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Keystone Realty Advisors LLC
Two Kings Highway West/ Ste 208
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August 10, 2015

Laura Heikkinen
Director of Business Operations
Manheim Township School District
P.O. Box 5134
Lancaster, PA 17606

Re: **Property Tax Consulting Services**

TERMS OF ENGAGEMENT

The Parties To This Agreement: Keystone Realty Advisors, LLC (herein referred to as "Consultant") and Manheim Township School District (herein referred to as "Client").

Term of Agreement: Five (5) years commencing with the date of mutual execution of this agreement.

Services To Be Rendered:

Property Review: Consultant agrees to provide an ongoing review of the property tax assessment of real estate parcels located in the client's geographic area comprising a variety of property types to be determined at the direction of Client with the intent of identifying properties which may warrant review by Client and its attorney for consideration of a Client initiated tax appeal ("reverse appeal"). Both the number and description of such parcels shall be at the mutual agreement of Client and Consultant but is intended to represent a broad range of properties. The Consultant shall communicate the results of its review on a periodic basis in a manner mutually agreed upon with Client. It is expressly understood that Consultant's review shall not constitute an appraisal or be relied upon as such.

Consultant will be provided by Client with the sole and exclusive right to provide a range of services as herein described associated with the tax appeal process under the terms and conditions described below (including services provided for reverse appeals and provisions for full compensation for same) involving any property which was reviewed by Consultant under the terms of this agreement. In the event that this agreement is terminated or otherwise expires, this provision including compensation as described in this Agreement shall apply in full regardless of the date when an appeal is filed or a tax settlement is reached with respect to the date of termination either preliminary to or as a result of an appeal regardless of the extent of Consultant services that may be provided pursuant to termination. This provision further applies to any settlement involving a Payment in Lieu of Taxes (PILOT).

It is understood that Keystone Realty Advisors is providing services in its capacity as a consultant and, as such, is expressly not acting as either an appraiser or as an attorney and shall be considered in the performance of its services as a non-testifying expert. Legal services associated

with this contract will be provided by attorney(s) (hereinafter referred to as "Attorney") selected by Client with whom Consultant will cooperate in the provision of its services.

It is understood and agreed that Consultant is neither permitted by law nor qualified to provide legal services regarding real estate tax appeal matters including but not limited to legal advice, completion of legal forms, or representation before Tax Appeal Boards or Courts of Law. Client agrees to retain and pay Attorney for such legal representation as necessary to furnish these legal services. The Attorney will institute and prosecute the tax appeal. Consultant will provide broad based, on-going services in support of the Attorney with the objective to enhance both the effectiveness of the appeal and the resultant increase in tax revenue.

With respect to the services of an appraiser, it is understood and agreed that due to Consultant's advocacy of the Client and within the dictates of its specific role as consultant, under no circumstances will Consultant provide valuation information to Client which is to be construed as an appraisal nor will Consultant provide any written information to Client which is to be considered as an appraisal report. Therefore and for this reason, Client agrees to engage and pay for the services of an independent third party appraisal firm if and when it shall be necessary for Client to obtain an appraisal report or otherwise for Client to obtain appraisal information for tax appeal purposes. Consultant will provide assistance to Client in reviewing the qualifications of appraisers to be selected by Client to determine if such appraiser is qualified to develop and communicate a credible appraisal based upon the specific characteristics of the property under tax appeal. Selection of appraiser shall be at the sole discretion of Client.

Fee for Services

Property Review Services: With the exception of consulting services provided to Client in connection with defense against a taxpayer initiated tax appeals as provided for herein; and with further exception as indicated by the provisions as described under *Termination of Agreement*; no retainer or hourly fee is required per se for property review services to be completed by Consultant under the terms of this agreement if such review is expressly accomplished for the purposes of Client's potential filing of reverse appeals. Compensation for such review shall be incorporated into the consulting fee described herein for services provided in connection with such reverse appeals. However, Client agrees to reimburse Consultant for reasonable out-of-pocket expenses incurred during the course of its property review services. Reimbursement of such costs shall be capped at \$5,000 during the length of the contract period unless increased by Client as may be later agreed upon in writing. Consultant shall provide invoices for reimbursement of costs which shall be paid within thirty (30) days of receipt of invoice.

