

INTERSCHOLA™ SERVICES AGREEMENT

This Services Agreement (“**Agreement**”) is made as of the last date set forth below in the signature blocks of this Agreement (the “**Effective Date**”) by and between Interscholastic Trading Company, LLC., having its principal place of business in San Francisco, California (“**InterSchola**”), and the City of Fresno, a California municipal corporation, (“**Client**”).

Recitals

- A. InterSchola offers a service to assist Client in selling surplus new and used goods in an online auction environment and through other surplus goods channels.
- B. Client desires to sell certain of its surplus goods and to engage InterSchola to assist in such endeavor.

Agreement

In consideration of the foregoing Recitals (which are incorporated herein) and the mutual covenants and agreements contained herein, the parties hereto agree as follows:

1. InterSchola Responsibilities.

To the furthest extent allowed by law, InterSchola shall indemnify, hold harmless and defend Client and each of its officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage) incurred by Client, InterSchola or any other person, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses), arising or alleged to have arisen directly or indirectly from the negligent or intentional acts or omissions, or willful misconduct, of InterSchola or any of its officers, officials, employees, agents, volunteers, contractors or subcontractors in the performance of this contract. InterSchola and Client's liability hereunder shall not exceed the amounts received by InterSchola from Client during the twelve (12)-month period preceding the date the cause of action accrued. In no event shall either party be liable for consequential, indirect, incidental, special or punitive damages hereunder.

If InterSchola should subcontract all or any portion of the work to be performed under this Agreement, InterSchola shall require each Contractor to indemnify, hold harmless and defend Client and each of its officers, officials, employees, agents, and volunteers in accordance with the terms of the following paragraph:

Contractor agrees to defend, indemnify, and hold InterSchola and InterSchola Clients harmless from and against any and all damages, liabilities, costs and expenses (including but not limited to attorney's fees) arising or alleged to have arisen directly or indirectly from the negligent or intentional acts or omissions, or willful misconduct, of the Contractor or its agents alleged to cause injury to any person or damage to any property or to infringe the intellectual property rights of a third person. InterSchola shall: (i) give Contractor prompt written notice of such claim; and (ii) allow Contractor to participate with InterSchola in the defense and all related negotiations.

This section shall survive termination or expiration of this Agreement.

InterSchola shall use commercially reasonable efforts to perform the services as more fully described in Exhibit A (“**Auction Plan and Schedule**”) and to complete such services in a professional and workmanlike manner. InterSchola may retain independent contractors to manage the auction activities remotely and at the Client location(s) (“**Field Auction Manager(s)**”) and shall use commercially reasonable efforts to ensure that the Field Auction Managers perform their tasks in a professional and workmanlike manner. InterSchola shall be in compliance with all laws, ordinances, rules and regulations relevant as a result of the services contemplated hereunder. InterSchola shall secure and maintain in force such permits and licenses as are required by law in connection with the furnishing of services pursuant to this Agreement. InterSchola may update Exhibit A (“**Auction Plan and Schedule**”) by providing Client thirty (30) days written notice.

2. Client Responsibilities.

Client agrees to assign a representative who will be the primary contact for InterSchola (the "**Client Representative**") to work with InterSchola and its Field Auction Manager(s). Client will provide a safe and clean environment for the Field Auction Manager(s) in which to perform his/her inventory and related work. Further, Client acknowledges that InterSchola's ability to perform as required under the Auction Plan and Schedule will require Client to perform certain tasks as contemplated in Exhibit A, which Client agrees to perform in a commercially reasonable manner. Client shall be in compliance with all laws, ordinances, rules and regulations relevant as a result of the services contemplated hereunder. Client represents that it has the right to sell any items to be sold in connection with this Agreement. Client will indemnify and hold harmless InterSchola and its officers, Managers, employees and agents from and against all claims, damages, losses or costs (including reasonable attorney fees) arising in connection with any claim based on or arising from items sold or offered for sale in connection with this Agreement or title thereto, except to the extent such claim is based on the negligent or intentional acts or omissions, or willful misconduct of InterSchola or any of its officers, officials, employees, agents, volunteers, contractors or subcontractors.

