

THE CITY COUNCIL OF NORTH ROYALTON, OHIO

RESOLUTION NO. 17-58

INTRODUCED BY: Nickell, Kasaris, Antoskiewicz

A RESOLUTION APPROVING THE APPLICATION OF MARY S. MARTY, TRUSTEE FOR PLACEMENT OF FARMLAND IN AN AGRICULTURAL DISTRICT, AND DECLARING AN EMERGENCY

WHEREAS: Mary S. Marty, Trustee of 19345 Ridge Road, North Royalton, Ohio 44133 has made an application for placement of farmland in an Agricultural District in accordance with Ohio Revised Code Section 929.02; and

WHEREAS: The location of the subject property is 19345 Ridge Road, North Royalton, Ohio, which property has been designated as Permanent Parcel Number 486-11-004 and is composed of approximately 139 acres; and

WHEREAS: Mary S. Marty, Trustee has filed the aforementioned application in accordance with the provisions of Chapter 929 of the Ohio Revised Code; and

WHEREAS: Council has reviewed all evidence pertaining to this application and has conducted a public hearing on same as required by law; and

WHEREAS: Council desires to approve this application.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NORTH ROYALTON, COUNTY OF CUYAHOGA AND STATE OF OHIO, THAT:

Section 1. The Council of the City of North Royalton, pursuant to Ohio Revised Code Section 929.02, hereby approves the application of Mary S. Marty, Trustee for placement of farmland in an Agricultural District for the above described property which is composed of approximately 139 acres.

Section 2. The placement of the subject property in an Agricultural District shall be for a period of five (5) years.

Section 3. The Director of Legislative Services is hereby authorized and directed to forward a copy of this Resolution to Mary S. Marty, Trustee by certified mail, return receipt requested, within five (5) days of this approval.

Section 4. This Resolution is hereby declared to be an emergency measure immediately necessary for the preservation of the public peace, health, safety and welfare of the city, and for the further reason that it is immediately necessary for the proper processing of this application.

THEREFORE, provided this Resolution receives the affirmative vote of two-thirds of all members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise, from and after the earliest period allowed by law.

/s/ Larry Antoskiewicz
PRESIDENT OF COUNCIL

APPROVED: /s/ Robert A. Stefanik
MAYOR

DATE PASSED: April 18, 2017

DATE APPROVED: April 18, 2017

ATTEST: /s/ Laura J. Haller
DIRECTOR OF LEGISLATIVE SERVICES

First reading suspended
Second reading suspended
Third reading April 18, 2017

YEAS: Antoskiewicz, Nickell, Petrusky, Langshaw,
Marnecheck, Hannan, Kasaris

NAYS: none

THE CITY COUNCIL OF NORTH ROYALTON, OHIO

ORDINANCE NO. 17-59

Introduced by Marnecheck, Nickell, Kasaris

AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH RAFTELIS FINANCIAL CONSULTANTS, INC. TO PREPARE A WASTEWATER FINANCIAL PLAN AND RATE STUDY FOR THE CITY OF NORTH ROYALTON FOR AN AMOUNT NOT TO EXCEED \$59,780.00, AND DECLARING AN EMERGENCY.

WHEREAS: The City of North Royalton has sought proposals for consulting services to prepare a wastewater financial plan and rate study; and

WHEREAS: The Administration has recommended the proposal of Raftelis Financial Consultants, Inc. to perform these services for an amount not to exceed \$59,780.00; and

WHEREAS: Council desires to authorize the Mayor to enter into this agreement.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NORTH ROYALTON, COUNTY OF CUYAHOGA AND STATE OF OHIO, THAT:

Section 1. Council hereby authorizes the Mayor to enter into an agreement with Raftelis Financial Consultants, Inc. to prepare a wastewater financial plan and rate study for the City of North Royalton for an amount not to exceed \$59,780.00, pursuant to terms and conditions approved by the Director of Law and substantially similar to a copy of which is attached hereto as Exhibit A and incorporated as if fully rewritten.

Section 2. It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council and that all deliberations of this Council and any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements.

