



County of Santa Cruz

0087

Sheriff-Coroner

701 Ocean Street, Suite 340, Santa Cruz, CA 95060
(831)454-2985 FAX: (831)454-2353

Mark Tracy
Sheriff-Coroner

October 10, 2001

AGENDA: November 6, 2001

Board of Supervisors
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

RE: Agreement with Property Bureau for the disposal of property and/or evidence

Members of the Board

The Sheriffs Office routinely disposes of property and/or evidence that is unreturnable to its lawful owner. Once the merchandise is no longer needed as evidence, it must be disposed of properly. This letter is to provide your Board with background information and request authorization to enter into a new property disposal agreement with Property Bureau.

The Sheriffs Office currently uses the services of **AA Auction** on **41st Avenue** to dispose of property and/or evidence that can be legally possessed but is unreturnable to the lawful owner. **AA Auction** is a local firm with a small following of individuals who bid on our items. This in-house bidding process limits the exposure and revenue produced regarding the sale of merchandise.

Recently, the Sheriffs Office was contacted by Property Bureau regarding the sale of our property and/or evidence. Property Bureau is a company that provides law enforcement agencies with an online auction site to dispose of merchandise. As opposed to selling merchandise in lots, each item is listed with a photo and description. The Property Bureau uses the power of the Internet to quickly move items out of law enforcement property rooms, reduce personnel costs and generate revenue well beyond traditional police auction methods. They already have agreements with the Santa Cruz and Watsonville Police Departments. Both of these agencies have realized substantial increases in

revenues.

0088

Additionally, Property Bureau uses proprietary bar coding methods to manage the tracking and merchandising of items and their placement on the Internet. All items are tracked by case or control number, with on-command reports available for auditing purposes. Property Bureau is responsible for all fulfillment and customer service functions which relieves participating departments of burdensome management functions.

The commission rates for **AA** Auction are 35% for sales up to \$100 and 25% for sales over \$100. The commission rates for Property Bureau are 50% for sales up to \$1,000 and 75% on sales over \$1,000. The Property Bureau's rates are higher than AA Auction, but it also produces better results. The Sheriffs Office anticipated \$2,000 in revenue this year from the bidding process with **AA** Auction. We anticipate \$5,000 in revenue from the new contract with Property Bureau.

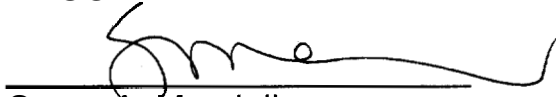
It is **THEREFORE** recommended that your Board approve the agreement with Property Bureau for the disposal of property and/or evidence; and authorize the Sheriff-Coroner to sign the agreement on behalf of the County.

Sincerely,



Mark Tracy
Sheriff-Coroner

RECOMMENDED:



Susan A. Mauriello
County Administrative Officer

cc: Sheriff-Coroner
Auditor-Controller

MT:SMR

COUNTY OF SANTA CRUZ
REQUEST FOR APPROVAL OF AGREEMENT

0080

TO: Board of Supervisors
County Administrative Officer
County Counsel
Auditor-Controller

FROM: Sheriff-Coroner

(Dept.)

W. I. May (Signature) 10-15-01 (Date)

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of the same.

1. Said agreement is between the Santa Cruz County Sheriff's Office (Agency)
and Property Bureau, 3551 Camino Mira Costa, Suite C, San Clemente, CA 92672 (Name & Address)
2. The agreement will provide for disposal of property and/or evidence that is unreturnable to its
lawful owner.
3. The agreement is needed because the County cannot provide this service.
4. Period of the agreement is from November 6, 2001 to June 30, 2002
5. Anticipated cost is \$ -0- (Fixed amount; Monthly rate; Not to exceed)
6. Remarks: This is a revenue contract.
7. Appropriations are budgeted in 661400 - (Index#) 2384 (Subobject)

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, ATTACH COMPLETED FORM AUD-74

Appropriations are available and have been encumbered.
are not will be

Contract No. R-754 Date 10/17/01

GARY A. KNUTSON, Auditor - Controller

By Adam G. Velez Deputy.

