

AG 15-327

GovDeals

Financial Settlement Services (FSS) Addendum

This Addendum is between GovDeals, Inc. (GovDeals), having its principal place of business at 100 Capitol Commerce Blvd. Suite 110, Montgomery, Alabama 36117, and City of Stockbridge (Client) having its principal place of business at 4640 N Hwy Blvd Stockbridge GA 30281.

It is understood the Client elects GovDeals to collect all proceeds due the Client from the winning bidder and remit the proceeds to the Client less the GovDeals fee. Optionally, the Client may elect to not have GovDeals withhold the fee by electing the appropriate section on the following page of this exhibit.

GovDeals will charge the winning bidder a "Buyer's Premium", therefore, the Client is not allowed to charge the winning bidder an additional "Buyer's Premium".

GovDeals will collect all proceeds from the winning bidder, including the "Buyer's Premium" through PayPal, credit card or wire transfer. This is the only means of payment by the bidder.

The Client will not release an asset to the winning bidder until the Client has received verification from GovDeals that payment has been received from the winning bidder. Prior to an item being released to the winning bidder, the Client will ensure the winning bidder or his/her agent has signed a "Bill of Sale" containing the following notation: "Asset is sold as is, where is and without warranty. Once the asset is removed from the seller's premises there is no refund of monies previously paid". The Bill of Sale must be printed from the Client Asset Server (CAS). Any other "Bill of Sale" used by the Client must be submitted to GovDeals for approval.

No proceeds will be remitted to the Client for any asset sold without verification of payment from GovDeals and verification from the Client the item has been picked up by the winning bidder. Approved payment from the winning bidder through PayPal, credit card or wire transfer will be noted in CAS. It is the Client's responsibility to notify GovDeals when an item has been picked up, which is accomplished by the Client accessing CAS and selecting the "Picked Up" option from the "Paid, not picked up" report.

GovDeals will remit all proceeds collected, less the "Buyer's Premium" and the GovDeals fee to the Client on a weekly basis for all assets marked in CAS as 'Picked Up'. However, if you choose to be invoiced for the GovDeals' fee, GovDeals will remit all proceeds collected, less the "Buyer's Premium" only. All proceeds will be remitted electronically by Automatic Clearing House (ACH) unless elected on the following page of this exhibit to receive a paper check. Whether proceeds are remitted electronically via ACH or via paper check, a detailed backup will be submitted to the Client to support the amount remitted.

Under no circumstance will the Client collect any proceeds directly from the winning bidder and if requested to do so, the Client should refer the winning bidder directly to GovDeals for payment instructions.

GovDeals will absorb all costs of Charge Backs by PayPal or a credit card company where an item is released to the winning bidder after the Client receives proper payment notification from GovDeals, GovDeals receives proper pickup notification from the Client and the Client obtained and retained a signed "Bill of Sale" from the winning bidder.

GovDeals will refund proceeds collected to the winning bidder in those rare occasions where the winning bidder pays for an asset but never picks it up and subsequently convinces PayPal or the credit card company to withdraw the amount from GovDeals' bank account. It is the Client's responsibility to request a credit on the asset paid for but not picked up as soon as the allowable pick up time passes. By taking the credit, it insures GovDeals will not charge the Client a fee and will allow the Client to resell the asset. If the asset is mistakenly placed in 'picked up' status by the Client and GovDeals has remitted payment, the Client agrees to refund this amount back to GovDeals.

A GovDeals' Client Services Representative or a GovDeals Help Desk Representative will train the Client on how to effectively use the Financial Settlement Services feature and provide ongoing support as needed. There are no additional costs to the Client for training and support.

GovDeals is covered by a Crime Insurance Policy with a limit of \$5,000,000, which will protect the Client against any loss of funds.

Financial Settlement Services (FSS) Election and Information

Please complete payment instructions below:

If client elects FSS, this section must be completed prior to submitting form back to GovDeals.

Accounting Contact:
(Person to receive checks and invoices)

Dawn Gindrup, Accounts Payable
Name and Title

E-Mail Address:

ap@cityofstockbridge-ga.gov

Phone Number:

770-389-7900 ex.209

Option B: Client elects for GovDeals to collect all proceeds from the buyer:

- Option B1 Option B2 Option B3 Option B4

(Please choose only one option for payment)

If payment will be made by ACH, please provide the following information:

Name of Bank		Section Not necessary Opting to receive checks phw 5/13/15
County of Bank		
Name of Client: (Name on bank account)		
Bank Routing Number		
Bank Account Number		
Checking/Savings		

OR:

— If payment will be made by paper check, please provide the following information:

Make check payable to:

City of Stockbridge
Client's Legal Name

Mail check to:

4040 North Henry Blvd
Street Address / P.O. Box Number

Stockbridge, GA 30281
City, State and Zip Code

Approved for GovDeals:

President

Title

Date

Approved for Client:

[Signature]

City Manager
Title

5/18/2015
Date

Please check here only if Client elects to NOT allow GovDeals to deduct the GovDeals fees from proceeds due the client.

GovDeals

Flexible Pricing Options (FPO)

The Client has the option to choose from the following alternative plans:

B - Client Elects GovDeals Financial Settlement Services (FSS) allowing GovDeals to Collect Proceeds. Only one option below can be used and once this option is chosen, it cannot be changed for twelve (12) months.

Option B1: The Client pays a 7.5% fee, but not less than \$5.00, and the winning bidder pays a 5% Buyers Premium. *

Option B2: The Client pays a 5% fee, but not less than \$5.00, and the winning bidder pays a 7.5% Buyers Premium.

Option B3: The Client pays a 2.5% fee, but not less than \$5.00, and the winning bidder pays a 10% Buyers Premium.

Option B4: The Client pays a 0% fee and the winning bidder pays a 12.50% Buyers Premium.

*If the Client chooses to pay the full 7.5% fee (Option B1), they will have access to the **Tiered Fee Reduction Schedule**.

Tiered Fee Reduction Schedule (Only applies to Option B1)

GovDeals' **Tiered Fee Reduction Schedule** below explains how the base auction fee of 7.5% is reduced for assets that sell in excess of \$100,000 on www.govdeals.com.

1. **When an asset sells for up to \$100,000 in a winning bid, the GovDeals fee is seven and one-half percent (7.5%) of the winning bid, but not less than \$5.00.**
2. Where an asset sells for more than \$100,000, but less than \$500,000 the GovDeals fee is seven and one-half percent (7.5%) of the winning bid up to \$100,000, plus five and one-half percent (5.5%) of the winning bid for auction proceeds in excess of \$100,000 up to \$500,000.
3. Where an asset sells for greater than \$500,000 the GovDeals fee is seven and one-half percent (7.5%) of the first \$100,000 of the winning bid, plus a fee of five and one-half percent (5.5%) of the next \$400,000 of the winning bid, plus a fee of three and one-half percent (3.5%) of the bid amount in excess of \$500,000.
4. Where an asset sells for greater than \$1,000,000 the GovDeals fee is seven and one-half percent (7.5%) of the first \$100,000 of the winning bid, plus a fee of five and one-half percent (5.5%) of the next \$400,000 of the winning bid, plus a fee of three and one-half percent (3.5%) of the next \$500,000 of the winning bid, plus a fee of two and one-half percent (2.5%) of the bid amount in excess of \$1,000,000.