

AGREEMENT

THIS AGREEMENT is made and entered into on January 29, 2018, by and between the COUNTY OF FRESNO, a political subdivision of the State of California ("COUNTY"), and Bid4Assets, Inc., a Maryland corporation authorized to do business in California, whose address is 8757 Georgia Ave., Suite 520, Silver Spring, MD 20910 ("CONTRACTOR").

Recitals

A. The COUNTY periodically conducts sales of tax-defaulted property, under California Revenue and Taxation Code, Division 1, Part 6, Chapter 7.

B. The COUNTY wishes to engage the CONTRACTOR to conduct online auctions of tax defaulted property on behalf of the Auditor-Controller/Treasurer-Tax Collector ("Tax Collector") for the COUNTY's sales of tax-defaulted property according to the terms of this agreement.

C. The CONTRACTOR represents that it is ready, willing, and able to make a reasonable effort to conduct online auctions in connection with the COUNTY's sales of tax-defaulted property according to the terms of this agreement.

The parties therefore agree as follows:

1. OBLIGATIONS OF THE CONTRACTOR

A. CONTRACTOR shall provide online property tax sale auction services, including but not limited to advertising and hosting of all e-commerce transactions.

B. CONTRACTOR shall provide a primary contact person to coordinate the COUNTY's online property tax sale auction. The primary contact person's duties shall include:

1) Providing Tax Collector staff with a tutorial on the parcel information transmission process, including supplying the required asset upload template.

2) Managing the collection of all parcel information from the COUNTY prior to posting for advertising and auction of the parcels online, including each parcel's description, address, photos, if any, and specifications. A parcel description shall include, but is not limited to, the Assessor's Parcel Number and a legal description. A parcel specification shall

1 include, but is not limited to, zoning information and current property tax amounts.

2 3) Coordinating the creation of, and data upload for, the County's home
3 page within the CONTRACTOR'S website ("Storefront") and individual parcels' comprehensive
4 listing pages shown on the Storefront.

5 4) Establishing terms for auction advertising (including the length of the
6 auction, minimum price, and procedures for settlement of purchase) at the direction of the Tax
7 Collector.

8 5) Providing the Tax Collector with a link, via email, to the Storefront
9 page, for quality control and review prior to the opening of the storefront to the public.

10 6) Posting the parcel listing online during a preview period of a duration
11 approved in writing by the Tax Collector, to allow for adequate advertising, and to generate
12 interest from potential bidders prior to the auction.

13 7) Responding to interested bidders' inquiries regarding operation of the
14 Storefront and providing technical assistance to potential bidders unable to access information.

15 8) Entering each timely offline bid received via fax or United States mail.

16 C. CONTRACTOR shall include as part of the advertisement information
17 including, but not limited to, the Fresno County Terms of Sale, tax rate areas, the property list, and
18 California Revenue and Taxation Code sections 3692.3 and 3712, and shall require all potential
19 buyers to acknowledge the receipt of this information as a precondition to bidding on any parcels
20 offered in the COUNTY tax sale. The relevant information concerning California property tax sales
21 shall be accessible via a link on each individual property listing, as well as on the COUNTY's
22 Storefront.

23 D. CONTRACTOR shall require all potential bidders to submit a non-
24 refundable deposit in an amount determined by the Tax Collector as a precondition to bidding on
25 any COUNTY tax sale property. Each bidder shall only be required to submit one deposit in order
26 to bid on all parcels to be auctioned. If a bidder becomes the successful bidder, his or her deposit
27 becomes a non-refundable security deposit. This non-refundable security deposit shall be applied
28 to the balance due and the net amount of the final purchase price will be due to the

1 CONTRACTOR from the successful bidder.

2 E. CONTRACTOR shall provide the COUNTY with all sales data including the
3 Assessor's Parcel Number, minimum bid, sales price and excess proceeds so that the COUNTY
4 may disclose the results of the sale on its own web site as well.

