

AUCTION CONTRACT

AGREEMENT TO PROVIDE PROFESSIONAL SERVICES

This Agreement to Provide Professional Services (Agreement) is made this 21th day of **March** 2016 by and between **Denali Auction Company LLC (Auctioneer)**, PO Box 770303 Eagle River, Alaska 99577-0303 and City of Valdez Police Department 212 Chenega Ave. PO Box 307 Valdez, Alaska 99686, **(Client)**.

- 1) **Purpose.** The purpose of this Agreement is to provide for the orderly sale of various firearms belonging to City of Valdez Police Department. (see attached list of firearms)
- 2) **Date and Place of Sale/Protections of Auctioneer.** The Sale shall take place at a future date to be agreed upon by both parties. A preview period will be held before the auction date. Client shall hold harmless, indemnify and defend Auctioneer against any claims, threatened or actual, whether or not litigation has ensued, which in any way concern or are related to the items to be sold, which are sold or which are in any way the subject of this agreement or the Sale.
- 3) **Method of Sale.** The Auctioneer will conduct an On-Line auction of seized and forfeited firearms at www.aksurplus.com. This will be an absolute sale with no minimums or reserves. Auctioneer reserves the right to tag sale firearms, prior to or following auction.
- 4) **Notice and Advertising.** Client is solely responsible for mailing notice to all persons required to receive notice and will place legal notices as required. Auctioneer will advertise the sale in the newspapers determined by Auctioneer (Frontiersman, Anchorage Daily News, Fairbanks Daily News Miner, etc.) various trade publications (Alaska Equipment Trader), along with Bidders List / Fax Mailing prior to the sale, and by facsimile and email to local auction attendees and by mail as appropriate. The auctioneer reserves the right to reallocate expenditures for advertising within the various categories noted above to most effectively produce bidder interest.
- 5) **Auction Summary/Compensation.** Auctioneer's fees for services under this Agreement shall be as follows:

Type of Auction: On-Line Auction at www.aksurplus.com (Internet bidding only)

Commission Rate: 15% of gross sales

Expenses: Auctioneer will be responsible for all expenses associated with auction. This includes advertising, travel expenses, fuel, supplies, repairs and labor costs. Auctioneer will be responsible for all local taxes

Payment Schedule. The Auctioneer shall withhold commission (as stated in Item 5). Net proceeds shall be remitted to the Client within 10 working days following the date of sale. Auctioneer will provide an accounting statement of sale proceeds and disbursements.
- 6) **Possession.** Auctioneer shall require the successful bidder to remove items within 24 hours of the sale.
- 7) **Cancellation.** The Client may terminate this agreement upon payment to auctioneer of a \$500.00 cancellation fee and all Auctioneers' costs to the date of the cancellation and all costs to the Auctioneer of

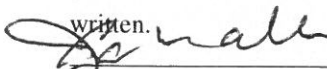
the demobilization. This fee is not applicable in situations beyond the control of the Client, such as bankruptcy stays or other legal constraints.

- 9) **No Assignment or Delegation.** This Agreement is nontransferable and the Auctioneer may not assign or delegate this Sale, or any part of it, without the written consent of the Client.
- 10) **No Additional Work or Material.** Client shall pay Auctioneer for all work performed or expenses incurred in conducting the Sale whether or not specifically provided for in this Agreement or in any written additions or modifications to this Agreement.
- 11) **Independent Contractors.** The Auctioneer and any agents or employees of the Auctioneer act in an independent capacity and are not officers, agents or employees of the Client in the performance of this Sale.
- 12) **Payment of Taxes.** The Auctioneer hereby agrees to pay all federal, state and local taxes incurred by the Auctioneer as a result of this Agreement and Sale. The Auctioneer hereby agrees to require any subcontractor to pay all federal, state or local taxes incurred by that subcontractor as a result of participation in this Agreement and Sale.
- 13) **General Liability Insurance.** The Auctioneer hereby agrees to carry general liability insurance in the amount of \$1,000,000.00.
- 14) **Worker's Compensation Insurance.** The Auctioneer shall maintain workman's compensation insurance required by law.
- 15) **Records, Inspection and Retention.** The Client may inspect Auctioneer's records relating to this Agreement and Sale during regular business hours with one business day's notice of its intention to inspect. Auctioneer shall preserve the records relating to this Agreement and Sale for a period of one year following the conclusion of the Sale.
- 16) **Disputes.** If any dispute arises between the Parties, and such dispute is not disposed of by mutual agreement of the Parties, the Parties agree to subject the dispute to mediation. Such mediation shall be a condition precedent to initiating legal action, but this section does not waive the right of either Party to pursue legal action. The cost of the mediator(s) shall be evenly divided between the Parties to the mediation; otherwise the Parties shall be solely responsible for their own attorney's fees, costs and other expenses of the mediation.
- 17) **Venue.** Venue for any civil lawsuit relating to or arising from this agreement shall be at Anchorage, Alaska, and any such civil lawsuit shall be brought in the Superior Court, Third Judicial District at Anchorage, Alaska. This agreement shall be governed by and construed pursuant to the laws of the State of Alaska.
- 18) The Parties shall furnish each other notice related to this Agreement by facsimile or certified United States mail and such notice shall be deemed complete upon its receipt at the Party's address as set forth below, or as subsequently validly changed according to the terms of this Agreement, with sufficient postage prepaid and affixed to insure acceptance and delivery of such notice by the United States Postal Service to the Party. The U.S. Postal Service postage cancellation date shall be deemed the date of mailing of any notice.

- 19) Each Party to this Agreement shall furnish the other Party to this Agreement with advance written notice setting forth the Party's new address should any Party's address change during the term of the Agreement. Each Party is responsible for mailing its notice of address change sufficiently early so that it is received by the other Party prior to the date of the address change.
- 20) This Agreement is binding on all heirs, assignees, partners, shareholders, successors, agents and other representatives of each of the undersigned Parties.
- 21) The Agreement may be modified only in writing and to be effective any such written modification shall be signed by all Parties to this agreement.
- 22) This document contains the entire and complete agreement among the Parties, it is fully integrated. It supersedes all prior or contemporaneous negotiations, representations or agreements, whether written or oral relating to the agreement and the dealings underlying this agreement among the parties hereto.
- 23) Failure by any Party to this Agreement to enforce any right or provision under this Agreement shall not constitute or be construed as a waiver by the Party of such right or provision. Any waiver of any term or provision of this agreement, to be valid, shall be in writing and signed by the Parties to this agreement.
- 24) In the event that a court of competent jurisdiction shall determine any provision of this Agreement to be void or unenforceable as a matter of law, such determination shall not affect the remaining provisions which shall remain valid and in force.
- 25) The prevailing Party in any civil lawsuit based upon this agreement shall be entitled to reasonable attorney's fees from the other.
- 26) In construing this agreement, it shall not be construed against any Party, as drafter.
- 27) Neither Party is the agent of the other for any purpose.

Compliance with Laws and Specification. Auctioneer represents that it is customarily an independent business of the same nature as the services to be performed hereunder; that it has familiarized itself with and will abide by the local laws, regulations, customs, and conditions under which the Sale of to be performed; that it will furnish all equipment, tools, permits, and licenses required for its work, except where identified in writing as the responsibility of the Client.

Wherefore, the parties bind themselves hereto by their signatures below and agree to all the terms herein

written.

Date 3-21-12
Jim Alleva, Auctioneer
Denali Auction Company LLC
PO Box 770303
Eagle River, AK 99577-0303


Date 3-21-12