



Deanco Auction Co. of Mississippi, Inc.
Post Office Box 1248 1042 Holland Avenue
Philadelphia, Mississippi 39350
Phone: 601-656-9768 Fax: 601-656-0192
Website: http://www.deancoauction.com

Contractual Agreement

This contract entered into this 9th day of May 2006, by and between City of Jonesboro (hereinafter referred to as Seller), Address P.O. Box 1845 Jonesboro, AR 72403 Phone: 870-932-0660 Fax: 870-972-5862 and Deanco Auction Co. of Mississippi, Inc., PO Box 1248, Philadelphia, MS 39350 (hereinafter referred to as Auctioneer).

Location and Date of Sale

The auction shall be held May 2007 or later regularly scheduled sale date at Auctioneer's facility located at 1042 Holland Avenue (Highway 19 South) in the city of Philadelphia, County of Neshoba, State of Mississippi.

Property to be Sold

Auctioneer is hereby contracted by Seller to sell the following surplus property at absolute public auction:

Exhibit A

Compensation of Auctioneer

- **Commission on Property Sold:** In consideration of performance of this contract by Auctioneer the acceptance of the bids and the consummation of sale, Auctioneer shall receive and Seller shall pay seven percent (7%) commission of the last bid made or received on all personal property described above or included in the exhibit attached hereto. Said commission due and payable on day of auction. Auctioneer will be responsible for all advertising expenses, conducting the auction, supply of all labor needed to setup and conduct auction, and collecting of the proceeds from the auction.
- **Repairs & Refurbishment:** Any cost such as repairs or any expenses incurred by Auctioneer that are needed to meet the terms and conditions attached, shall be withheld from auction proceeds, regardless of guarantee amount. City of Jonesboro shall have ample opportunity to make any needed repairs or refurbishment needed to meet the "terms and conditions".

Responsibilities of Seller

- Seller hereby agrees that the personal property described above or included in the exhibit attached hereto will be available for delivery to the auction site in Philadelphia, Mississippi by May 2007 (or later date in the event of a different sale date).
- Seller agrees that any and all liens and encumbrances held on personal property described above or included in the exhibit attached hereto must be satisfied or disclosed to Auctioneer upon the signing of the contract.

Settlement of Auction Proceeds

- After completion of the auction, Auctioneer will balance all auction invoices, so that each item is accounted for. Once the auction is settled, Auctioneer will deduct any commission earned and any additional agreed upon expenses incurred from the gross proceeds from the sell of personal property described above in the exhibit attached hereto, and pay proceeds to Seller within ten (10) days of the sale. City of Jonesboro, Arkansas will receive full settlement no later than May, 2007 (or later date in the event of a different sale date).
- It is hereby agreed that the Auctioneer guarantees the Seller that the above listed dump trucks will bring a gross total of no less than \$408,000.00 or \$102,000.00 each less the seven percent (7%) commission charged for the guaranteed sale. Auctioneer further guarantees that Seller will receive no less than \$379,440.00 or \$94,860 each as minimum net proceeds from this sale. Any proceeds in excess of the guaranteed gross amount shall be split 93% to Seller and 7% to Auctioneer. However, Seller will be responsible for any repairs or refurbishment that are required to meet the "terms and conditions" as specified in the attached sheet.

THIS CONTRACTUAL AGREEMENT CONTAINS THE COMPLETE AGREEMENT OF ALL PARTIES AND SHALL BE BINDING ON ALL PARTIES, RESPECTIVE HEIRS, PERSONAL REPRESENTATIVES AND AGENTS, SUCCESSORS OR ASSIGNS. NO PARTY HERETO IS ENTITLED TO RELY ON ANY REPRESENTATIVE, WRITTEN OR ORAL, WHICH PURPORTS TO ALTER OR VARY THE TERMS OF THIS CONTRACT.

FILED
DATE 5/22/06
DONNA K. JACKSON
CITY CLERK

[Signature]

Deanco Auction Company of MS, Inc.

