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February 27, 2015

**VIA CERTIFIED MAIL (7013 1090 0000 0317 7344)**

The Honorable William Currin  
City of Hudson  
27 East Main St.  
Hudson, OH 44236

**Re: SOURCING OFFICE DISSOLUTION**

Dear Mayor Currin:

**We need your help!**

On May 2, 2007, the City of Hudson became a Member of Sourcing Office (fka Northeast Ohio Sourcing Office or NEO|SO) a Council of Governments ("COG") formed to bring buying power to the membership based upon the economies of scale. I've enclosed the City's Membership Agreement and legislation for your reference.

For a number of reasons, including increased competition, Sourcing Office decided that it was time to wrap up and close down the business. Because the company was formed as a COG, which is a government entity, the process is somewhat cumbersome and will be reviewed by the Ohio Auditor.

Here is how you can help – simply sign and return the Membership Termination and Withdrawal Form that is included in this package. More than forty members have withdrawn to date. Our goal is for all members to withdraw and the COG can dissolve as a matter of law. Otherwise, any remaining Members will be required to attend a final meeting on May 1, 2015 to ratify the Articles of Dissolution which have been approved by the Board of Directors.

Please take a moment and return the Form. Should you have any questions or concerns, please call me at your convenience.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Terry W. Vincent', is written over a blue ink stamp of the name 'Terry W. Vincent'.

Terry W. Vincent

TWV/mns  
Enclosures

HUDSON CITY CLERK  
2015 FEB -2 PM 3:04

**SOURCING OFFICE INC.**

C/O Brouse McDowell LPA

Attn: Terry W. Vincent

600 Superior Avenue East | Suite 1600 | Cleveland, Ohio 44114

Phone: 216.830.6847 | Email: TVincent@brouse.com

**Form 2015-2-1 ■ Membership Termination and Withdrawal Form**

**Description**

Because Sourcing Office no longer provides group-purchasing programs, and because our membership in Sourcing Office was due to our interest and participation in these group-purchasing programs, we wish to immediately terminate and withdraw our membership in Sourcing Office. There is no cost associated with this membership withdrawal.

**Membership Organization Name and Address:**

Member Organization Name:

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Address and Phone:

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**Authorized Signature and Date:**

Signature: \_\_\_\_\_

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Printed Name, Title, and Date

Note: Any authorized administrative personnel may sign this form. No legislative action is required by your governing body to end its Sourcing Office membership.

**CHANGE THIS:** Please scan and email this signed form back to the attorney for Sourcing Office as soon as possible and no later than April 1, 2015 to this email address: [TVincent@brouse.com](mailto:TVincent@brouse.com)

**SOURCING OFFICE**  
**NOTICE OF FINAL MEMBERSHIP MEETING**

**Date:** May 1, 2015

**Location:** Brouse McDowell, LPA  
600 Superior Avenue East  
Suite 1600  
Cleveland, Ohio 44114

**Sole Issue:** Approval of ratification of the Board approved Articles of Dissolution

RESOLUTION NO. 07-45

OFFERED BY: Mayor Currin

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A MASTER SERVICES AND CONSULTING AGREEMENT AND THE NORTHEAST OHIO SOURCING OFFICE MEMBERSHIP AGREEMENT WITH NEO/SO

WHEREAS, this Council determines that it is in the best interest of the City of Hudson to authorize the City Manager to enter into a Master Services and Consulting Agreement and The Northeast Ohio Sourcing Office Membership Agreement with NEO/SO.

NOW THEREFORE, BE IT RESOLVED by the Council of Hudson, Summit County, State of Ohio:

Section 1. That the City Manager be, and hereby is, authorized and directed to enter into a Master Services and Consulting Agreement and the Northeast Ohio Sourcing Office Membership Agreement with NEO/SO, copies of which agreements are attached hereto as Exhibit "A" and incorporated herein fully as if by reference.

Section 2. This Resolution shall take effect and be in force from and after the earliest period allowed by law.