5 F. CONTRACTOR shall accept bids both online and offline.

6 G. CONTRACTOR shall include, on each individual parcel's description page,
7 as well as in the Fresno County Terms of Service Page, a bidder's acknowledgement section that
8 will set forth the following information:

- 9 1) A statement that this is a "buyer beware sale";
- 10 2) A statement that all sales are "as is, where is and final";
- 11 3) A statement that bidders must be at least 18 years of age;
- 12 4) The minimum bid price;
- 13 5) The Fresno County Terms of Sale including:
 - 14 - Auction start date and time;
 - 15 - Auction end date and time;
 - 16 - Redemption rights of the owner prior to the tax sale;
 - 17 - Information about how and when the tax deed is delivered;
 - 18 - The amount of the required deposit;
 - 19 - Bidder responsibilities (including but not limited to sole responsibility
 - 20 for all due diligence);
 - 21 - Information about acceptable payment methods; and
 - 22 - A statement regarding the inclusion of California documentary transfer
 - 23 tax which will be added to, and collected from, the full purchase price;
- 24 6) A copy of Revenue and Taxation Code Sections 3692.3 and 3712;
- 25 7) A description of the COUNTY's method of pre-qualifying buyers;
- 26 8) A description of offline bidding procedures;
- 27 9) A statement of the COUNTY's right to reject bids for any reason
- 28 whatsoever;

1 10)A statement of the COUNTY's right to withdraw parcels from the auction
2 at any time; and

3 11)Any additional information provided by the Tax Collector.

4 H. CONTRACTOR shall use Hypertext Protocol Secure (HTTPS) to protect
5 the confidentiality of the data exchanged between bidders and the CONTRACTOR and between
6 the COUNTY and the CONTRACTOR.

7 I. CONTRACTOR shall adhere to all applicable e-commerce rules and
8 regulations.

9 J. CONTRACTOR shall allow the COUNTY to reject any bids on tax-
10 defaulted parcels for any reason whatsoever and CONTRACTOR shall fulfill each rejection
11 request from the COUNTY within twenty-four (24) hours of receiving the request.

12 K. CONTRACTOR shall immediately inform successful bidders of their status
13 via email (or phone for offline bidders) at the close of each auction. The successful bidder email
14 shall be sent automatically and be scripted to include the successful bid amount, the amount of
15 the documentary transfer tax, the Assessor's Parcel Number, payment information, and all
16 processes necessary to complete the purchase. A successful bidder phone call, if necessary, shall
17 include the same information.

18 L. CONTRACTOR shall provide auction data reports to the COUNTY both
19 during and after each auction. At a minimum the following reports will be included: a "Bid Monitor
20 Report" which displays a chronological list of bids and the times they were submitted a "Deposit
21 Report" which displays names of all bidders who have submitted deposits; a "Post Sales Report"
22 which displays a comprehensive report of the tax sale including, but not limited to: number of
23 parcels offered, number of parcels sold, number of parcels withdrawn, deposits received, and
24 locations of winning bidders; a "Sales Report" which displays results for each parcel sold
25 including, but not limited to: the winning bidder's name, address, and phone number, the winning
26 bid amount, and the total amount due; a "DeedWizard Report" which uses the proprietary
27 Bid4Assets DeedWizard system to generate the information to be listed on the deeds including,
28 but not limited to, name, address and title; and a "Page Views Report" which displays the number

1 of website page views per individual auction.

2 M. CONTRACTOR shall keep the COUNTY Storefront open at least one (1)
3 week after the close of each auction to advertise the results of each tax-defaulted property
4 auction.

5 N. CONTRACTOR shall remit proceeds from each sale to the COUNTY within
6 ten (10) business days following the close of each auction. Proceeds are to be wired to the
7 COUNTY as directed by the Tax Collector in writing on COUNTY letterhead.

8 O. CONTRACTOR shall not require any hardware or software interface with
9 the COUNTY's internal database. All auctions shall be hosted on CONTRACTOR's own platform.

10 P. CONTRACTOR shall provide a link for the COUNTY to place on the
11 COUNTY website to guide potential bidders visiting the COUNTY website to the auction storefront
12 website.

