

**SURPLUS PROPERTY
AUCTIONEER SERVICES AGREEMENT**

THIS AGREEMENT, made this 17th day of March, 2005, by and between Stock Realty & Auction Company, hereinafter referred to as Auctioneer, and the City of Lincoln, Nebraska, a body corporate and politic, hereinafter referred to as City.

WHEREAS, the City of Lincoln has full authority to dispose of its surplus property by various means, including sale of such surplus property at auction; and

WHEREAS, because the City's resources are insufficient to conduct such surplus property auctions in a timely manner, it is then necessary to secure the services of an auctioneer.

WHEREAS, it is the purpose of this Agreement to provide for the Auctioneer to conduct surplus property auctions for the City of Lincoln.

NOW, THEREFORE, WITNESSETH that:

1. The City agrees to pay Auctioneer the following commissions based on percentages of gross proceeds, plus advertising, mailing, and related expenses, for providing surplus property auctioneer services in accordance with the terms and conditions set out below:
 - 1.1 For surplus rolling stock and heavy equipment:
4.00% of gross sales.
 - 1.2 For surplus office furniture and related equipment:
 - 1.2.1 7.0% of the gross auction price or \$1,700.00 whichever is greater.
2. The term of this agreement shall be ^{four (4)} ~~one (1)~~ year from June 1, 2005 through May 31, 2009.
 - 2.1 Either party may cancel this agreement upon sixty (60) calendar days written notice.
 - 2.2 The City may cancel this agreement as of August 31st of any fiscal year upon fifteen (15) days written notice if funds are not appropriated for the continuance of the agreement into the following fiscal year.

3. The selling conditions for all auctions are "AS IS, WHERE IS".
 - 3.1 Auctions shall be with reserve, and all sales shall be subject to the approval of the City.
 - 3.2 The City reserves the right to withdraw from auction any lot/item prior to the auction date, and to reject any bid at auction. Any bid that is rejected by the City will not be included in gross sales.
4. The following auctioneer services for surplus property auctions shall be performed by the Auctioneer as essential elements of the agreement:
 - 4.1 Provide adequate personnel and resources to:
 - 4.1.1 Schedule delivery and receive surplus property at the auction site from the various departments prior to the auction;
 - 4.1.2 Arrange surplus property at the auction site;
 - 4.1.3 Conduct preview and auction to provide maximum asset recovery for the City of Lincoln; and
 - 4.1.4 Be responsible for clearing the auction site of all unclaimed and abandoned surplus property within a reasonable period of time after the auction as mutually agreed between the City and Auctioneer.
 - 4.2 Advertise auction in all appropriate newspapers, including the Lincoln Journal-Star and the Omaha World Herald.
 - 4.2.1 Advertisements shall be not less than one (1) column width X three (3) inches.
 - 4.2.2 Advertisements shall appear twice in the Lincoln Journal-Star, one of which advertisement shall appear the Sunday prior to the auction date.
 - 4.3 Design, print and distribute suitable handbills/brochures to prospective bidders on Auctioneer's mailing list.

- 4.4 Prepare auction catalog for public distribution, listing in order of sale the material to be auctioned, and assigning each lot/item an auction control number.
- 4.5 Register all bidders.
- 4.6 Provide concession wagon the day of the sale.
 - 4.6.1 Proceeds from sale of concessions shall be retained by the Auctioneer.
 - 4.6.2 Auctioneer shall be responsible for clean-up of debris from sale of refreshments.
- 4.7 Provide public toilet facilities.
- 4.8 Furnish adequate portable public address system capable of being heard at an outdoor auction.
- 4.9 Perform all usual and customary cashiering functions, including pre-numbered invoices for each lot/item sold.
- 4.10 Collect all auction proceeds, total all invoices, and prepare a final report of auction proceedings, and within ten (10) working days after each auction deliver to the City the final report and all auction proceeds, net of expenses, commission and taxes.
- 4.11 Assume liability and responsibility for:
 - 4.11.1 Unpaid lots/items and bad checks accepted by Auctioneer in payment for lots/items sold at auction.
 - 4.11.2 Remittance of all Nebraska sales & use taxes due for lots/items sold at auction.
 - 4.11.3 The handling and transfer of all vehicle titles, sales tax statements, odometer statements, and disclaimers.
 - 4.11.4 Pick up by successful bidders for lots/items purchased on the date of auction, but not later than 4:30 p.m. of the Wednesday following the auction.

4.11.5 Establish with the City an Electronic Surplus Registration method and provide the training needed for the use of it.

5. The following are the rights and responsibilities of the City of Lincoln associated with surplus property auctions:

5.1 Provide auction site, including ample public parking and roped-off sale area.

5.2 Provide access to maintenance records of surplus property for inspection by prospective bidders.

5.3 Provide clear titles and all appropriate title documents, free of encumbrances, for surplus property to be auctioned in sufficient time prior to auction date.