PASSED: May 2, 2007

William A. Currin  
William A. Currin, Mayor

ATTEST:

Mary Ann George  
Mary Ann George, Clerk of Council

I certify that the foregoing Resolution was duly passed by the Council of said Municipality on May 2, 2007.

Mary Ann George  
Mary Ann George, Clerk of Council



THE NORTHEAST OHIO SOURCING OFFICE  
MEMBERSHIP AGREEMENT

This MEMBERSHIP AGREEMENT ("Agreement") dated as of May 2, 2007 ("Effective Date"), is made between The Northeast Ohio Sourcing Office, an Ohio nonprofit corporation organized as a regional council of governments under Chapter 167 of the Ohio Revised Code ("NEO|SO"), and The City of Hudson (the "Governmental Entity"). Capitalized terms have the meanings given them in the attached Appendix 1.

Recitals

- A. NEO|SO was organized, in part, for the purposes of (i) providing consulting and management to its members ("Members"), (ii) developing and implementing certain sound business practices and processes as shared services to be made available to the Members, and (iii) developing and operating as a collective purchasing and service organization to enable its Members to obtain competitive terms from vendors and service providers by utilizing the combined purchasing power of all of NEO|SO's Members thereby systematically creating leverage for the Members.
- B. The Governmental Entity, as a condition of becoming a Member of NEO|SO, is required to execute this Agreement and the documents incorporated herein by reference.
- C. NEO|SO is willing to admit the Governmental Entity as a Member and to permit it to participate in the Offerings made available through NEO|SO, subject to the terms and conditions set forth in this Agreement.

The parties agree as follows:

Article I  
Membership

**Section 1.1 Designation as Member.** Subject to the terms and conditions set forth in this Agreement, NEO|SO desires to have the Governmental Entity become a Member eligible to participate in the Offerings and utilize NEO|SO's services.

**Section 1.2 Acceptance by the Governmental Entity.** The Governmental Entity agrees to be a Member of NEO|SO on the terms and subject to the conditions set forth in this Agreement and those incorporated herein and made a part hereof, and agrees to be subject to all the obligations of a Member in accordance with this Agreement, and the Articles of Incorporation and Code of Regulations of NEO|SO.

**Section 1.3 NEO|SO's Offerings.** NEO|SO and its agents will use their best efforts to identify opportunities for shared services, provide management consulting, and pursue and negotiate preferential terms to leverage the collective purchasing power of the Members to secure the optimal pricing for goods and services that are or might be used by the Governmental Entity. The Governmental Entity may make recommendations to NEO|SO of potential offerings which it desires to be available and the names of vendors with whom it would like NEO|SO to consider establishing relationships. NEO|SO will inform the Governmental Entity of the availability of each Offering for consideration from time to time. The terms of an





Offering made available to the Governmental Entity through NEO|SO will continue only while the Governmental Entity is in compliance with this Agreement and is a Member of NEO|SO.

**Section 1.4 Master Agreements.**

- (a) Master Services and Consulting Agreement. To allow the purchase of Services from a Vendor in accordance with this Agreement, NEO|SO and the Governmental Entity must enter into a Master Services and Consulting Agreement setting forth the terms and conditions under which the Services will be provided for the Governmental Entity. A Member may utilize Services from or through NEO|SO only after executing a Master Services and Consulting Agreement.
- (b) Master Products Agreement. To allow the purchase of Products from any Vendor in accordance with this Agreement, NEO|SO and the Governmental Entity must enter into a Master Products Agreement setting forth the terms and conditions under which the Products, and any related services, will be made available to the Governmental Entity. A Member may purchase Products from or through NEO|SO only after executing a Master Products Agreement.

In order to facilitate and streamline the purchasing process for a Member, the Master Services and Consulting Agreement and the Master Products Agreement must be executed simultaneously with the execution of this Membership Agreement.

