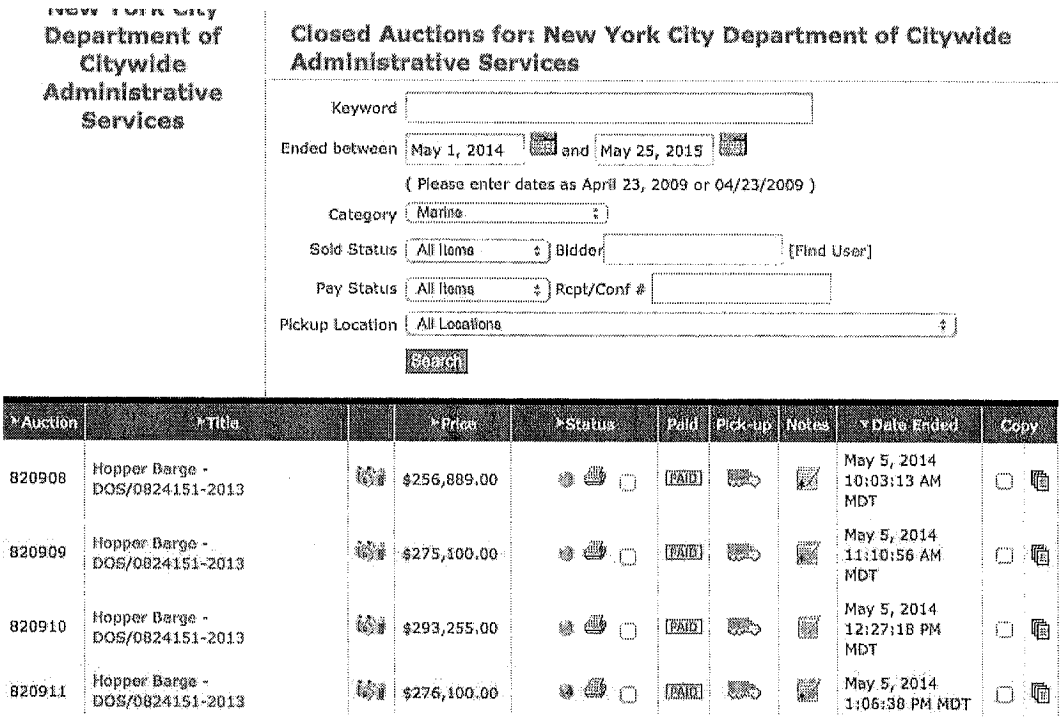
We request that our marketing information remain confidential, as these are the type of things that set us apart from our competition and allow us to make our agency's the most money possible.

Confidential Information – Page 2

Marketing Plan #1 – City of New York Barges – Marketing Team

New York City contacted us in March of 2014 as they needed to sell some hopper barges on our website. They did not have a market for these types of items and were not sure which type of buyers or companies would be interested in purchasing these types of items.

We had our marketing team begin to do research on these items and in turn reach out to the type of companies that would purchase these items. We made many phone calls and e-mails on the behalf of the City to different companies we found that may be interested in these types of items. After a month of diligent marketing we were able to sell all four hopper barges for over $1,000,000 total. The City of New York was extremely pleased with this marketing technique and this is something we offer all of our agencies as they post vehicles and heavy equipment on our website. We will do all research and buyer contacting for you.



New York City Department of Citywide Administrative Services

Closed Auctions for: New York City Department of Citywide Administrative Services

Keyword

Ended between May 1, 2014 and May 25, 2015

(Please enter dates as April 23, 2009 or 04/23/2009)

Category Marine

Sold Status All Items Bidder [Find User]

Pay Status All Items Rcpt/Conf #

Pickup Location All Locations

Search

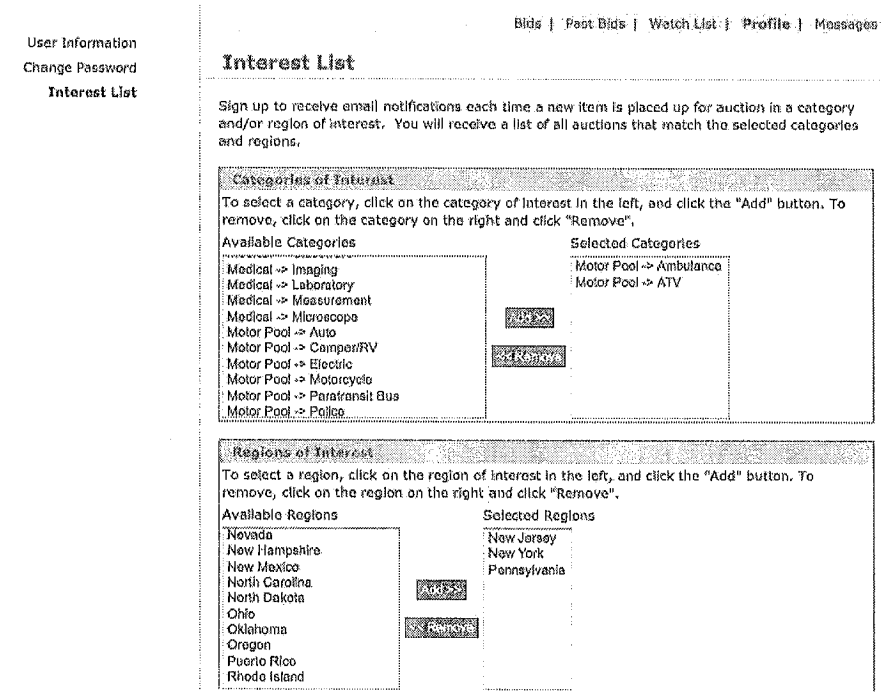
Auction	Title		Price	Status	Paid	Pick-up	Notes	Date Ended	Copy
820908	Hopper Barge - DOS/0824151-2013		$256,889.00		PAID			May 5, 2014 10:03:13 AM MDT	
820909	Hopper Barge - DOS/0824151-2013		$275,100.00		PAID			May 5, 2014 11:10:56 AM MDT	
820910	Hopper Barge - DOS/0824151-2013		$293,255.00		PAID			May 5, 2014 12:27:18 PM MDT	
820911	Hopper Barge - DOS/0824151-2013		$276,100.00		PAID			May 5, 2014 1:06:38 PM MDT	

Confidential Information – Page 3

Marketing Plan #2 – Interest List – Madison County, MT

This agency had concerns about going to online auctions from a local auction company. They were concerned that we wouldn't be able to bring buyers to their auctions as they are in remote Montana. We informed them that as part of our marketing buyers create an interest list when they sign up on our website. This interest allows buyers to select the region and type of items they would like to purchase on the website.

