

BRIAN M. MONAHAN, ESQUIRE

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June 14, 2006

[VIA FACSIMILE: (610) 838-6419]

Sandy Fellin, Ed.D., Superintendent
Saucon Valley School District
2097 Polk Valley Road
Hellertown, PA 18055-2400

RE: Solicitor Compensation & Service Arrangement
Term: July 1, 2006 – June 30, 2007

Dear Dr. Fellin:

Kindly note that this letter supersedes my previous detail of fees and services disclosed to the District by virtue of correspondence dated January 28, 2004.

Rule 1.5 of the Pennsylvania Rules of Professional Conduct requires that the basis of any fee shall be communicated by Counsel to the School District. Therefore, this letter also serves to fulfill that specific requirement.

Lastly, the only change in the actual terms and conditions of my representation of the District relates to confirmation of a previous oral agreement to attend two (2) monthly meetings [rather than one] as part of the annual retainer. The following will serve as the basis of my service and employment with the District:

1. Services. Brian M. Monahan, Esquire will provide comprehensive general counsel, legal consultation services, and representation in all matters affecting the Saucon Valley School District. It is anticipated, from time to time, that the School District may engage Special Counsel as may be recommended by Brian M. Monahan, Esquire, as required by the Pennsylvania Rules of Professional Conduct, or in the best interest of the School District.

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2. Compensation.

(A) Retainer. The School District shall pay to Brian M. Monahan, Esquire the amount of \$7,500.00 annual retainer. The professional services included under the retainer are as follows: all telephone conferences between Brian M. Monahan, Esquire, School Board Directors, and School District Administrative Officials; attendance at two (2) meetings per month; together with any executive sessions which immediately precede or follow said meetings.

(B) Services outside of Retainer -- litigation and non-litigation. For all other non-retainer services, the School District shall be billed at the rate of \$120.00 per hour for professional services.

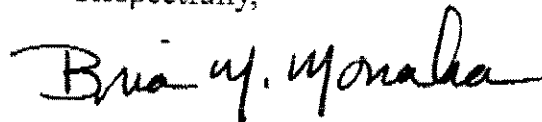
3. Billing. We will submit itemized invoices on a monthly basis.

4. Reimbursable Expenses. The School District agrees to reimburse Brian M. Monahan, Esquire for payment of out-of-pocket expenses advanced on behalf of the School District including advertising, expert fees, exhibit preparation, extraordinary photocopying, and overnight delivery costs. Long distance telephone charges, ordinary photocopying, and postage will not be charged.

I have hope that this correspondence resolves any issues related to services, compensation, and billing.

If there are any questions regarding this matter, please do not hesitate to give me a call.

Respectfully,



BRIAN M. MONAHAN, ESQUIRE

BMM/lg

cc: Ralph Puerta, School Board President
Board of Directors