**Article II  
The Governmental Entity**

**Section 2.1 Governmental Entity Representations.** The Governmental Entity makes the following representations:

- (a) It is a political subdivision, duly organized and validly existing under the laws of Ohio.
- (b) It has performed all acts required of it as a condition to signing and delivering this Agreement.
- (c) It is not in violation of any laws of Ohio, to an extent that would impair its ability to carry out its obligations under this Agreement.
- (d) It has the power to enter into and perform its obligations under this Agreement.
- (e) The individual signing below on behalf of the Governmental Entity is an Authorized Representative.

**Section 2.2 Competitive Bidding and Procurement.**

- (a) **Authorization.** The Governmental Entity authorizes NEO|SO to engage in competitive bidding on its behalf for Offerings to be presented by NEO|SO under this Agreement and under any Available Contract as provided in Section 3.3.



## Section 2.3 Compensation.

- (a) Forms of Compensation. In return for the services rendered by NEO|SO regarding any requested Offering or for any other benefits received, NEO|SO will be paid by the Vendor or the Member as agreed by the parties, which may be in any of the following forms:
- (i) Flat fees.
  - (ii) Fees calculated as a percentage of cost savings, value achieved, or amounts spent by the Member.
  - (iii) Retention of certain rebates.
  - (iv) As mutually agreed by NEO|SO and the Governmental Entity.
  - (v) As mutually agreed by NEO|SO and a Vendor.

## Article III NEO|SO

### Section 3.1 NEO|SO Representations.

- (a) It is a nonprofit corporation duly incorporated and in good standing under the laws of Ohio, and is organized as a regional council of governments under Chapter 167 of the Ohio Revised Code.
- (b) It has performed all acts required of it as a condition to signing and delivering this Agreement.
- (c) It is not in violation of any laws of Ohio to an extent that would impair its ability to carry out its obligations under this Agreement.
- (d) It has the power to enter into and perform its obligations under this Agreement.
- (e) Its board of directors has duly authorized the signing, delivery, and performance of this Agreement.
- (f) The individual signing below on behalf of NEO|SO is an Authorized Representative.

**Section 3.2 Membership Lists.** NEO|SO will maintain a master list of all Members of NEO|SO, which will be updated on a regular basis.

### Section 3.3 Competitive Bidding Procurement Process.

- (a) Procurement Process. NEO|SO will act in good faith to utilize a procurement process that generally follows the State of Ohio procurement requirements (whether through a request for proposal or a bid process) for chartered cities as set forth in Chapter 7 of the Ohio Revised Code.



- (b) Publication of Procurement Process. NEO|SO will document and make available upon request to any Member a copy of the procurement process utilized for each Available Contract.
- (c) If a Member's procurement process is more restrictive than that utilized for an Available Contract, the Member may choose to consider the Offering as a response to that Member's bid solicitation or request for proposal for a similar product or service.

#### **Section 3.4 Audit.**

- (a) Record Retention. During the term of this Agreement and for a period of two years from the termination of this Agreement, NEO|SO must keep full and accurate books of account and copies of all documents and other material relating to this Agreement at its principal office.
- (b) Inspection of Books and Records. The Governmental Entity, through its duly authorized agents and representatives, has each of the following rights:
  - (i) The right, upon reasonable prior notice, to audit the books, documents, and other materials maintained by NEO|SO.
  - (ii) The right, during ordinary business hours, to access and inspect the books, documents, and other materials maintained by NEO|SO.
  - (iii) The right to make copies of the books, documents, and other materials.

### **Article IV Term and Termination**

**Section 4.1 Term.** This Agreement will be effective as of the Effective Date and will remain in effect unless and until terminated as provided herein, unless otherwise provided in the Government Entity's Enacting Legislation.