3. Relationship of the Parties.

Nothing contained herein shall be deemed to establish a partnership, joint venture, association, or employment relationship between Client and InterSchola or between Client and InterSchola's Field Auction Manager(s). InterSchola agrees and acknowledges that neither it nor any of its employees or independent contractors shall be considered officers, employees or agents of Client and are not entitled to benefits of any kind from Client and InterSchola shall be responsible for payment of all federal, state and local taxes or contributions, if any, including for unemployment insurance, social security and income taxes with respect to InterSchola's employees.

4. Fees.

Client agrees to receive payment for items sold by InterSchola on behalf of Client less fees to InterSchola as set forth in Exhibit B ("**Fee Structure**"). InterSchola may update Exhibit B from time to time by providing Client thirty (30) days written notice, but in no event will such an update affect any listings for which Public Notice has already been posted. Client shall be responsible for the payment of any other fees, fines, licenses or taxes (including sales tax collected) required of or imposed against Client.

5. Client Acknowledgements.

Client acknowledges and agrees that: (i) InterSchola cannot predict how much, if any, revenue will be produced for Client through the activities contemplated in the Auction Plan and Schedule; (ii) the parties may not succeed in significant reduction of inventory or storage requirements for Client; (iii) active participation in the Auction Plan and Schedule by an appointed Client Representative will be required by Client and its employees or contractors (as set forth in this agreement); (iv) the Field Auction Managers may be independent contractors retained by InterSchola, and may not be fully bonded or insured and (v) Client agrees to assign Client Representative to supervise and monitor InterSchola's employees or Field Auction Managers while they are on Client's site.

6. Confidentiality; Limits Imposed by Law

InterSchola acknowledges that its Confidential Information may be disclosed to members of the public as required by law. Except to the extent required by these or other laws, a party receiving Confidential Information from the other party will not disclose or use it except as necessary to perform its obligations or enforce its rights under this Agreement, and each party will take all reasonable steps to ensure that its employees and agents comply with the foregoing. In the event of use or disclosure by the receiving party in violation of this Agreement, the disclosing party will be entitled to seek equitable relief without posting bond.

“Confidential Information” means: (i) with respect to Client, any personally identifiable information of an employee of Client’s; (ii) with respect to InterSchola, all information which gives InterSchola a competitive business advantage or the disclosure of which would be detrimental to its interests; (iii) the terms of this Agreement; and (iv) all information that is marked as confidential. “Confidential Information” does not include information which: (i) is or becomes generally known to the public by any means other than a breach of the obligations of the receiving party; (ii) is received by the receiving party from a third party other than in breach of confidentiality obligations; (iii) is independently developed by the receiving party; or (iv) is subject to disclosure under court order or other lawful process.

7. DISCLAIMER OF WARRANTIES. EXCEPT FOR THE EXPRESS WARRANTIES HEREIN AND FOR TITLE AND NONINFRINGEMENT, INTERSCHOLA DISCLAIMS ALL WARRANTIES EXPRESS AND IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, QUIET ENJOYMENT, QUALITY OF INFORMATION AND FITNESS FOR A PARTICULAR PURPOSE. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY INTERSCHOLA OR ITS AUTHORIZED REPRESENTATIVES SHALL CREATE A WARRANTY OR IN ANY WAY INCREASE THE SCOPE OF INTERSCHOLA’S OBLIGATIONS HEREUNDER.

8. Term and Termination.

The term (“**Term**”) of this Agreement shall begin on the Effective Date and shall continue thereafter for one year with automatic one year renewals. Either party may terminate this Agreement for material breach by the other party that is not cured thirty (30) days after receipt of written notice by the non-breaching party. Following the first anniversary of the Effective Date, either party may terminate this Agreement for no cause by providing thirty (30) days written notice to the other party.

9. Publicity.

Client grants InterSchola the right to and agrees that InterSchola may use Client’s name and the existence of this Agreement in client lists, presentations or promotions with prior written approval from Client, which shall not be unreasonably withheld.