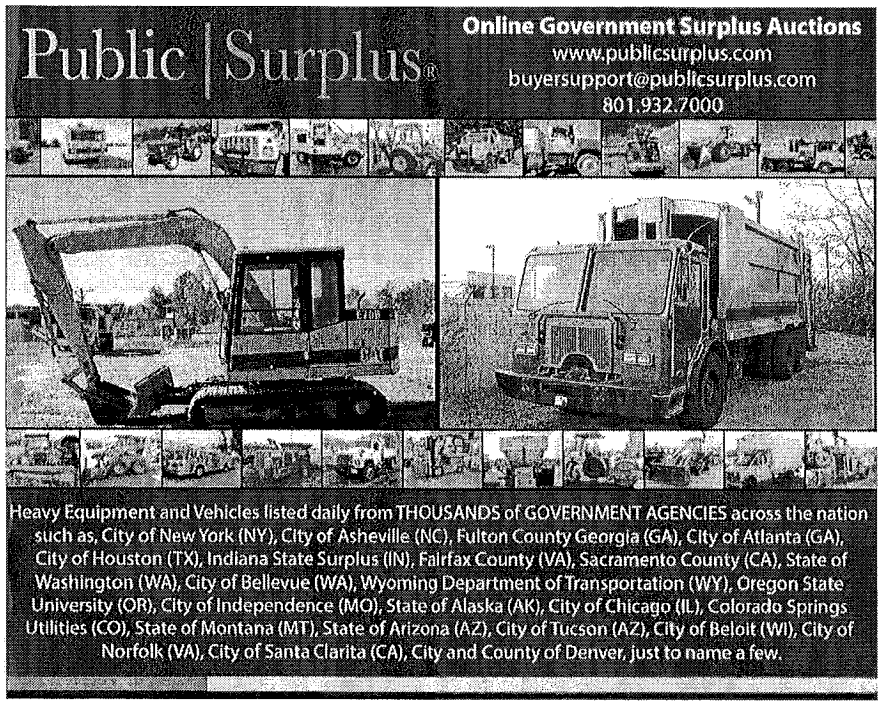
Once an agency creates an auction that meets the criteria the buyer has set they will receive an automatic e-mail notification once a day showing them the items posted in their region. This County decided to post an excavator with us, and our interest list was able to pull many buyers in their region to the auction that they were not aware of. Ultimately the excavator sold for over $45,000, which was $20,000 more than they were hoping to receive.



Confidential Information – Page 4

Marketing Plan #3 – Rock and Dirt Ad

Below is an example of a recent rock and dirt advertisement we had in the national trade magazine. We do these advertisements periodically and include a list of agencies that are selling heavy equipment for buyers to go and look at. This specific rock and dirt advertisement came out during the same time that the State of Alaska needed to sell some graders and loaders. Due to the traffic obtained on these auctions during that time the State was able to receive a considerable amount more revenue then they expected.



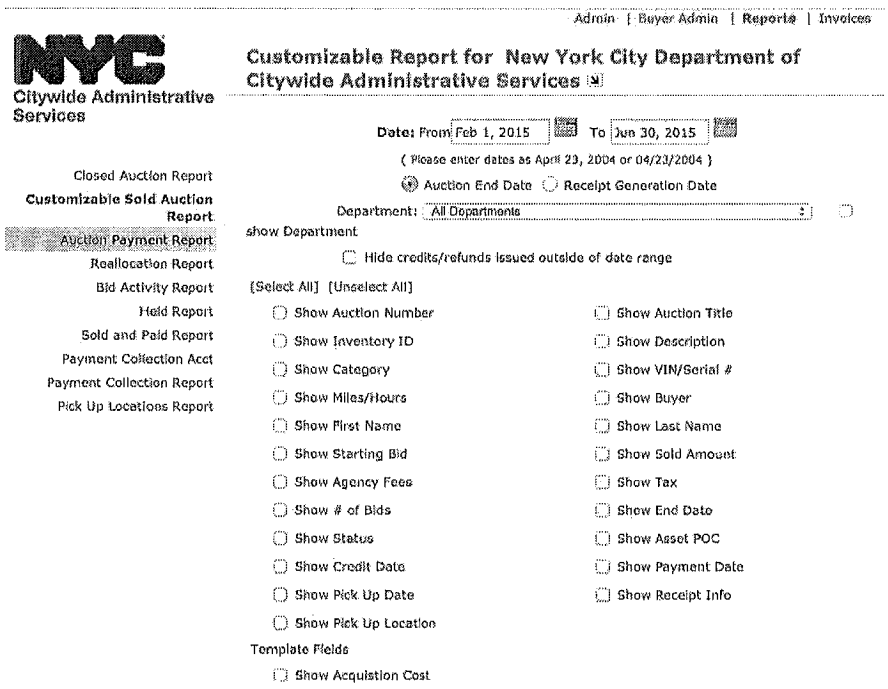
Confidential Information – Page 5

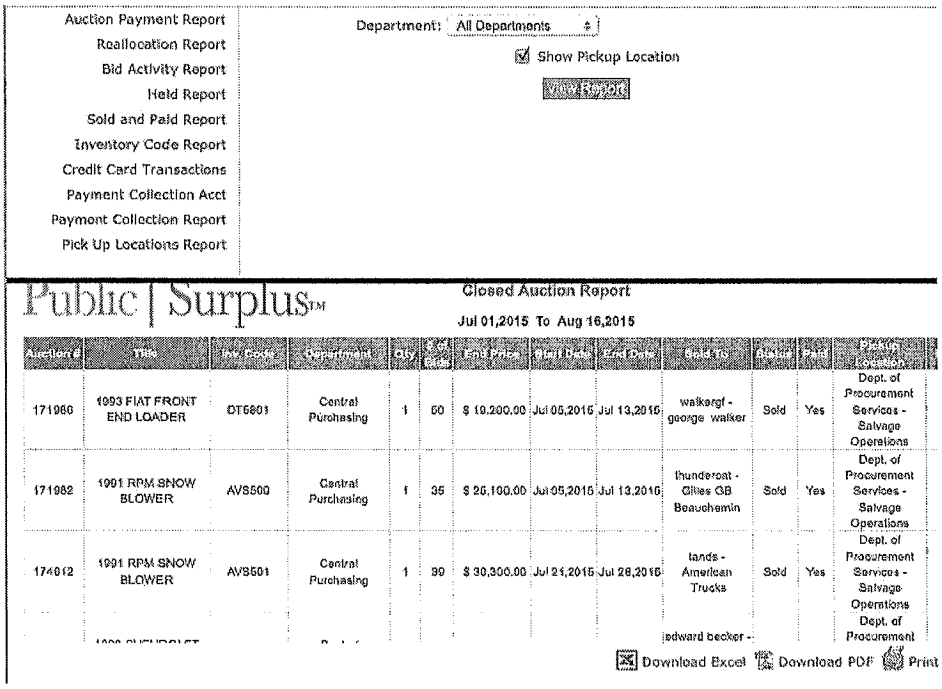
1315237	(TAZLINA AK) 1998 JOHN DEERE 744H LOADER - V-32696 14-15PS		$32,200.00			PAID			Mar 11, 2015 8:00:00 PM MDT	
1326367	(ANCHORAGE AK) 1986 CATERPILLAR 140GVHP GRADER - V-8520 15-15PS		$42,310.00			PAID			Apr 3, 2015 8:00:00 PM MDT	
1326360	(ANCHORAGE AK) 1995 CATERPILLAR 160HVHP GRADER - V-32081, 10500, 10501 15-15PS		$46,310.00			PAID			Apr 3, 2015 8:00:00 PM MDT	
1270083	(VALDEZ, AK) 2004 CASE 921C LOADER - V-35439, 65397 13-15PS		$66,295.00			PAID			Jan 4, 2015 8:08:57 PM MST	

We will be glad to share, in more detail, additional marketing methods and strategies with the School District if we are considered for award. We deem these methods to be confidential and therefore leave them out as not to give our competition a leg up in this competitive marketplace. We can assure the School District that with The Public Group's over 15 years experience and our proven track record of success ensures that we continually get top dollar for our clients. We look forward to sharing in more detail our proven marketing methods of success.

