NASPO ValuePoint
PARTICIPATING ADDENDUM

ON-LINE AUCTION SERVICES
Led by the **State of New Mexico**

Master Agreement #: 20-00000-21-00051AB

Georgia Statewide Contact #:

Contractor: Liquidity Services Operations LLC dba GovDeals

Participating Entity: **STATE OF GEORGIA**

This Participating Addendum is entered into by Contractor and Participating Entity (collectively, the "Parties").

Scope and Participation:

1. Scope:

   ☒ This Participating Addendum includes the entire scope of the products and services available through the Master Agreement referenced above.

   ☐ This Participating Addendum includes the entire scope of the products and services available through the Master Agreement referenced above, except the following:

This is not a mandatory contract nor an exclusive contract for the Purchasing Entity. The Purchasing Entity may obtain similar or related Deliverables and Services from other sources during the term of this Participating Addendum. The Participating Entity makes no express or implied warranties whatsoever that any quantity or dollar amount of Deliverables or Services will be utilized or procured.

2. Participation: This Participating Addendum is executed solely for the use of the Georgia Department of Administrative services ("DOAS"). DOAS shall also be referred to as the Authorized User. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official.

3. Term:

   ☐ This Participating Addendum shall become effective as of the date of the last signature below and shall terminate upon the expiration or termination of the Master Agreement, as amended, unless the Participating Addendum is terminated sooner in accordance with the terms set forth herein.

   ☒ This Participating Addendum shall become effective as of the date of the last signature below through coterminous with the Master Agreement term and any renewal or extension thereof, unless terminated sooner or otherwise amended in accordance with the terms set forth herein. In no event shall the term of the Participating Addendum exceed the term of the Master Agreement, as amended.

Primary Contacts: The following (or their named successors) are the primary contact individuals for this Participating Addendum:

CONTRACTOR:

Name:	Liquidity Services Operations LLC dba GovDeals / Attn: Rebecca Murphy
Address:	100 Capitol Commerce Blvd., Ste. 110, Montgomery, AL 36117
Telephone:	980-254-8908
Fax:	
Email:	rmurphy@govdeals.com

PARTICIPATING ENTITY:

Name:	State of Georgia, Christine Greene
Address:	200 Piedmont Avenue, SE, Suite 1804 West Tower, Atlanta, GA 30334
Telephone:	404-657-6000
Fax:	404-657-8444
Email:	Christine.greene@doas.ga.gov

4. Participating Entity Modifications and Additions to the Master Agreement

☒ This Participating Addendum incorporates all terms and conditions of the Master Agreement as applied to the Participating Entity and Contractor, **subject to the following limitations, modifications, and additions:**

Any limitations, modifications, or additions specified herein apply only to the agreement and relationship between Participating Entity and Contractor and shall not amend or affect other participating addendums or the Master Agreement itself.

Modifications:

A) Paragraph 2 of the Master Agreement, entitled Definitions, is modified by adding thereto the following:

"Purchase Instrument" means the documentation issued by DOAS for the purchase of goods and services, in accordance with the terms and conditions of the Contract. The Purchase Instrument should reference the Contract and may include an identification of the equipment and services, the delivery date and location, the address where the Contractor should submit the invoices, and any other requirements deemed necessary by DOAS.

"Contract" means the agreement between DOAS and the Contractor as defined by the Contract Form and its incorporated documents. These documents shall be read to be consistent and complementary. The Contract is comprised of the NASPO Valuepoint Master Agreement, the lead state's solicitation, the state of Georgia's PA.

B) Paragraph 5.2 of the Master Agreement, entitled Payment, is modified as follows: by striking the second sentence regarding overdue account charges.

C) Paragraph 11 of the Master Agreement, entitled Indemnification, is modified as follows:

i. By deleting "defend" in line one of subparagraph 11.1 and "defend" in line one of subparagraph 1.2 and, for both, substituting therefor "participate fully in the defense of;"

ii. In subparagraph 11.2.2, by deleting the third and fourth sentences.

D) Paragraph 12.3.1 of the Master Agreement, entitled Insurance, is modified by replacing it in its entirety with the following:

GovDeals shall procure and maintain, until all of its obligations have been discharged (including any warranty periods under the statewide contract have been satisfied), insurance which shall protect GovDeals and the State of Georgia (as an additional insured) from claims for bodily injury, property damage, or personal injury covered by the indemnification obligations set forth in the statewide contract attached to this solicitation throughout the duration of the statewide contract. GovDeals shall procure and maintain the insurance policies described below at the GovDeals's own expense and shall furnish DOAS an insurance certificate listing the State of Georgia as certificate holder and as an additional insured. The insurance certificate must document that the Commercial General Liability insurance coverage purchased by GovDeals includes limited contractual liability coverage applicable to the statewide contract. In addition, the insurance certificate must provide the following information: the name and address of the insured; name, address, telephone number and signature of the authorized agent; name of the insurance company (authorized to operate in Georgia); a description of coverage in detailed standard terminology (including policy period, policy number, limits of liability, exclusions and endorsements); and an acknowledgment of notice of cancellation to DOAS.

