

**EASTMAN & SMITH LTD.**  
ATTORNEYS AT LAW

*Established 1844*

**Joseph R. Durham**  
Attorney at Law  
Direct Dial: 614-564-1442  
jrdurham@eastmansmith.com

100 E. Broad Street, Suite 2100  
Columbus, Ohio 43215  
Telephone: 614-564-1445  
Facsimile: 614-280-1777

April 24, 2013

Dottie Franey, Director  
Service & Engineering Department  
200 South Hamilton Road  
Gahanna, Ohio 43230

**Re: Solid Waste Consortium I**  
Our File No: S2096-199943

Dear Dottie:

As part of the solid waste consortium programs identified in the Solid Waste Authority of Central Ohio's ("SWACO") Solid Waste Management Plan, Eastman & Smith Ltd. has previously been engaged to design and prepare bid documents to obtain affordable and effective solid waste, yard waste and recyclable material collection for many cities and townships within Franklin County. We understand that the City of Gahanna intends to once again participate in SWACO's first consortium ("Consortium I") as part of the bid development team ("Bid Team"). As such, the City of Gahanna has also agreed to engage Eastman & Smith Ltd. as counsel to prepare the specific bid documents ("Bid Documents") necessary to procure collection, disposal and processing of residential waste, recyclable materials and yard waste. The Bid Documents that we prepare with and for the Bid Team will invite waste collection companies and solid waste facilities to provide bids for the collection and delivery for disposal or processing of all residential solid waste, yard waste and recyclable materials on a weekly basis.

The Bid Documents will be prepared jointly with the other participants on the Bid Team to address common needs of all Consortium I community participants. The Bid Documents will also be customized, where necessary, to address the unique needs of each participant and provide a meaningful choice among the various options and the vendors available to provide these services. However, our engagement does not include the review of individual participants' local charters and ordinances that may affect the bidding and procurement process. To address these issues, we request that the City carefully review the draft Bid Documents and obtain legal advice from your own local counsel with respect to any changes to our draft Bid Documents that may be necessary to comply with your local charter and ordinances. If the City would like Eastman & Smith Ltd. to provide this advice directly to the City, we will need to enter into a separate engagement as such legal services are outside the scope of the legal fees that are paid for by SWACO pursuant to SWACO's solid waste consortium programs.

Columbus

Toledo

Findlay

Novi

April 24, 2013  
Page 2 of 2

As you are aware, and we wish to confirm, Eastman & Smith Ltd. provides legal services to SWACO on a variety of issues that govern the operation and authority of SWACO and on the implementation of SWACO's Solid Waste Management Plan. While SWACO will pay for the services we render to the Bid Team, the participants on the Bid Team are our clients and we will be guided solely by the Bid Team in preparation of the Bid Documents. We are confident that our representation of SWACO will not interfere with the exercise of our professional judgment on behalf of the City in the process of developing and preparing the Bid Documents. In the unlikely event that a dispute should develop between the City and SWACO with respect to any matter involving the Bid Documents, we would not be able to represent either the City or SWACO in any such dispute.

Enclosed with this letter is a copy of the Eastman & Smith Ltd. Billing and Fee Policy. While SWACO will pay for the cost of our services in the preparation of the Bid Documents, if the City asks for and we provide legal services not related to the Bid Documents, we will invoice the City directly for those services according to the Billing and Fee Policy.

Very truly yours,

EASTMAN & SMITH LTD.

  
Joseph R. Durham

The undersigned, on behalf of the City of Gahanna, is authorized to accept and does hereby engage Eastman & Smith Ltd. pursuant to the terms set forth above in this letter agreement.

By: \_\_\_\_\_

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

JRD/kmc  
Enclosure  
cc: Sarah Lynn, Deputy Chief Legal Officer, SWACO

**EASTMAN & SMITH LTD.**

Sept. 1, 2010

**BILLING AND FEE POLICY**

We are pleased to have the opportunity to represent you. Our goal is to provide you with quality legal services in an efficient manner. Experience has shown that our relationship will be stronger if we begin it with a clear understanding about our fees and their payment. There may be a specific engagement letter that sets forth the terms of our engagement; otherwise this memorandum will apply to all matters on which we are asked to represent you.

**FEES.** Our charges for legal services rendered will be based upon and take into account various factors such as: the novelty or complexity of the issues and problems encountered and the skill required to perform the legal service properly; limitations as to time imposed by you or by the circumstances; the extent of the responsibility involved; the results achieved; the efficiency of our work; the customary fees for similar legal services; the nature and length of the professional relationship between us; the amount of time spent on your matter by lawyers and paralegals, and in some instances, by law clerks; and other factors that will enable us to arrive at a fair fee under the circumstances.

Each lawyer, paralegal and law clerk in our firm has a standard hourly billing rate. Our standard hourly rates for lawyers currently range from \$128 to \$330 per hour, depending primarily on the particular lawyer's experience, reputation and expertise. Our current rates for paralegals currently range from \$80 to \$164 per hour. We review and adjust our schedule of standard rates on a periodic basis, and they may be adjusted, from time to time, over the course of our representation of you.

**FEE ESTIMATES.** If requested, our attorneys will do their best to estimate a range of fees and charges for particular matters. However, an estimate is just that, and the actual fees and charges for the services required for the matter are ultimately a function of many conditions, over some of which we have little or no control. This is especially so in litigated, negotiated and other adversarial matters, where the extent of necessary legal services frequently depends on the extent to which the opposition pursues undisclosed claims and defenses, files pretrial motions and engages in its own discovery, or adopts an aggressive position.