Confidential Information – Page 6

Below are screenshot examples of what our reporting feature looks like.





Auction#	Title	Inv Code	Department	Qty	% Sold	End Price	Start Date	End Date	Sold To	Status	Paid	Pickup Location
171960	1993 FIAT FRONT END LOADER	DT5801	Central Purchasing	1	50	$ 10,200.00	Jul 05,2015	Jul 13,2015	walkergf - george walker	Sold	Yes	Dept. of Procurement Services - Salvage Operations
171962	1991 RPM SNOW BLOWER	AVS500	Central Purchasing	1	35	$ 25,100.00	Jul 05,2015	Jul 13,2015	thunderoat - Giles GB Beauchemin	Sold	Yes	Dept. of Procurement Services - Salvage Operations
174012	1991 RPM SNOW BLOWER	AVS501	Central Purchasing	1	30	$ 30,300.00	Jul 21,2015	Jul 28,2015	lands - American Trucks	Sold	Yes	Dept. of Procurement Services - Salvage Operations
									edward becker -			Dept. of Procurement

Public Surplus Agreements

Public Surplus Seller Agreement

Public Group, LLC, a Utah limited liability company that sometimes does business as "Public Surplus" (**"Public Surplus"**, **"We" "Us"**), provides online bid boards, auctions and stores and facilitates other online transactions on www.publicsurplus.com and other websites (collectively, the **"Site"**) for governmental bodies and others (**"Sellers"** or **"You"**) to sell surplus goods and other property and assets to buyers of all types (**"Buyers"**). As a condition to accessing and using the Site and receiving the benefit of Public Surplus' services provided through the Site and otherwise (the **"Services"**), Public Surplus requires that You review and accept this Seller Agreement (this **"Agreement"**).

BY REGISTERING TO USE THE SITE AND THE SERVICES, YOU ACCEPT AND AGREE TO THE TERMS AND CONDITIONS OF THIS AGREEMENT WITH PUBLIC SURPLUS. IF YOU DO NOT AGREE TO ACCEPT THIS AGREEMENT, YOU MAY NOT ACCESS THE SITE OR OTHERWISE USE THE SERVICES OR THE SITE. YOU AGREE THAT YOU HAVE RECEIVED GOOD AND VALUABLE CONSIDERATION IN EXCHANGE FOR ENTERING INTO THIS AGREEMENT.

1. ACCESSING OUR SITE AND USING OUR SERVICES

1.1. Eligibility. You may only use our Services if You are at least 18 years of age, are mentally competent, and can form legally binding contracts under applicable law. You may not assign or transfer Your account or user identification to any other party.

1.2. Seller Affirmations in Connection with Offers and Sales.. In using our Site and Services, You agree as follows:

(a) No contingency to Your sales offer exists other than those stated in the listing at the time of sale.

(b) You will be responsible for delivering property sold using Your username and password.

(c) You are fully capable of transferring title to the property offered for sale in a timely manner.

(d) You are a real person or entity, with a verifiable address, telephone number and email address as provided to Us.

(e) You are dealing in good faith and are not attempting to defraud, cheat, or wrong Public Surplus or any Buyer.

1.3. Accuracy and Nature of Your Information. You are solely responsible for all information You provide to Us or other users on our Site ("Your Information"). We act as a passive conduit for the online distribution and publication of Your Information. You agree that Your Information (i) will not be false, inaccurate, or misleading; (ii) will not violate any law, statute, ordinance or regulation; and (iii) will not be defamatory, trade libelous, unlawfully threatening or unlawfully harassing. In providing Your Information, You grant to Us a non-exclusive, worldwide, perpetual, irrevocable, royalty-free, sub-licensable (through multiple tiers) right to use and exercise the copyright, publicity, and database rights You have in Your Information for purposes of facilitating the communications and transactions made through our Site.

1.4. Fees. Public Surplus charges no fees for You to register to list property for sale on the Site. However, You will owe a transaction fee for each sale through the Site. Other fees may apply for other Services as shown on the Site. Our fees may change from time to time. You are responsible for paying all fees and any applicable taxes associated with transactions effected through the Site in a timely manner and with a valid payment method. If Your payment method fails or Your account is past due, We may collect fees owed using other collection mechanisms.

1.5. You agree not to attempt any action that may disrupt our Site or our Services. Among other things, You agree that (i) Your Information and all other input on our Site will not contain any viruses, Trojan horses, worms, time bombs, cancelbots, easter eggs or other software, devices, files or routines that may damage, interfere with, copy, reproduce, intercept or expropriate any system, data or personal information; (ii) You will not create liability for Us or cause Us to lose (in whole or in part) the services of our Internet Service Providers or other vendors; (iii) You will not use our Site to obtain e-mail addresses for bulk e-mail solicitations or otherwise; (iv) You will not reverse engineer any of our Services, programs, or infrastructure; (v) You will not use any robot, spider, other automatic device, or manual process to monitor, copy or reproduce our web pages or the content contained herein without our prior express written permission; and (vi) You will not take any action that imposes an unreasonable or disproportionately large load on our infrastructure.

1.6. User Password. During the registration process, You will select a username and a password. You agree that You are solely responsible for preserving the confidentiality of Your username and Your password, and You will be responsible for all activities and charges related to the use of Your username and password, including unauthorized use. You agree not to furnish Your username, password or other information to any other party for use of the Site and the Services. You agree to notify Public Surplus immediately of any unauthorized use of Your personal password or username and any other breach of security regarding the Services.

1.7. Obligation to Ensure Compliance with this Agreement. You agree that You will take all steps necessary to ensure that Your employees, contractors, and agents comply with the covenants, terms , and provisions of this Agreement, including but not limited to the covenants contained in sections 1.5 and 7.8 of this Agreement. You acknowledge that You will be responsible and liable for any damages, claims, liabilities, and expenses of any kind suffered by Public Surplus or any of Our affiliated

companies arising from any and all actions or failures to act taken by any party using Your username and password or taken by Your employees, contractors, or agents, whether or not in accordance with the terms or intent of this Agreement.