GovDeals is required to maintain the following insurance coverage's during the term of the statewide contract:

1) Workers Compensation Insurance (Occurrence) in the amounts of the statutory limits established by the General Assembly of the State of Georgia (A self-insurer must submit a certificate from the Georgia Board of Workers Compensation stating that GovDeals

qualifies to pay its own workers compensation claims.) In addition, GovDeals shall require all subcontractors occupying the premises or performing work under the statewide contract to obtain an insurance certificate showing proof of Workers Compensation Coverage with the following minimum coverage:

Bodily injury by accident - per employee	$100,000;
Bodily injury by disease - per employee	$100,000;
Bodily injury by disease - policy limit	$500,000.

2) Commercial General Liability Policy with the following minimum coverage:
Policy shall include bodily, property damage and broad form contractual liability coverage.

Each Occurrence Limit	$1,000,000
Personal & Advertising Injury Limit	$1,000,000
General Aggregate Limit	$2,000,000
Products/Completed Ops. Aggregate Limit	$2,000,000

3) Automobile Liability

Bodily Injury and Property Damage for any owned, hired or non-owned vehicles used in the performance of the statewide contract
Combined Single Limit $1,000,000

4) Cyber and Technology Liability Policy(ies) which shall include third party liability coverages, including Network Security/Privacy coverage, and Technology Errors and Omissions coverage.
Cyber and Technology Liability $5,000,000

5) Crime Insurance Polic(ies) which will include the following coverages Employee Theft, Employee Dishonesty, Forgery or Alteration, Theft of Money & Securities, Fraudulent Impersonation ($500,000 sublimit), and will protect the Client against any loss of funds. A copy of the policy will be provided to Client upon request.
Fidelity / Crime Coverage $5,000,000

6) Umbrella Liability $ 2,000,000

The foregoing policies shall contain a provision that coverage afforded under the policies will not be canceled, or not renewed or allowed to lapse for any reason until at least thirty (30) days prior written notice has been given to DOAS. Certificates of Insurance (ACORD form or equivalent approved by the State) showing such coverage to be in force shall be filed with DOAS prior to commencement of any work under the statewide contract and remain in effect for the duration of the statewide contract. The foregoing policies shall be obtained from insurance companies authorized to do business in Georgia and shall be with companies acceptable to DOAS, which must have a minimum A.M. Best rating of A-. All such coverage shall remain in full force and effect during the term and any renewal or extension thereof. Gov Deals must provide DOAS with two (2) Certificates of Insurance within five (5) days of execution of this Agreement. Certificates must reference the Agreement number.

E) Paragraph 13 of the Master Agreement, entitled General Provisions, is modified by adding thereto the following:

Paragraph 13.12 of the Master Agreement, entitled Governing Law and Venue, is modified by adding a subparagraph 13.12.4 which shall read as follows: "In the event any proceeding of a quasi-judicial or judicial nature is commenced in connection with this Participating Addendum, such proceeding shall solely be brought in the Superior Court within Fulton County, Georgia."

Paragraph 13.14 Contractor, its employees, agents, and subcontractors shall comply with all applicable international, federal, state, and local laws, rules, ordinances, regulations and orders now or hereafter in effect when performing under the Participating Addendum, including without limitation, all laws applicable to the prevention of discrimination in employment and the use of targeted small businesses as subcontractors or contractors. Contractor, its employees, agents and subcontractors shall also comply with all federal, state and local laws regarding business permits and licenses that may be required to carry out the work performed under the Participating Addendum.

If the value of the Contract is $100,000 or more and Contractor is a company that employs more than five persons, contractor certifies that Contractor is not currently engaged in, and agrees for the duration of this contract not to engage in, a boycott of Israel as defined in O.C.G.A. § 50-5-85.

13.15 Sexual Harassment Prevention.

The State of Georgia promotes respect and dignity and does not tolerate sexual harassment in the workplace. The State is committed to providing a workplace and environment free from sexual harassment for its employees and for all persons who interact with state government. All State of Georgia employees are expected and required to interact with all persons including other employees, contractors, and customers in a professional manner that contributes to a respectful work environment free from sexual harassment. Furthermore, the State of Georgia maintains an expectation that its contractors and their employees and subcontractors will interact with entities of the State of Georgia, their customers, and other contractors of the State in a professional manner that contributes to a respectful work environment free from sexual harassment.

Pursuant to the State of Georgia's Statewide Sexual Harassment Prevention Policy (the "Policy"), all contractors who are regularly on State premises or who regularly interact with State personnel must complete sexual harassment prevention training on an annual basis.

If the Contractor, including its employees and subcontractors, violates the Policy, including but not limited to engaging in sexual harassment and/or retaliation, the Contractor may be subject to appropriate corrective action. Such action may include, but is not limited to, notification to the employer, removal from State premises, restricted access to State premises and/or personnel, termination of contract, and/or other corrective action(s) deemed necessary by the State.

(i) If Contractor is an individual who is regularly on State premises or who will regularly interact with State personnel, Contractor certifies that:

(a) Contractor has received, reviewed, and agreed to comply with the State of Georgia's Statewide Sexual Harassment Prevention Policy located at http://doas.ga.gov/human-resources-administration/board-rules-policy-and-compliance/jointly-issued-statewide-policies/sexual-harassment-prevention-policy;

(b) Contractor has completed sexual harassment prevention training in the last year and will continue to do so on an annual basis; or will complete the Georgia Department of Administrative Services' sexual harassment prevention training located at this direct link https://www.youtube.com/embed/NjVt0DDnc2s?rel=0 prior to accessing State premises and prior to interacting with State employees; and on an annual basis thereafter; and,

(c) Upon request by the State, Contractor will provide documentation substantiating the completion of sexual harassment training.

