

September 12, 2016

Mr. Brian Head  
City Attorney  
City of Lee's Summit  
220 SE Green Street  
Lee's Summit, Missouri 64063

Dear Mr. Head:

We appreciate the opportunity to be of service to the City of Lee's Summit ("Client"). This letter ("Letter") sets forth the services that RubinBrown LLP ("RubinBrown") will provide for you. In order to better understand each party's obligations, the terms "we," "us," and "our" refer to RubinBrown and the terms "you," "your" and "management" refer to City of Lee's Summit. Your engagement of RubinBrown will be governed by the terms of this Letter and the attached RubinBrown LLP Engagement Terms.

### **Scope of Non-Attest Services**

We will provide you with confidential analysis and consultation in connection with this matter as you may direct. You will advise us with sufficient notice as to the work to be performed by us.

We propose this project be performed in stages to control its scope and better enable you to guide the work into areas that will have the most benefit. We will provide a written summary of our understanding of the services to be performed in each stage and an estimate of the necessary costs for such services in a statement of work ("SOW"). We understand that our services will be directed by counsel for the City of Lee's Summit; accordingly, it is intended that our work product will be covered by attorney-client privilege.

Christina Solomon will serve as the partner responsible for the overall supervision of the engagement and for authorizing the Firm's signature on the report.

### **Management Responsibilities**

With respect to non-attest services we are to provide, you are responsible for:

- Making all management decisions and performing all management functions.
- Designating a qualified management-level individual to oversee the non-attest services we provide.
- Evaluating the adequacy and results of the non-attest services performed and accepting responsibility for such services.
- Establishing and maintaining internal controls, including ongoing monitoring activities.

You will be fully and solely responsible for applying independent business judgment with respect to the services and work performed by us, to make implementation decisions, if any, and to determine further courses of action with respect to any matters addressed in any advice, recommendations, services, reports or other work product or deliverables to you.

The parties hereby acknowledge that RubinBrown provides attestation services to the City of Lee's Summit. As such, RubinBrown employees cannot provide expert witness testimony before a trier of fact, assume management responsibilities or be identified as employees of the City of Lee's Summit.

### **Engagement Limitations**

We will conduct our work in accordance with the American Institute of Certified Public Accountants ("AICPA") Statement on Standards for Consulting Services. Because the procedures to be performed in conjunction with the engagement are more limited than would be necessary to express an opinion on the system of internal accounting controls taken as a whole, we will not express such an opinion.

Our work is not specifically designed and cannot be relied upon to disclose reportable conditions, that is, significant deficiencies in the design or operation of your internal control structure. However, during the course of our work, if we become aware of such reportable conditions or ways that we believe management practices can be improved, we will communicate them to you in a separate letter.

We must necessarily rely upon the integrity and cooperation of management and the assistance of its employees. As a condition of our engagement, management will be responsible for the completeness and truthfulness of representations and disclosures made to us during the course of our work.

Our services are not structured to be relied upon to detect all errors, irregularities, employee or management dishonesty, fraud, embezzlement or other illegal acts (hereinafter collectively referred to as "Irregularities"). In performing our services, we will advise the appropriate level of management of any such material Irregularities that come to our attention. However, you must understand that our services cannot be relied upon to detect all such Irregularities.

We will submit a report in this matter. This report is intended solely for the use by the City Attorney in connection with this matter, and should not be used by anyone other than these specified parties. The City Attorney may provide management and council members' copies of our report, at the City Attorney's discretion. In addition, the City Attorney may also provide the City's external auditors with a copy of our report in connection with fulfilling their responsibilities. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

## **Timing and Fees**

Fees for our services will be based on the actual time expended at our normal billing rates in effect at the time the services are provided, plus out-of-pocket, technology and administrative expenses. The fees are based upon anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional fees are necessary, we will discuss them with you and agree to a new fee estimate before additional fees are incurred. We will keep you informed of our progress and work closely with you to structure our work to ensure that it is completed in a cost-effective manner.

For each stage, fees for our services will be based on the actual time expended at our billing rates in effect at the time the services are provided, plus out-of-pocket expenses incurred. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your engagement. The current rates for your engagement team are as follows:

Engagement Partner	\$265-\$299
Manager	\$227-\$250
Associate	\$150

## **Engagement Terms**

Attached is an additional statement of terms regarding our engagement titled, RubinBrown LLP Engagement Terms (hereinafter "RubinBrown Engagement Terms"). The RubinBrown Engagement Terms are hereby incorporated by reference and the contents of this Letter should be construed in accordance with the terms set forth therein, unless expressly stated otherwise in this Letter. When construing or interpreting the contents of this Letter or the terms of our engagement, the RubinBrown Engagement Terms will govern. To the extent any apparent or actual contradiction may exist, the RubinBrown Engagement Terms will be deemed controlling and will supersede any such statement contained herein, unless expressly stated otherwise in the provision or portion of this Letter at issue.

## **Conclusion**

We appreciate the opportunity to be of service to you. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this Letter and the RubinBrown Engagement Terms, please sign the enclosed copy and return it to us. By signing the enclosed copy of this Letter, you acknowledge that you have read, understood and agreed to the terms as set forth in this Letter and in the RubinBrown Engagement Terms.

**THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.**

Sincerely,

RubinBrown LLP

A handwritten signature in cursive script that reads "Christina Solomon".

Christina M. Solomon, CPA, CFE, CFF  
Partner  
Direct Dial Number: 314.290.3497  
Email: christina.Solomon@rubinbrown.com

CMS/jmp

Attachment  
Exhibit A - RubinBrown LLP Engagement Terms

By signing below, the signatory further represents and warrants that she/he is authorized to approve the terms of this engagement on behalf of the City of Lee's Summit.