#### **Section 4.2 Termination.**

- (a) This Agreement may be terminated by written notice delivered by the terminating party to the other party in any of the following circumstances:
  - (i) The Governmental Entity's withdrawal as a member of NEO|SO in accordance with Section 17 of NEO|SO's Code of Regulations.
  - (ii) Termination of the Governmental Entity's membership in NEO|SO as provided under the Governmental Entity's Enacting Legislation, which supersedes the terms of this Membership Agreement.
  - (iii) Termination of the Governmental Entity's membership in NEO|SO as provided in legislation adopted by the Governmental Entity for the purpose of withdrawing from NEO|SO. The effective date of that withdrawal will be





the date specified in the withdrawing legislation, the terms of which will supersede the terms of this Membership Agreement.

- (iv) By either party, with cause.
- (b) For purposes of this Section 4.2, "with cause" means any of the following:
  - (i) Failure of the other party to observe or perform any of its agreements or covenants under this Agreement which remains unremedied for a period of 30 days after written notice of the failure has been given to the other party.
  - (ii) The entry of a decree or order by a court or agency or supervisory authority having jurisdiction for the appointment of a conservator, receiver, or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings with respect to the other party, or for the winding up or liquidation of its affairs, and the continuance of any such decree or order in effect for a period of 30 consecutive days.
  - (iii) The consent by the other party to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to the other party or of or relating to substantially all of its property; or the other party shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors, or voluntarily suspend payment of its obligations.

**Section 4.3 Effect of Termination.** All obligations of the parties which arise prior to the termination of this Agreement under any Master Agreement, will remain in effect notwithstanding the termination. Upon termination of this Agreement, the Governmental Entity must promptly return to NEO|SO all written materials, manuals, forms and other similar materials received from NEO|SO.

## Article V General Provisions

**Section 5.1 Entire Agreement.** This Agreement, including the Offering Addenda contemplated hereby and the attached appendices and exhibits, constitutes the entire agreement between the parties with respect to the subject matter hereof and thereof and supersedes all prior agreements, understandings and negotiations, both written and oral, between the parties with respect to the subject matter hereof and thereof. The parties agree that to the extent the terms of this Agreement conflict with the terms of any other agreements between the parties, the terms of this Agreement will supersede the conflicting terms of the other agreements. The parties further agree that to the extent the terms of this Agreement conflict with the terms of the Governmental Entity's Enacting Legislation, the terms of the Enacting Legislation will supersede the conflicting terms of this Agreement. No representation, inducement, promise, understanding, condition, warranty course of dealing or usage of trade not set forth in this Agreement has been made or relied upon by any party to this Agreement and will not be binding upon any party. This Agreement is not intended to confer upon any person other than the parties any rights or remedies hereunder.



**Section 5.2 Amendment.** Except as otherwise expressly set forth in this Agreement, no supplement, modification or amendment of this Agreement will be binding unless executed in writing by NEO|SO and the Governmental Entity.

**Section 5.3 Assignment.** A party may not assign its rights or delegate its duties under this Agreement to any other person without the consent of the other party. Nothing in this Agreement will prevent NEO|SO from subcontracting for services provided to the Governmental Entity.

**Section 5.4 Effect on Successors.** This Agreement will be binding upon, enforceable by, and inure to the benefit of the parties and their permitted successors and assigns. This Agreement is expressly not intended for the benefit of any creditor of NEO|SO or any other Person. Except and only to the extent provided by applicable statute, no creditor or third party has any rights under this Agreement.

**Section 5.5 Waiver.**

- (a) Any provision of this Agreement may only be waived if the waiver is in writing and signed by the party against whom the waiver is to be effective.
- (b) No failure or delay by any party in exercising any right, power or privilege under this Agreement will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
- (c) The rights and remedies provided in this Agreement will be cumulative and not exclusive of any rights or remedies provided by law.

**Section 5.6 Enforceability; Severability.** The invalidity or unenforceability of any term or provision of this Agreement will not, unless otherwise specified, affect the validity or enforceability of any other term or provision. If the affected term or provision is material and its invalidity or unenforceability results in a substantial economic detriment to a party, the parties will negotiate in good faith a resolution which to the maximum extent feasible preserves to each party the rights and benefits contemplated hereunder.