(ii) If Contractor has employees and subcontractors that are regularly on State premises or who will regularly interact with State personnel, Contractor certifies that:

(a) Contractor will ensure that such employees and subcontractors have received, reviewed, and agreed to comply with the State of Georgia's Statewide Sexual Harassment Prevention Policy located at http://doas.ga.gov/human-resources-administration/board-rules-policy-and-compliance/jointly-issued-statewide-policies/sexual-harassment-prevention-policy;

(b) Contractor has provided sexual harassment prevention training in the last year to such employees and subcontractors and will continue to do so on an annual basis; or Contractor will ensure that such employees and subcontractors complete the Georgia Department of Administrative Services' sexual harassment prevention training located at this direct link https://www.youtube.com/embed/NjVt0DDnc2s?rel=0 prior to accessing State premises and prior to interacting with State employees; and on an annual basis thereafter; and

(c) Upon request of the State, Contractor will provide documentation substantiating such employees and subcontractors' acknowledgment of the State of Georgia's Statewide Sexual Harassment Prevention Policy and annual completion of sexual harassment prevention training.

13.16 Drug-free Workplace. Contractor hereby certifies as follows:

i. Contractor will not engage in the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana during the performance of this Participating Addendum; and

ii. If Contractor has more than one employee, including Contractor, Contractor shall provide for such employee(s) a drug-free workplace, in accordance with the Georgia Drug-free Workplace Act as provided in O.C.G.A. Section 50-24-1 et seq., throughout the duration of this Participating Addendum; and

iii. Contractor will secure from any subcontractor hired to work on any job assigned under this Participating Addendum the following written certification: "As part of the subcontracting agreement with (Contractor's Name), (Subcontractor's Name) certifies to the contractor that a drug-free workplace will be provided for the subcontractor's employees during the performance of this Contract pursuant to paragraph 7 of subsection (b) of Code Section 50-24-3."

iv. Evidence of Contractor's compliance programs for similar federal laws shall be deemed good faith efforts to comply with the Georgia Drug-free Workplace Act, this includes the inclusion of similar federal language in subcontracts.

v. Contractor may be suspended, terminated, or debarred if it is determined that:
   1. Contractor has made false certification here in above; or
   2. Contractor has violated such certification by failure to carry out the requirements of O.C.G.A. Section 50-24-3(b).

5. Orders: Any order placed by Participating Entity or a Purchasing Entity for a product or service offered through this Participating Addendum shall be deemed to be a sale under, and subject to the pricing and other terms and conditions of, the Master Agreement unless the parties to the order agree in writing that another contract or agreement applies to the order.

6. Public Disclosure: The Agreement is subject to public disclosure. All provisions of the Agreement regarding confidentiality or nondisclosure are subject to the Georgia Open Records Act and other applicable laws.

7. Termination.

   a. Immediate Termination. Pursuant to O.C.G.A. Section 50-5-64, any purchase made pursuant to this Contract will terminate immediately and absolutely if DOAS determines that adequate funds are not appropriated or granted or funds are de-appropriated such that DOAS cannot fulfill its obligations under the Contract, which determination is at DOAS' sole discretion and shall be conclusive. Further, DOAS may terminate the Contract for any one or more of the following reasons effective immediately without advance notice:
      i. In the event the Contractor is required to be certified or licensed as a condition precedent to providing goods and services, the revocation or loss of such license or certification may result in immediate termination of the \ Contract effective as of the date on which the license or certification is no longer in effect;
      ii. DOAS determines that the actions, or failure to act, of the Contractor, its agents, employees or subcontractors have caused, or reasonably could

cause, life, health or safety to be jeopardized;

iii. The Contractor fails to comply with confidentiality laws or provisions; and/or

iv. The Contractor furnished any statement, representation or certification in connection with the Statewide Contract or the bidding process which is materially false, deceptive, incorrect or incomplete.

b. Termination for Cause. The occurrence of any one or more of the following events shall constitute cause for DOAS to declare the Contractor in default of its obligations under the Contract:

i. The Contractor fails to deliver or has delivered nonconforming goods or services or fails to perform, to DOAS or the Purchasing Entity's satisfaction, any material requirement of the Contract or is in violation of a material provision of the Contract, including, but without limitation, the express warranties made by the Contractor;

ii. DOAS determines that satisfactory performance of the Contract is substantially endangered or that a default is likely to occur;

iii. The Contractor fails to make substantial and timely progress toward performance of the Contract;

iv. The Contractor becomes subject to any bankruptcy or insolvency proceeding under federal or state law to the extent allowed by applicable federal or state law including bankruptcy laws; the Contractor terminates or suspends its business; or DOAS reasonably believes that the Contractor has become insolvent or unable to pay its obligations as they accrue consistent with applicable federal or state law;

v. The Contractor has failed to comply with applicable federal, state and local laws, rules, ordinances, regulations and orders when performing within the scope of the Contract;

vi. The Contractor has engaged in conduct that has or may expose DOAS or the State to liability, as determined in DOAS' sole discretion; or

vii. The Contractor has infringed any patent, trademark, copyright, trade dress or any other intellectual property rights of DOAS, the State, or a third party.