Proposal reviewed and approved. It is recommended that the Board of Supervisors approve the agreement and authorize the
Sheriff's Office to execute the same on behalf of the County of
Santa Cruz (Agency).
County Administrative Officer

Remarks:
(Analyst)

By Adam G. Velez Date 10/19/01

Agreement approved as to form. Date _____

Distribution:

Bd. of Supv. • White
Auditor-Controller • Blue
County Counsel • Green •
Co. Admin. Officer • Canary
Auditor-Controller • Pink
Originating Dept. • Goldenrod

*To Orig. Dept. if rejected.

ADM - 29 (6/95)

State of California)
County of Santa Cruz) ss

I _____ ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz,
State of California, do hereby certify that the foregoing request for approval of agreement was approved by
said Board of Supervisors as recommended by the County Administrative Officer by an order duly entered
in the minutes of said Board on _____

_____ 19 _____ By _____ Deputy Clerk

26

PROPERTY DISPOSAL AGREEMENT

0090

PropertyBureau.com, Inc.
3551 Camino Mira Costa, Suite C
San Clemente California 92672
Phone: 800-799-2440

PropertyBureau.com, Inc., an Arizona corporation ("PropertyBureau.com"), by its acceptance of this agreement (the "Agreement"), enters into an agreement with the customer identified below (the "Owner") for the auction and disposition of personal property, all in accordance with the Terms and Conditions attached to this cover sheet. Special undertakings, if any, and other matters, if any, will be as specified on the appropriate schedules and attachments. Owner and PropertyBureau.com expressly incorporate into this Agreement only the schedules and supplements indicated as included in the box below, and no other documents or writings shall be considered a part of this Agreement. Beginning _____, 2001 (the "Start Date") Owner engages the services of PropertyBureau.com to assist Owner in auctioning and disposing of personal property by auction on the Internet. This Agreement will terminate on _____, 200- (the "Termination Date").

OWNER INFORMATION:	SCHEDULES, SUPPLEMENTS AND OTHER ATTACHMENTS: (Mark only if included)
[Owner Name]	Terms and Conditions <u>yes</u>
[Address]	Addendum _____

[Phone]	

THIS AGREEMENT INCLUDING ALL OF THE TERMS AND CONDITIONS SET FORTH ON THE **ATTACHED** TERMS AND CONDITIONS, AND ALL OTHER ATTACHMENTS INDICATED IN THE BOX ABOVE, **IS** THE PARTIES' ENTIRE AGREEMENT AND CANNOT BE MODIFIED EXCEPT IN WRITING BY THE DULY AUTHORIZED REPRESENTATIVES OF BOTH PARTIES.

EXECUTED on the date(s) indicated below:

[Legal Name of Owner]

By: _____

[Name and Title]

Date: _____, 2001

PropertyBureau.com, Inc.

By: Thomas S. Feaan

Thomas S. Feaan- Vice President
[Name and Title]

Date: SEPTEMBER 4, 2001

APPROVED AS TO FORM:

By: Laura A. Bahuchman
Office of the County Counsel
10/16/01

1. Property to be Sold. From time to time, Owner will designate to PropertyBureau.com personal property that it desires to auction on the Internet. Items of property designated and not rejected by PropertyBureau.com will be referred to collectively as "Property." An item of property will not become Property subject to this Agreement until Owner delivers to PropertyBureau.com a written notice in a form approved by PropertyBureau.com, which notice describes the item of Property in sufficient detail to identify it. Notwithstanding anything herein to the contrary, PropertyBureau.com may at any time notify Owner that it rejects an item of property, in which case the item will cease to be Property subject to this Agreement as of the date of the notice.

2. Title. Title to the Property shall remain in Owner until the item of Property is purchased by auction or otherwise disposed of, at which time Owner will be deemed to have transferred title to the purchaser of the item of Property. Owner appoints PropertyBureau.com as its attorney-in-fact to sign any and all documents necessary to assign to purchasers of Property all of Owner's right title and interest in and to Property sold or disposed of. All cash receipts, accounts receivable, contract rights, notes, general intangibles, and other rights to payment of every kind, arising out of the sales and dispositions of Property (collectively the "Proceeds") belong to Owner, subject to PropertyBureau.com's right to PropertyBureau.com's Net Proceeds and funds attributable to Credit Card Costs and other transaction costs. Owner's Property shall, at all times before sale, be subject to the direction and control of Owner.