13 Q. CONTRACTOR shall perform this Agreement in compliance with all laws
14 applicable to the sale of tax delinquent property in California, including but not limited to Division 1,
15 Part 6, of the California Revenue and Taxation Code.

16 2. OBLIGATIONS OF THE COUNTY

17 A. COUNTY shall provide, in a format acceptable to both parties, the parcel
18 information necessary to conduct the sale of each defaulted parcel.

19 B. COUNTY shall provide to CONTRACTOR the following information to be
20 included in the acknowledgement language:

- 21 1) A statement that this is a "buyer beware sale";
- 22 2) A statement that all sales are "as is, where is and final";
- 23 3) A statement that bidders must be at least 18 years of age;
- 24 4) The minimum bid price;
- 25 5) The Fresno County Terms of Sale including:
 - 26 - Auction start date and time;
 - 27 - Auction end date and time;
 - 28 - Redemption rights of the owner prior to the tax sale;

- Information about how and when the tax deed is delivered;
 - The amount of the required deposit;
 - Bidder responsibilities (including but not limited to sole responsibility for all due diligence);
 - Information about acceptable payment methods; and
 - A statement regarding the inclusion of California documentary transfer tax which will be added to, and collected from, the full purchase price;
- 6) A copy of Revenue and Taxation Code Sections 3692.3 and 3712;
 - 7) A description of the COUNTY's method of pre-qualifying buyers;
 - 8) A description of offline bidding procedures;
 - 9) A statement of the COUNTY's right to reject bids for any reason whatsoever;
 - 10) A statement of the COUNTY's right to withdraw parcels from the auction at any time; and
 - 11) Any additional information provided by the Tax Collector.

C. The Tax Collector shall notify CONTRACTOR via fax with a COUNTY fax cover sheet included or via email from the Tax Collector's office through an official COUNTY email address when withdrawing parcels from the sale.

3. TERM

This agreement is effective as of January 29, 2018 and terminates on January 28, 2021. This agreement may be extended for two additional consecutive 12-month periods upon written approval of both parties no later than 30 days prior to the first day of the next 12-month extension period. The Tax Collector or his or her designee is authorized to execute such written approval on behalf of the COUNTY based on the CONTRACTOR's satisfactory performance.

4. TERMINATION

1. Non-Allocation of Funds - The terms of this agreement, and the services to

1 be provided thereunder, are contingent on the approval of funds by the appropriating government
2 agency. Should sufficient funds not be allocated, the services provided may be modified, or this
3 agreement terminated, at any time by giving the CONTRACTOR thirty (30) days' advance written
4 notice.

5 2. Breach of Contract - The COUNTY may immediately suspend or terminate
6 this agreement in whole or in part, where in the determination of the COUNTY there is:

- 7 1) An illegal or improper use of funds;
- 8 2) A failure to comply with any term of this agreement;
- 9 3) A substantially incorrect or incomplete report submitted to the
10 COUNTY;
- 11 4) Improperly performed service.

12 In no event shall any payment by the COUNTY constitute a waiver by the COUNTY
13 of any breach of this agreement or any default which may then exist on the part of the
14 CONTRACTOR. Neither shall such payment impair or prejudice any remedy available to the
15 COUNTY with respect to the breach or default. The COUNTY shall have the right to demand of
16 the CONTRACTOR the repayment to the COUNTY of any funds disbursed to the CONTRACTOR
17 under this Agreement, which in the judgment of the COUNTY were not expended in accordance
18 with the terms of this agreement. The CONTRACTOR shall promptly refund any such funds upon
19 demand.

20 3. Without Cause - Under circumstances other than those set forth above,
21 this agreement may be terminated by COUNTY upon the giving of thirty (30) days advance written
22 notice of an intention to terminate to CONTRACTOR.