c. Notice of Default. If there is a default event caused by the Contractor, DOAS shall provide written notice to the Contractor requesting that the breach or noncompliance be remedied within the period of time specified in DOAS' written notice to the Contractor. If the breach or noncompliance is not remedied within the period of time specified in the written notice, DOAS may:

i. Immediately terminate the Contract without additional written notice; and/or

ii. Procure substitute goods or services from another source and charge the difference between the Contract and the substitute contract to the defaulting Contractor; and/or,

iii. Enforce the terms and conditions of the Contract and seek any legal or equitable remedies.

d. Termination Upon Notice. Following thirty (30) days' written notice, DOAS may terminate the Contract in whole or in part without the payment of any penalty or incurring any further obligation to the Contractor. Following termination upon notice, the Contractor shall be entitled to compensation from the Purchasing Entity , upon submission of invoices and proper proof of claim, for goods and services provided under the Contract up to and including the date of termination.

e. Termination Due to Change in Law. DOAS shall have the right to terminate this Contract without penalty by giving thirty (30) days' written notice to the Contractor as a result of any of the following:

   i. DOAS' authorization to operate is withdrawn or there is a material alteration in the programs administered by DOAS; and/or
   ii. DOAS' duties are substantially modified.

f. Payment Limitation in Event of Termination. In the event of termination of the Contract for any reason by DOAS, DOAS shall pay only those amounts, if any, due and owing to the Contractor for goods and services actually rendered up to the date specified in the notice of termination for which DOAS is obligated to pay pursuant to the Contract or Purchase Instrument. Payment will be made only upon submission of invoices and proper proof of the Contractor's claim. This provision in no way limits the remedies available to the State under the Contract in the event of termination. The State shall not be liable for any costs incurred by the Contractor in its performance of the Contract, including, but not limited to, startup costs, overhead or other costs associated with the performance of the Contract.

g. The Contractor's Termination Duties. Upon receipt of notice of termination or upon request of DOAS, the Contractor shall:

   i. Cease work under the Contract and take all necessary or appropriate steps to limit disbursements and minimize costs, and furnish a report within thirty (30) days of the date of notice of termination, describing the status of all work under the Contract, including, without limitation, results accomplished, conclusions resulting therefrom, and any other matters DOAS may require;
   ii. Immediately cease using and return to the State, any personal property or materials, whether tangible or intangible, provided by the State to the Contractor;
   iii. Comply with the State's instructions for the timely transfer of any active files and work product produced by the Contractor under the Contract;
   iv. Cooperate in good faith with DOAS, and its employees, agents and

contractors during the transition period between the notification of termination and the substitution of any replacement contractor; and

v. Immediately return to DOAS any payments made for goods and services that were not delivered or rendered by the Contractor.

8. Data Security Terms: The Data Security Terms below described as EXHIBIT A is hereby incorporated herein as if set forth verbatim herein.

9. Buyers Premium Fees: The Buyers Premium Fees Terms below described as EXHIBIT B is hereby incorporated herein as if set forth verbatim herein.

10. Specific State Entity Requirements: Contractor's access to State Entity facilities and resources shall be properly authorized by State personnel, based on business need and will be restricted to least possible privilege. Upon approval of access privileges, the Contractor shall maintain strict adherence to all policies, standards, and procedures of that State Entity. Failure of the Contractor, its agents or subcontractors to comply with policies, standards, and procedures including any person who commits an unlawful breach or harmful access (physical or virtual) will be subject to prosecution under all applicable state and / or federal laws. Any and all recovery or reconstruction costs or other liabilities associated with an unlawful breach or harmful access shall be paid by the Contractor.

11. Choice of Law & Choice of Forum. Both the rights and obligations of the Parties and this Agreement as well as any dispute, claim, or controversy arising out of or relating to this Agreement shall, in all respects, be established, interpreted, construed, enforced and governed by and under the laws of the State of Georgia, without regard to any provision governing conflicts of law. The laws of the State of Georgia shall govern and determine all matters arising out of or in connection with this Contract without regard to the choice of law provisions of State law. In the event any proceeding of a quasi-judicial or judicial nature is commenced in connection with this Contract, such proceeding shall solely be brought in a court or other forum of competent jurisdiction within Fulton County, Georgia. This provision shall not be construed as waiving any immunity to suit or liability, including without limitation sovereign immunity, which may be available to the State.

12. Notices. In addition to any other obligations the parties may have regarding notice, all notices or other communications regarding termination, material breach, modification, or audit of this Agreement, or a license covered by this Agreement shall be copied to DOAS at the following address.

Attn: State Purchasing Division – IT and Services Group

Georgia Department of Administrative Services

200 Piedmont Ave SE, Suite 1308,

West Tower,

Atlanta, GA 30334

13. Third Party Beneficiary. This Agreement is made solely and specifically among and for the benefit of the Parties hereto and their respective successors and assigns, and no other person will have any rights, interest, or claims hereunder or be entitled to any benefits under or on account of this Agreement as a third party beneficiary or otherwise.