Section 3. This Ordinance is hereby declared to be an emergency measure immediately necessary for the preservation of the public peace, health, safety and welfare of the city, and for the further reason that it is immediately necessary to authorize the Mayor to enter into an agreement with Raftelis Financial Consultants, Inc. to prepare a wastewater financial plan and rate study for the City of North Royalton for an amount not to exceed \$59,780.00 so that this work may commence.

THEREFORE, provided this Ordinance receives the affirmative vote of two-thirds of all members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise, from and after the earliest period allowed by law.

/s/ Larry Antoskiewicz
PRESIDENT OF COUNCIL

APPROVED: /s/ Robert A. Stefanik
MAYOR

DATE PASSED: April 18, 2017

DATE APPROVED: April 18, 2017

ATTEST: /s/ Laura J. Haller
DIRECTOR OF LEGISLATIVE SERVICES

First reading suspended
Second reading suspended
Third reading April 18, 2017

YEAS: Antoskiewicz, Nickell, Petrusky, Langshaw,
Marnecheck, Hannan, Kasaris

NAYS: none

PROFESSIONAL SERVICES AGREEMENT BETWEEN THE
CITY OF NORTH ROYALTON, OHIO
AND
RAFTELIS FINANCIAL CONSULTANTS, INC.

This Consulting Agreement (“Agreement”) is entered into this ___ day of _____, 2017 (hereinafter referred to as the effective date of the agreement) by and between the City of North Royalton, Ohio (the “Client”) and Raftelis Financial Consultants, Inc., 227 W. Trade Street, Suite 1400, Charlotte, NC 28202 (“RFC”).

Witnesseth

WHEREAS, RFC has substantial skill and experience in water, wastewater and storm water finance, management, and pricing, and service delivery, and

WHEREAS, The Client desires to hire RFC and RFC desires to provide services to the Client,

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to the terms and conditions set forth herein.

Article 1. Statement of Work

RFC shall provide professional consulting services to prepare a wastewater financial plan and rate study for the City of North Royalton, Ohio. RFC will perform these services as set forth in its proposal sent to the Client dated March 31, 2017 and included herein as Attachment A.

Article 2. Time for Completion

This agreement will commence upon approval by the Client and remain in effect for a period of one year. Further renewals of this Agreement are at the option of the Parties and shall be in writing.

Article 3. Compensation

Client shall pay to RFC the sum not to exceed \$59,780, which includes professional fees and direct expenses incurred in performing the scope of services, as well as an hourly technology expense reimbursement. The parties understand that this sum is based upon the scope of work contained herein at RFC’s current standard hourly rates. Any expansion of the scope of work by the Client shall involve the discussion of additional fees by both parties.

RFC shall submit invoices to the Client on a monthly basis for services rendered to the date thereof. Such invoices shall be supported by appropriate documentation; at a minimum, the task performed, the individuals working on such task, the level of each such individual, and expenses incurred. Each invoice will contain all hours and expenses from the RFC for the month. Upon receipt of monthly invoice, the Client will remit payment of same amount to the RFC within 30 days.

Article 4. Additional Services

At the City's request, RFC may submit proposals for additional professional services. Each proposal submitted shall detail: (1) scope of work for the additional services, (2) period of services to be performed, and (3) method and amount of compensation. The Client shall provide written acceptance and authorization to RFC prior to the commencement of work on any proposed additional services. Each proposal for additional services accepted and approved by the Client shall become part of this Agreement and shall be governed by the terms and conditions contained herein.

Article 5. Place of Performance

RFC shall be responsible for maintaining its own office facilities and will not be provided with either office facilities or support by the Client.

Article 6. Indemnification

RFC hereby agrees to indemnify the Client and to hold the Client harmless against any and all claims, action, or demands against the Client and against any and all damages for injury to or death of any person and for loss of or damage to any and all property arising out of the negligent acts, errors or omissions of RFC under this Agreement. RFC shall not be held responsible for any claims caused by the negligence of the Client.

Article 7. Insurance

RFC shall maintain the types and levels of insurance during the life of this Agreement as specified below. The Client will be named as additional insured on RFC's Certificates of Insurance and RFC will provide the Client with these Certificates of Insurance. All insurers shall be approved to do business in the State of Ohio by the Ohio Department of Insurance.