10. Insurance Requirements

Throughout the life of this Agreement, InterSchola shall pay for and maintain in full force and effect all policies of insurance required hereunder with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide, or (ii) authorized by Client’s Risk Manager. The following policies of insurance are required:

(i) COMMERCIAL GENERAL LIABILITY insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and include insurance for “bodily injury,” “property damage” and “personal and advertising injury” with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, and contractual liability (including, without limitation, indemnity obligations under the Contract) with limits of liability of not less than the following:

- \$1,000,000 per occurrence for bodily injury and property damage
- \$1,000,000 per occurrence for personal and advertising injury
- \$2,000,000 per occurrence for products and completed operations
- \$2,000,000 aggregate for products and completed operations
- \$2,000,000 general aggregate

(ii) COMMERCIAL AUTOMOBILE LIABILITY insurance which shall be at least as broad as the most current version of Insurance Service Office (ISO) Business Auto Coverage Form CA 00 01, and include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1 - Any Auto) with limits of liability of not less than \$1,000,000 per accident for bodily injury and property damage.

(iii) WORKERS' COMPENSATION insurance as required under the California Labor Code.

(iv) EMPLOYERS' LIABILITY insurance with limits of liability of not less than \$1,000,000 each accident, \$1,000,000 disease policy limit and \$1,000,000 disease each employee.

In the event InterSchola purchases an Umbrella or Excess insurance policy(ies) to meet the minimum limits of insurance set forth above, this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies).

InterSchola shall be responsible for payment of any deductibles contained in any insurance policies required hereunder and InterSchola shall also be responsible for payment of any self-insured retentions. Any deductibles or self-insured retentions must be declared to, and approved by, the Client's Risk Manager or his/her designee. At the option of the Client's Risk Manager or his/her designee, either (i) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects Client, its officers, officials, employees, agents and volunteers; or (ii) InterSchola shall provide a financial guarantee, satisfactory to Client's Risk Manager or his/her designee, guaranteeing payment of losses and related investigations, claim administration and defense expenses. At no time shall Client be responsible for the payment of any deductibles or self-insured retentions.

All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after 30 calendar day written notice has been given to Client. Upon issuance by the insurer, broker, or agent of a notice of cancellation, non-renewal, or reduction in coverage or in limits, InterSchola shall furnish Client with a new certificate and applicable endorsements for such policy(ies). In the event any policy is due to expire during the work to be performed for Client, InterSchola shall provide a new certificate, and applicable endorsements, evidencing renewal of such policy not less than 15 calendar days prior to the expiration date of the expiring policy.

The General Liability and Automobile Liability insurance policies shall be written on an occurrence form and shall name Client, its officers, officials, agents, employees and volunteers as an additional insured. Such policy(ies) of insurance shall be endorsed so InterSchola insurance shall be primary and no contribution shall be required of Client. The coverage shall contain no special limitations on the scope of protection afforded to Client, its officers, officials, employees, agents and volunteers. Any Workers' Compensation insurance policy shall contain a waiver of subrogation as to Client, its officers, officials, agents, employees and volunteers.

InterSchola shall furnish Client with all certificate(s) and applicable endorsements effecting coverage required hereunder. **All certificates and applicable endorsements are to be received and approved by the Client's Risk Manager or his/her designee prior to Client's execution of the Agreement and before work commences.** Upon request of Client, InterSchola shall immediately furnish Client with a complete copy of any insurance policy required under this Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive expiration or termination of this Agreement.

If at any time during the life of the Agreement or any extension, InterSchola or any of its subcontractors fail to maintain any required insurance in full force and effect, all work under this Agreement shall be discontinued immediately, and all payments due or that become due to InterSchola shall be withheld until notice is received by Client that the required insurance has been restored to full force and effect and

that the premiums therefore have been paid for a period satisfactory to Client. Any failure to maintain the required insurance shall be sufficient cause for Client to terminate this Agreement. No action taken by Client hereunder shall in any way relieve InterSchola of its responsibilities under this Agreement. The phrase "fail to maintain any required insurance" shall include, without limitation, notification received by Client that an insurer has commenced proceedings, or has had proceedings commenced against it, indicating that the insurer is insolvent.