**AUDIT LETTERS.** In order to respond to a client-entity time-sensitive request to provide information to auditors in connection with the audit of the entity's financial statements, we follow an internal inquiry procedure of all our attorneys in order to assure that we identify and evaluate all matters we are handling on the client's behalf. This procedure makes it unlikely that we will omit a material matter required to be reported. In connection with the conduct of due diligence, the drafting and finalizing of the audit letter response, and forwarding it to the auditors, with a copy to the client, we make a standard minimum charge equal to three hours at the hourly rate of the senior attorney responsible for conducting the process and completing the letter. When the auditors do not complete their audit at the intended time, and we are requested to update our letter, we will make an additional charge based on actual time spent. This varies depending on how much time has elapsed and how formal the auditors request the update to be.

If something new has developed and needs to be reported, we will check with the client before responding to the auditors.

**CHARGES TO YOUR ACCOUNT IN ADDITION TO FEES.** In addition to fees for our legal services, we will also make specific charges to your account to reimburse us for certain ancillary services that involve costs not included within our hourly rates. These include such matters as computerized legal research of non-public data bases, use of long distance and mobile telephone service, travel, secretarial overtime if required by the matter, special mail and delivery services, filing and recording fees, and use of other service providers such as experts or outside printing charges, if needed. When a directly identifiable incurred cost of a specific service is determinable, that will be the amount of the charge made. In other instances, the charge will be based on a pre-determined standard allocation and/or schedule appropriate to the nature of the service and its cost. In litigated matters, we will bill you the amount of any payments we advance on your behalf for process servers, court reporters, witness fees, filing fees and so on. We normally request that court reporters' fees and other large disbursement items be billed or forwarded to you for payment directly to the providers of those services. In instances where we advance our own funds on your behalf, we expect you to pay promptly our statements for these disbursements and other charges.

**INVOICES AND STATEMENTS.** It is our firm's policy to invoice clients monthly for fees and charges. Each lawyer, paralegal and law clerk contemporaneously records the time spent performing services, and we try to send out invoices soon after the first of each month, describing services rendered and charges for the prior month. Separate invoices are normally produced for each legal matter being handled. You may also receive a monthly "statement" which shows the amount of any unpaid invoices, by number and date, for each of your matters.

**PAYMENT.** Payment is due on receipt of our invoice and, unless special arrangements have been made in advance, we expect to receive payment within thirty (30) days. To ensure proper application of fees paid to the matter billed, we will enclose a single "remittance page," which you should enclose with your payment. Failure to pay invoices promptly may result in our withdrawal of representation. A late charge of 1-1/2% per month will be assessed on the unpaid balance of any invoice not paid within thirty (30) days from the date of the statement. Payment should be made in U.S. dollars, in checks or drafts payable to Eastman & Smith Ltd.

**RETAINERS.** We may request a retainer before undertaking any work for you. Your payment of the retainer is consideration for our undertaking or continuing your representation in connection with a matter. The entire amount of that retainer payment and any subsequent retainer payments will ultimately be applied against amounts billed to you for our professional fees and charges in performing services for you, and any unused portion will be refunded to you at the conclusion of the engagement. It is our practice to apply the retainer amount against our fees and charges billed in your final statement. We may, however, in our discretion, apply the retainer amount, or any portion not previously applied, against any unpaid interim statement. If we apply any portion of the amount of the retainer against an interim statement, we may request a payment from you equal to the amount applied prior to expending further time or incurring further expenses or charges on your behalf. We reserve the right to request an additional retainer payment if it should appear, at any time, that the amount of unused retainer is inadequate to

cover our anticipated fees and charges. At the final billing of the matter, we will promptly refund the balance of any retainer payment(s) which you have made to us that has not been applied against any fee statement, including the final statement.

**WORK ASSIGNMENTS.** The lawyer with whom you deal primarily may assign responsibility for completing some of your work to other lawyers or other personnel in the office under his or her supervision, and may use other firm lawyers where specialized help is needed. The supervising lawyer will continue to be responsible for your entire assignment, however, and will be available to discuss the use of other personnel with you.

**CIRCULAR 230 REQUIREMENTS PERTAINING TO TAX ADVICE:** With respect to certain federal tax matters, Treasury Regulations require us either to prepare a detailed legal opinion or notify you that any tax advice contained in our communications to you (including any attachments) is not intended to be used, and cannot be used, for the purpose of avoiding penalties under federal tax law. Where a principal purpose of the proposed transaction is to avoid federal tax, the regulations require that any written tax advice satisfy extensive requirements to be addressed in a controlled format and in detail, based upon our independent investigation and confirmation of all relevant facts. These requirements may result in the need to devote substantial time and effort in order for the advice to provide the intended protection against penalties. It is our judgment that in many instances, the additional value to our clients of such a formal opinion will not justify the cost necessary to comply with Circular 230. Consequently, unless you have a written engagement agreement with our firm stating that we will provide a written opinion that may be relied upon to reduce exposure to federal tax penalties, we will not provide one; our advice will be limited in scope to the specific issues and circumstances engaged, and may not be used to avoid tax penalties. If your principal purpose in establishing or using any entity, plan or arrangement with which we may be involved is or may be the avoidance or evasion of federal tax, please bring this concern to our attention immediately.

**QUESTIONS.** If you have questions about any aspect of our arrangements or our statements from time to time, please feel entirely free to raise those questions. It is very important that we proceed on a clear and satisfactory basis in our work for you. We are open to discussion of all of these matters, including the amount of our statements, and we encourage you to be frank about them.

EASTMAN & SMITH LTD.