1.8. Consent to E-Mail Correspondence from Public Surplus. You hereby agree that We may send future correspondence to You via electronic mail ("e-mail") that notifies You of sales opportunities or other matters that We believe may interest You. Any e-mail correspondence to You (i) will be clearly and conspicuously identified as sent by Public Surplus; and (ii) will clearly and conspicuously display a functioning return e-mail address to enable You to reply to Public Surplus.

1.9. Electronic Signature. You are notified by this statement that Your consent to these terms and conditions by checking the box indicating Your agreement to be bound to these terms, meets the requirements of Section 101(c) (1) (C) (ii), the Consumer Consent Provision, of the Electronic Signatures in Global and National Commerce Act (ESIGN). You may print these terms and conditions, but they are subject to change by Us. Changes to the terms and conditions will be effective from the time they are placed on our Site, in the terms and conditions section of the Site, or any other section where they may appear.

2. SELLER UNDERSTANDINGS AND OBLIGATIONS

In listing or offering items for sale on our Site or otherwise accessing our Site and Services in any way, You represent, warrant and agree to the following:

2.1. Shipment. At the close of an auction in which You have a winning bidder, You agree to make the property immediately available for pickup and/or shipment.

2.2. Deposits. We reserve the right to require an earnest money deposit prior to or during the listing on certain items at our sole discretion. Any such deposits will be retained and applied in Public Surplus' discretion.

2.3. Legal Compliance. You will comply with all applicable laws, statutes, ordinances and regulations regarding Your use of our Site and Services and the offer and sale of property. Offering property for sale with the intent not to complete the transaction, causing disruption to the sale process on our Site, and not completing transactions will be considered in most jurisdictions as fraud and may be prosecuted to the fullest extent of the law.

3. PAYMENT PROCESSING SERVICES

3.1. Payment Processing Services Under Separate Agreement with Affiliate. In the event that You elect to have Our affiliate, Public Processing, LLC, a Nevada limited liability company (**"Public Processing"**), receive and process on Your behalf payments made by Buyers (the **"Processing Services"**), You agree to the provisions set forth in this Agreement and in a separate agreement with Public Processing.

4. LIABILITY LIMITATIONS AND RELEASES

4.1. Absence of Liability. You will not hold Public Surplus responsible for actions or inactions of Buyers or other users, including the failure of a Buyer to take delivery or make payment for an item. You acknowledge that We are not a traditional auctioneer and We are not the Buyer of property sold through our Site. Instead, the Site provides a marketplace for users to offer, sell, and buy items of all kinds in a variety of pricing formats and venues. We are not involved in the actual transaction between You and Buyers. We have no control over and do not guarantee such things as the quality, safety or legality of items advertised, the truth or accuracy of listings, the ability of Buyers to purchase and make payment for items, or the completion of a sale by You, even upon a successful bidding and acceptance process. Without limitation of the generality of the foregoing, We will not be liable for lost profits or any special, incidental or consequential damages arising out of or in connection with the Site, our Services, or this Agreement.

4.2. Disclaimer of Warranties. THE SITE AND SERVICES, INCLUDING ALL CONTENT, FUNCTIONS, MATERIALS, AND INFORMATION ON OR ACCESSED THROUGH THE SITE OR SERVICES, ARE PROVIDED ON AN "AS IS," "AS AVAILABLE" BASIS. PUBLIC SURPLUS DISCLAIMS ANY WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, DATA ACCURACY, SYSTEM INTEGRATION, OR QUIET ENJOYMENT. PUBLIC SURPLUS DOES NOT WARRANT THAT THE SERVICES, FUNCTIONS, FEATURES OR CONTENT WILL BE FUNCTIONAL, TIMELY, SECURE, UNINTERRUPTED OR ERROR FREE, OR THAT DEFECTS WILL BE CORRECTED. PUBLIC SURPLUS MAKES NO WARRANTY THAT SALES WILL BE COMPLETED THROUGH THE SITE OR THAT THE SITE OR SERVICES WILL MEET YOUR REQUIREMENTS OR EXPECTATIONS, EXPRESSLY DISCLAIMS ANY WARRANTIES OR GUARANTEES THAT BY LISTING THE LISTED ASSETS, THE LISTED ASSETS WILL BE SOLD. PUBLIC SURPLUS MAKES NO WARRANTY OF ANY KIND REGARDING ANY LISTED ASSETS OR ANY TRANSACTIONS ENTERED INTO THROUGH THE SERVICES. PUBLIC SURPLUS EXPRESSLY DISCLAIMS ANY ENDORSEMENT OR WARRANTY OF ANY LISTED ASSETS SOLD ON OR THROUGH THE SITE OR THE SERVICES, AND ANY RESPONSIBILITY FOR ANY MISREPRESENTATIONS OR BREACHES COMMITTED BY ANY BUYER OR OTHER USER.

4.3. Interruption of Service. Public Surplus is not responsible for any damages or losses related to any system errors or interruptions affecting its Site and the processing of any solicitations, requests, offers, bids, auctions, or sales. You understand and acknowledge that the Site and our Services may be unavailable unexpectedly.

4.4. Third Party Links. The Site may contain links to other websites or resources for Your convenience in locating related information and services. You acknowledge and agree that Public Surplus is not responsible or liable for (i) the availability or accuracy of such sites or resources, or (ii) the content, advertising or products on or available from such sites or resources. The inclusion of any link on the Site does not imply that Public Surplus endorses the linked site. You use the links at Your own risk.

4.5. Release. If You have a dispute with a Buyer or any other Seller or user of our Site, You release Us

(and our officers, directors, agents, subsidiaries, joint ventures and employees) from claims, demands and damages (actual and consequential) of every kind and nature, known and unknown, arising out of or in any way connected with such disputes. You will settle all disputes with other users of our Site without our involvement, and We will have no liability whatsoever arising from communications made or transactions effected through our Site. If You are a California resident, You waive California Civil Code Â§1542, which says: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

4.6. Indemnity. You agree to indemnify, defend and hold harmless Public Surplus from and against any and all debts, liabilities, obligations, claims, suits, judgments, damages, expenses, including attorney's fees, and demands, made or incurred by any third party arising out of Your breach or alleged breach of this Agreement or Your violation or alleged violation of any applicable law or any rights of a third party.

5. PRIVACY

We do not sell or rent Your personal information to third parties for their marketing purposes without Your explicit consent. We use Your information only as described in Public Surplus' Privacy Policy. We view protection of privacy as a very important community principle. We store and process Your information on computers located in the United States that are protected by physical as well as technological security devices. You can access and modify the information You provide Us. For a complete description of how We use and protect Your personal information, see Public Surplus' Privacy Policy. If You object to Your Information being transferred or used in this way please do not use our services.

6. TERMINATION OR SUSPENSION

Public Surplus reserves the right to suspend or terminate Your access to our Site and Services for any reason or no reason and without notice. Among other reasons, We may suspend or terminate Your access to our Services if (a) You breach any of the provisions of this Agreement; (b) We suspect that You have engaged in fraudulent activity of any kind in connection with our Site; (c) You manipulate the price of any item or interfere with another user's communications or transactions; (d) We are unable to verify or authenticate any information You provide to Us; or (e) We believe that Your actions may cause legal liability for You, our users or Us.