Property Tax Consulting Services: Client acknowledges that Consultant will invest substantial professional time and resources to fulfill its professional role as provided for in this agreement. Client agrees to cooperate with the Consultant during the tax appeal process as necessary to satisfactorily support the appeal. Notwithstanding the previous intent, the Client retains the right to make all final decisions regarding the matter of any appeal or prospective appeal.

Based upon the significant extent of professional time associated with Consultant's provision of property tax consulting services and the attendant costs thereof if invoiced on an hourly basis, and with consideration of Client's limited financial resources, Consultant has agreed to furnish property tax consulting services on the basis of performance in lieu of on-going hourly compensation for professional time expended.

For this reason, Consultant shall be paid a Commission/Consulting Fee (“Fee”) which shall be determined on a per tax parcel basis based upon the additional tax revenue which is due to Client resulting from any tax appeal which may reflect millage rate increases, if any. The Fee shall be in the amount of thirty percent (30%) of the annual increase in the tax revenue due to Client for the years under appeal but for a period of not less than three years as follows:

| Tax Revenue Increase | Participation (each year) | Year |
|---|---------------------------|---------------|
| (\$) Increase Year 1 | 30% | 1 |
| (\$) Increase Year 2 | 30% | 2 |
| (\$) Increase Year 3 | 30% | 3 |
| (\$) Increase Years over 3 if under appeal | 30% | If applicable |

As described above, compensation is determined per tax parcel on an annual basis as thirty percent (30%) of increased revenue to client each year for the years under appeal but not less than for three consecutive years. It is understood and agreed that the previous schedule of compensation shall also apply to any tax settlement which is entered into preliminary to or as a result of such tax appeal. Such tax settlement may include but not be limited to a per parcel Payment in Lieu of Taxes (PILOT).

The Fee is not payable until Client collects the payment of taxes in question. After such collection, the Fee is payable within thirty (30) days. Likewise, in the case of a tax settlement including a PILOT, the Fee is payable no later than 30 days after Client’s receipt of payment. An invoice will be submitted to Client for each property/parcel which has been successfully appealed or for which a tax settlement has been otherwise reached.

Example of Consulting Fee Payment

If the Client’s portion of the property’s taxes is increased by \$35,000 per year as the result of a successful appeal, the total increased revenue to the Client/school district over an assumed 10 year period would be \$350,000 not inclusive of millage rate increases. Total Fee payable to Consultant, assuming a period of three years or less under appeal with no phase-in provisions, would be based upon participation over a three year period, payable as follows:

[continued on following page]

| Yr. | Total Tax Increase* | School District | | Consultant* |
|-------|---------------------|-----------------|-----------|-------------|
| | | Gross | Net | |
| 1 | \$50,000 | \$35,000 | \$24,500 | \$10,500 |
| 2 | \$50,000 | \$35,000 | \$24,500 | \$10,500 |
| 3 | \$50,000 | \$35,000 | \$24,500 | \$10,500 |
| 4 | \$50,000 | \$35,000 | \$35,000 | \$0 |
| 5 | \$50,000 | \$35,000 | \$35,000 | \$0 |
| 6 | \$50,000 | \$35,000 | \$35,000 | \$0 |
| 7 | \$50,000 | \$35,000 | \$35,000 | \$0 |
| 8 | \$50,000 | \$35,000 | \$35,000 | \$0 |
| 9 | \$50,000 | \$35,000 | \$35,000 | \$0 |
| 10 | \$50,000 | \$35,000 | \$35,000 | \$0 |
| Total | \$500,000 | \$350,000 | \$318,500 | \$31,500 |

* plus millage rate increases; assumes 70% of total tax for school district

Phased-In or Multi-Year Negotiated Settlement: In the case of a multi-year, phased-in increase of tax assessment resulting from a tax appeal; or in the event of a negotiated settlement wherein the initial years under appeal may be settled at a tax assessment amount which is less than that at which the increasing, phased-in tax assessment may stabilize (“Stabilized Assessment”), the Aggregate Consulting Fee (“Aggregate Fee”) shall be determined as thirty percent (30%) of the increase in the tax revenue collected by Client based upon the Stabilized Assessment for the number of years which are under appeal but not less than for a period of three years. Aggregate Fee shall be payable in accordance with the payment terms indicated herein due within thirty (30) days of Client’s collection of the payment of the taxes in question. Payment of Aggregate Fee shall commence with the first year of the assessment increase and continue on an annual basis until Aggregate Fee is fully paid. Depending upon the terms of the negotiated settlement, the phased-in settlement period may extend beyond the years under appeal. Tax revenue upon which Aggregate Fee is based shall be determined by applying the appropriate millage tax rate applicable to the assessment increase for the tax year in question.

