Douglas S. Stone Partner

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February 26, 2014

## VIA E-MAIL

The City of Kansas City, Missouri Attention: Mr. Troy Schulte, City Manager 414 E. 12th Street Kansas City, MO 64106

Re: Supplemental Agreement to Contract for Legal Services

## Ladies and Gentlemen:

Thank you for selecting Husch Blackwell LLP to provide legal services. As you know, the terms of the firm's engagement to represent the City of Kansas City, Missouri (the "City") shall be set forth in a contract that the City will provide (the "Contract"). As we have agreed, this letter will supplement the Contract by providing the necessary waivers of conflicts of interest from the City, and other information that may not be addressed by our Contract with the City. We understand that under City Ordinance 2-83(a), the City Council must pass a specific ordinance authorizing the City Manager to execute a letter waiving conflicts as set out herein, and we respectfully request that such an ordinance be presented to the City Council, and this letter signed following its adoption. You acknowledge that the City has had the opportunity to consult with counsel other than Husch Blackwell if desired regarding these waivers.

Client and Scope of Representation. As you know, the City has asked us to advise it regarding possible extension of the City's streetcar system, and possible creation of a new Transportation Development District (TDD) for such expansion. In doing this work, it is understood that, in the absence of written agreement to the contrary, our work in connection with this engagement shall not be considered to create an attorney-client relationship between us and any other persons or entities related to the City, including subsidiaries, agencies, employees, officers or any other affiliated entities or persons, and thus our sole client for this engagement shall be the City. We will not consider entities or people affiliated with the City as our clients for the purpose of checking future conflicts of interest.

**Joint Representation Conflicts and Waivers.** In addition to the work we are doing solely for the City as described above, Husch Blackwell will also be entering contracts with two of the City's contractors, HDR Engineering ("HDR") and BNIM Architects ("BNIM"). In the work we do for these two contractors, we will also be representing the City. In the first of these two matters, the City will be a joint client with HDR, the City of North Kansas City, and the Mid America Regional Council in our work regarding possible expansion of the streetcar system KCP-4449516-1

north of the City (the "North Rail Study"). In the second matter, the City will be a joint client with BNIM and Mid America Regional Council in connection with the possible expansion of the streetcar system south of the City (the "Next Rail Study").

As we have discussed, in these two joint representations, each of the clients could choose to be represented by separate counsel in this matter. You have advised us that there are considerations of cost as well as strategic advantages for each of you in joint representation. You have also advised us that you have agreed on all material issues concerning this matter.

You acknowledge and agree that, despite your current consensus on all material issues, it is possible that disagreements and other differences may arise between and among your group in the future. In that event, we will request that you resolve any such differences between or among yourselves without our involvement or assistance. If you cannot resolve your differences and those differences result in a conflict of interest that would materially limit our ability to provide competent and diligent representation to each of you with respect to this matter, then we may withdraw from the representation of one or more of you as necessary to resolve the conflict of interest. In such event, we would expect to continue to represent the City if it wishes, along with any others of the joint clients whose interests do not conflict with the City's.

**Shared Information**. As we discussed, one of the necessary consequences of joint representation of multiple clients by a single lawyer or law firm is the sharing of confidential information concerning the subject matter of the joint representation. You acknowledge and agree that communication between the firm and any or all of the joint clients relating to the North Rail Study or the Next Rail Study will be treated as confidential and will not be disclosed outside your group without your informed consent or as otherwise permitted by the applicable rules of professional conduct or other law. You also acknowledge and agree that whatever relevant or material communications or information that we receive from any one or more of the joint clients concerning each matter may be shared with the other clients in that matter as we consider appropriate.