7. MISCELLANEOUS

7.1. Changes to Site and Services. Public Surplus reserves the right, in its sole discretion, to modify, suspend or terminate any aspect of our Site and Services, including, but not limited to, content, auction features, news and information, and product categories without notice.

7.2. Record Keeping. Public Surplus cannot guarantee the preservation or maintenance of records relating to historical auction transactions and bidding activity and encourages You to keep individual

records and an accounting of all activity conducted through our Site.

7.3. Notice and Communication. Unless stated otherwise, all notice and communication with You will be provided by e-mail to the e-mail address provided by You in their registration application or via posting on the Site. Notice will be deemed to have been provided 24 hours after the e-mail was transmitted by Public Surplus or the information was posted on the Site.

7.4. Governing Law and Jurisdiction. This Agreement will be governed by and construed in accordance with the laws of the State of Utah. Any right to trial by jury with respect to any claim, action, suit or proceeding arising out of this Agreement or any of the matters contemplated hereby is waived. You further agree to the exercise of personal jurisdiction in the State of Utah in connection with any dispute or claim involving Public Surplus.

7.5. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then such provision will be enforced to the maximum extent permissible and the remainder of this Agreement will continue in full force and effect.

7.6. Waiver. The failure of Public Surplus to exercise or enforce any right or provision of this Agreement will not be deemed a waiver of such right or provision in the future.

7.7. Independent Contractor Relationship. The relationship between You and Public Surplus is that of an independent contractor. No agency, partnership, joint venture or franchise relationship is implied, intended or created by this Agreement.

7.8. Intellectual Property. All inventions, know how, improvements, discoveries, methods, processes, concepts, designs, ideas, prototypes, samples, drawings, documents, blueprints, specifications, computer or intellectual property programs, methods of doing business, data in Public Surplus' databases (including but not limited to databases containing bidders, Buyers and other users of the Site and their names and contact information), systems, copyrights, trademarks, trade names, software and/or other works conceived of and/or reduced to practice or writing or otherwise relating in any way to the Site or the Services are the exclusive intellectual property of Public Surplus (the "**Public Surplus IP**"). In addition, all content contained on the Site is Public Surplus IP that is copyrighted material, and Public Surplus retains and reserves all rights and interests in the content. Public Surplus IP may be created by one of more of Public Surplus' employee(s) alone or jointly with a user or users of the Site or Services arising from the users' use and development of the Services or as a result of **feedback** regarding the Site or Services ("Feedback"). All right, title, and interest in any Public Surplus IP will belong to Public Surplus and will be subject to the conditions of this Agreement. You hereby irrevocably assign to Public Surplus all right, title, and interest You may acquire in any Public Surplus IP, whether or not generated from Feedback. Public Surplus may, at its option, file an application for intellectual property protection for Public Surplus IP. If any such Public Surplus IP is created with Your participation or Feedback, You agree to cooperate with Public Surplus to assure that such application(s) will cover, to the best of Your knowledge, all related assets, including all features of commercial interest and importance. Public Surplus IP is the sole and exclusive property of Public Surplus and may not be used, copied, reproduced, modified, published, transmitted, distributed, displayed, or sold, or derivative works created, without the prior written consent of Public Surplus. Furthermore, You may not provide access to, or information from, the Site to any other party without Public Surplus' prior written consent.

7.9. Copyrights. The Site may contain copyrighted, trademarked, or other proprietary materials that belong to third parties and are used with the owner's permission. You agree not to copy, modify, distribute, or create any derivative work from such materials without prior written consent from the owner. You will indemnify and hold Us harmless, as provided for previously in this Agreement, from any claim or demand made by a third party due to or arising out of your violation of any law or rights of a third party.

7.10. Trademarks. The Site and Public Surplus' tradenames, domain names and logos found on the Site are trademarks or service marks of Public Surplus. No display or use of such marks may be made without the express written permission of Public Surplus. All other designated trademarks or service marks are the property of their respective owners.

7.11. Assignment. This Agreement may not be assigned by You or by operation of law to any other person, persons, firms or corporations without the express written approval of Public Surplus. However, You agree that this Agreement and all incorporated agreements may be assigned and delegated by Public Surplus in our sole discretion to any party and will be assigned and delegated automatically in the event of a merger of Public Surplus with another party.

7.12. Entire Agreement. This Agreement constitutes the entire agreement between You and Public Surplus, and supersedes any previous agreements, whether oral or in writing, between You and Public Surplus relating to the subject matter hereof. Public Surplus may, at its sole discretion, remove or change any aspect of this Agreement at any time by providing notice to You.

7.13. Survival. The warranties, covenants and representations of the parties to this Agreement will survive termination of this Agreement.

7.14. Headings. Headings are for reference purposes only and in no way affect the interpretation of this Agreement.

7.15. Oral Statements by Representative. Any oral statement or representation by any representative of Public Surplus changing or supplementing this Agreement or any terms of bidding or sale on the Site, is unauthorized and ineffective and confers no right on You and may not be relied upon by You. No interpretation or purported amendment or change of any provision of this Agreement, including applicable performance requirements, is binding on Public Surplus unless agreed to, in writing, by Public Surplus.

Public Processing, LLC
Agreement for Payment Processing

Public Processing, LLC, a Nevada limited liability company ("**Public Processing**", "**We**" "**Us**") processes payments made by buyers of all types ("**Buyers**") for surplus goods and other property and assets sold by a governmental body or other party ("**Seller**" or "**You**") through online bid boards, auctions and stores, and other online transactions on www.publicsurplus.com and other websites (collectively, the "**Site**") operated by our affiliates, The Public Group, LLC, a Utah limited liability company and The Public Group, Inc., that sometimes do business as "Public Surplus" ("**Public Surplus**").

If elected by You, Public Processing will agree to receive and process payments made by Buyers and forward to You the amounts paid, in accordance with the terms set forth below. As a condition to accessing and using the Site and receiving the benefit of the payment processing services provided through the Site and otherwise (the "**Services**"), Public Processing requires that You review and accept this Agreement for Payment Processing (this "**Agreement**").

BY REGISTERING TO USE THE SITE AND THE SERVICES, YOU ACCEPT AND AGREE TO THE TERMS AND CONDITIONS OF THIS AGREEMENT. IF YOU DO NOT AGREE TO ACCEPT THIS AGREEMENT, YOU MAY NOT ACCESS THE SITE OR OTHERWISE USE THE SERVICES OR THE SITE. YOU AGREE THAT YOU HAVE RECEIVED GOOD AND VALUABLE CONSIDERATION IN EXCHANGE FOR ENTERING INTO THIS AGREEMENT.