Tax Advantaged Properties: The services provided by Consultant include identification and evaluation of tax parcels that may be assessed and/or taxed based upon certain property tax advantages including but not limited to parcels that are considered as wholly or partially exempt from property taxes. Consultant shall be compensated a Consulting Fee consistent with the terms and conditions described in this Agreement pertaining to reverse appeals for any parcel identified by Consultant for determination by Attorney and Client as to the propriety of such tax advantages and appropriateness of both its tax assessment and property taxes. Fee shall be determined pursuant to Client’s receipt of an increase in taxes resulting from a change in the manner in which the parcel in question is being treated for tax purposes and/or resulting from an increase in the tax assessment of such parcel.

Other Consulting Services: In addition to consulting services as previously described, Consultant is also authorized to provide defense oriented consulting services to Client for the purpose of assisting in the defense against taxpayer initiated tax appeals as may be requested by Client on a property-by-property basis. In this capacity, it is understood that Consultant is providing services as an advocate/ consultant and as such will not be providing appraisal services nor should any recommendation or reports provided by Consultant in connection with such consulting services be construed as an appraisal or an appraisal service. To the extent that formal appraisal services are required for any of the properties in question, Client agrees to engage and pay for the services of an independent third party appraisal firm. Consultant will provide assistance to Client in reviewing the qualifications of appraisers to be selected by Client to determine if such appraiser is qualified to develop and communicate a credible appraisal based upon the specific characteristics of the property under tax appeal. Selection of appraiser shall be at the sole discretion of Client. Consultant will work cooperatively with Client's attorney in the provision of consulting services as described herein. Compensation for such consulting services shall be \$185 per hour plus travel expenses which compensation rate may be increased from time to time as per mutual agreement. Payment shall be made within thirty (30) days of submission of invoice which shall be presented to Client on a periodic basis.

In the event that Consultant provides consulting services associated with defending against a taxpayer initiated appeal ("taxpayer appeal") as herein provided and the settlement of such appeal results in not only an elimination or limitation of the decrease in the tax assessment in question for the tax years at issue but also results in an increase in the tax assessment for a parcel under appeal over and above the tax assessment of such parcel as of the filing date of the taxpayer appeal in a manner consistent with the intent of a reverse appeal, then Consultant shall be compensated for its defense oriented consulting services based upon its time and expenses at the indicated hourly rate with such payments *to be credited against* a Consulting Fee payable to Consultant based upon Client's collection of an increase in property taxes with such Fee to be determined in the same manner and under the same terms as previously described in this Agreement pertaining to Consultant's compensation for a reverse appeal.

Non-Compete Agreement: Consultant agrees that pursuant to the date when Consultant is retained by Client to provide services under the terms of this agreement, Consultant will not enter into any new Agreement for the express purpose of providing property tax consulting services to any party specific to its filing of a tax appeal against Client seeking to reduce its tax assessment for the purpose of obtaining a tax reduction.

Termination of Agreement: If this agreement is prematurely and unilaterally terminated by Client, in whole or in part, without written approval of Consultant, as to any or all of the services being rendered to Client by Consultant ("termination"), then Client shall compensate Consultant, within thirty (30) days of termination, for all services provided, inclusive of services rendered in association with reverse appeals, including but not limited to property review services, for which compensation was to be predicated on a performance basis. Such compensation pursuant to termination shall be at the rate of \$185 per hour plus out-of-pocket expenses as specified herein, provided, however, for services associated with reverse appeals for which a Fee is due as described herein, in the event that the School District is successful after termination through a reverse appeal or negotiation involving a property and/or taxpayer which has been identified by Consultant in writing prior to or within a reasonable period of time after notice of termination is received by Consultant, and litigated to final judgment or settled prior to final judgment in securing increased tax revenue for said property from a taxpayer, School District shall pay to Consultant, within thirty (30) days of said final judgment or settlement, the total Fee provided for