The fact that insurance is obtained by InterSchola shall not be deemed to release or diminish the liability of InterSchola, including, without limitation, liability under the indemnity provisions of this Agreement. The duty to indemnify Client shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by InterSchola. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of InterSchola, its principals, officers, agents, employees, persons under the supervision of InterSchola, vendors, suppliers, invitees, consultants, sub-consultants, subcontractors, or anyone employed directly or indirectly by any of them.

If InterSchola should subcontract all or any portion of the services to be performed under this Agreement, InterSchola shall require each subcontractor to provide insurance protection in favor of Client, its officers, officials, employees, agents and volunteers in accordance with the terms of each of the preceding paragraphs, except that the subcontractors' certificates and endorsements shall be on file with InterSchola and Client prior to the commencement of any work by the subcontractor. Notwithstanding the foregoing, the parties agree that Field Auction Managers shall not be required to provide insurance hereunder.

11. General Provisions

11.1 Arbitration and Governing Law. Except as provided below, any dispute, controversy or claim relating to this Agreement shall be resolved in Fresno County, California in accordance with the then existing Commercial Arbitration Rules promulgated by the American Arbitration Association. The decision of the arbitrator shall be final and binding on the parties, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Notwithstanding the foregoing, this Section shall not preclude either party from seeking temporary, provisional, or injunctive relief from any court. This Agreement shall be governed by the laws of the State of California without reference to its conflict of laws rules.

11.2 Entire Agreement. This Agreement sets forth the entire agreement between the parties with regard to the subject matter hereof. No other agreements, representations, or warranties have been made by either party to the other with respect to the subject matter of this Agreement, except as referenced herein. This Agreement may be amended only by a written agreement signed by both parties.

11.3 Anti-Discrimination. InterSchola will not engage in unlawful discrimination in employment of persons because of race, color, religious creed, national origin, ancestry, physical handicap, medical condition, marital status, age, sexual orientation or gender of such persons.

11.4 Assignment. The obligations of InterSchola pursuant to this Agreement may not be assigned, except, in the case of a merger or acquisition of all or substantially all of InterSchola's business.

11.5 Severability. If any of the provisions of this Agreement are found or deemed by a court to be invalid or unenforceable, they shall be severable from the remainder of this Agreement and shall not cause the invalidity or unenforceability of the remainder of this Agreement.

11.6 Waiver. Neither party shall by mere lapse of time without giving notice or taking other action hereunder be deemed to have waived any breach by the other party of any of the provisions of this Agreement. Further, the waiver by either party of a particular breach of this Agreement by the other party shall not be construed as, or constitute, a continuing waiver of such breach, or of other breaches of the same or other provisions of this Agreement.

11.7 Force Majeure. Neither party shall be liable for any delay or failure to perform its obligations

hereunder resulting from any cause beyond such party's reasonable control, including but not limited to acts of God, weather, fire, floods, strikes, work stoppages, slowdowns or other industrial disputes, accidents, riots or civil disturbances, acts of government, and acts of war or terrorism.

11.8 Survival. The following provisions shall survive termination or expiration of this Agreement: Section 6 (Confidentiality); Section 7 (Disclaimer of Warranties); and Section 11 (General Provisions).

11.9 Attorney's Fees. If either party is required to commence any proceeding or legal action to enforce or interpret any term, covenant or condition of this Agreement, the prevailing party in such proceeding or action shall be entitled to recovery from the other party its reasonable attorney's fees and legal expenses.

AGREED AND ACKNOWLEDGED:

CLIENT: CITY OF FRESNO

INTERSCHOLASTIC TRADING COMPANY, LLC

Signature: Jason B. MacDonald

Signature: Melissa Rich

Print Name: JASON B. MACDONALD

Print Name: MELISSA RICH

Title: PURCHASING MANAGER

Title: INTER SCHOLA PRESIDENT

Date: 10/19/2010

Date: 7/28/10

Please fax the complete signed contract to (415) 651 9676. In addition, please mail two (2) complete signed copies of the complete agreement to:

InterSchola 1004A O'Reilly Ave 3rd Floor, San Francisco, CA 94129

APPROVED AS TO FORM
CITY ATTORNEY'S OFFICE

By: Stacey S. Melnick 10/19/10
Deputy

ATTEST:
REBECCA E. KLISCH
CITY CLERK
By: Sherrill S. Badetschke
Deputy 10/25/10

Exhibit A

AUCTION PLAN & SCHEDULE

GENERAL SERVICES

- For first time clients, InterSchola agrees to make an initial visit ("Initial Visit") to Client location(s) within a reasonable and agreed to time frame following the initial request by Client to introduce the InterSchola Field Auction Manager(s) to the Client Representative
- Client agrees to schedule and host subsequent Field Auction Manager visit(s) to assess identified surplus inventory ("Inventory Assessment") as agreed to by InterSchola and Client.
- Once items have been identified, by the Client, as InterSchola Managed Inventory, InterSchola reserves all rights to manage the sale/disposal of such assets in accordance with this agreement and/or any partner agreements until such assets are "released" to the Client.

AUCTION SERVICES – INVENTORY ASSESSMENT

- InterSchola Field Auction Manager sorts identified surplus asset inventory on Client premises /evaluates asset quality/determines feasibility of assets for sale in an open market environment ("InterSchola Managed Inventory").
- InterSchola Field Auction Manager creates inventory list, takes digital photos and detailed notes on each asset determined feasible for sale in an open market environment.
- InterSchola Field Auction Manager and/or other InterSchola staff creates public auction listings for each asset determined feasible for sale in an open market environment using detailed product descriptions based upon knowledge of the open market and the online auction market.
- **POTENTIALLY DANGEROUS ITEMS.** With respect to an asset/asset(s) which InterSchola reasonably determines to be potentially dangerous to test, including items which may be electrical, mechanical, motorized or otherwise operable (e.g. automotives, power tools, sharp tools etc.), Client shall be responsible for testing the asset in the presence of InterSchola Field Auction Manager in order for the product listing to include a valid statement regarding proven operability of the item at the time of listing.
- Should InterSchola Field Auction Manager discover an environment that is not safe or clean to perform inventory, InterSchola reserves the right to cancel inventory efforts, or postpone resumption of inventory until working conditions can be improved.

AUCTION SERVICES – GENERAL

- Prior to sale, the Client must give public notice. InterSchola provides documentation to Client to be used for purposes of satisfying the requirement of public notice for a surplus auction.
- InterSchola may, at its own discretion also make items available for auction through other public bid forums, though not in conflict with an auction already in progress. InterSchola pays all fees associated with listing assets on eBay and/or sales and marketing costs through other channels chosen by InterSchola.
- InterSchola sends listings to Client via email prior to auction launch. Client must review all listings and send email response to InterSchola to confirm reasonable accuracy of listing content. Should Client not respond to InterSchola in advance of auction launch, InterSchola will assume for purposes of this agreement that Client has approved listing content. In this case, should a buyer later use a listing error as the basis for a refund, this error will be deemed the responsibility of the Client. (See BUYER REFUNDS section of Exhibit B below.)
- InterSchola supports high-level marketing to the intended buyer community in conjunction with partner auction site. In addition, InterSchola may feature public notice of current, upcoming and past auctions on the InterSchola website to promote additional buying activity.
- InterSchola initiates auction and manages all customer queries through auction end, receipt of payment and shipping or delivery of item ("Auction Close").

AUCTION SERVICES - AUCTION CLOSE

- InterSchola collects payment (sale price plus shipping and handling and appropriate sales tax) from winning bidder(s) in accordance with close of auction/sale and payment procedures specified in the InterSchola item description.
- InterSchola Field Auction Manager returns to Client location(s) usually within 5-10 business days after the auction end date (First Pickup Day) to package paid items and coordinate deliveries of goods to winning bidder(s)/buyer(s). An additional Backup Pickup Day is also scheduled in advance with Client for items for which payments were not received before the First Pickup Day.
- Client may be asked to facilitate pickups on days other than the First Pickup Day or Backup Pickup Day. Preparation for such pickups will have been made by the InterSchola Field Auction Manager and in such cases, the Client Representative will be adequately briefed on required activity, including handling of paperwork, to ensure that such pickups are handled smoothly. Should a confirmed or unconfirmed buyer arrive unannounced on a day other than a scheduled pickup day, Client is to notify InterSchola immediately.
- InterSchola may request assistance from Client Representative or other staff for moving large assets for purposes of inventorying items and/or preparation for packaging and delivery of items. Examples of such requests from InterSchola may include: a) assistance in the movement of heavy assets at Client location by Client Representative (i.e. by forklift), b) request for palletizing assets by Client Representative to assist with sale of assets, c) placing salvage assets in salvage bins arranged for delivery and removal by InterSchola, d) provision of surplus packaging materials that otherwise would be discarded by Client, or e) request to handle the "Transfer" of an item that has been prepared for pickup should a buyer or buyer representative be unable to attend one of the scheduled pickup days. If the Client is unable to confirm assistance, InterSchola may at its own discretion choose not to handle the listing of those items for which assistance will be required to successfully complete the sale.
- InterSchola confirms receipt of goods by buyer(s) through email confirmation from buyer and/or acknowledgement by third party shipping or delivery service.