1. ACCESSING THE SITE AND USING THE SERVICES

1.1. Eligibility. You may only use the Services if You are at least 18 years of age, are mentally competent, and can form legally binding contracts under applicable law. You may not assign or transfer Your account or user identification to any other party.

1.2. Seller Agreement with Public Surplus. By using our Site and the Services, You acknowledge, agree, and confirm that You have agreed to the form of the separate Seller Agreement with Public Surplus on the Site that is required to be accepted by you upon registration upon the Site (the "**Seller Agreement**"). In the event of any inconsistency between the provisions of this Agreement and the Seller Agreement, this Agreement will govern.

1.3. Seller Affirmations in Connection with Offers and Sales. In using the Site and Services, You agree as follows:

1. You will be responsible for delivering property sold using Your username and password.
2. You are fully capable of transferring title to the property offered for sale in a timely manner.
3. You are a real person or entity, with a verifiable address, telephone number and email address as provided to Us.
4. You are dealing in good faith and are not attempting to defraud, cheat, or wrong Public Processing or any Buyer.

1.4. Accuracy and Nature of Your Information. You are solely responsible for all information You

provide to Us or other users on the Site ("**Your Information**"). We act as a passive conduit for the online distribution and publication of Your Information. You agree that Your Information (i) will not be false, inaccurate, or misleading; (ii) will not violate any law, statute, ordinance or regulation; and (iii) will not be defamatory, trade libelous, unlawfully threatening or unlawfully harassing. In providing Your Information, You grant to Us a non-exclusive, worldwide, perpetual, irrevocable, royalty-free, sub-licensable (through multiple tiers) right to use and exercise the copyright, publiSchool District, and database rights You have in Your Information for purposes of facilitating the communications and transactions made through the Site.

1.5. Fees. Fees apply for the Services available through the Site. Our fees may change from time to time as specified on the Site or by written communication to You (by e-mail or otherwise). You are responsible for paying all fees and any applicable taxes associated with transactions effected through the Site in a timely manner and with a valid payment method. You agree that the fees and any taxes due may be deducted and retained by Us from any payment amounts processed by Us. If Your payment method fails or Your account is past due, We may collect the fees and taxes owed using other collection mechanisms.

1.6. No Disruption to The Site or Services. You agree not to attempt any action that may disrupt the Site or the Services. Among other things, You agree that (i) Your Information and all other input on the Site will not contain any viruses, Trojan horses, worms, time bombs, cancelbots, easter eggs or other software, devices, files or routines that may damage, interfere with, copy, reproduce, intercept or expropriate any system, data or personal information; (ii) You will not create liability for Us or cause Us to lose (in whole or in part) the services of our Internet Service Providers or other vendors; (iii) You will not use the Site to obtain e-mail addresses for bulk e-mail solicitations or otherwise; (iv) You will not reverse engineer any of the Services, programs, or infrastructure; (v) You will not use any robot, spider, other automatic device, or manual process to monitor, copy or reproduce the Site or the content contained herein without our prior express written permission; and (vi) You will not take any action that imposes an unreasonable or disproportionately large load on the Site infrastructure.

1.7. User Password. During the registration process, You will select a username and a password. You agree that You are solely responsible for preserving the confidentiality of Your username and Your password, and You will be responsible for all activities and charges related to the use of Your username and password, including unauthorized use. You agree not to furnish Your username, password or other information to any other party for use of the Site and the Services. You agree to notify Public Processing immediately of any unauthorized use of Your personal password or username and any other breach of security regarding the Services.

1.8. Obligation to Ensure Compliance with this Agreement. You agree that You will take all steps necessary to ensure that Your employees, contractors, and agents comply with the covenants, terms and provisions of this Agreement, including but not limited to the covenants contained in sections 1.6 and 7.8 of this Agreement. You acknowledge that You will be responsible and liable for any damages,

claims, liabilities, and expenses of any kind suffered by Public Processing arising from any and all actions or failures to act taken by any party using Your username and password or taken by Your employees, contractors, or agents, whether or not in accordance with the terms or intent of this Agreement.

1.9. Electronic Signature. You are notified by this statement that Your consent to these terms and conditions by checking the box indicating Your agreement to be bound to these terms, meets the requirements of Section 101(c) (1) (C) (ii), the Consumer Consent Provision, of the Electronic Signatures in Global and National Commerce Act (ESIGN). You may print these terms and conditions, but they are subject to change by Us. Changes to the terms and conditions will be effective from the time they are placed on the Site, in the terms and conditions section of the Site, or any other section where they may appear.

2. SELLER UNDERSTANDINGS AND OBLIGATIONS

In listing or offering items for sale on the Site or otherwise accessing the Site and Services in any way, You represent, warrant and agree to the following:

2.1. Shipment. At the close of an auction in which You have a winning bidder, You agree to make the property available for prompt pickup and/or shipment.

2.2. Deposits. Public Surplus and Public Processing reserve the right to require an earnest money deposit prior to or during the listing on certain items at their sole discretion. Any such deposits will be retained and applied in their discretion.

2.3. Legal Compliance. You will comply with all applicable laws, statutes, ordinances and regulations regarding Your use of the Site and Services and the offer and sale of property. Offering property for sale with the intent not to complete the transaction, causing disruption to the sale process on the Site, and not completing transactions will be considered in most jurisdictions as fraud and may be prosecuted to the fullest extent of the law.

3. PAYMENT PROCESSING SERVICES

3.1. Scope of Payment Processing Services. In the event that You elect to have Us receive and process on Your behalf payments made by Buyers, You agree to the provisions set forth in this Agreement relating thereto. You understand and agree as follows:

1. The Services do not include risk or fraud management, dispute management, collection agency services, or electronic checks;
2. We will not perform Services with respect to transactions prohibited by the applicable laws or by bank, financial institution, or credit card association bylaws or rules;
3. We will not provide Services with incomplete transaction information or if transaction

information cannot be confirmed;

4. We will only perform Services for domestic credit cards; and
5. You will not engage any other person to perform Services while we are providing them under this Agreement.

3.2 Buyer Steps & Procedures for Payment. We will receive and process payments on Your behalf only if Buyers make the payments by following the steps, instructions, and procedures included on the Site and sent by e-mail to winning Buyers and in compliance with applicable laws and bank, financial institution, or credit card association rules and procedures (including but not limited to PCI Security Standards). Among other things, the payment for each successful bid must be made (a) to Public Surplus or Public Processing, (b) by certain means (credit cards, wire transfers, etc.) specified on the Site that vary based upon the amount of the payment, (c) in a timely manner as specified on the Site, and (d) in a single payment by a single authorized means (no partial payments, multiple payments, or payment by two different means allowed).