Commercial general liability insurance - \$1,000,000 for each occurrence and \$2,000,000 in the aggregate

Comprehensive automobile liability insurance - \$1,000,000 combined single limit each occurrence

Workers Compensation insurance – Statutory limits

Professional liability insurance - \$2,000,000 in the aggregate

Excess or Umbrella Liability - \$3,000,000 in the aggregate

Article 8. Confidential Information

RFC acknowledges and agrees that in the course of the performance of the services pursuant to this Agreement, RFC may be given access to, or come into possession of, confidential information from the Client, of which information may contain privileged material or other confidential information. RFC acknowledges and agrees, except if required by judicial or administrative order, trial, or other governmental proceeding pertaining to this matter, that it will not use, duplicate, or divulge to others any such information belonging to or disclosed to RFC by the Client without first obtaining

written permission from the Client. "Confidential information" as used herein, includes information, materials, products, and deliverables developed during, and discoveries and contributions made by RFC in the performance of this Agreement. All tangible embodiments of such information shall be delivered to the Client by RFC upon termination hereof, or upon request by the Client, whichever occurs first. The Client acknowledges RFC has the right to maintain its own set of work papers which may contain confidential information.

Article 9. Independent Contractor Status

It is understood and agreed that RFC will provide the services under this Agreement on a professional basis as an independent contractor and that during the performance of the services under this Agreement, RFC's employees will not be considered employees of the Client within the meaning or the applications of any federal, state, or local laws or regulations including, but not limited to, laws or regulations covering unemployment insurance, old age benefits, worker's compensation, industrial accident, labor, or taxes of any kind. RFC's employees shall not be entitled to benefits that may be afforded from time to time to Client employees, including without limitation, vacation, holidays, sick leave, worker's compensation, and unemployment insurance. Further, the Client shall not be responsible for withholding or paying any taxes or social security on behalf of RFC's employees. RFC shall be fully responsible for any such withholding or paying of taxes or social security.

Article 10. Reliance on Data

In performance of the services, it is understood that the Client and/or others may supply RFC with certain information and/or data, and that RFC will rely on such information. It is agreed that the accuracy of such information is not within RFC's control and RFC shall not be liable for its accuracy, nor for its verification, except to the extent that such verification is expressly a part of RFC's scope of services.

Article 11. Opinions and Estimates

RFC's opinions, estimates, projections, and forecasts of current and future costs, revenues, other levels of any sort, and events shall be made on the basis of available information and RFC's expertise and qualifications as a professional. RFC does not warrant or guarantee that its opinions, estimates, projections or forecasts of current and future levels and events will not vary from the Client's estimates or forecasts or from actual outcomes. RFC identifies costs, allocates costs to customer classes and provides rate models. It does not establish rates, which is the legislative responsibility of the Client.

Article 12. Termination of Work

This Agreement may be terminated as follows:

1. **By Client** (a) for its convenience on 30 days' notice to RFC, or (b) for cause, if RFC materially breaches this Agreement through no fault of Client and RFC neither cures such material breach

nor makes reasonable progress toward cure within 15 days after Client has given written notice of the alleged breach to RFC.

2. **By RFC** (a) for cause, if Client materially breaches this Agreement through no fault of RFC and Client neither cures such material breach nor makes reasonable progress toward cure within 15 days after RFC has given written notice of the alleged breach to Client, or (b) upon five days' notice if Work under this Agreement has been suspended by either Client or RFC in the aggregate for more than 30 days.
3. **Payment upon Termination.** In the event of termination, RFC shall be compensated for all work performed prior to the effective date of termination.

Article 13. Notices

All notices required or permitted under this Agreement shall be in writing and shall be deemed deliverable when delivered in person or deposited in the United States mail, postage prepaid, addressed as follows:

If for the Client:

Name

Title

Address

If for RFC:

J. Bart Kreps
Senior Manager
Raftelis Financial Consultants, Inc.
227 W. Trade Street
Suite 1400
Charlotte, NC 28202

Article 14. Compliance with Applicable Laws

RFC agrees not to discriminate in its employment practices, and will render services under this Agreement without regard to race, color, religion, sex, national origin, veteran status, political affiliation or disabilities.