Date



May 9, 2006

City of Jonesboro
Attn: Teddy Hooton
P.O. Box 1845
Jonesboro, AR 72403
Phone: 870-932-0660
Fax: 870-972-5862

PROPOSAL FOR BUYBACK ON DUMP TRUCKS

Dear Sir,

Deanco Auction Company is pleased to present the following auction proposals for liquidation of the Jonesboro County surplus 2007 Mack CV713 dump trucks listed in the attached "Exhibit A".

1. Services Offered by Deanco Auction Company:

- a. Guarantee all auction proceeds and assume full responsibility for collection of funds from the future sale of your surplus Mack dump trucks .
- b. Provide all licenses and other bonds required to conduct this auction.
- c. Provide premises liability insurance.
- d. Make full settlement to Jonesboro County within ten (10) working days of auction. Full settlement can be made on the day of sale.
- e. Provide transportation of the dump trucks listed in "Exhibit A" from Jonesboro, AR to the Deanco Philadelphia, MS sale site.
- f. Provide a cleaning service to detail your equipment at no cost to Jonesboro County.
- g. Suggest any minor repairs or refurbishment that will increase the auction value.
- h. Take photos of the Mack dump trucks listed in "Exhibit A" for our advertising purposes and Internet bidders. This will require some assistance from Jonesboro County personnel coordinating photo opportunities.
- i. Design, print and direct mail more than 115,000 full color brochures to our customers located throughout the United States and over 800 International Buyers.
- j. Pay all postage and advertising expenses for the auction.
- k. Collect and submit all applicable state sales and use taxes for this auction according to the regulations set forth by the governing authority.
- l. Provide all labor and supplies needed to set up and conduct the auction in an organized and professional manner.
- m. Provide security for the consignor's equipment two (2) weeks prior the auction.
- n. Print a detailed, descriptive buyer's guide for registered bidders at the sale. This catalog will also be available online at our website.
- o. Provide Online Internet Bidding and Online Inspection Reports to allow buyers who cannot attend the sale in person to buy your trucks over the Internet.
- p. Provide adequate concessions (food, drink, etc.) and restrooms for the auction.

Deanco Auction & Real Estate Co., Inc.
3664 South Oates Street • Dothan, Alabama 36301
Phone: 334-677-3192 • Fax 334-671-0149
Toll Free 888-702-9770

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2. Recommended Dates of Auction:

Deanco Auction urges Jonesboro County to sell their surplus late-model dump trucks at this upcoming Annual Fall Contractor's Equipment Sales:

May 2007 - Philadelphia, Mississippi
or Later Scheduled Major Deanco Auction Event

Both of these auctions will be widely publicized as only Deanco Auction can do because we never skimp on the advertising. Also, these sales will have Live Internet Bidding in conjunction with our conventional auction, a valuable addition to our sales, often resulting in over ten percent of total sales.

3. Auction Locations Offered:

May 2007 in Philadelphia, Mississippi
or Later Scheduled Major Deanco Auction Event

This auction is our Fall Contractor's Equipment Sale which is located at our permanent, all-weather, drive-thru auction facility in Philadelphia, Mississippi. This established sale has always drawn top buyers to this auction of late-model construction equipment and trucks. This sale will positively be one of the best auctions held in 2007, with estimated sales of over \$20 Million. This Auction will definitely be an excellent time to offer your equipment for sale to contractors that are starting new highway jobs let last fall.

4. Responsibilities of Jonesboro County Road Dept. :

- a. Jonesboro County shall provide an opportunity for Deanco Auction personnel to make group photos of the county dump trucks listed in "Exhibit A" for our advertising, at least one month prior to the sale date.
- b. The dump trucks listed in "Exhibit A" shall be in the same condition as when appraised other than normal wear, hours and mileage. All should start, run and operate properly and have no other problems that could hinder a drive through auction. In addition, all tires on the trucks and equipment listed in "Exhibit A" shall have 50% minimum tread depth and no major cuts or damage.

5. Appraisal Of Jonesboro County 's Surplus Trucks :

Deanco Auction Company offers an appraised value of the Jonesboro County 2007 Mack dump truck listed in the attached "Exhibit A" in the total amount of \$102,000.00 each if sold at the Deanco Auction sale on the dates listed above.