3.3. Sales Tax Processing. If You elect, We will under the conditions specified in this Agreement, agree to receive sales tax payments made by Buyers and remit the sales tax payments to the applicable sales tax authority in the state in which You are located (the "**State**"). You understand and agree as follows:

1. We will receive and remit to the State sales tax amounts paid by Buyers only if and to the extent of the amount of sales tax with respect to a particular transaction is added to the price and other payments otherwise payable by the Buyers.
2. We rely on You to inform us of the applicable sales tax rate and to provide us with Your applicable tax identification number. You hereby authorize and direct Us to remit payment of the sales tax amounts directly to the applicable sales tax authority in the State using the tax identification number that You provide to Us.
3. Except for remitting funds we receive as payment for sales tax to the extent such funds exceed the price and other payments due from the Buyers, We will have no responsibility or liability for ensuring that payments are received and collected as required under all applicable laws or for making payment to any governmental body or authority entitled to sales or use tax payments.
4. We will receive and process sales tax payments on Your behalf only if Buyers make the payments by following the steps, instructions, and procedures included on the Site and sent by e-mail to winning Buyers and in compliance with applicable laws and bank, financial institution, or credit card association rules and procedures.

3.4. Liability and Risk of Loss for Failure to Pay, Charge Backs, and Other Items. You will bear the burden and risk of any and all loss, liability, and exposure arising from any of the following circumstances: (a) a Buyer does not make a payment, (b) a charge back occurs with respect to a payment made, (c) a payment is not made in good funds, (d) a check does not clear, (e) a refund to a Buyer is made, (f) fraud, deception, misrepresentation, or any other impropriety occurs with respect to a transaction or a payment, (g) the action, inaction, refusal, or delay of any bank, financial institution,

or credit card association in processing any payment transaction, (h) the assessment of any fees, fines, or penalties by a bank, financial institution, or credit card association relating to a charge back or other matter, or (i) any other cause results in payment not being credited for a transaction involving Your property,. Because Public Processing is merely processing payments for You, You understand that We assume no responsibility, burden, or risk of loss whatsoever for any of such circumstances. You expressly agree that We may offset the amounts arising from any such circumstances against other amounts payable by Us to You. You also agree that we may charge an extra processing fee if we make refunds relating to sales of Your property. You understand that the level of charge backs, fraud, or other circumstances may cause Us to decide to terminate rendering the Services under this Agreement.

3.5. Public Processing Not A Seller, Nor A Collection Agency; No Consignment. You acknowledge and agree that Public Processing does not (a) assume the role of seller of Your property, (b) make any representations or statements about Your property, (c) act as a collection agency to collect monies unpaid by Buyers, (d) take consignment of Your property, nor (e) undertake or assume any other role or responsibility not contemplated by this Agreement. You agree that You and Your employees and representatives will not make any statements or act in any way inconsistent with Public Processing's limited role under this Agreement.

3.6. Public Processing Payment to You. Public Processing will keep records of all amounts received in good funds on Your behalf. Except as provided in paragraph 3.7, Public Processing will make payment to You monthly (unless otherwise agreed) of amounts received (net of fees, offsets, and any taxes). Unless otherwise agreed by Us, You agree that payment will only be made by Automated Clearing House (ACH) deposits to an account specified and properly maintained by You. You agree to provide promptly the authorizations needed for such ACH deposits and to be responsible and liable for any and all fees relating to such ACH deposits. You also agree to monitor the account and the deposits therein. You will bear the burden of any and all loss, liability, and risk of loss arising from any fraud, theft, mistake, or deception involving such ACH deposits, unless they arise from fraud, mistake, or deception by Us or our employees or agents.

3.7. Minimum Amount Required for Payment. Public Processing will make payment to You, as set forth above, of all amounts received (net of fees, offsets, and any taxes) on Your behalf, so long as the total amount received exceeds $100. We will not make payments to You of $100 or less. Where any amount or amounts received on Your behalf do not exceed $100, payment will be made to You upon receipt of additional funds that bring Your balance in excess of $100. Public Processing will own the interest on any balance held because it does not exceed $100. However, when You close Your account with Public Surplus and Us, any remaining balance will be paid to You, regardless of the minimum balance requirements stated above.

4. LIABILITY LIMITATIONS AND RELEASES

4.1. Absence of Liability. You will not hold Public Processing responsible for actions or inactions of

Buyers or other users, including the failure of a Buyer to take delivery or make payment for an item. You acknowledge that We and Public Surplus are not traditional auctioneers and We are not the Buyer of property sold through the Site. Instead, the Site provides a marketplace for users to offer, sell, and buy items of all kinds in a variety of pricing formats and venues. We are not involved in the actual transaction between You and Buyers. We have no control over and do not guarantee such things as the quality, safety, or legality of items advertised, the truth or accuracy of listings, the ability of Buyers to purchase and make payment for items, or the completion of a sale by You, even upon a successful bidding and acceptance process. Without limitation of the generality of the foregoing, We will not be liable for lost profits or any special, incidental, or consequential damages arising out of or in connection with the Site, the Services, or this Agreement.

4.2. Disclaimer of Warranties. THE SITE AND SERVICES, INCLUDING ALL CONTENT, FUNCTIONS, MATERIALS AND INFORMATION ON OR ACCESSED THROUGH THE SITE OR SERVICES, ARE PROVIDED ON AN "AS IS," "AS AVAILABLE" BASIS. PUBLIC PROCESSING DISCLAIMS ANY WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, DATA ACCURACY, SYSTEM INTEGRATION, OR QUIET ENJOYMENT. PUBLIC PROCESSING DOES NOT WARRANT THAT THE SERVICES, FUNCTIONS, FEATURES OR CONTENT WILL BE FUNCTIONAL, TIMELY, SECURE, UNINTERRUPTED OR ERROR FREE, OR THAT DEFECTS WILL BE CORRECTED. PUBLIC PROCESSING MAKES NO WARRANTY THAT SALES WILL BE COMPLETED THROUGH THE SITE OR THAT THE SITE OR SERVICES WILL MEET YOUR REQUIREMENTS OR EXPECTATIONS, AND EXPRESSLY DISCLAIMS ANY WARRANTIES OR GUARANTEES THAT BY LISTING THE LISTED ASSETS, THE LISTED ASSETS WILL BE SOLD. PUBLIC PROCESSING MAKES NO WARRANTY OF ANY KIND REGARDING ANY LISTED ASSETS OR ANY TRANSACTIONS ENTERED INTO THROUGH THE SERVICES. PUBLIC PROCESSING EXPRESSLY DISCLAIMS ANY ENDORSEMENT OR WARRANTY OF ANY LISTED ASSETS SOLD ON OR THROUGH THE SITE OR THE SERVICES, AND ANY RESPONSIBILITY FOR ANY MISREPRESENTATIONS OR BREACHES COMMITTED BY ANY BUYER OR OTHER USER.

4.3. Interruption of Service. Public Processing is not responsible for any damages or losses related to any system errors or interruptions affecting its Site and the processing of any solicitations, requests, offers, bids, auctions, or sales. You understand and acknowledge that the Site and the Services may be unavailable unexpectedly.

4.4. Third Party Links. The Site may contain links to other websites or resources for Your convenience in locating related information and services. You acknowledge and agree that Public Processing is not responsible or liable for (i) the availability or accuracy of such sites or resources, or (ii) the content, advertising or products on or available from such sites or resources. The inclusion of any link on the Site does not imply that Public Processing endorses the linked site. You use the links at

Your own risk.