Any act of discrimination committed by RFC, or failure to comply with these statutory obligations when applicable, shall be grounds for termination of this Agreement.

Article 15. General Provisions

- A. Entire Agreement: This Agreement represents the entire and sole agreement between the Parties with respect to the subject matter hereof.
- B. Waiver: The failure of either Party to require performance by the other of any provision hereof shall in no way affect the right to require performance at any time thereafter, nor shall the waiver of a breach of any provision hereof be taken to be a waiver of any succeeding breach of such provision or as a waiver of the provision itself. All remedies afforded in this Agreement shall be taken and construed as cumulative; that is, in addition to every other remedy available at law or in equity.
- C. Relationship: Nothing herein contained shall be construed to imply a joint venture, partnership, or principal-agent relationship between RFC and the Client; and neither Party shall have the right, power, or authority to obligate or bind the other in any manner whatsoever, except as otherwise agreed to in writing.
- D. Assignment and Delegation: Neither Party shall assign or delegate this Agreement or any rights, duties, or obligations hereunder without the express written consent of the other. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the successors, legal representatives, and assignees of the Parties hereto.
- E. Severability: If any provision of this Agreement is declared invalid or unenforceable, such provision shall be deemed modified to the extent necessary and possible to render it valid and enforceable. In any event, the unenforceability or invalidity of any provision shall not affect any other provision of this Agreement, and this Agreement shall continue in force and effect, and be construed and enforced, as if such provision had not been included, or had been modified as above provided, as the case may be.
- F. Governing Law: This Agreement shall be governed by, and construed in accordance with, the laws of the State of Ohio.
- G. Paragraph Headings: The paragraph headings set forth in this Agreement are for the convenience of the Parties, and in no way define, limit, or describe the scope or intent of this Agreement and are to be given no legal effect.

- H. Third Party Rights Nothing in this Agreement shall be construed to create or confer any rights or interest to any third party or third party beneficiary. It is the intent of the parties that no other outside, non-party claimant shall have any legal right to enforce the terms of this Agreement.

Article 16. Disclosures

As a registered Municipal Advisor under the Dodd-Frank Act, RFC is required to inform our clients of any existing or potential conflicts of interest that may be relevant to any proposed scope of services that may include providing “advice” as that term is defined in the Dodd-Frank Act. As of the date of this engagement letter, no conflicts of interest are known to exist.

Under the Dodd-Frank Act the definition of “advice” includes providing any opinion, information or assumptions related to the size, timing and terms of possible future debt issues or borrowing. This type of information may be integrated into the capital and financial planning components of a rate study. This definition is applicable regardless of whether this information is developed and used solely for planning and decision making purposes. For the services addressed in the scope of work identified for this engagement, any information that is developed by RFC that falls under this definition of municipal advice is not intended to represent a recommendation that the City should issue debt based on the terms and assumptions used to develop the financial plan or forecast, or that the City will, in fact, be able to issue debt under the exact terms and conditions assumed and used to develop the financial plan or forecast. The information developed as part of this rate study, including any related municipal advice, is intended only to provide information useful in evaluating the potential impact on the utility and future rate adjustments of one potential course of action for the City. If the City decides at some future date to issue debt, then at that time the City will need to engage an independent, registered Financial Advisor to assist in evaluating the availability of different types of debt, and the specific terms and conditions for issuing debt, which will be affected by market conditions and the City’s credit rating at the time of issuance. At that time, as a registered Municipal Advisor, RFC can also provide additional assistance related to a specific bond or debt issue, such as preparing a bond feasibility report or financial forecast for inclusion in bond documents, without requiring additional oversight or supervision by the Financial Advisor.

By signing this contract indicating its approval and acceptance of the of the proposed scope of work and fees, the City is also explicitly acknowledging that RFC has provided the necessary disclosures addressing conflicts of interest and any limitations on the scope of Municipal Advisory services to be provided by RFC as part of this engagement.

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IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives.

By: _____
Signature

Title

Date

Witness

Raftelis Financial Consultants, Inc.