23 5. COMPENSATION/INVOICING: COUNTY agrees to pay CONTRACTOR and
24 CONTRACTOR agrees to receive compensation as follows: for each annual sale of tax-defaulted
25 parcels, for the initial sale: ninety dollars (\$90) per parcel advertised; for any re-offer sale of tax-
26 defaulted properties within 90-days of an initial sale: ninety dollars (\$90) per parcel advertised.
27 CONTRACTOR shall submit monthly invoices in duplicate to the County of Fresno Auditor-
28 Controller/Treasurer-Tax Collector.

1 In no event shall services performed under this agreement be in excess of sixty
2 five thousand dollars (\$65,000) for each one year period (ending January 29th) that this agreement
3 is in effect. If this agreement renews as set forth in Section 3, the maximum amount payable to
4 CONTRATOR shall not exceed three hundred twenty five thousand dollars (\$325,000) during the
5 term of this agreement. It is understood that all expenses incidental to CONTRACTOR'S
6 performance of services under this agreement shall be borne by CONTRACTOR.

7 6. INDEPENDENT CONTRACTOR: In performance of the work, duties and
8 obligations assumed by CONTRACTOR under this agreement, it is mutually understood and
9 agreed that CONTRACTOR, including any and all of the CONTRACTOR'S officers, agents, and
10 employees will at all times be acting and performing as an independent contractor, and shall act in
11 an independent capacity and not as an officer, agent, servant, employee, joint venturer, partner, or
12 associate of the COUNTY. Furthermore, COUNTY shall have no right to control or supervise or
13 direct the manner or method by which CONTRACTOR shall perform its work and function.
14 However, COUNTY shall retain the right to administer this agreement so as to verify that
15 CONTRACTOR is performing its obligations in accordance with the terms and conditions thereof.

16 CONTRACTOR and COUNTY shall comply with all applicable provisions of
17 law and the rules and regulations, if any, of governmental authorities having jurisdiction over
18 matters the subject thereof.

19 Because of its status as an independent contractor, CONTRACTOR shall have
20 absolutely no right to employment rights and benefits available to COUNTY employees.
21 CONTRACTOR shall be solely liable and responsible for providing to, or on behalf of, its
22 employees all legally-required employee benefits. In addition, CONTRACTOR shall be solely
23 responsible and save COUNTY harmless from all matters relating to payment of
24 CONTRACTOR'S employees, including compliance with Social Security withholding and all other
25 regulations governing such matters. It is acknowledged that during the term of this agreement,
26 CONTRACTOR may be providing services to others unrelated to the COUNTY or to this
27 agreement.

28 7. MODIFICATION: This agreement may not be modified except by written

1 agreement of all the parties.

2 8. NON-ASSIGNMENT: Neither party shall assign, transfer or sub-contract this
3 agreement nor their rights or duties under this agreement without the prior written consent of the
4 other party.

5 9. HOLD HARMLESS: CONTRACTOR agrees to indemnify, save, hold harmless,
6 and at COUNTY'S request, defend the COUNTY, its officers, agents, and employees from any
7 and all costs and expenses, damages, liabilities, claims, and losses occurring or resulting to
8 COUNTY in connection with the performance, or failure to perform, by CONTRACTOR, its
9 officers, agents, or employees under this agreement, and from any and all costs and expenses,
10 damages, liabilities, claims, and losses occurring or resulting to any person, firm, or corporation
11 who may be injured or damaged by the performance, or failure to perform, of CONTRACTOR,
12 its officers, agents, or employees under this agreement.

13 10. INSURANCE

14 Without limiting the COUNTY's right to obtain indemnification from
15 CONTRACTOR or any third parties, CONTRACTOR, at its sole expense, shall maintain in full
16 force and effect, the following insurance policies or a program of self-insurance throughout the
17 term of the Agreement:

18 A. Commercial General Liability

19 Commercial General Liability Insurance with limits of not less than One
20 Million Dollars (\$1,000,000) per occurrence and an annual aggregate of Two Million Dollars
21 (\$2,000,000). This policy shall be issued on a per occurrence basis. COUNTY may require
22 specific coverages including completed operations, products liability, contractual liability,
23 Explosion-Collapse-Underground, fire legal liability or any other liability insurance deemed
24 necessary because of the nature of this contract.