4.5. Release. If You have a dispute with a Buyer or any other Seller or user of the Site, You release Us (and our officers, directors, agents, subsidiaries, joint ventures and employees) from claims, demands and damages (actual and consequential) of every kind and nature, known and unknown, arising out of or in any way connected with such disputes. You will settle all disputes with other users of the Site without our involvement, and We will have no liability whatsoever arising from communications made or transactions effected through the Site. If You are a California resident, You waive California Civil Code §1542, which says: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

4.6. Indemnity. You agree to indemnify, defend and hold harmless Public Processing from and against any and all debts, liabilities, obligations, claims, suits, judgments, damages, expenses, including attorney's fees, and demands, made or incurred by any third party arising out of Your breach or alleged breach of this Agreement or Your violation or alleged violation of any applicable law or any rights of a third party.

5. PRIVACY

We do not sell or rent Your personal information to third parties for their marketing purposes without Your explicit consent. We use Your information only as described in Public Surplus' Privacy Policy. We view protection of privacy as a very important community principle. We store and process Your information on computers located in the United States that are protected by physical as well as technological security devices. You can access and modify the information You provide Us. For a complete description of how We use and protect Your personal information, see Public Surplus' Privacy Policy. If You object to Your Information being transferred or used in this way please do not use the Services.

6. TERMINATION OR SUSPENSION

Public Processing reserves the right to suspend or terminate Your access to the Site and Services for any reason or no reason and without notice. Among other reasons, We may suspend or terminate Your access to the Services if (a) You breach any of the provisions of this Agreement; (b) We suspect that You have engaged in fraudulent activity of any kind in connection with the Site; (c) You manipulate the price of any item or interfere with another user's communications or transactions; (d) We are unable to verify or authenticate any information You provide to Us; or (e) We believe that Your actions may cause legal liability for You, our users or Us.

7. MISCELLANEOUS

7.1. Changes to Site and Services. Public Processing may modify, suspend, or terminate any aspect of the Site and Services, including, but not limited to, content, auction features, news and information, and product categories without notice.

7.2. Record Keeping. Public Processing cannot guarantee the preservation or maintenance of records relating to historical auction transactions and bidding activity and encourages You to keep individual records and an accounting of all activity conducted through the Site.

7.3. Notice and Communication. Unless stated otherwise, all notice and communication with You will be provided by e-mail to the e-mail address provided by You in Your registration application or via posting on the Site. Notice will be deemed to have been provided 24 hours after the e-mail was transmitted by Public Processing or the information was posted on the Site.

7.4. Governing Law and Jurisdiction. This agreement is governed by the laws of the State of Nevada without regard to any conflict of law provisions. Any right to trial by jury with respect to any claim, action, suit or proceeding arising out of this agreement or any of the matters contemplated hereby is waived. You further agree to the exercise of personal jurisdiction in the State of Nevada in connection with any dispute or claim involving Public Processing.

7.5. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then such provision will be enforced to the maximum extent permissible and the remainder of this Agreement will continue in full force and effect.

7.6. Waiver. The failure of Public Processing to exercise or enforce any right or provision of this Agreement will not be deemed a waiver of such right or provision in the future.

7. 7. Independent Contractor Relationship. The relationship between You and Public Processing is that of an independent contractor. No agency, partnership, joint venture or franchise relationship is implied, intended or created by this Agreement.

7.8. Intellectual Property. All inventions, know how, improvements, discoveries, methods, processes, concepts, designs, ideas, prototypes, samples, drawings, blueprints, specifications, computer or intellectual property programs, methods of doing business, **data in Public Surplus' databases (including but not limited to databases containing bidders, buyers and other users of the Site and their names and contact information),** systems, copyrights, trademarks, trade names, software and/or other works conceived of and/or reduced to practice or writing or otherwise relating in any way to the Site or the Services are the exclusive intellectual property of Public Surplus (the **"Public Surplus IP"**). In addition, all content contained on the Site is Public Surplus IP that is copyrighted material, and Public Surplus retains and reserves all rights and interests in the content. Public Surplus IP may be created by one or more of Public Surplus' employee(s) alone or jointly with a user or users of the Site or Services arising from the users' use and development of the Services or as a result of feedback regarding the Site or Services **("Feedback")**. All right, title, and interest in any Public Surplus IP will belong to Public Surplus and will be subject to the conditions of this Agreement. You hereby

irrevocably assign to Public Surplus all right, title, and interest You may acquire in any Public Surplus IP, whether or not generated from Feedback. Public Surplus may, at its option, file an application for intellectual property protection for Public Surplus IP. If any such Public Surplus IP is created with Your participation or Feedback, You agree to cooperate with Public Surplus to assure that such application(s) will cover, to the best of Your knowledge, all related assets, including all features of commercial interest and importance. Public Surplus IP is the sole and exclusive property of Public Surplus and may not be used, copied, reproduced, modified, published, transmitted, distributed, displayed, or sold, or derivative works created, without the prior written consent of Public Surplus. Furthermore, You may not provide access to, or information from, the Site to any other party without Public Surplus' prior written consent.

7.9. Copyrights. The Site may contain copyrighted, trademarked, or other proprietary materials that belong to third parties and are used with the ownerâ™s permission. You agree not to copy, modify, distribute, or create any derivative work from such materials without prior written consent from the owner. You will indemnify and hold Us harmless, as provided for previously in this Agreement, from any claim or demand made by a third party due to or arising out of your violation of any law or rights of a third party.

7.10. Trademarks. The Site and Public Processing' tradenames, domain names and logos found on the Site are trademarks or service marks of Public Processing. No display or use of such marks may be made without the express written permission of Public Processing.

7.11. Assignment. This Agreement may not be assigned by You or by operation of law to any other person, persons, firms or corporations without the express written approval of Public Processing. Any purported assignment in violation of this provision will be void. However, You agree that this Agreement and all incorporated agreements may be assigned and delegated by Public Processing in our sole discretion to any party and will be assigned and delegated automatically in the event of a merger of Public Processing with another party.

7.12. Entire Agreement. This Agreement constitutes the entire agreement between You and Public Processing, and supersedes any previous agreements, whether oral or in writing, between You and Public Processing relating to the subject matter hereof. Public Processing may, at its sole discretion, remove or change any aspect of this Agreement at any time by providing notice to You.

7.13. Survival. The warranties, covenants and representations of the parties to this Agreement will survive termination of this Agreement.

7.14. Headings. Headings are for reference purposes only and in no way affect the interpretation of this Agreement.

7.15. Oral Statements by Representatives. Any oral statement or representation by any representative of Public Processing changing or supplementing this Agreement or any terms of bidding or sale on the Site, is unauthorized and ineffective and confers no right on You and may not be relied upon by You.

No interpretation or purported amendment or change of any provision of this Agreement, including applicable performance requirements, is binding on Public Processing unless agreed to, in writing, by Public Processing.

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