Waiver of Future Conflicts. As we have discussed, Husch Blackwell LLP has offices in a number of cities, and we represent many clients on a regional or national basis. It is possible that some of our present or future clients will have disputes or other matters adverse to the City during the time we are providing legal services. Therefore, as a condition to our undertaking this engagement, you have agreed that our firm may continue to represent or undertake in the future to represent existing or new clients whose interests are adverse to the City's in matters, including litigation matters, that are not substantially related to the matters as to which we are representing the City. However, we have agreed that this unrelated matter conflict waiver shall not extend to the firm representing clients in litigation challenging the validity on its face of any City law, Charter provision or ordinance. We may, however, represent clients in litigation or other matters challenging the application of City law, Charter provisions or ordinances to our clients, which will include appealing administrative, legislative or quasi-judicial decisions of the City, or its boards, commissions or agencies in matters relating to zoning, land use, permitting and licensing, code enforcement or development incentives.

You have agreed that the validity and enforceability of this unrelated matter conflict waiver is an essential condition to the firm's willingness to accept this engagement, and the firm would not have accepted the engagement but for this waiver. Accordingly, you agree that, if the validity or enforceability of this waiver is ever challenged or revoked, we may withdraw from representing the City and continue to represent our other clients even in matters directly adverse to the City. We agree, however, that your prospective consent to conflicting representation shall not apply in any matter substantially related to a matter in which we have provided legal services to the City, nor in any challenge to the validity on its face of City law, Charter provision or ordinance, as set out above.

Waiver of Existing Conflicts. In addition to the foregoing general waiver of future conflicts, we request that you also waive a number of existing conflicts of interest. Husch Blackwell LLP currently represents clients in approximately 40 non-litigation matters adverse to the City, primarily but not exclusively real estate and construction matters. We expect to continue to represent these clients in their ongoing matters. Since the work you have asked us to do is unrelated to our work for these other clients, and since different attorneys at the firm handle this pre-existing work, we do not believe there is any material risk that our commitment and dedication to the City's interests in its matters would be adversely affected. We therefore request that you confirm that the City consents to, and waives any conflicts as to, the firm's continued representation of its existing clients in ongoing unrelated matters adverse to the City.

Communications. We understand that we are to report to and take direction from the City Manager and the City Attorney for this engagement. If you should prefer that we report to some other person, please let us know. We understand that the City has approved the use of internet e-mail for communications concerning this matter. Missouri ethics rules suggest that we remind you that the internet does not provide a totally secure method of communication, and e-mail may be copied and held by any computer through which it passes. Persons not participating in the communication may intercept e-mails, and e-mails stored on computers may be accessed by unauthorized parties. If you would prefer that we not communicate with you via e-mail, please advise me immediately.

The remainder of this letter is intended to supplement any related terms in our contract with the City. To the extent there are any conflicting terms in the following sections, we agree that the Contract shall control over the following provisions.

**Marketing Materials**. Periodically, our firm prepares marketing materials in which we include the names and logos of selected clients and sometimes a brief description of a significant project on which we worked. You agree that we may do so with regard to the City and any matters we handle for the City at this time or in the future. If we include our representation of you in these materials, we will not include information about any specific transaction that is not otherwise publicly available without your prior approval.

**Document Retention**. Some materials related to our representation of the City (e.g. administrative records, time and expense reports, personnel materials, and credit and accounting records) belong to us and will be handled in accordance with our document retention policy.

Other materials (i.e. documents provided to us by you and the final version of documents that you retain us to create) are considered client files and belong to the City. We will retain the City's client file for ten years or such longer period as required by statute or our firm's document retention policy. At the City's request, we will return its file to any person it designates. If, at the City's request, we retain your client files beyond their normal period of retention, such long-term storage will be at your cost. If you have not requested that we return your file or made arrangements for long-term storage, we may destroy or otherwise dispose of the City's client files after the retention period.

**Conclusion of Representation.** Our relationship with the City will be concluded when we have completed our agreed-upon services. In addition, and without limiting the preceding sentence, in the event we have performed no work for you on or on your behalf for six consecutive months, you agree that our attorney–client relationship with you will be terminated.