**Section 5.7 Notices.** Any notice, request, demand, claim, or other communication ("Notice") under this Agreement must be in writing and will be deemed duly given (a) when delivered personally to the recipient, (b) upon delivery by reputable overnight courier service (charges prepaid), (c) upon transmission if sent to the recipient by facsimile transmission or electronic mail, if immediately confirmed by telephone or electronic means or (d) upon delivery or refusal of delivery by certified or registered mail, return receipt requested, and addressed to the intended recipient as set forth below:





If to NEO|SO: Attention: President and CEO  
5422 East 96<sup>th</sup> Street, Suite 150  
Cleveland, OH 44125  
Phone: 216.581.6200  
Fax: 216.581.6213

and

Buckingham, Doolittle and Burroughs, LLP  
Attn: Terry W. Vincent  
1375 E. 9<sup>th</sup> Street, Suite 1700  
Cleveland, OH 44114  
Phone: 216.615.7326  
Fax: 330.252.5326  
Email: TVincent@bdbl.com

If to the Governmental Entity:

The City of Hudson  
27 E. Main St.  
Hudson, OH 44236

A party may change its address for purposes of this Section 6.7 by giving written notice to the other party in the above specified manner.

**Section 5.8 Governing Law.** This Agreement will be governed by and construed, interpreted and enforced pursuant to the laws of the State of Ohio.

**Section 5.9 Counterparts; Headings.** For the convenience of the parties, this Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same document. All headings and captions in this Agreement are inserted for convenience of reference only and will not affect its meaning or interpretation.

**Section 5.10 Charter, Code of Regulations and Legislation.** This Agreement is subject to, and hereby incorporates by reference, all the applicable provisions contained in NEO|SO's Articles of Incorporation and Code of Regulations now or hereafter in effect. By execution of this Agreement, the Governmental Entity acknowledges that it has received a copy of NEO|SO's Code of Regulations. Should a conflict arise between a Member's charter or the Member's Enacting Legislation and this Agreement, the Member's charter or Enacting Legislation controls.

**Section 5.11 Disclaimer.** Notwithstanding anything in this Agreement to the contrary, in no event will either party be liable to any other party for any consequential, incidental, special, indirect, or punitive damages arising under this Agreement whether or not the party knows or should have known of the possibility of the damages.

**Section 5.12 Membership Agreements.** The Governmental Entity understands and agrees that NEO|SO may exempt any Member from any provision of a membership agreement, and nothing contained in this Agreement will require NEO|SO to deal with other Members of NEO|SO solely on the terms or conditions set forth in this Agreement. NEO|SO will not be responsible or liable for any loss or damage suffered by the Governmental Entity arising or



resulting from the failure of any Member to comply with the terms of its agreement with NEO|SO.

**Section 5.13 Good Faith and Fair Dealing.** In entering into this Agreement, the parties acknowledge and agree that all aspects of the relationship among the parties contemplated by this Agreement, including the performance of all obligations under this Agreement, will be governed by the fundamental principle of good faith and fair dealing. No party will take or omit to take any action which unreasonably impairs the ability of any other party to perform its obligations under this Agreement.

**Section 5.14 Further Documents.** The parties agree that they and their successors and assigns will execute any and all instruments, releases, assignments and consents which may reasonably be required of them in order to carry out the requirements of this Agreement. Notwithstanding expiration or termination of this Agreement, each party must take any and all further actions as are necessary to fulfill its existing obligations, which by their terms require performance after expiration or termination of this Agreement.

**Section 5.15 Required Insurance.**

- (a) Errors and Omission Liability Insurance. NEO|SO must obtain and maintain during the term of this Agreement, and for three years following expiration or termination of this Agreement, at its own expense, errors and omission liability insurance providing protection (at a minimum, in the amount of \$1,000,000 per occurrence/\$3,000,000 annual aggregate) applicable to any claims, liabilities, damages, costs, or expenses arising out of its performance under this Agreement and any Offering Addendum. This insurance must include coverage of the Governmental Entity.
- (b) General Liability and Property Insurance; Workers Compensation Coverage. NEO|SO must also obtain and maintain during the term of this Agreement and any Offering Addendum, general liability insurance, property insurance, and workers' compensation coverage in the amounts as are in accordance with industry norms for a similarly situated business.

