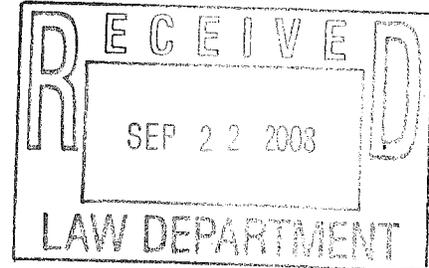


Extension 107 | lmcMahon@mdlpl.net

September 19, 2008

Via E-Mail and Regular Mail



Nora Hurley, Law Director
Lakewood City Hall
12650 Detroit Ave.
Lakewood, OH 44107

Re: Engagement Letter

Dear Nora:

We are pleased to represent the City of Lakewood with respect to Combined Sewer Overflow, NPDES, lakefront, environmental and infrastructure matters. This letter describes our practices regarding fees and expenses for our services.

The fees in our office are calculated on the basis of the time involved in rendering services, with hourly rates at \$275 for partners, \$175 for associates and \$100 for law clerks. Hourly rates are adjusted periodically to reflect changes in an individual's skill or experience and in our costs of operation. Changes in hourly rates are effective for time charged after the effective date of the change.

Statements are rendered on a monthly basis and identify charges for legal services with a description of the services performed. They also identify client advances which include travel expenses, courier services, electronic research, filing fees, court costs, as well as extraordinary photocopying, facsimile costs and long distance telephone charges. You will not be charged for ordinary photocopying, local telephone calls, local travel or mileage. Payment is due within 30 days of the statement date.

The recording of billable time applies to conferences, counseling and rendering advice, negotiations, legal research, drafting of pleadings, preparation of agreements and other documents, investigation of facts, preparation for appearances in court or before administrative or other governmental bodies, travel and other tasks necessary to properly handle your matter.

We have reviewed our engagements with respect to conflicts of interest and bring one past representation to your attention. While at Thompson Hine LLP, I represented the Sisters of Charity of St. Augustine in the transaction involving the donation of a lakefront easement by the Sisters to the City of Lakewood. The City of Lakewood acknowledged that situation and expressly waived the conflict. While I no longer represent the Sisters of Charity of St. Augustine, I am precluded from being adverse to

that former client. Therefore, I can not and will not represent the City of Lakewood with regard to any matters related to the Sisters of Charity of St. Augustine.

We are pleased to have the opportunity to represent the City of Lakewood as legal counsel and will undertake to provide you with legal work in a responsive, timely and cost-efficient manner.

Please acknowledge your acceptance of the terms outlined herein by signing the enclosed copy of this letter and returning it to me via regular mail. For your convenience, I have enclosed a stamped, self-addressed envelope. Please retain the second copy for your files.

Should you have any questions please do not hesitate to contact me.

Very truly yours,

MCMAHON DEGULIS LLP



Louis L. McMahon

LLM/rjh

cc:

By: _____

Title: _____