By: _____
Signature

Title

Date

Witness

Approved as to form:

Thomas A. Kelly,
Law Director,
City of North Royalton

Ord. 17-59

This is to certify that an appropriation in the amount of this contract is available therefore and that _____ has been authorized to execute the contract and approve all requisitions and change orders.

By _____

Title

Seal

Ord. 17-59

Attachment A – Scope of Services

THE CITY COUNCIL OF NORTH ROYALTON, OHIO

ORDINANCE NO. 17-60

INTRODUCED BY: Mayor Stefanik

AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH “GOVDEALS”, AN INTERNET AUCTION SERVICE SITE PURSUANT TO THE AUTHORITY OF OHIO REVISED CODE SECTION 721.15 (D) TO PERMIT THE SALE AND DISPOSITION OF MUNICIPAL PROPERTY NO LONGER NEEDED FOR MUNICIPAL PURPOSE AND DECLARING AN EMERGENCY

WHEREAS: With regularity certain municipally owned personal property is determined to be no longer necessary or suitable for municipal purposes and which is ordinarily subject to sale at a traditional style auction, and

WHEREAS: The state legislature amended state law to allow for the use of the internet for the disposition of said personal property for ease of disposition and to allow for a wider audience of potential purchasers, and

WHEREAS: Council desires to allow for the sale and disposition of said property in this manner.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NORTH ROYALTON, COUNTY OF CUYAHOGA AND STATE OF OHIO, THAT:

Section 1. Council hereby authorizes the Mayor to enter into an agreement with GovDeals.com, pursuant to terms and conditions approved by the Director of Law and substantially similar to a copy of which is attached hereto as Exhibit A and incorporated as if fully rewritten, to permit the use of internet auction of the above described municipal personal property in accord with the terms and restrictions set forth in ORC 721.15 (D) including the mandate that the auction bidding be held for a minimum of ten (10) consecutive days, that the general terms and conditions of sale be as set forth in Exhibit A.

Section 2. It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council and that all deliberations of this Council and any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements.

Section 3. This Ordinance is hereby declared to be an emergency measure immediately necessary for the preservation of the public peace, health, safety and welfare of the city, and for the further reason that it is immediately necessary to allow for the sale and disposition of certain municipally owned personal property in this manner.

THEREFORE, provided this Ordinance receives the affirmative vote of two-thirds of all members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise, from and after the earliest period allowed by law.

/s/ Larry Antoskiewicz
PRESIDENT OF COUNCIL

APPROVED: /s/ Robert A. Stefanik
MAYOR

DATE PASSED: April 18, 2017

DATE APPROVED: April 18, 2017

ATTEST: /s/ Laura J. Haller
DIRECTOR OF LEGISLATIVE SERVICES

First reading suspended
Second reading suspended
Third reading April 18, 2017

YEAS: Antoskiewicz, Nickell, Petrusky, Langshaw,
Marnecheck, Hannan, Kasaris

NAYS: none

GovDeals

Online Auction Memo of Understanding

This Online Auction Memo of Understanding (MOU) is between GovDeals, Inc. (“GovDeals”), a Delaware corporation having its principal place of business at 100 Capitol Commerce Boulevard - Suite 110 - Montgomery, Alabama, 36117 and the City of North Royalton (“Client”), having its principal place of business 14600 State Road – North Royalton, Ohio 44133.