in this agreement less compensation previously paid to Consultant on an hourly basis, but not inclusive of expense reimbursements, for consulting services as performed by Consultant prior to termination with regard to said property and/or taxpayer; said hourly work to be set forth in an itemized statement. In this manner, Fee payable for properties identified by Consultant as candidates for reverse appeal, regardless of whether an appeal has been formally filed as of the date of termination, shall be deemed as fully earned upon termination by Client of Consultant's services notwithstanding any additional work that may have otherwise been performed by Consultant on any or all of the reverse appeals in question which work Consultant was prevented from accomplishing by Client due to termination. With respect to termination, payment of Fee shall not limit Consultant's claim for additional damages suffered pursuant to such termination which may include but not be limited to the reasonableness of any settlement entered into after termination and the effect of such settlement on the Fee payable to Consultant.

Compensation previously paid to Consultant on an hourly basis to be deducted from Fee due for properties appealed by Client shall not include hourly fees paid to Consultant for its provision of Other Services as described herein. Compensation for Other Services is not based upon performance but rather upon the time expended in provision of services and, therefore, is not subject to set-off from Fee under the termination provisions herein specified.

Conditions: Consultant hereby makes no guarantee regarding the Client's success in obtaining any increase in the real estate tax assessment of any property; or that Consultant will identify every property which may warrant a Client initiated tax appeal. Furthermore, Client agrees that Consultant shall not be responsible for any decrease in tax assessment pursuant to a tax appeal or for any tax revenue losses which may result from the performance of this agreement or provision of its services to Client.

Client agrees to protect, defend, indemnify and hold harmless Consultant from and against any and all loss, penalties, damages, settlements, cost, charges, legal and other professional fees or other expenses or liabilities arising out of or resulting from the Consultant's performance of the work associated with this agreement or as a result of Consultant's actions under the express or implied direction of Client or due to Client's failure or refusal to comply with or abide by any rule, determination, ordinance or law; with the exception of Consultant's gross negligence or willful malfeasance. In connection with the foregoing, Client agrees to defend promptly and diligently with legal counsel mutually agreeable to Client and Consultant, at Client's sole expense, any claim, action or proceeding brought against Consultant or Consultant and Client, jointly or severally, arising out of or connected with any of the foregoing and to hold harmless and fully indemnify Consultant from any judgment, loss or settlement on account thereof except in instances of gross negligence or willful malfeasance. In connection with this agreement, Client also agrees to reimburse Consultant upon demand for any monies which Consultant may have expended as an expense in defense of any claim or civil action, proceeding, charge or prosecution made, instituted or maintained against Consultant or Client, jointly or severally. The foregoing provisions of this paragraph will survive the termination or expiration of this agreement.

If due to a modification in the laws of the State of Pennsylvania, Client is precluded from filing tax appeals consistent with the scope and intent of this agreement, Consultant may terminate this agreement at its sole option or may with the mutual consent of Client modify the scope of this agreement to be consistent with the laws of Pennsylvania.

This agreement constitutes the entire agreement and understanding between the parties and supersedes and rescinds any prior or contemporaneous agreements or understandings, written or oral, and can be modified only in writing executed by the parties.

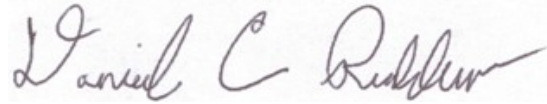
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If any term, condition, clause or provision of this Agreement shall be determined or declared to be void or invalid in law or otherwise, then only that term, condition, clause or provision shall be stricken from this Agreement and in all other respects, this Agreement shall be valid and continue in full force, effect and operation. The parties agree that this agreement shall be governed by and be interpreted according to the laws of the Commonwealth of Pennsylvania.

If this contract accurately describes our agreement, please execute where indicated and forward to our attention one copy via e-mail and an original copy by regular mail. We thank you for the opportunity to provide our services.

Sincerely,

KEYSTONE REALTY ADVISORS, LLC



Craig A. Bickel, CCIM

Daniel C. Rudderow

**AGREED TO AND APPROVED BY:
CLIENT: MANHEIM TOWNSHIP SCHOOL DISTRICT**

DATE