3. Method of Selling Property. PropertyBureau.com will on Owner's behalf list all Property for sale by auction to the public on the World Wide Web of the Internet on one or more domain names selected by PropertyBureau.com. To the extent that any Property is not sold by auction, PropertyBureau.com may, in any commercially reasonable manner selected by PropertyBureau.com, dispose of Property. PropertyBureau.com may determine all aspects, terms and conditions of auctions of Property and dispositions of Property not purchased at auction, subject to the ultimate control of Owner. PropertyBureau.com will be responsible for all phases of submitting the Property for auction, including, but not limited to, determining when Property will be auctioned, setting the opening and reserve prices of Property, if any; determining the selling price, setting the length of time a Product will be auctioned; creating text and graphics to describe and depict Property submitted for auction; collecting all purchaser information (such as purchaser's name, billing address, shipping address, and credit card information); approving purchasers' credit card purchase transactions; and collecting auction proceeds for completed sales from purchasers. PropertyBureau.com shall use its best efforts in auctioning and selling the Property on the Internet and disposing of Property that does not sell at auction. PropertyBureau.com shall sell and dispose of all Property "as is" without any warranty liability to the Owner, including, but not limited to, any warranties of title. PropertyBureau.com is solely responsible for identifying and resolving sales and use tax collection issues arising from Property sales, including the necessity of charging and collecting such taxes.

4. Allocation of Sales Proceeds.

- a. The price for a personal property item paid by the buyer shall be called the "Sales Price". The Sales Price shall include the Winning Bid Price of the item purchased and all costs, shipping and handling charges, taxes, and insurance costs associated with the transaction.
- b. Owner will be credited with 50% (for items less than \$1,000) or 75% (for items equal to or more than \$1000) of the Winning Bid Price of all items less the owner's pro rata share of fees and charges attributable to credit card purchases ("Credit Card Costs") and other transaction costs.
- c. Credit Card Costs and other transaction costs will be borne by Owner and PropertyBureau.com in proportion to the percentage of the revenue credited to the parties for each underlying transaction.
- d. Amounts received by PropertyBureau.com and Owner will be called "Net Proceeds".

The following example illustrates how proceeds of a sale are to be allocated. Assume an item of Property sells at auction for a Winning Bid Price of \$100; the buyer pays shipping and handling of \$10, insurance of \$2, and taxes of \$6. The buyer pays \$118.00 by credit card, and the Credit Card Costs are 2% of the Sales Price. The Credit Card Cost is therefore \$2.36 ($\$118 \times .02$). The Owner's and PropertyBureau.com's shares of Credit Card Costs are each \$1.18; and the Owner's Net Proceeds and PropertyBureau.com's Net Proceeds are each \$48.82.

5. Payment Terms. Not later than the 15th of each month, PropertyBureau.com will pay to Owner the amount of Owner's Net Proceeds payable for the preceding month. With each monthly payment, PropertyBureau.com will deliver to Owner a detailed report of sales activity for the preceding month showing PropertyBureau.com's calculation of the amount of Owner's Total Net Proceeds for the month. With each payment of Owner's Total Net Proceeds, PropertyBureau.com will deliver to Owner a written report setting forth the following information for the immediately preceding month: (i) the Property sold by PropertyBureau.com during the prior month; (ii) the Property, if any, consigned for sale to PropertyBureau.com during the month; (iii) other dispositions of Property during the month; (iv) the total

amount of proceeds collected by PropertyBureau.com resulting from sales or dispositions of Property during the month; (v) the Property, if any, inventoried by PropertyBureau.com at the end of the month, (vi) Owner's and PropertyBureau.com's shares of Credit Card Costs and other transaction costs, Owner's Net Proceeds and PropertyBureau.com's Net Proceeds.