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6. Our Commission Rates:

a. **Straight Commission Sale:** Deanco Auction Company will conduct the auction of the Jonesboro County Road Dept. dump trucks listed in the attached "Exhibit A" for a straight commission of Five Percent (5%) of the last bid made or received.

b. **Guarantee Gross Sale:** Deanco Auction Company will guarantee gross sales of the Jonesboro County dump trucks listed in the attached "Exhibit A" to be no less than the appraised value of \$102,000.00 each less the normal Seven Percent (7%) commission charged for the guaranteed sale. Furthermore, Jonesboro County Road Dept. will receive a guaranteed net minimum of no less than \$94,860.00 each from the sale of their surplus county dump trucks listed in "Exhibit A", payable to Jonesboro County on the day of sale.

I would like to personally thank you for allowing Deanco Auction Company to submit this auction proposal to the Jonesboro County Road Dept. I can assure you that the personnel of Deanco Auction Company will work hard to make this auction of Jonesboro County's dump trucks as successful as we have for many other Alabama, Mississippi, Florida, and Georgia counties in the past.

Sincerely,

Donnie W. Dean, Owner

Mississippi Auctioneer's Lic.# 733 - Mississippi Auction Gallery Lic.# 835F
Tennessee Auctioneer's Lic.# 907 - Alabama Auctioneer's Lic.# 907
Arkansas Auctioneer's Lic.# 1825



“EXHIBIT A” TO AUCTION CONTRACT / PROPOSAL

Jonesboro County

(4 or More) 2007 Mack CV713 Granite Tandem Axle Dump Trucks With Following Specifications:

Equipped With: Mack AI-427-ASET-IEGR (405-HP) w/Jake Brake, Mack T310 Transmission (10-Speed w/ Double Reduction), Double Frame, 18K Front Axle w/ Flotation Front Tires, 44000# Rear Axles, Mack Camelback Anti-Sway Suspension, 220” W.B. Cruise Control, Extra Capacity Air, 11R24.5 Rear Tires On Steel Disc Wheels, P/S, A/C, Mid Level Interior, 16-ft Ox Body Bed w/Electric Tarp (or Comparable Other Make eg: Warren, Hilbilt, etc.), Air Tailgate, (Mileage Limit = 48,000 On Tandem Axle Dump Trucks)

Standard Trade-In Terms:

1. Guarantees are made only on specified trucks and shall not extend beyond those stated.
2. Governmental Entity must adhere to the specifications and in no means alter trucks and equipment or deviate from the stated specifications.
3. All equipment on which guaranteed values are assigned must be available for sale by Deanco Auction in a period of time equal to 12 to 14 months from the date same equipment was received for use by Governmental Entity. Failure to do so will invalidate guarantee contract.
4. All equipment on which guaranteed values are assigned must be inspected by our authorized agent before being accepted by Deanco Auction Co., Inc. for sale, and must meet the following terms and conditions at the time of the inspection.
 - a.) Trucks must have original rubber on front and rear tires with a minimum of 10/32” tread depth measured from the inside of second rib. All tires must be 50% tread and matched sets with no uneven wear or damage.
 - b.) There must be no more than \$250.00 sheet metal and/or fiberglass damage. NO broken glass or windshield fractures.
 - c.) Vehicles must be in road worthy condition; this specifically includes engines, transmissions and axles with no leakage of coolant or oils. All components and gauges must function as originally designed. Air conditioning must operate and blow cold air. Batteries must be able to start equipment under their own power. Engine compression must be within engine manufacturer’s guidelines. No excessive oil consumption, no excessive blow by.
 - d.) Brakes must pass D.O.T. inspection and be accessible for inspection with 50% remaining visible brake lining. Brake drums are to be free from cracks and breaks.
 - e.) No tears or open seams in the upholstery, all gauges and equipment should be in good operating condition.
 - f.) All attached body equipment must be in good working condition with no damage over \$250.00. No leakage related to hydraulic components, such as hoists, etc...
 - g.) Value of the used trucks will be based on the year/make/model and specifications set forth in the original contract / proposal.
 - h.) Used truck(s) must have a clear and transferable Mississippi title when returned.

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