COMPLEX ITEMS

- On behalf of its clients, InterSchola may list for sale certain items, herein referred to as "Complex Items," that require greater time and attention than standard items for inventory, auction preparation, marketing, and/or packing, shipping, dismantling or making arrangements for removal. "Complex Items" may include, but are not limited to: large, complex machinery or equipment or maintenance "systems"; items that require complex "handling" (e.g. crating); LOTS that will require multiple days for removal; or items that have a very limited marketplace. InterSchola will work to facilitate a successful transaction of such items as directed by the Client, subject to the fee structure for Complex Items in Exhibit B.
- Should InterSchola deem an item not listed by category in Exhibit A to be a "Complex Item", it will give notice thereof to Client before items are offered for sale. In this case, Client may remove the item from InterSchola-Managed Inventory by notice to InterSchola within 3 business days after it receives notice of the "Complex Item" designation. Alternatively, InterSchola may at its own discretion choose not to include such item.
- On behalf of its clients, InterSchola may agree to perform an Inventory Assessment on a selection of items that requires greater time and attention than a standard Inventory Assessment. "Complex Inventory Assessments" may include, but are not limited to Inventory Assessments at multiple locations or at locations for which access by the Field Auction Manager is not readily available (e.g. non warehouse locations). Often times, InterSchola cannot determine whether an Inventory Assessment is "Complex" until the Field Auction Manager visits the inventory locations. Should InterSchola deem an Inventory Assessment to be a Complex Inventory Assessment, it will give notice thereof to Client before offering items for sale. In this case, Client may remove the item from InterSchola-Managed Inventory by notice to InterSchola within 3 business days after it receives notice of the "Complex Item" designation. Alternatively, InterSchola may at its own discretion choose not to include such item.

SALVAGE ASSETS

- InterSchola may research other channels for sale/disposal of assets deemed not saleable in an open market environment.
- InterSchola uses commercially reasonable efforts, including services of InterSchola partners, to find (Salvage) buyers of such assets at the best price for Client.
- InterSchola collects payment from buyer(s) in accordance with terms set forth by InterSchola.
- InterSchola Field Auction Manager returns to Client location(s) usually within 5-10 business days after the auction end date (First Pickup Day) to package paid items and coordinate deliveries of goods to winning bidder(s)/buyer(s). An additional Backup Pickup Day is also scheduled in advance with Client for items for which payments were not received before the First Pickup Day.

OTHER

- InterSchola manages transfer of proceeds for Completed Sales to Client on a rolling basis within three months (approximately 75- 90 days) of the auction end date. A Completed Sale is defined as an item which has been sold, payment received from buyer and item removed from Client location, either shipped or picked up. If an item has been sold, but payment has not been received from buyer or pickup/shipping is not completed before the three-month period has been completed, the transfer of funds will be made in the next semi-monthly rolling payment cycle, after removal of the item has been confirmed.
- Proceeds are defined as total of sales price plus sales tax collected less InterSchola commission/fees. Calculations of individual auction listing proceeds will be presented with each payment.
- InterSchola does its best to ensure buyer/customer satisfaction. In the event that the buyer is not satisfied with product received from Client, InterSchola will arrange settlement with the buyer in accordance with eBay guidelines (a link to these guidelines can be found here: <http://pages.ebay.com/help/tp/esppp-process.html>). InterSchola does not accept Returns. All InterSchola auction items are sold "as-is." See BUYER REFUNDS section of Exhibit B below.)
- In the case that an item does not sell at auction or that a transaction is cancelled without payment or pickup, InterSchola will determine feasibility for other means of sale.
- Client is responsible for any fees associated with posting Public Notice, including but not limited to public advertising costs, if required or determined by the Client. In no event will Client be responsible for InterSchola's corporate income tax or any other fees, fines, licenses or taxes required of or imposed against InterSchola.