- 1.0 Description of Services:** GovDeals provides a means for Client to post assets for sale and for potential buyers to bid on these assets via an online auction system. Although GovDeals provides system access for Client to list assets, GovDeals is not a party to the actual sale and has no control over the listed information or the ability of the buyer and Client to complete the transaction.
- 2.0 GovDeals’ Responsibilities:** In addition to maintaining and operating an online auction system, GovDeals will provide Client with the following services for the period agreed to in **5.0** below:
 - 2.1** Access to a GovDeals online “Client Asset Server” (CAS), which will allow Client to load assets to the online auction system, maintain information about assets and view and run reports. The CAS will provide Client with the following capabilities:
 - Accept descriptive information concerning an asset including unlimited photos
 - Allow different auction phases based upon dates and times
 - Allow Client to set minimum starting prices, bid increments and reserves
 - 2.2** Training and support services to assist Client in implementing the GovDeals online auction system, which will include:
 - Familiarization with the nature and operation of CAS
 - Guidance in the posting of assets and provide ongoing support
 - Procedures for taking and posting pictures of assets
 - Based on mutual agreement between GovDeals and Client, training and support services will be provided on-site or via telephone or Internet
 - 2.3** Help Desk support available via telephone or email during normal business hours, except announced holidays.
 - 2.4** Provide marketing of assets posted to the online auction site and promote use of the site to potential buyers.
 - Work with Client to identify items that may benefit from marketing attention.
 - Provide documented proof of all marketing efforts made on behalf of Client.
 - Assist in determining values and starting prices for unique and high dollar assets.
- 3.0 Fees:** Please elect a Flexible Pricing Option (FPO) from **Exhibit A** and enter selection below signature block on MOU page two (2).
- 4.0 Payment:**
 - 4.1** If Client elects to collect auction proceeds, GovDeals will invoice Client for fees on the first business day of the month following the month assets are sold. Client agrees to remit payment to GovDeals within thirty (30) calendar days from receipt of invoice, unless an applicable prompt payment act or similar legislation specifies a different time period.

- 4.2** Client shall promptly, but no more than fifteen (15) business days after the auction end date, notify GovDeals of any transaction that was not completed. The fees for said transaction shall be credited to Client during the next invoice period.
- 4.3** If Client elects GovDeals to collect auction proceeds electronically via PayPal, credit card or wire transfer please review and complete **Exhibit B**.
- 5.0** **Term of MOU**: This MOU shall commence on the date it is signed by the second party and will continue for a period of twelve months unless otherwise terminated upon sixty days written notice by either party. This MOU shall automatically extend for additional one-year periods, unless either party notifies the other in writing of its intent not to renew at least sixty days prior to the anniversary date.
- 6.0** **Terms and Conditions**: Please find **Exhibit C** attached as an example of suggested Client Terms and Conditions. At any time during the term of this MOU, Client may modify the Terms and Conditions. Any substitutions or modification must be submitted to GovDeals in writing before posting assets to the GovDeals auction site.
- 7.0** **Governance**: This MOU will be governed, interpreted, construed and enforced in accordance with the laws of the State of Ohio.
- 8.0** **Non-Exclusive Engagement**: This MOU is not exclusive. Client may utilize other approaches, including traditional auctioneer services or sealed bids. However, it is understood and agreed that Client will not utilize other disposal approaches for an asset at the same time the asset is listed on the GovDeals online auction site or sell by some other means to a prior bidder any item currently or previously listed on the GovDeals site for the purpose of avoiding payment of the GovDeals fee. Client agrees to not manipulate or interfere with the bidding process on the GovDeals site.

This online auction memo of understanding is agreed to by:

GovDeals, Inc

Client: City of North Royalton

Signature: _____

Signature: _____

Print Name: Roger Gravley

Print Name: _____

Title: President

Title: _____

Date: _____

Date: _____

Memo of Understanding Contact:

Attention: Sales Support
 100 Capitol Commerce Blvd, Ste 110
 Montgomery, AL 36117
 Telephone Number: 866.377.1494
 Fax Number: 334.387.0519
 Email: salesupport@govdeals.com

<p align="center">Flexible Pricing Options (FPO)</p> <p>Select one from options described in GovDeals Memo of Understanding- Exhibit A:</p> <p><u>Client Collects Proceeds</u></p> <p><input type="checkbox"/> Option A1 (7.5% Seller- 0% Buyer)</p> <p><input type="checkbox"/> Option A2 (0% Seller- 7.5% Buyer)</p> <p><u>Client elects FSS (GovDeals collects Proceeds)</u></p> <p><input type="checkbox"/> Option B1 (7.5% Seller- 5% Buyer)</p> <p><input type="checkbox"/> Option B2 (5% Seller- 7.5% Buyer)</p> <p><input type="checkbox"/> Option B3 (2.5% Seller- 10% Buyer)</p> <p><input type="checkbox"/> Option B4 (0% Seller- 12.5% Buyer)</p>

Flexible Pricing Options (FPO)

The Client has the option to choose from the following alternative plans:

A - Client Collects Proceeds

Option A1: The Client pays a 7.5% fee, but not less than \$5.00, which will be reduced according to the Tiered Fee Reduction Schedule described below. GovDeals will invoice the client each month for fees on items sold in the previous month. The client is allowed thirty (30) calendar days from date of invoice receipt to remit payment.