25 B. Automobile Liability

26 Comprehensive Automobile Liability Insurance with limits for bodily injury of
27 not less than Two Hundred Fifty Thousand Dollars (\$250,000.00) per person, Five Hundred
28 Thousand Dollars (\$500,000.00) per accident and for property damages of not less than Fifty

1 Thousand Dollars (\$50,000.00), or such coverage with a combined single limit of Five Hundred
2 Thousand Dollars (\$500,000.00). Coverage should include owned and non-owned vehicles used
3 in connection with this Agreement.

4 C. Errors and Omissions

5 Errors and Omissions insurance with limits of not less than Two Hundred
6 Fifty Thousand Dollars (\$250,000.00) per occurrence, Five Hundred Thousand Dollars
7 (\$500,000.00) annual aggregate.

8 D. Worker's Compensation

9 A policy of Worker's Compensation insurance as may be required by the
10 California Labor Code.

11 CONTRACTOR shall obtain endorsements to the Commercial General Liability
12 insurance naming the County of Fresno, its officers, agents, and employees, individually and
13 collectively, as additional insured, but only insofar as the operations under this agreement are
14 concerned. Such coverage for additional insured shall apply as primary insurance and any other
15 insurance, or self-insurance, maintained by COUNTY, its officers, agents and employees shall be
16 excess only and not contributing with insurance provided under CONTRACTOR's policies herein.
17 This insurance shall not be cancelled or changed without a minimum of thirty (30) days advance
18 written notice given to COUNTY.

19 Within Thirty (30) days from the date CONTRACTOR signs and executes this
20 agreement, CONTRACTOR shall provide certificates of insurance and endorsement as stated
21 above for all of the foregoing policies, as required herein, to the County of Fresno, Tax Collector
22 PO Box 1192 Fresno, CA 93715-1192, stating that such insurance coverage have been obtained
23 and are in full force; that the County of Fresno, its officers, agents and employees will not be
24 responsible for any premiums on the policies; that such Commercial General Liability insurance
25 names the County of Fresno, its officers, agents and employees, individually and collectively, as
26 additional insured, but only insofar as the operations under this agreement are concerned; that
27 such coverage for additional insured shall apply as primary insurance and any other insurance, or
28 self-insurance, maintained by COUNTY, its officers, agents and employees, shall be excess only

1 and not contributing with insurance provided under CONTRACTOR's policies herein; and that this
2 insurance shall not be cancelled or changed without a minimum of thirty (30) days advance,
3 written notice given to COUNTY.

4 In the event CONTRACTOR fails to keep in effect at all times insurance
5 coverage as herein provided, the COUNTY may, in addition to other remedies it may have,
6 suspend or terminate this agreement upon the occurrence of such event.

7 All policies shall be issued by admitted insurers licensed to do business in the
8 State of California, and such insurance shall be purchased from companies possessing a current
9 A.M. Best, Inc. rating of A FSC VII or better.

10 11. AUDITS AND INSPECTIONS: The CONTRACTOR shall at any time during
11 business hours, and as often as the COUNTY may deem necessary, make available to the
12 COUNTY for examination all of its records and data with respect to the matters covered by this
13 agreement. The CONTRACTOR shall, upon request by the COUNTY, permit the COUNTY to
14 audit and inspect all of such records and data necessary to ensure CONTRACTOR'S compliance
15 with the terms of this agreement.

16 If this agreement exceeds ten thousand dollars (\$10,000.00), CONTRACTOR
17 shall be subject to the examination and audit of the Auditor General for a period of three (3) years
18 after final payment under contract (Government Code Section 8546.7).