14. Assignment. Except as set forth below, neither party may assign or transfer this Agreement, or any rights regarding either, without the prior mutual written consent of DOAS and Contractor. Reference Georgia Procurement Manual Section 7.6.4. Any attempted assignment, delegation or transfer in derogation of this Paragraph shall be null and void. If a Purchasing Entity is reorganized such that certain operations or functions are transferred from DOAS to a different governmental entity, then in connection with such reorganization, Purchasing Entity may, upon written notice to Contractor, transfer licenses to another governmental entity provided that the transferee is performing some substantially similar business and/or operational functions as the original Purchasing Entity . Both entities shall execute such paperwork as Contractor may reasonably require.

15. Certification Regarding Sales and Use Tax. By executing the Contract GovDeals certifies it is registered with the State Department of Revenue and collects, and remits State sales and use taxes as required by Georgia law, including Chapter 8 of Title 48 of the O.C.G.A. GovDeals also acknowledges that the State may declare the Contract void if the above certification is false. GovDeals also understands that fraudulent certification may result in the DOAS or its representative filing for damages for breach of contract.

16. State of Georgia Payment Methods: DOAS is exempt from sales tax. DOAS shall provide the Authorized User's tax identification number as needed at the point of sale. DOAS shall use Automated Clearing House (ACH) transfers, Contractor must be prepared to accommodate this form of payment.

    Purchase Order Instructions. All purchase orders under this PA are to be made out to and processed by Contractor and should contain the following:

    (i) Mandatory Language "PO is subject to DOAS Contract Terms”
    (ii) Contractor: Address, Contact, & Phone-Number and;
    (iii) Reference to the state contract number.

ENTIRE AGREEMENT.

This Participating Addendum, including all Exhibits and documents incorporated hereunder, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all other prior and contemporaneous agreements and understandings between the parties, whether oral or written. No amendment to this Agreement shall be valid unless made in a writing of equal dignity and signed by both parties. No representation, request, instruction, directive or order, made or given by any official of Purchasing Entity or of any agency of the State of Georgia, whether verbal or written, shall be effective to amend this Purchasing Entity Lease Agreement or excuse or modify performance hereunder unless reduced to a formal amendment and executed as set forth above. Contractor shall not be entitled to rely on any such representation, request, instruction, directive or order and shall not, under any circumstances whatsoever, be entitled to additional compensation, delay in performance, or other benefit claimed for relying upon or responding to any such representation, request, instruction, directive or order.

IN WITNESS WHEREOF, the Parties have executed this Participating Addendum.

PARTICIPATING ENTITY	**CONTRACTOR**
Signature: Christine Greene	Signature: Michael Price
Name: Christine Greene	Name: Michael Price
Title: Deputy Commissioner, Operations	Title: Vice President, Revenue
Date: 7/9/2023	Date: 7/6/2023

For questions regarding NASPO ValuePoint Participating Addendums, please contact the Cooperative Contract Coordinator team at info@naspovaluepoint.org.

Fully executed NASPO ValuePoint Participating Addendums must be submitted via email in PDF format to pa@naspovaluepoint.org.

EXHIBIT A

STATE OF GEORGIA

DEPARTMENT OF ADMINISTRATIVE SERVICES

DATA SECURITY TERMS AND CONDITIONS

A. DEFINITIONS AND GENERAL INFORMATION

1. **Definitions.** The following words shall be defined as set forth below:

   (i) **"Authorized Persons"** means Contractor and its employees, subcontractors, or other agents to the extent necessary for such persons to access Sensitive State Data to enable Contractor to perform the services under this Agreement.

   (ii) **"Data Breach"** means a security-relevant event in which the security of a system or procedure used to create, obtain, transmit, maintain, use, process, store, or dispose of data is breached and Sensitive State Data or information technology resources is exposed to unauthorized access, use, disclosure, alteration, or theft.

   (iii) **"Personally Identifiable Information"** includes, but is not limited to, personal identifiers such as name, address, phone number, date of birth, Social Security number, and student or personnel identification number; Personal Information as defined in O.C.G.A. 10-1-911 and/or any successor laws of the State of Georgia; Personally Identifiable Information contained in student education records as that term is defined in the Family Educational Rights and Privacy Act, 20 USC 1232g; Medical Information as defined in Georgia Code Section 32.1-127.1:05; Protected Health Information" as that term is defined in the Health Insurance Portability and Accountability Act, 45 CFR Part 160.103; Nonpublic Personal Information as that term is defined in the Gramm-Leach-Bliley Financial Modernization Act of 1999, 15 USC 6809; credit and debit card numbers and/or access codes and other cardholder data and sensitive authentication data as those terms are defined in the Payment Card Industry Data Security Standards; other financial account numbers, access codes, driver's license numbers; and state- or federal-identification numbers such as passport, visa or state identity card numbers.

(iv) **"Personal Data"** as defined in O.C.G.A. § 10-1-911 means an individual's first name or first initial and last name in combination with any one or more of the following data elements, when either the name or the data elements are not encrypted or redacted:

a. Social security number;
b. Driver's license number or state identification card number;
c. Account number, credit card number, or debit card number, if circumstances exist wherein such a number could be used without additional identifying information, access codes, or passwords;
d. Account passwords or personal identification numbers or other access codes; or
e. Any of the items contained in subparagraphs (A) through (D) of this paragraph when not in connection with the individual's first name or first initial and last name, if the information compromised would be sufficient to perform or attempt to perform identity theft against the person whose information was compromised.