5.4 Provide Auctioneer a detailed listing of surplus property to be auctioned in sufficient time for Auctioneer to schedule delivery to auction site, to assemble inventory list for public distribution, and prepare advertising and associated mailings.

5.5 City will pay the cost of fuel and utilities for City property associated with preview and auction proceedings.

6. Auctioneer shall provide public liability insurance in the minimum amount of \$2,000,000.00 and automobile liability insurance in the minimum amount of \$1,000,000.00 combined single limit.

6.1 Such insurance shall name the City of Lincoln as "additional insured" as pertains to the performance of auctioneer services for the term of the agreement.

6.2 The policy shall insure the City from any and all demands, claims, causes of action at law or in equity resulting from the performance of auctioneer services.

6.3 Auctioneer shall provide Worker's Compensation Insurance for any employees of the Auctioneer who perform any work under the terms of the Agreement.

7. Auctioneer shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, ancestry, disability, age, or marital status; and shall comply with the provisions of the City's Affirmative Action Policy.

8. It is the express intent of the parties to this Agreement that the Auctioneer, Auctioneer's employees, or any persons acting on behalf of the Auctioneer shall be deemed to be an independent contractor, and not employees of the City.
9. Auctioneer shall not accept or offer gifts or anything of value, nor enter into any business arrangements with, any employee or official of the City with regards to the performance of this Agreement; and no employee or official of the City shall have personal financial interest in this Agreement.
10. The laws of the State of Nebraska shall govern the rights, obligations, and remedies of the parties hereto.

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

1/7/05

PRODUCER
CEDAR VALLEY INSURANCE AGENCY, INC.
 302 WEST MAIN
 P.O. BOX 160
 CEDAR RAPIDS, NE 68627-0160

INSURED
 Stock Realty & Auction Co.
 P.O. Box 302
 St. Edward, NE 68660

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE		NAIC #
INSURER A:	Continental Western	
INSURER B:		
INSURER C:		
INSURER D:		
INSURER E:		

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	CWP 2364019-22	9/1/04	9/1/05	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	CWP 2364019-22	9/1/04	9/1/05	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ GARAGE LIABILITY <input type="checkbox"/> ANY AUTO AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$ EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE \$ RETENTION \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER	WC 2364044-1	9/1/04	9/1/05	WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYER \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
 City of Lincoln/Lancaster County is listed as Additional Insured with regard to these services.

CERTIFICATE HOLDER
 City of Lincoln
 Lincoln, NE

CANCELLATION
 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.
 AUTHORIZED REPRESENTATIVE
Rita M Robinson



Nebraska Resale or Exempt Sale Certificate

FORM
13

for Sales Tax Exemption
• Read instructions on reverse side/see note below

NAME AND MAILING ADDRESS OF PURCHASER				NAME AND MAILING ADDRESS OF SELLER			
Name City of Lincoln, Nebraska				Name Stock Auction Co.			
Street or Other Mailing Address 555 South 10th Street				Street or Other Mailing Address PO Box 302			
City Lincoln, Nebraska	State Nebraska	Zip Code 68508		City St. Edward NE	State Nebraska	Zip Code 68660	
Check Type of Certificate <input type="checkbox"/> Single Purchase <input checked="" type="checkbox"/> Blanket				If blanket is checked, this certificate is valid for three (3) years from date of issuance.			

I hereby certify that the purchase, lease, or rental by the above purchaser is exempt from the Nebraska sales tax for the following reason:

Check One Purchase for Resale (Complete Section A) Contractor (Complete Section C)
 Exempt Purchase (Complete Section B)

SECTION A — Nebraska Resale Certificate

Description of Item(s) Purchased

Our purchase of is a purchase for resale, rental or lease in the normal course of our business, either in the form or condition in which purchased, or as an ingredient or component part of other property to be resold.

I further certify that we are engaged in business as a: Wholesaler Retailer Manufacturer Lessor

of Description of Product Sold, Leased, or Rented

and hold Nebraska Sales Tax Permit Number 01- If none, state reason

or Foreign State Sales Tax Number

SECTION B — Nebraska Exempt Sale Certificate

The basis for this exemption is exemption category 1 (Insert appropriate category as described on reverse of this form.)