**Section 5.16 Force Majeure.** In no event will either party be liable for any delay or failure to perform its obligations hereunder where the delay or failure is due to an act of God, fires, natural calamities, wars, acts or orders of government, labor disputes or other events beyond their reasonable control.

**Section 5.17 Gender; Singular and Plural.** Unless the context otherwise clearly requires, references to the masculine form include the feminine and neuter form, references to the plural include the singular, and references to the singular include the plural.



# NEO | SO

IN WITNESS WHEREOF, the Governmental Entity and NEO|SO have each caused this Agreement to be executed after due authorization as of the Effective Date.

**NEO|SO:**

The Northeast Ohio Sourcing Office

David J. Akers  
Signature

6/11/2007  
Date

David J. Akers  
Printed Name

President and Chief Executive Officer  
Title

**GOVERNMENTAL ENTITY:**

The City of Hudson  
Entity Name

6-4-2007  
Date

[Signature]  
Signature

~~William A. Currin~~ **Anthony J. Bales, City Manager**  
Printed Name

~~Mayer~~  
Title

Authorized by Ordinance No.: 07-45



## Appendix 1

The term "Agreement" means this Membership Agreement entered into as of the Effective Date between NEO|SO and the Governmental Entity.

The term "Authorized Representative" means a person authorized to bind the indicated party to the terms of this Agreement. As to NEO|SO, this means that person or persons designated for this purpose by its Board of Directors from time to time. As to the Governmental Entity, this means The City of Hudson.

The term "Available Contract" means each contract negotiated by NEO|SO under which NEO|SO may present Offerings to its Members.

The term "Enacting Legislation" means Ordinance No. 07-45 adopted on May 2, 2007 authorizing the Governmental Entity to become a Member of NEO|SO.

The term "Entity" means any limited liability company, corporation, business association, partnership, joint venture, business or real estate investment trust, or organization whether or not for profit.

The term "Master Products Agreement" means a Master Agreement, including all related addenda, between NEO|SO and the Governmental Entity setting forth the terms and conditions under which the Governmental Entity may purchase, and vendors will provide, Products as specified under this Agreement and any Available Contracts incorporated herein.

The term "Master Agreements" means the Master Services and Consulting Agreement and the Master Products Agreement.

The term "Master Services and Consulting Agreement" means a Master Agreement between NEO|SO and the Governmental Entity setting forth the terms and conditions under which the Governmental Entity may purchase, and vendors will provide, Services as specified in under this Agreement and any Available Contracts incorporated herein.

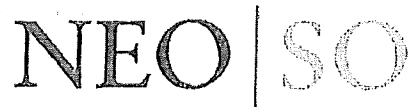
The term "Member" means any political subdivision which (i) satisfies the qualifications and conditions of NEO|SO's Code of Regulations to become a member of NEO|SO, (ii) has executed a membership agreement with NEO|SO, and (iii) is in compliance with all of its obligations to NEO|SO under this Agreement and under NEO|SO's Code of Regulations.

The term "Offering" means any of the following as provided by NEO|SO to its Members under this Agreement: (i) consulting and management services, (ii) certain sound business practices and processes developed and implemented as shared services, (iii) collective purchases and services negotiated under Available Contracts, and (iv) any other programs made available by NEO|SO.

The term "Person" means an individual, nominee, trust, or Entity whether acting on its own or in a representative capacity.

The term "Products" means goods and products made available from vendors to NEO|SO or its Members, as the same may be changed from time to time.





The term "Services" means services made available from service providers to NEO|SO or its Members as the same may be changed from time to time.

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