(v) **"Sensitive State Data"** means all Personally Identifiable Information and other information that is not intentionally made available by the State on public websites or publications, including but not limited to business, administrative, and financial data, intellectual property, and patient, student, and personnel data and records not required to be publicly disclosed under the Georgia Open Records Act , O.C.G.A. § 50-18-72 et seq., including any plan, blueprint, or material which if made public would compromise security. Sensitive State Data includes data created or in any way originating with or on behalf of the State, and all data that is the output of computer processing of or other electronic manipulation of any data that was created by or in any way originated with the State, whether such data or output is stored on the State's hardware, Contractor's hardware or exists in any system owned, maintained or otherwise controlled by the State or Contractor.

(vi) **"Security Incident"** means the potentially unauthorized access by non-Authorized Persons to Sensitive State Data that could reasonably result in the use, disclosure, alteration, or theft of the Sensitive State Data or information security resources within the possession or control of Contractor or any cyber-attack, data breach, or identified use of malware that may create a life-safety event, substantially impair the security of data or information systems, or affect critical systems, equipment, or service delivery. A security incident may or may not turn into a Data Breach.

B. Data Ownership and Protection

1. **Data Ownership.** The State will own all right, title and interest, including all intellectual property rights, in its data that is related to the services provided under this Agreement. Contractor shall not access Sensitive State Data, except 1) in the course of data center operations, 2) in response to service or technical issues, 3) as required by Contractor to perform the services covered by this Agreement or 4) at the State's request. Contractor has a limited, non-exclusive license to use Sensitive State Data solely for the purpose of performing its obligations under this Agreement.

2. **Data Protection.** Protection of personal privacy and data shall be an integral part of the business activities of Contractor and designed to ensure that there is no inappropriate or unauthorized access to or use of Sensitive State Data at any time. To this end, Contractor shall safeguard the confidentiality, integrity, and availability of Sensitive State Data and comply with the following conditions:

(i) Contractor shall maintain appropriate administrative, physical, and technical security measures to safeguard against unauthorized access, use, disclosure, alteration, or theft of Sensitive State Data. Such security measures shall be in accordance with current NIST 800-53 standards commensurate with the FISMA data classification specified by the State. If no data classification is specified by the State, in accordance with the measures applicable to the FISMA moderate classification.

(ii) Contractor shall use industry best practices and up-to-date security tools and technologies and practices such as network firewalls, anti-virus protections, vulnerability scans, system logging, 24/7 system monitoring, third party penetration testing, and intrusion detection methods in providing services under this Agreement.

(iii) Where the security objectives of confidentiality, authentication, non-repudiation, or data integrity are categorized FISMA compliance level moderate or higher, all electronic Sensitive State Data shall be encrypted at rest on portable devices controlled by Contractor and in transit across public networks with controlled access. Unless otherwise provided in the Agreement, Contractor is responsible for encryption of the Sensitive State Data.

(iv) Unless otherwise provided in the Agreement Contractor shall enforce separation of job duties, require commercially reasonable non-disclosure agreements, and limit staff knowledge of Sensitive State Data to that which is absolutely necessary to perform job duties.

(v) Contractor shall not disclose Sensitive State Data to any third party without the prior written consent of the State except as otherwise provided by the Agreement or required by law. Contractor shall ensure that its employees and agents who will have potential access to Sensitive State Data have passed appropriate, industry standard background screening and possess the qualifications and training to comply with the terms of this Agreement. Contractor shall promote and maintain an awareness of the importance of securing Sensitive State Data among Contractor's employees and agents.

3. **Data Location.** Contractor shall provide its services to the State solely from location(s) or data centers in the U.S. and Contractor shall notify State of such locations. Storage of Sensitive State Data at rest shall be located solely in location(s) or data centers in the U.S. and Contractor shall notify State of such locations. Contractor shall not allow its personnel or Authorized Persons to store Sensitive State Data on portable devices, including personal computers, except for devices that are used and kept only at U.S. location(s) or data centers. Contractor shall permit its personnel and consultants to access Sensitive State Data remotely only as required to perform services under this Agreement.

C. Security Incident and Data Breach Responsibilities. Contractor shall inform the State of any Security Incident or Data Breach.

1. **Incident Response.** Contractor may need to communicate with outside parties regarding a Security Incident or data Breach, which may include contacting law enforcement, fielding media inquiries, and seeking external expertise as mutually agreed upon, defined by law, or contained in the Agreement. Discussing security incidents with the State should be handled on an urgent as-needed basis, as part of Contractor's communication and mitigation processes as mutually agreed upon, defined by law, or contained in the Agreement. Any contacting of law enforcement on matters regarding State systems or data must be followed by a report to the Georgia Information Sharing and Analysis Center (GISAC) at (404) 561-8497.

2. **Security Incident Reporting Requirements**. Contractor shall report a Security Incident to the appropriate State identified contact within two hours of discovery.