3. PropertyBureau.com's Obligations Concerning Property in Its Possession. The following provisions will apply only with respect to Property in PropertyBureau.com's possession: (i) PropertyBureau.com will exercise due care in the handling and storage of any Property; (ii) PropertyBureau.com shall keep the Property free of unpaid charges, liens, security interests, and encumbrances, and shall pay when due all fees and charges with respect to the Property; (iii) PropertyBureau.com shall sign and deliver to Owner any UCC-1 financing statements and any and all documents reasonably requested by Owner from time to time to give public notice of Owner's interest in the Property and/or to protect Owner's title to Property; (iv) PropertyBureau.com shall obtain and maintain insurance in an amount (determined by PropertyBureau.com) not less than the replacement value of Property in its possession. The insurance will cover the Property against fire, theft, and extended coverage risks ordinarily included in similar policies, with proceeds payable to PropertyBureau.com and to Owner as their interests may appear. All policies shall require thirty days' written notice to Owner before any material change or cancellation. PropertyBureau.com shall give Owner a certificate or a copy of each of the policies concurrently with signing this Agreement and on Owner's demand; and (v) If PropertyBureau.com returns any Property to Owner, PropertyBureau.com shall pay all freight charges, insurance and related costs to return the Property to Owner's nearest warehouse. PropertyBureau.com, at PropertyBureau.com's expense, shall insure Property during shipping in an amount not less than the replacement value of any item of Property returned to Owner.

7. Owner's Obligations. Owner may submit to PropertyBureau.com personal property in possession of the Owner that becomes available to Owner to sell to the public, excluding any personal property to be used by Owner. Owner will complete paperwork reasonably necessary to convey custodial possession of the item of property to PropertyBureau.com

8. Joint Obligations. PropertyBureau.com and their employees and agents may not: (i) manipulate the price of an item of Property submitted for auction, either by using a shell (a secondary account or third party) or by bidding themselves, or (ii) purchase any item of Property.

9. Representations and Warranties of Owner. With the knowledge that PropertyBureau.com is relying thereon in entering into this Agreement, Owner hereby represents, warrants and covenants as follows: (i) Owner is not and will not be required to give any notice to or obtain any consent from any person in connection with the consummation or performance of any of its obligations hereunder, and (ii) Owner will not knowingly deliver to Property Bureau.com for sale any goods of a counterfeit nature, or which otherwise infringe illegally on trademarks or patents, and (iii) Owner has taken all required actions under applicable law that are conditions precedent to Owner's right to transfer title to the Property to purchasers (the "Conditions Precedent").

10. Books and Records. The parties will keep complete and accurate books of account, records, and other documents with respect to this Agreement ("Books and Records"). The Books and Records will be kept by both parties for the longer of (i) a period of time consistent with Owner's general document records management policy, or (ii) three years following expiration or termination of this Agreement. The Books and Records will be available for inspection and copying by any qualified representative or agent of a party, at the expense of that party, subject to the following terms and conditions: (a) examinations will be at the principal place of business or the location where the Books and Records are regularly maintained, during normal business hours and only to the extent necessary to verify payment amounts; (b) the party demanding the audit will give the other party at least seven business days' written notice before any an examination; (c) both parties will keep each party's Confidential Information disclosed to it during the examination confidential in accordance with each party's obligations set forth in this Agreement; and (d) a party may not conduct more than two inspections during any twelve-month period. At the request of a party, the other party will deliver to the requesting party any reports or information reasonably requested relating to the subject matter of this Agreement. If an examination reveals a discrepancy that exceeds five percent of the total reported by the audited party to the auditing party, and there is no dispute concerning the results of the audit, the audited party will reimburse the auditing party for the expenses of the audit and pay any money owed to the audited party within five business days of the auditing party's demand.

11. Term and Termination. Unless terminated earlier, the term of this Agreement will begin on the Start Date and terminate on the Termination Date. This Agreement may be terminated if there is a breach by either party of any obligation, representation or warranty contained in this Agreement, upon thirty days prior written notice to the other party unless the breach is cured within the thirty day period, provided, however, if the breach is not capable of being cured within thirty days, the breaching party will have a reasonable amount of time to cure the breach if it begins to cure during the thirty day period and proceeds diligently thereafter. The written notice will specify the precise nature of the breach. The rights of the parties to terminate this Agreement are not exclusive of any other rights and remedies available at law or in equity, and such rights will be cumulative. The exercise of any such right or remedy will not preclude the exercise

of any other rights and remedies. Notwithstanding any termination by either party of this Agreement, Owner will continue to deliver Property sold before the termination and PropertyBureau.com will continue to remit amounts due to Owner under this Agreement in connection with any sales made before the effective date of the termination.