If exemption category 2 is claimed, enter the following information:

Description of Item(s) Purchased Intended Use of Item(s) Purchased

If exemption category 6 is claimed, seller must enter the following information and sign this form below:

Description of Item(s) Sold	Date of Seller's Original Purchase	Was Tax Paid when Purchased by Seller? <input type="checkbox"/> YES <input type="checkbox"/> NO	Was Item Depreciable? <input type="checkbox"/> YES <input type="checkbox"/> NO
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If exemption categories 3 through 5 are claimed, enter the Nebraska Exemption Certificate number. 05 -
State I.D. 4-2460254-1

SECTION C — Contractors

I certify that we are engaged in business as a contractor operating under OPTION 1, and that we will collect and remit sales tax on the materials portion of our customer's invoice. Our Nebraska Sales Tax Permit Number is: 01-

OR

I certify that we are engaged in business as a contractor operating under OPTION 3, and that we will remit consumer's use tax on the materials withdrawn from our inventory that will be annexed into real estate. Our Nebraska Sales or Consumer's Use Tax Identification number is:

Any purchaser, or the agent thereof, or other person who completes this certificate for any purchase which is other than for resale, lease, or rental in the regular course of the purchaser's business, or is not otherwise exempted from the sales and use tax under Sections 77-2701 through 77-27,135 of the Nebraska Revenue Act, as amended, shall in addition to any tax, interest, or penalty otherwise imposed, be subject to a penalty of \$100.00 or ten times the tax, whichever amount is larger, for each instance of presentation and misuse. With regard to a blanket certificate, said penalty shall apply to each purchase made during the period the blanket certificate is in effect. Under penalties of law, I declare that I am authorized to sign this certificate, and to the best of my knowledge and belief, it is correct and complete.

sign here

Authorized Signature

Purchasing Agent

Purchasing Agent

Title

March 28, 2005

Date

NOTE: Sellers must keep this certificate as part of their records. Do not send to the Nebraska Department of Revenue. Incomplete certificates cannot be accepted in good faith.



Purchasing Agent Appointment and Delegation of Authority for Sales and Use Tax

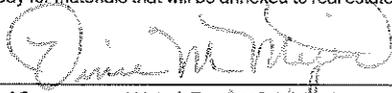
FORM
17

PURCHASING AGENT APPOINTMENT

Name and Address of Prime Contractor			Name and Address of Governmental Unit or Exempt Organization		
Name Stock Auction Co.			Name City of Lincoln		
Street or Other Mailing Address P.O. Box 302			Street or Other Mailing Address 555 S. 10th St.		
City St. Edward, NE 68660	State	Zip Code	City Lincoln, NE 68508	State	Zip Code
Name and Location of Project			Appointment Information		
Name Auctioneering Services (Surplus)			Effective Date June 1, 2005		
Street or Other Mailing Address			Expiration Date May 31, 2009		
City	State	Zip Code	Nebraska Exemption Number (Exempt Organizations Only) 04-2460254-1		
Identify Project Specification 05-011					

The undersigned governmental unit or exempt organization appoints the above-named contractor and the contractor's delegated subcontractors as its agent to purchase and pay for materials that will be annexed to real estate by them into the tax exempt construction project stated above.

sign
here


Authorized Signature of Governmental Unit or Exempt Organization

Purchasing Agent

Title

March 28, 2005

Date

DELEGATION OF PRIME CONTRACTOR'S AUTHORITY

Name and Address of Subcontractor			Delegation Information		
Name			Effective Date		
Street or Other Mailing Address			Expiration Date		
City	State	Zip Code	Portion of Project		

The undersigned prime contractor hereby delegates authority to act as the purchasing agent of the named governmental unit or exempt organization to the above-named subcontractor.

sign
here

Signature of Prime Contractor or Authorized Representative

Title

Date

INSTRUCTIONS

WHO MUST FILE. Any governmental unit or organization exempt from sales and use tax may appoint as its agent a prime contractor to purchase materials that will be annexed to property that belongs to or will belong to the governmental entity or exempt organization pursuant to a construction contract with the governmental unit or exempt organization. The appointment of the prime contractor as its agent is completed by issuing a Purchasing Agent Appointment and Delegation of Authority for Sales and Use Tax, Form 17, to the prime contractor **BEFORE** his or her portion of the construction project begins. The exempt organization or governmental unit must identify the project (e.g., east wing, chapel construction, or new school auditorium).

The exemption from the payment of the Nebraska and local option sales and use taxes only applies if the governmental entity or exempt organization directly or through its contractor pays for the materials. Governmental entities or exempt

organizations cannot transfer their exempt status to a contractor or developer who is required to purchase and pay for the materials that are used in the construction of the improvements.

WHEN TO FILE. A prime contractor engaging in a construction project with a governmental unit or exempt organization must receive a properly completed and signed Form 17 **BEFORE** his or her portion of the construction project begins. If Form 17 is not issued, the contractor must pay the sales and use taxes and the governmental unit or exempt organization may obtain a refund of the taxes paid by the contractor.

WHERE TO FILE. The canary copy will be retained by the governmental unit or exempt organization, and the white copy will be retained by the prime contractor. Copies of this form must be reproduced by the prime contractor for delegation purposes.