

October 28, 2008

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City of Rochester Hills
c/o John D. Staran, Esquire
Hafeli Staran Hallahan Christ PC
4190 Telegraph Road, Suite 3000
Bloomfield Hills, MI 48302

RE: MDEQ Cases

Dear Mr. Staran:

Thank you for considering retaining Secrest, Wardle, Lynch, Hampton, Truex and Morley as attorneys for the City of Rochester Hills MDEQ cases. This letter will confirm the scope and terms of our engagement, and advise you regarding our fees and billing practices.

Scope of Representation

We are pleased to have the opportunity to represent the City of Rochester Hills in connection with the MDEQ cases. This letter will also apply to any other legal matters for which we have agreed to represent you in the future, except for matters for which we decide a separate engagement agreement will be necessary.

Fees and Billing Procedures

We will not require a retainer for this matter. However, we reserve the right to require a retainer for this matter if the work requirements increase beyond our current expectations.

Pursuant to our usual practice, we will bill you monthly for services rendered, expenses incurred and incidental in-house services provided. Our fees are charged on an hourly basis, based upon the hourly rates of the attorneys and legal assistants working on your matter, and reflect their experience and expertise. Time is accounted for in one-tenth hour segments. The minimum charge for all telephone calls will be .2 of an hour. It is our expectation that the current matter will be serviced primarily by me, a partner, but other firm personnel may also provide services as we deem appropriate. Presently, my rate is \$130.00 per hour. A complete billing rate schedule is available to you upon request.

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For your information, time for which fee charges apply includes, but is not limited to, telephone calls, correspondence, meetings, legal analysis and research, review and drafting of documents, interviewing witnesses, discovery proceedings (such as depositions and interrogatories), pleadings, motions, court appearances, conferences and travel.

For the MDEQ matter, fees are currently being equally divided between fifteen communities for such activities as research, pleadings, drafting documents, court appearances, and meetings. Such services as direct phone calls are billed directly to the city or township involved in the call and not the other communities.

Generally, each invoice will include both our fees and our charges for any expenses incurred, and in-house incidental services provided with respect to your matter. These expenses and services include investigative expenses, service of process, travel expense, long distance telephone charges, facsimile charges, postage, filing fees, messenger service, court reporter services, expert witness fees, filing or search services, document reproduction, document collation and binding, computer research time, staff overtime on specific rush projects, and all other out-of-pocket expenses. We will require that you advance the cost of larger expenses or pay such expenses directly to our vendor. The Firm charges for photocopying at the rate of .20¢ per page, facsimile transmissions at the rate of \$1.50 per page for outgoing transmissions only, and \$35.00 per hour for major document processing projects. These charges include an administrative charge in addition to our actual costs. Charges for computer-assisted research are at the vendor's standard base rate.

Our bills are due and payable upon receipt. If you have questions regarding the amounts or descriptions set forth on a bill, please raise them immediately. Time often dims memories as to details, and review of older records is time consuming and costly. If no objection is made within thirty (30) days, we will assume that you have agreed to the statement amount. Please call me immediately if at any time you have any question about an invoice or if you anticipate that you will be unable to pay an invoice promptly.

Please be advised if you fail to pay an invoice timely, we have the right to immediately withdraw from our representation of you. It is the policy of our Firm that we will perform no further legal services for you if you become delinquent in the payment of our bills.

It is also a material condition of the Firm's representation that you agree that you and your authorized agents, officers or representatives will be available to the Firm to assist in factual inquiries and factual determinations, Court determinations, transactions and other matters regarding the matters for which the

Firm has been retained. The Firm reserves the right to terminate its representation if you do not adequately cooperate with the Firm to accomplish the objectives with regard to which the Firm has been retained.

Late Payment Charge

Invoices that are not paid within thirty (30) days are assessed a late payment charge at the rate of 1.5% per month (*i.e.*, an 18% annual percentage rate) on the unpaid balance. Monthly late payment charges are retroactive to the dates of the statements on which the charges for services and/or other charges first appeared. All late charges are posted to each client's accounts as of the last day of the month. The purpose of the late payment charge is to encourage prompt payment of our invoices, thus reducing our billing and collection costs.