12. Return of Proprietary Information. Upon termination of this Agreement for any reason, each party will immediately return to the other all property (including without limitation, Confidential Information and all material related to any customers) that it has received from the other party in connection with the performance of its obligations hereunder, except to the extent such property is needed to fulfill its continuing obligations hereunder. In such event, the retained property will be returned immediately upon the party's fulfillment of its all of its obligations under this Agreement.

13. Survival. On the termination of this Agreement, all obligations of the parties will cease, except the obligations that by their nature should reasonably continue beyond the termination. Obligations that will continue beyond termination, include, but are not limited to, the obligation of PropertyBureau.com to pay Owner's Net Proceeds for sales made before the termination and the obligation of the parties to return property and Confidential Information.

14. Indemnification. Subject to the limitations specified in this Section, each party will indemnify, hold harmless and defend the other party and its agents and employees from and against any and all losses, claims, damages, liabilities, whether joint or several, expenses (including reasonable legal fees and expenses), judgments, fines and other amounts said in settlement, incurred or suffered by any such person or entity arising out of or in connection with (i) the inaccuracy of any representation or warranty made by the party hereunder, (ii) any breach of this Agreement by the party, or (iii) any negligent act or omission by the party or its employees or agents in connection with the performance by the party or its employees or agents of obligations hereunder, provided the negligent act or omission was not done or omitted at the direction of the other party.

15. Limitations on Liability. UNDER NO CIRCUMSTANCES WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES (EVEN IF THAT PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), ARISING FROM BREACH OF THE AGREEMENT, THE SALE OF PROPERTY, OR ARISING FROM ANY OTHER PROVISION OF THIS AGREEMENT, SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFITS OR LOST BUSINESS (COLLECTIVELY, "DISCLAIMED DAMAGES"); PROVIDED THAT EACH PARTY WILL REMAIN LIABLE TO THE OTHER PARTY TO THE EXTENT ANY DISCLAIMED DAMAGES ARE CLAIMED BY A THIRD PARTY AND ARE SUBJECT TO INDEMNIFICATION PURSUANT TO SECTION 14. LIABILITY ARISING UNDER THIS AGREEMENT WILL BE LIMITED TO DIRECT, OBJECTIVELY MEASURABLE DAMAGES. THE MAXIMUM LIABILITY OF ONE PARTY TO THE OTHER PARTY FOR ANY CLAIMS ARISING IN CONNECTION WITH THIS AGREEMENT WILL NOT EXCEED THE AGGREGATE AMOUNT OF PAYMENT OBLIGATIONS OWED TO THE OTHER PARTY HEREUNDER IN THE YEAR IN WHICH LIABILITY ACCRUES; PROVIDED THAT EACH PARTY WILL REMAIN LIABLE FOR THE AGGREGATE AMOUNT OF ANY PAYMENT OBLIGATIONS OWED TO THE OTHER PARTY PURSUANT TO THE AGREEMENT. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, OWNER'S LIABILITY IS NOT LIMITED UNDER THIS AGREEMENT WITH RESPECT TO LIABILITY ARISING FROM OWNER'S FAILURE TO SATISFY TIMELY ALL CONDITIONS PRECEDENT.

16. Confidentiality.

a. As used herein, "Confidential Information" means (i) the terms and provisions of this Agreement and any related documents delivered concurrently herewith, and (ii) all computer hardware, all software, all data, reports, analyses, compilations, studies, interpretations, forecasts, records and other materials (in whatever form maintained, whether documentary, computer storage or otherwise) that contain or otherwise reflect information concerning PropertyBureau.com, Owner, any of their subsidiaries or affiliates, or any portion thereof, that one party or its Agents may provide to the Receiving Party or its Agents in connection with this Agreement ("Provided Information"), together with all data, reports, analyses, compilations, studies, interpretations, forecasts, records or (ii) other materials (in whatever form maintained, whether documentary, computer storage or otherwise) prepared by the Disclosing Party receiving Provided Information or its Agents that contain or otherwise reflect or are based upon, in whole or in part, any Provided Information or that reflect the review of, interest in, or evaluation of all or any portion of the transactions contemplated by this Agreement and any related documents delivered concurrently herewith ("Derived Information"). As used herein, "Agents" means, collectively, the respective directors, employees, controlling persons or attorneys of PropertyBureau.com or Owner. As used herein, the term "person" will be broadly interpreted to include, without limitation, any corporation, partnership, trust or individual; the term "Receiving Party" will mean the person receiving Provided Information; and the term "Disclosing Party" will mean the person providing Provided Information.