19 12. NOTICES: The persons and their addresses having authority to give and
20 receive notices under this Agreement include the following:

21 COUNTY
22 COUNTY OF FRESNO
23 Auditor-Controller/Treasurer-Tax
24 Collector
25 PO Box 1192
26 Fresno, CA 93715-1192

CONTRACTOR
Bid4Assets, Inc

8757 Georgia Ave., Suite 520
Silver Spring, MD 20910

27 All notices between the COUNTY and the CONTRACTOR provided for or
28 permitted under this Agreement must be in writing and delivered either by personal service, by
first-class United States mail, by an overnight commercial courier service, or by telephonic
facsimile transmission. A notice delivered by personal service is effective upon service to the

1 recipient. A notice delivered by first-class United States mail is effective three COUNTY business
2 days after deposit in the United States mail, postage prepaid, addressed to the recipient. A notice
3 delivered by an overnight commercial courier service is effective one COUNTY business day after
4 deposit with the overnight commercial courier service, delivery fees prepaid, with delivery
5 instructions given for next day delivery, addressed to the recipient. A notice delivered by
6 telephonic facsimile is effective when transmission to the recipient is completed (but, if such
7 transmission is completed outside of COUNTY business hours, then such delivery shall be
8 deemed to be effective at the next beginning of a COUNTY business day), provided that the
9 sender maintains a machine record of the completed transmission. For all claims arising out of or
10 related to this Agreement, nothing in this section establishes, waives, or modifies any claims
11 presentation requirements or procedures provided by law, including but not limited to the
12 Government Claims Act (Division 3.6 of Title 1 of the Government Code, beginning with section
13 810).

14 13. VENUE AND GOVERNING LAW: Venue for any action arising out of or related
15 to this agreement shall only be in Fresno County, California.

16 The rights and obligations of the parties and all interpretation and performance
17 of this agreement shall be governed in all respects by the laws of the State of California.

18 14. DISCLOSURE OF SELF-DEALING TRANSACTIONS: This provision is only
19 applicable if the CONTRACTOR is operating as a corporation (a for-profit or non-profit
20 corporation) or if during the term of this agreement, the CONTRACTOR changes its status to
21 operate as a corporation.

22 Members of the CONTRACTOR's Board of Directors shall disclose any self-
23 dealing transactions that they are a party to while CONTRACTOR is providing goods or
24 performing services under this agreement. A self-dealing transaction shall mean a transaction to
25 which the CONTRACTOR is a party and in which one or more of its directors has a material
26 financial interest. Members of the Board of Directors shall disclose any self-dealing transactions
27 that they are a party to by completing and signing a Self-Dealing Transaction Disclosure Form
28 (Attachment A) and submitting it to the COUNTY prior to commencing with the self-dealing

1 transaction or immediately thereafter.

2 ENTIRE AGREEMENT: This agreement constitutes the entire agreement between
3 the CONTRACTOR and COUNTY with respect to the subject matter hereof and supersedes all
4 previous agreement negotiations, proposals, commitments, writings, advertisements, publications,
5 and understanding of any nature whatsoever unless expressly included in this agreement.

6 *[SIGNATURE PAGE FOLLOWS]*
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day
2 and year first hereinabove written.
3

4 **CONTRACTOR**

5 Jesse Loomis
(Authorized Signature)

7 Jesse Loomis, CEO

8 Print Name & Title

9 8757 Georgia Ave., Suite 520

10 Silver Spring, MD 20910

11 Mailing Address

COUNTY OF FRESNO

Sal Quintero
Sal Quintero, Chairman of the Board of
Supervisors of the County of Fresno

ATTEST:

Bernice E. Seidel
Clerk to the Board of Supervisors
County of Fresno, State of California

By: Susan Bishop
Deputy

17 **FOR ACCOUNTING USE ONLY:**

18 ORG No.: 04100500

19 Account No.: 7295

20 Requisition No.:
21
22
23
24
25
26
27
28

SELF-DEALING TRANSACTION DISCLOSURE FORM

(1) Company Board Member Information:

Name: _____ Date: _____

Job Title: _____

(2) Company/Agency Name and Address:

(3) Disclosure (Please describe the nature of the self-dealing transaction you are a party to)

(4) Explain why this self-dealing transaction is consistent with the requirements of Corporations Code 5233 (a)

(5) Authorized Signature

Signature: _____ Date: _____