All payments received are first applied to charges for expenses incurred and in-house incidental services provided, next to fees and last to late charges. Within each of these three categories, payments are applied to the oldest balances first. Installment payments are not contemplated unless specific arrangements are made in advance.

Referrals To Experts And Professionals

The Firm may refer you to professionals, expert witnesses, consultants and other service providers or product vendors ("Professionals"). You are free to select Professionals other than those recommended by the Firm. We do not guarantee the performance of Professionals and it is understood that you agree to hold the Firm harmless for any act or omission (including negligence) of any such Professionals, including any Professional recommended to you by the Firm. You agree to be responsible for the payment of all fees and costs incurred by such Professionals. We will direct the Professionals to contract directly with you, and to make direct payment arrangements with you.

No Guarantee of Outcome or Estimates

We do not guarantee the outcome or disposition of any matter with respect to which we are representing you, and you agree to pay our fees and other charges regardless of any outcome unless we have a specific written agreement with you to the contrary.

While we cannot guarantee a successful conclusion of this matter, the attorneys of this Firm will use their best efforts on your behalf. It is understood that the Firm will not settle or compromise this matter without your consent.

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From time to time you may wish to ask us for budgetary estimates of the fees and charges for the work we will perform for you. We will be happy to provide you with such budgetary estimates, but they will be just estimates. We cannot guarantee estimated amounts because business and personal transactions often involve unexpected complications that take time and effort to resolve. Likewise, litigation often involves unexpected difficulties of facts and law. We cannot anticipate the number, length or complexity of negotiations, conferences, motions, depositions, interrogatories and other discovery matters, or the length of trial. We will, however, do our best to provide you with an accurate estimate of the average number of events and average time for such activities if you request that information. Unfortunately, these and other matters make the cost and outcome of any legal matter unpredictable.

Fee Dispute/Binding Arbitration

Any claim or controversy arising out of or relating to our engagement, this agreement, or our performance or non-performance of services shall be determined by binding arbitration before the American Arbitration Association. The arbitration shall utilize the then prevailing commercial arbitration rules of the American Arbitration Association, except that discovery may be taken in that arbitration pursuant to the Michigan Rules of Civil Procedure. The claims or controversies subject to this provision shall include, without limitation, any claim of professional negligence or malpractice. The arbitration shall be held in the metropolitan Detroit area, unless we mutually select another venue, and judgment may be entered upon the arbitrator's award by any court having jurisdiction. Should you refuse or neglect to appear or participate in the arbitration proceedings, the arbitrator is empowered to decide the claim or controversy in accordance with the evidence presented. You should realize that by accepting the arbitration provision, YOU WILL WAIVE YOUR RIGHT TO A JURY TRIAL AND THE RIGHT, EXCEPT UNDER LIMITED CIRCUMSTANCES, TO APPEAL THE ARBITRATOR'S DECISION.

Retention of Files

At the conclusion of this matter, you may have the contents of your file. The Firm may, however, retain a copy of any attorney notes, motions and briefs, or work product, at its expense, that the Firm deems necessary to retain. If you choose to leave all or part of the file in the Firm's possession, the Firm has your authority to destroy the file within two (2) years without further notice to you.

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This Letter Constitutes An Agreement

Please review this letter carefully since it will be a binding fee agreement when signed by both of us; it may only be modified by a subsequent written agreement between us. You may, of course, discuss its terms with other counsel if you so desire.

To indicate your understanding of and agreement to these terms, please execute the enclosed copy of this letter and return it to me for our records. The original is for your files.

Thank you again for retaining Secrest, Wardle, Lynch, Hampton, Truex and Morley as your attorneys. We appreciate the confidence which you have placed in our Firm and look forward to a mutually satisfactory relationship. Please feel free to call me if you have any questions.

Sincerely,

SECRET, WARDLE, LYNCH,
HAMPTON, TRUEX AND MORLEY,
A Professional Corporation

By: _____

Elizabeth M. Kudla

I confirm that I have read, understand and agree to the terms and conditions expressed in the above letter.

Dated: _____, 2008

CITY OF ROCHESTER HILLS

By: _____

Its: _____