b. The parties acknowledge that the Owner is subject to the California Public Records Act (Government Code section 6250 et seq.) and that the County cannot guarantee that Confidential Information provided by PropertyBureau.com will remain confidential if subject to a request for disclosure pursuant to the Act. The County shall

endeavor to make reasonable and good faith efforts to notify PropertyBureau.com of any such request prior to the disclosure of Confidential Information.

c. Notwithstanding anything in this Agreement to the contrary, Confidential Information will not include any information that: (i) is subject to a request for disclosure under the California Public Records Act; (ii) at the time of disclosure to the Receiving Party is generally available to and known by the public (other than as a result of any disclosure made directly or indirectly or other action or inaction by the Receiving Party or anyone to whom the Receiving Party or any of its Agents transmit or transmitted any Confidential Information); (iii) becomes publicly available in the future (other than as a result of a disclosure made directly or indirectly or other action or inaction by the Receiving Party or anyone to whom the Receiving Party or any of its Agents transmit or have transmitted any Confidential Information); (iv) was available to the Receiving Party or its Agents on a non-confidential basis from a source other than the Disclosing Party or any of its Subsidiaries or affiliates or any of their respective Agents providing such information (provided that to the best of the Receiving Party's knowledge, after due inquiry, such source is not or was not bound to maintain the confidentiality of such information); or (v) has been independently acquired or developed by the Receiving Party without violating any of its obligations under this Agreement, provided such independent development can reasonably be proven by the Receiving Party upon written request.

d. In the event that a party or any of such party's Agents become legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process) to disclose any of the Confidential Information of the other party, that party or person under the legal compulsion (the "Compelled Party") from whom such information is being sought will, unless prohibited by law, provide the party to whom such Confidential Information belongs with prompt prior written notice of such requirement so that it may seek a protective order or other appropriate remedy, or both, or waive compliance with the terms of this Agreement. In the event that such protective order or other remedy is not obtained, or the other party waives compliance with the provisions hereof, the Compelled Party agrees to furnish only such portion of the Confidential Information that the Compelled Party is advised by written opinion of its counsel is legally required to be furnished by it and will exercise its reasonable best efforts to obtain reliable assurance that confidential treatment will be accorded such Confidential Information. Notwithstanding the foregoing, to the extent required under applicable state and federal securities laws, either party may file this Agreement as an exhibit with federal and state securities filings, provided that each party will use its best efforts to obtain confidential treatment of the portions of this Agreement that contain Confidential Information. In this regard, the party making such filing will obtain the prior written consent of the other party, which consent will not be unreasonably withheld.

e. Each party will be subject to the obligations under this Section until the expiration of three years following the termination of this Agreement. Other than as specifically provided in this Agreement, neither party will duplicate the Disclosing Party's Confidential Information for any purpose other than for the performance of its obligations under this Agreement and for the benefit of the Disclosing Party; or use the Disclosing Party's Confidential Information for any reason or purpose other than as expressly permitted in this Agreement.

f. Upon termination of this Agreement or if either party so requests, the Receiving Party will return to the Disclosing Party or destroy all copies of the Confidential Information in its possession and the possession of its Agents and will destroy all copies of any Derived Information; provided, however, that this Agreement will continue to apply to the Confidential Information and/or Derived Information contained or reflected in such copies.

g. Each party would be irreparably injured by a breach of this Section of this Agreement by the other party or its Agents and that the other party will be entitled to seek equitable relief, including injunctive relief and specific performance, in the event of any breach of the provisions of this Section. The remedies will not be deemed to be the exclusive remedies for a breach of this Section by either party or their Agents, but will be in addition to all other remedies available at law or in equity.