Option A2: The Client pays a 7.5% fee, but not less than \$5.00, and is given the capability to easily pass the entire fee on to the winning bidder as an Administrative Fee based on the Tiered Fee Reduction Schedule described below. The amount invoiced to the winning bidder will include the gross sale amount of the item, the administrative fee, and any special fees and sales tax. GovDeals will invoice the client each month for fees on items sold in the previous month. This invoice will equal the Administrative fees collected, therefore, making the client's effective fee zero percent (0%). The client is allowed thirty (30) calendar days from date of invoice receipt to remit payment.

B - Client Elects GovDeals Financial Settlement Services (FSS) allowing GovDeals to Collect Proceeds. Only one option below can be used and once this option is chosen, it cannot be changed for twelve (12) months.

Option B1: The Client pays a 7.5% fee, but not less than \$5.00, and the winning bidder pays a 5% Buyers Premium.*

Option B2: The Client pays a 5% fee, but not less than \$5.00, and the winning bidder pays a 7.5% Buyers Premium.

Option B3: The Client pays a 2.5% fee, but not less than \$5.00, and the winning bidder pays a 10% Buyers Premium.

Option B4: The Client pays 0% and the winning bidder pays a 12.50% Buyers Premium.

*If the Client chooses to pay the full 7.5% fee, they will have access to the **Tiered Fee Reduction Schedule**.

Tiered Fee Reduction Schedule

GovDeals' **Tiered Fee Reduction Schedule** below explains how the base auction fee of 7.5% is reduced for assets that sell in excess of \$100,000 on www.govdeals.com.

1. **When an asset sells for up to \$100,000 in a winning bid, the GovDeals fee is seven and one-half percent (7.5%) of the winning bid, but not less than \$5.00.**
2. Where an asset sells for more than \$100,000, and up to \$500,000 the GovDeals fee is seven and one-half percent (7.5%) of the winning bid up to \$100,000, plus five and one-half percent (5.5%) of the winning bid for auction proceeds in excess of \$100,000 up to \$500,000.
3. Where an asset sells for greater than \$500,000, and up to \$1,000,000 the GovDeals fee is seven and one-half percent (7.5%) of the first \$100,000 of the winning bid, plus a fee of five and one-half percent (5.5%) of the next \$400,000 of the winning bid, plus a fee of three and one-half percent (3.5%) of the bid amount in excess of \$500,000 up to \$1,000,000.
4. Where an asset sells for greater than \$1,000,000 the GovDeals fee is seven and one-half percent (7.5%) of the first \$100,000 of the winning bid, plus a fee of five and one-half percent (5.5%) of the next \$400,000 of the winning bid, plus a fee of three and one-half percent (3.5%) of the next \$500,000 of the winning bid, plus a fee of two and one-half percent (2.5%) of the bid amount in excess of \$1,000,000.

EXHIBIT B - Online Auction Memo of Understanding

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 is covered by a Crime Insurance Policy with a limit of \$5,000,000, which will protect the Client against any loss of funds.

City of North Royalton

North Royalton, Ohio

Online Sales - Terms and Conditions

All bidders and other participants of this service agree they have read and fully understand these terms and agree to be bound thereby.

Guaranty Waiver. All assets are offered for sale “AS IS, WHERE IS.” **City of North Royalton (Seller)** makes no warranty, guaranty or representation of any kind, expressed or implied, as to the merchantability or fitness for any purpose of the property offered for sale. The Buyer is not entitled to any payment for loss of profit or any other money damages – special, direct, indirect or consequential.