3. **Breach Reporting Requirements.** Upon becoming aware of a Data Breach or Security Incident, Contractor shall

(i) Promptly notify the State identified contact within two hours of discovery or sooner, unless shorter time is required by the Agreement or applicable law;

(ii) Fully investigate the incident and cooperate fully with the State's investigation of and response to the incident. Except as otherwise required by law, Contractor shall not provide notice of the incident directly to individuals whose Personally Identifiable Information was involved, regulatory agencies, or other entities, without prior written permission from the State;

(iii) promptly implement necessary remedial measures reasonably determined by the State; and

(iv) document responsible actions taken related to the Data Breach, including any post-incident review of events and actions taken to make changes in business practices in providing the services, if necessary

D. Liability.

1. If Contractor will under this agreement create, obtain, transmit, use, maintain, process, or dispose of the subset of Sensitive State Data known as Personally Identifiable Information, the following provisions apply: In addition to any other remedies available to the State under law or equity, Contractor shall reimburse the State in full for all costs incurred by the State in investigation and remediation of any Data Breach or Security Incident caused by Contractor, including but not limited to providing notification to individuals whose Personally Identifiable Information was compromised and to regulatory agencies or other entities as required by law or contract; a website or toll-free number and call center for affected individuals required by law, providing one year's credit monitoring to the affected individuals if the Personally Identifiable Information exposed during the breach could be used to commit financial identity theft; and the payment of legal fees, audit costs, fines, and other fees imposed by regulatory agencies or contracting partners as a result of the Data Breach or Security Incident.

2. If Contractor will NOT under this agreement create, obtain, transmit, use, maintain, process, or dispose of the subset of Sensitive State Data known as Personally Identifiable Information, the following provisions apply: In addition to any other remedies available to the State under law or equity, Contractor will reimburse the State in full for all costs reasonably incurred by the State in investigation and remediation of any Data Breach or Security Incident caused by Contractor.

E. Security

1. **Data Center Audit.** If applicable in the performance of the services covered by this Agreement, Contractor shall ensure an independent audit or provide ISO 27001 certification of its data centers at least annually at its expense and provide a copy of the audit report upon request. A Service Organization Control (SOC) 2 audit report or approved equivalent (the ISO 27001 certification) sets the minimum level of a third-party audit.

2. **Security Processes.** Contractor shall disclose its non-proprietary security processes and technical limitations to the State such that adequate protection and flexibility can be attained between the State and Contractor.

3. **Encryption of Data at Rest.** For data categorized as moderate or high in Federal Information Processing Standard 199, Contractor shall ensure confidentiality and integrity of information at rest consistent with security control SC-28, Protection of Information at Rest, in NIST Special Publication 800-53

F. Response to Legal Orders, Demands, or Requests for Data

1. Except as otherwise expressly prohibited by law, Contractor shall:
   (i) immediately notify the State of any subpoenas, warrants, or other legal orders, demands or requests received by Contractor seeking Sensitive State Data;
   (ii) consult with the State regarding its response;
   (iii) cooperate with the State's reasonable requests in connection with efforts by the State to intervene and quash or modify the legal order, demand or request; and
   (iv) upon the State's request, provide the State with a copy of its response.

2. If the State receives a subpoena, warrant, or other legal order, demand (including request pursuant to the Georgia Open Records Act) or request seeking Sensitive State Data maintained by Contractor, the State shall promptly provide a copy to Contractor. Contractor shall promptly supply the State with copies of data required for the State to respond and shall cooperate with the State's reasonable requests in connection with its response.

G. Termination Obligations.

Upon termination or expiration of the Agreement, Contractor shall implement In the State's sole discretion, a secure, orderly (1) destruction of, or (2) return of Sensitive State Data in the format and at a time specified by State. Transfer to State or a third party designated by State shall occur without significant interruption of service and, to the extent technologically feasible, State shall have access to Sensitive State Data during the transfer. Following such transfer, Contractor shall securely destroy Sensitive State Data in its possession or control. Contractor shall not destroy any Sensitive State Data that has not been returned to State in the event of ongoing contract or other disputes between the parties or for so long as amounts remain payable by State.

Destroyed Sensitive State Data shall be permanently deleted and shall not be recoverable according to National Institute of Standards and Technology (NIST) approved methods. Certificates of destruction shall be provided to the State. Contractor may retain a copy of Sensitive State Data if necessary to comply with law or its applicable professional standards.

H. Compliance

1. Contractor shall comply with all applicable laws and industry standards in performing services under this agreement. Any Contractor personnel visiting the State's facilities will comply with all applicable State policies regarding access to, use of, and conduct within such facilities. The State shall provide copies of such policies to Contractor upon request.

2. Contractor warrants that the service it will provide to the State is fully compliant with relevant laws, regulations, and guidance that may be applicable to the service, such as: the Family Educational Rights and Privacy Act (FERPA), Health Insurance Portability and Accountability Act (HIPAA) and Health Information Technology for Economic and Clinical Health Act (HITECH), Gramm-Leach-Bliley Financial Modernization Act (GLB), Payment Card Industry Data Security Standards (PCI-DSS), Americans with Disabilities Act (ADA), Federal Export Administration Regulations, and Defense Federal Acquisitions Regulations.

3. If the Payment Card Industry Data Security Standards (PCI-DSS) are applicable to the service provided to the State, Contractor shall, upon written request, furnish proof of compliance with PCI-DSS within 10 business days of the Request.

EXHIBIT B – BUYERS PREMIUM

Financial Settlement Services (FSS)

It is understood the Client elects GovDeals to collect all proceeds due the Client from the winning bidder and remit the proceeds to the Client less the GovDeals fee. Optionally, the Client may elect to not have GovDeals withhold the fee by electing the appropriate section on the following page of this exhibit.

GovDeals will charge the winning bidder a "Buyer's Premium", therefore, the Client is not allowed to charge the winning bidder an additional "Buyer's Premium".