17. Notices. Any notice under this Agreement must be in writing. Notice given by depositing the same in the United States mail, postage prepaid, registered or certified, and addressed to the party to be notified, with return receipt requested, will be effective from and after the expiration of two days after it is so deposited. Notice given by depositing the same with a nationally recognized commercial overnight courier service (e.g., Federal Express or UPS) will be effective from and after the expiration of one day after it has been so deposited. Notice given in any other manner will be effective only if and when received by the party to be notified. For purposes of notice, the addresses of the parties will, until changed, be as follows: (i) If to PropertyBureau.com: PropertyBureau.com, Attn: Tom Lane, President, 3551 Camino Mira Costa, Suite C, San Clemente California 92672; and (ii) If to Owner: At the address stated below Owner's Signature block on the first page of this Agreement. The parties may, from time to time and at any time, change their respective addresses and each will have the right to specify as its address any other address by at least ten days' written notice to the other party.

18. Severability. Whenever possible, each provision of this Agreement will be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under

applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. 0095

19. Amendment and Waiver. This Agreement may be amended, and any provision of this Agreement may be waived; provided that any such amendment or waiver will be binding upon any party hereto only if the amendment or waiver is set forth in a writing signed by such party. No course of dealing between or among any persons having any interest in this Agreement will be deemed effective to modify or amend any part of this Agreement or any rights or obligations of any person under or by reason of this Agreement. The waiver of any default, or the remedying of any default in any manner, will not operate as a waiver of any other prior or subsequent default. No extension of time for the performance of any obligation or act will be deemed to be an extension of time for the performance of any other obligation or act hereunder. No delay or omission by a party to exercise rights hereunder will impair any such rights or will be construed to be a waiver of any such default or any acquiescence therein.

20. Complete Agreement. This Agreement and any related documents delivered concurrently herewith, contain the complete agreement between the parties relating to the subject of this Agreement and supersede any prior understandings, agreements or representations by or between the parties, written or oral, which may be related to the subject matter hereof in any way.

21. Attorneys' Fees and Legal Expenses. If any proceeding or action is brought to recover any amount under this Agreement, or for or on account of any breach of, or to enforce or interpret any of the terms, covenants, or conditions of this Agreement, the prevailing party will be entitled to recover from the other party, as part of the prevailing party's costs, reasonable attorneys' fees, the amount of which will be fixed by the court, and will be made a part of any judgment rendered.

22. Further Assurances. PropertyBureau.com and Owner will each sign such other documents and take such actions as the other may reasonably request in order to effect the relationships, services and activities contemplated by this Agreement and to account for and document those activities.

23. Governing Law. The internal law, and not the law of conflicts, of the state in which the Owner is located will govern all questions concerning the construction, validity and interpretation of this Agreement and the performance of the obligations imposed by this Agreement. The proper venue for any proceeding at law or in equity will be the state and county in which the Owner is located, and the parties waive any right to object to the venue.

24. Relationship of the Parties. The relationship created hereunder between Owner and PropertyBureau.com will be solely that of independent contractors entering into an agreement. No representations or assertions will be made or actions taken by either party that could imply or establish any agency, joint venture, partnership, employment or trust relationship between the parties with respect to the subject matter of this Agreement. Except as expressly provided in this Agreement, neither party will have any authority or power whatsoever to enter into any agreement, contract or commitment on behalf of the other, or to create any liability or obligation whatsoever on behalf of the other, to any person or entity. Whenever PropertyBureau.com is given discretion in this Agreement, PropertyBureau.com may exercise that discretion solely (rather than reasonably) in any manner PropertyBureau.com deems appropriate.

25. Force Majeure. Neither party will be liable for any failure of or delay in the performance of this Agreement for the period that such failure or delay is due to acts of God, public enemy, war, strikes or labor disputes, or any other cause beyond the parties' reasonable control (each a "Force Majeure"), it being understood that lack of financial resources will not be deemed a cause beyond a party's control. Each party will notify the other party promptly of the occurrence of any Force Majeure and carry out this Agreement as promptly as practicable after such Force Majeure is terminated. The existence of any Force Majeure will not extend the term of this Agreement.

26. Counterparts. This Agreement may be signed in any number of counterparts.