Description Warranty. Seller warrants to the Buyer the property offered for sale will conform to its description. Any claim for misdescription must be made prior to removal of the property. If **Seller** confirms the property does not conform to the description, **Seller** will keep the property and refund any money paid. The liability of the **Seller** shall not exceed the actual purchase price of the property. Please note upon removal of the property, **all sales are final.**

Personal and property risk. Persons attending during exhibition, sale or removal of goods assume all risks of damage of or loss to person and property and specifically release the seller and **GovDeals** from liability therefore.

Inspection. Most assets offered for sale are used and may contain defects not immediately detectable. Bidders may inspect the property prior to bidding. Bidders must adhere to the inspection dates and times indicated in the asset description. See special instructions on each asset page for inspection details.

Consideration of Bid. Seller reserves the right to reject any and all bids and to withdraw from sale any of the assets listed.

Buyer’s Certificate. Successful bidders will receive a Buyer’s Certificate by email from **GovDeals**.

Buyers Premium. If a Buyers Premium is shown on the auction page bidder box, then that amount (expressed as a percentage of the final selling price) will be added to the final selling price of all items in addition to any taxes imposed.

Payment. Payment in full is due not later than **5 business days** from the time and date of the Buyers Certificate. Payment must be made electronically through the GovDeals Website.

Acceptable forms of payment are:

- PayPal
- Wire Transfer
- Visa

- MasterCard
- American Express
- Discover

PayPal and Credit Card purchases are limited to below \$5,000.00. If the winning bid plus applicable taxes, if any indicated, and the buyer's premium, equals more than \$4,999.99, PayPal and Credit Cards may not be used. If Wire Transfer is chosen, a Wire Transfer Transaction Summary page will provide payment and account information. The Wire Transfer must be completed within 5 days.

***The next section (payment) is used if the client collects the proceeds and may be modified to reflect exact forms of payment accepted by the client. The Buyers Premium and Payment section (above) is used only when GovDeals collects proceeds.**

***Payment.** Payment in full is due not later than **5 business days** from the time and date of the Buyer's Certificate. Acceptable forms of payment are:

- U. S. Currency
- Certified Cashiers Check
- Money Order
- Company Check (with Bank Letter guaranteeing funds – **mandatory**)

Checks shall be made payable to: **City of North Royalton**. Payments shall be made at the location listed in the Buyer's Certificate.

Removal. All assets must be removed within **ten (10) business days** from the time and date of issuance of the Buyer's Certificate. Purchases will be released only upon receipt of payment as specified. Successful bidders are responsible for loading and removal of any and all property awarded to them from the place where the property is located as indicated on the website and in the Buyer's Certificate. The Buyer will make all arrangements and perform all work necessary, including packing, loading and transportation of the property. Under no circumstances will **Seller** assume responsibility for packing, loading or shipping. See instructions on each asset page for removal details. A daily storage fee of \$10.00 may be charged for any item not removed within the ten (10) business days allowed and stated on the Buyer's Certificate.

Vehicle Titles. **Seller** will issue a title or certificate upon receipt of payment. Titles may be subject to restrictions as indicated in the asset description on the website.

Default. Default shall include (1) failure to observe these terms and conditions; (2) failure to make good and timely payment; or (3) failure to remove all assets within the specified time. Default may result in termination of the contract and suspension from participation in all future sales until the default has been cured. If the Buyer fails in the performance of their obligations, **Seller** may exercise such rights and may pursue such remedies as are provided by law. **Seller** reserves the right to reclaim and resell all items not removed by the specified removal date.

Acceptance of Terms and Conditions. By submitting a bid, the bidder agrees they have read, fully understand and accept these Terms and Conditions, and agree to pay for and remove the property, by the dates and times specified. These Terms and Conditions are displayed at the top of each page of each asset listed on GovDeals. Special Instructions appearing on the asset page will override certain sections of the terms and conditions.

State/Local Sales and/or Use Tax. Buyers may be subject to payment of State and/or local sales and/or use tax. Buyers are responsible for contacting seller or the appropriate tax office, completing any forms and paying any taxes that may be imposed.

Sales to Employees. Employees of the **Seller** may bid on the property listed for auction, so long as they do NOT bid while on duty.