GovDeals will collect all proceeds from the winning bidder, including the "Buyer's Premium" through PayPal, credit card or wire transfer. This is the only means of payment by the bidder.

The Client will not release an asset to the winning bidder until the Client has received verification from GovDeals that payment has been received from the winning bidder. Prior to an item being released to the winning bidder, the Client will ensure the winning bidder or his/her agent has signed a "Bill of Sale" containing the following notation: "Asset is sold as is, where is and without warranty. Once the asset is removed from the seller's premises there is no refund of monies previously paid". The Bill of Sale must be printed from the Client Asset Server (CAS}. Any other "Bill of Sale" used by the Client must be submitted to GovDeals for approval.

No proceeds will be remitted to the Client for any asset sold without verification of payment from GovDeals and verification from the Client the item has been picked up by the winning bidder. Approved payment from the winning bidder through PayPal, credit card or wire transfer will be noted in CAS. It is the Client's responsibility to notify GovDeals when an item has been picked up, which is accomplished by the Client accessing CAS and selecting the "Picked Up" option from the "Paid, not picked up" report.

GovDeals will remit all proceeds collected, less the "Buyer's Premium" and the GovDeals fee to the Client on a weekly basis for all assets marked in CAS as 'Picked Up'. However, if you choose to be invoiced for the GovDeals' fee, GovDeals will remit all proceeds collected, less the "Buyer's Premium" only. All proceeds will be remitted electronically by Automatic Clearing House (ACH) unless elected on the following page of this exhibit to receive a paper check. Whether proceeds are remitted electronically via ACH or via paper check, a detailed backup will be submitted to the Client to support the amount remitted.

Under no circumstance will the Client collect any proceeds directly from the winning bidder and if requested to do so, the Client should refer the winning bidder directly to GovDeals for payment instructions.

GovDeals will absorb all costs of Charge Backs by PayPal or a credit card company where an item is released to the winning bidder after the Client receives proper payment notification from GovDeals, GovDeals receives proper pickup notification from the Client and the Client obtained and retained a signed "Bill of Sale" from the winning bidder.

GovDeals will refund proceeds collected to the winning bidder in those rare occasions where the winning bidder pays for an asset but never picks it up and subsequently convinces PayPal or the credit card company to withdraw the amount from GovDeals' bank account. It is the Client's responsibility to request a credit on the asset paid for but not picked up as soon as the allowable pick up time passes. By taking the credit, it insures GovDeals will not charge the Client a fee and will allow the Client to resell the asset. If the asset is mistakenly placed in 'picked up' status by the Client and GovDeals has remitted payment, the Client agrees to refund this amount back to GovDeals.

A GovDeals' Client Services Representative or a GovDeals Help Desk Representative will train the Client on how to effectively use the Financial Settlement Services feature and provide ongoing support as needed. There are no additional costs to the Client for training and support.

GovDeals shall collect proceeds at the following percentages:

Client pays 0% fee and the winning bidder pays an 8% Buyers Premium.

GovDeals will be responsible for all Sales Tax collection and remittance in accordance with the laws of the state of Georgia.

State Government Annual Volume-Based Fee Program

The intent of this program is to establish pricing/fee based on one or more of the most recent years of surplus property sales for state agencies in order to forecast potential future utilization of GovDeals.

GovDeals' **State Government Annual Volume-Based Fee Program** is explained below.

A state government client's fee is based upon the documented aggregate sales of their state-level surplus program(s) for the previous year or on an average of multiple years.

Fee Basis Table

Annual Volume	**Non-FSS Fee**	**FSS Fee**
< $2 Million (MM)	7.0%	10.0%
$2MM to < $3 MM	6.5%	9.5%
$3 MM to < $4 MM	6.0%	9.0%
$4 MM to < $5 MM	5.5%	8.5%
$5 MM or more	5.0%	8.0%

- State level clients using the **Annual Volume-Based Fee Program pricing** are **not eligible** for the **Tiered Fee Reduction Schedule** or for participation in **Annual Volume Discount Programs** (AVDP).
- All state agencies qualify and aggregate for volume based pricing.
- Local cooperative state contract users are at GovDeals' standard pricing and qualify for the applicable AVDP program with the aggregated sales volume basis inclusive of all contract participants' sales (state and local).
- Higher Education entities (Public and Private) remain at GovDeals' standard pricing.
- Special Pricing for single high value assets (i.e. *5%* for helicopters) does not count towards the basis for AVDP Programs or the basis for determining the Annual Volume-Based Fee.
- YOY, if the qualifying sales volume increases, then the new rate is based on the higher annual sales volume.
- YOY, if the qualifying sales volume decreases and would, therefore, indicate an increase in the GovDeals' fee, then an average of the previous two year's sales volume will be considered when establish next year's fee if it benefits the client.
- When a state-level client's sales do not reach the sales volume used to establish their Annual Volume-Based Fee, GovDeals may take the initial sales volume used, add it to their first year of actual sales volume, and use a two-year average to establish their fee. Example- prospect indicates they will do $6MM and does $3MM in year one. 6+3=9; 9/2=$4.SMM basis for their year two fee.
- As an alternative, their year two fee may be based on their commitment to transition after a trial period to exclusive use of GovDeals or to reaching an obtainable sales volume. GovDeals will establish a new Annual Volume-Based Fee start date when this state-level client has completed their transition to GovDeals.