It is understood that the terms of this letter and its enclosures, in addition to the Contract, constitute the terms under which we will undertake this representation. If you find the proposed terms acceptable, please execute and return a copy of this letter for our file. If you do not agree to any of the terms of this letter, please call me as soon as possible to discuss.

Thank you again for selecting us for this engagement. We look forward to working with you.

Douglas S. Stone
DSS/tmc
AGREED:
CITY OF KANSAS CITY, MISSOURI

By:\_\_\_\_\_
Name: Troy Schulte
Title: City Manager

Dated:\_\_\_\_\_

## SCHEDULE OF CHARGES FOR INCIDENTAL SERVICES Effective 12/1/2013

This schedule identifies charges that will be added to our invoices for incidental services we provide and costs we incur in connection with our legal services. If we have reached a separate written agreement with you concerning any of these charges, the terms of that separate agreement will prevail over any conflicting provisions of this schedule.

**Document Processing Services** 

Paper (Black and White) \$0.15 per page Paper (Color) \$0.25 per page

No charges for paper documents

under 20 pages

Computer Legal Research Costs Online research may be charged at

up to 95% of the vendor's transactional/retail rates, when

applicable

**Postage, Couriers and Delivery Services**Large mailings, certified or express

delivery services are billed to client

at actual costs

Internal Messengers Services In-House Messengers charges are

billed at \$60 per hour, in 6 minute

increments

**Video Conferencing** 

Husch Blackwell initiated; 2 locations \$100 per hour/per location: prorated

based on actual minutes used

Husch Blackwell initiated; each additional location \$100 per hour/per location: prorated

based on actual minutes used

Non Husch Blackwell initiated; each additional location No Charge

## SCHEDULE OF CHARGES FOR PRACTICE SUPPORT SERVICES Effective 1/1/2014

This schedule identifies charges that will be added to our invoices for services we provide for practice support and costs we incur in connection with those services. If we have reached a separate written agreement with you concerning any of these charges, the terms of that separate agreement will prevail over any conflicting provisions of this schedule. Occasionally we may outsource these services based on time deadlines and resources available. The actual vendor cost for outsourced services will be passed directly to you with no cost increase or markup.

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Black & White, Letter & Legal Paper

Light Handling \$0.06 per page Medium Handling \$0.09 per page Extensive Handling \$0.13 per page Color \$0.20 per page \$0.20 per page \$0.05 per field

Printing from Summation, Concordance or Relativity

Black and White, Letter & Legal Paper
Color

OCR Processing

S0.06 per page
\$0.25 per page
\$0.02 per page
Electronic Bates Numbering

Format Conversion (Example: TIFF to PDF)

\$0.02 per page

Electronic Discovery Data – NUIX Early Case Assessment \$55.00 per compressed gigabyte -

minimum fee \$200.00 (prorated)

Electronic Discovery Data Processing \$175.00 per hour (prorated)

Electronic Document Production\$0.05 per pageLoading and update to Summation or Concordance\$85.00 per data loadLoading and update to Relativity\$175.00 per data load

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Media Services

CD\DVD Creation/Duplication \$10.00\CD \$20.00\DVD Flash Drive 4 Gigabyte \$10.00 per Drive Flash Drive 16 Gigabyte \$20.00 per Drive Flash Drive 32 Gigabyte \$35.00 per Drive

Synchronizing of Text to Video \$25.00 per Video Hour (prorated)

Offsite presentation and hardware equipment rental Please see cost detail for complete list

**Hosting of internal databases**No Charge

**Relativity outside user access** \$75.00 Per User Per Month

Paper and electronic file storage during engagement No Charge

Paper file storage following conclusion of engagement \$0.17 per bankers box per month

**Electronic file storage following conclusion of engagement** \$50.00 per gigabyte per year (prorated)

**Audit Letters** \$250.00 - \$2,000.00