

Appendix A

December 6, 2012

Ms. Felicia Drummey  
Treasurer  
Big Walnut Local School District  
70 North Walnut Street  
Galena, Ohio 43021

Re: 2013 Engagement (tax year 2012)

Dear Felicia:

We are very pleased that you have selected our law firm to provide services to you with regard to real estate tax valuation and exemption matters. We will do our best to provide you with services in a responsive, timely and cost-efficient fashion. The scope of our services will be to assist the Big Walnut Local School District Board of Education in protecting its interest in valuation of real property within the district, including tax valuation and exemption matters.

We will undertake these matters on an hourly basis, whereby you will be charged our standard hourly rates for the time incurred by us in representing you, with a cap for all sale and counter-complaint case filed with the Delaware County Board of Revision ("BOR"). To avoid any misunderstanding between us as to the terms of the engagement and this firm's billing and collection practices, I have outlined them below.

1. *Time Keeping.* Our lawyers and paralegals record the time they spend on each matter for each client. This data is maintained in our computer from which we produce a monthly preliminary statement which I, as the firm attorney responsible for your matter, will review. After the statement has been reviewed, it will be mailed to you.

2. *Hourly Rates.* We have established a standard hourly rate for each of our attorneys and paralegals. The standard hourly rates are adjusted from time to time, usually once a year, and may be changed during the course of our work for you, unless we have specifically agreed otherwise. Your work will be performed primarily by me, and my time is billed at \$235.00 per hour. In addition, a real estate paralegal will be assisting me at a rate of \$155.00 per hour. Please select one of two options below:

\_\_\_\_\_ *Hourly Rate Option:* All sale cases filed on behalf of the school district with the BOR and all cases filed by property owners, in which the school

district becomes a party, will be billed on an hourly rate. The total fee for all BOR level work shall not exceed \$36,000/year, unless the total amount of BOR cases (complaints and counter-complaints) filed within the year exceeds 65. If more than 65 cases are filed, the parties agreed to an additional charge of \$550 per additional BOR case.

\_\_\_\_\_ *Flat Fee Option:* All sale cases filed on behalf of the school district with the BOR will be billed on an hourly basis up to a cap of \$575.00 per case. The same fee structure will apply to those cases filed by property owners at the BOR, in which the school district becomes a party, expect those that require an appraiser, as those cases tend to be more complex.

\* All other cases, including cases pending at the Ohio Board of Tax Appeals, Common Pleas Court, Court of Appeals or the Supreme Court of Ohio, and all exemption matters, shall be billed on an hourly rate. All hourly work is billed in 0.20 hour increments, with a minimum time of 0.20 hours per distinct item.

3. *Costs.* In addition to our fees for legal services, we charge for certain expenses or advances which we may incur on your behalf. These include long distance telephone charges, FAX transmissions, photocopying, messenger services, court reporter charges, deposition charges, outside computer network usage, staff overtime (when required by the particular circumstances of your case), travel, filing and other fees, and other costs incurred directly on your behalf. If an expense item is substantial, we may ask you to make direct payment to the vendor.

4. *Monthly Statements.* We will mail you a monthly statement. Payment is due within 30 days after receipt by you of the statement. If a statement is unpaid for 60 days, you should expect a call from our Accounting Department, inquiring as to whether there is a problem with either our service or your ability to pay. If a statement becomes 90 days past due, without a prior arrangement made with me, we will cease all work on your behalf until all receivables older than 30 days are paid in full. If at any time during our relationship you find that you are unable to meet the payment arrangement, we urge you to contact us immediately. A late payment charge of 1.5% per cent per month (18% per annum) will be added to the balance of amounts which remain unpaid thirty (30) days or more. We reserve the right to terminate our representation if payment is not received within 30 days of our statement.

5. *Retainers.* Our usual practice is to obtain in advance a retainer from new clients and from existing clients under certain circumstances. This retainer will be held in our trust account and drawn upon by us as earned. We reserve the right to request additional retainer payments as a condition of continued representation. We are not requiring a retainer at this time. Should we request a retainer in the future at any time, such retainer will be held in our general trust account and from such sum our fees may be paid

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and credited on our billing statements to you. In the event our fees exceed the retainer with us, we will bill you for the excess; however, the retainer must be replenished thereafter so as to maintain the amount initially requested upon our advice to you. Any unused portion of the retainer will be refunded at the conclusion of our representation.

6. *Confidentiality.* Our statements are detailed and frequently contain confidential information. Therefore, you should treat the statements with care. The detail portion may easily be separated from the invoice.

7. *Withdrawal.* You may terminate this engagement at any time by notice in writing to us. Upon receipt of such notice, we will promptly cease providing any service to you. You will be responsible for paying for our services rendered up to the time we receive such notice and for such reasonable services that we may provide thereafter in connection with the transfer of responsibility for the matters we are then handling to your new counsel. We reserve the right to withdraw from your representation if you fail to honor the terms of this engagement letter, including payment of our fee statements, you fail to pay retainers when requested, you fail to cooperate or follow our advice regarding a material matter, or a circumstance arises which would render our continued representation unlawful or unethical.

8. *No Promises as to Results.* The outcome of negotiations and litigation is subject to factors which cannot be foreseen. We may render our opinion as to the probable result of your matter; however, we can make no promises or guarantees as to the outcome.

9. *Discussion of Fees.* Please do not feel that discussion of our fees will offend us. We know you, like all of us, want fair value for your money. Please call regarding any questions or concerns you may have regarding our billings or our handling of your legal work.

If you are in agreement with the foregoing terms, please sign the enclosed copy of this letter on the signature line below and return it to me in the enclosed envelope. We will begin our services once the signed engagement letter is received. We look forward to a mutually beneficial relationship.

I agree to engage you pursuant to the terms set forth above in this letter.

Big Walnut Local School District  
Board of Education

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Felicia Drummey

Its: Treasurer \_\_\_\_\_

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Very truly yours,

CARLILE PATCHEN & MURPHY LLP

Jackie L. Hager