Exhibit B

FEE STRUCTURE (STANDARD ITEMS)

ASSETS SOLD IN AN OPEN MARKET ENVIRONMENT

	Description	Terms	
InterSchola Percent of Sale	Percent of net final auction listing transaction value	<u>Sale Price</u> <\$1000.00 >\$1000.01	<u>InterSchola Percentage of Sale</u> 48% 48% of the first \$1000, plus 28% of the amount above \$1000
InterSchola Service Fee	Per hour for on-site services provided by InterSchola Field Auction Manager(s) to sort inventory/evaluate asset quality/determine feasibility for sale		WAIVED
InterSchola Network Payment	Flat annual fee to join InterSchola Network		WAIVED

Sample Percent of Sale fee calculations:

	Percent of Sale fee calculations (InterSchola commission fees deductible from Client proceeds):
Final sale price/item or multiple item listing	
Example (final sale price): \$400	Client gets \$208 $[(48\% * \$400)] = \192 InterSchola effective rate – 48%
Example (final sale price): \$3600	$[(48\% * \$1000) + (28\% * \$2600)] = \$480 + \$728 = \$1208$ Client gets \$2392 InterSchola effective rate – 34%

FEE STRUCTURE (COMPLEX ITEMS/ COMPLEX INVENTORY ASSESSMENTS)

Due to the additional requirements to manage these auction sales, InterSchola's fee structure for Complex Items is as follows:

InterSchola Percent of Sale	Percent of net final auction listing transaction value	<u>Sale Price</u> <\$2500.00 >\$2500.01 \$2500 * Plus service fee, if applicable	<u>InterSchola Percentage of Sale</u> 48% 48% of the first \$2500, plus 28% of the amount above
InterSchola Service Fee	Per hour for services provided by InterSchola in executing sale (first four hours are free.)	\$35.00/hour (*)	

(*)A Service Fee at a rate of \$35/hour will be charged for all work performed by the InterSchola field and listing teams on these Complex Items/COMPLEX INVENTORY ASSESSMENTS in excess of 4 hours of attention (including, but not limited to, inventory, research, inspections, handling, etc.), before/during and after sale, to manage sale to Completion. InterSchola Service Fee, if applicable will be itemized and deducted from total proceeds of each auction round.

FEE STRUCTURE (SALVAGE ITEMS)

InterSc hola Percent of Sale	Percent of final sale	50% (salvage value)
---------------------------------------	--------------------------	----------------------------

InterSchola categorizes all items SOLD in forums other than the eBay marketplace as SALVAGE.

IN ALL CASES ABOVE:

- * Packaging materials will be provided by InterSchola unless otherwise agreed to by Client. All, shipping and handling fees will be the responsibility of InterSchola unless otherwise agreed to by the Client per Exhibit A.
- * Refunds
 - All refunds are a reduction to selling price. Revenue split between client and InterSchola is based on net sales price after refund.
 - If refund is caused by misinformation from client, missing or damaged items, Client will be charged an additional fee equal to 25% of refund amount.
 - Charge will appear on InterSchola/Client invoice as an InterSchola Item Service Fee.
- * Terminated Auctions
 - Items removed from the auction process at the client's request after inventory assessment but before auction listing will be assessed a fee of \$35.
 - Items removed from the auction process at the client's request after auction listing but before sale will be assessed a fee equal to 50% of the auction start price
 - Items that are sold at auction cannot be removed from the auction process and transactions cancelled without agreement of buyer. Should buyer agree to cancel sale, client will be charged a fee equal to 50% of the sales price.
 - Charge will appear on InterSchola/Client invoice as an InterSchola Item Service Fee.