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

## EXHIBIT A - RUBINBROWN LLP ENGAGEMENT TERMS

These Engagement Terms (the "Terms") and the engagement letter (the "Letter") incorporating the Terms (the Terms and Letter are hereinafter collectively referred to as the "Agreement"), entered into by and between RubinBrown LLP ("RubinBrown") and Client, set forth the terms and conditions of RubinBrown's engagement with Client (the "Engagement"). These Terms shall also apply to any additional work that Client requests RubinBrown to perform unless a separate engagement letter is entered into by and between RubinBrown and Client for such additional work.

1. **Agreed Upon Scope of Work.** RubinBrown shall be obligated only for the services, work product and deliverables specified in the Letter, and only for changes in such scope that are set forth in writing and duly executed by the parties hereto. Unless expressly provided for in the Letter, RubinBrown's services do not include giving testimony, appearing or participating in discovery proceedings, administrative hearings, court, or other legal or regulatory inquiries or proceedings and, in the event RubinBrown later agrees to perform such services, RubinBrown will charge and Client shall pay RubinBrown's customary fee for such services.
2. **Period Covered.** This engagement letter covers the period beginning on the date the described services begin and ending on the date all such services have been completed. Except where a separate engagement letter is used, the terms of the Letter and these Terms will apply to any such additional work we are asked to perform.
3. **Billing Terms.** Invoices will be rendered monthly and presented to you for services performed in the prior month and are due and payable within 30 days of the date of the billing statement. We reserve the right to suspend or terminate further services until payment is received on all invoices that are not paid in full within 30 days of the date of the billing statement. In the event that we suspend or terminate this engagement as a result of non-payment, you agree that we will not be responsible for your failure to meet government or other filing deadlines, or for penalties or interest that may be assessed against you resulting from your failure to meet said deadlines. A 1½% per month service charge will be added to balances remaining unpaid 60 days or more after the invoice date.
4. **Cooperation and Participation.** While RubinBrown may from time to time suggest various options that may be available to Client and further give its professional evaluation of each of these options, Client must make the ultimate decision as to which, if any, of these options to implement. Client shall be solely responsible for applying independent business judgment with respect to RubinBrown's services, work product and/or deliverables (including decisions regarding implementation or other further course(s) of action) and shall be solely and exclusively responsible for such decisions. RubinBrown shall be entitled to rely on all decisions and approvals of Client (and its counsel). Except as specifically provided in the Letter, RubinBrown shall be entitled to rely on the accuracy and completeness of all information provided by Client, and RubinBrown has no duty to verify the accuracy or completeness of information provided by Client.
5. **Access to Resources and Information.** Unless specified herein as the responsibility of RubinBrown to provide, Client shall obtain for RubinBrown, on a timely basis, any internal and third-party permissions, licenses or approvals that are required for RubinBrown to perform the services contemplated hereunder (including the use of any necessary software or data). Client shall also provide RubinBrown with such information, signoffs and assistance as may be necessary for RubinBrown to perform the Engagement or as RubinBrown may reasonably request.
6. **Record Retention.** Pursuant to RubinBrown's record retention policy, at the conclusion of this Engagement, RubinBrown may retain copies of the records supplied to RubinBrown by Client and RubinBrown will return all such original records to the Client. The records and files retained by RubinBrown are RubinBrown's property and are not a substitute for the Client's own records. Client shall be responsible for retaining and maintaining records of its operations and records required to backup and support the Client's financial reports and tax returns. RubinBrown will destroy Client files and all pertinent work papers after a retention period of seven years, after which time these items will no longer be available. In addition, catastrophic events or physical deterioration may result in RubinBrown's records being unavailable.

## EXHIBIT A - RUBINBROWN LLP ENGAGEMENT TERMS

7. **Confidentiality.** RubinBrown shall maintain the confidentiality of Client information, which is of a confidential nature, using the same degree of care it uses in maintaining its own confidential information. Nothing herein shall preclude RubinBrown from disclosing confidential Client information in response to a validly issued and enforceable subpoena or as otherwise required by law, or from disclosing confidential Client information to RubinBrown's attorneys, advisors, insurers, or agents who agree to maintain the confidentiality of such information, with or without notice to Client.

In the course of providing professional services to Client in connection with this engagement, RubinBrown may require the assistance of third party professional service providers with specialized capabilities or expertise. RubinBrown enters into confidentiality agreements with such third party professional service providers to ensure that confidential information of its clients is fully protected from loss or misuse. In the event RubinBrown is unable to secure an appropriate confidentiality agreement, Client will be asked to provide its consent prior to the sharing of its confidential information with the third-party professional service provider.

Except as otherwise specifically provided herein, Client shall at no time disclose any of RubinBrown's services, fees, work product, deliverables and other confidential material, including but not limited to internally developed financial models, or RubinBrown's role in the Engagement, to any third party (except to a government agency, to the extent such filing is an agreed objective of the Agreement, or as otherwise legally compelled) without RubinBrown's prior written consent in each case. Client's use of RubinBrown's services, work product or deliverables hereunder (except for copies of filed tax returns) shall in any event be restricted to the stated purpose, if any, in the Letter and otherwise to Client's internal business use only. Client and RubinBrown each retains the right in any event to use the ideas, concepts, techniques, industry data and know-how used or developed in the course of the Engagement. Except as instructed otherwise in writing, each party may assume that the other approves of properly addressed fax, email (including email exchanged via Internet media) and voicemail communication of both sensitive and non-sensitive documents and other communications concerning the Engagement, as well as other means of communication used or accepted by the other.

Notwithstanding anything herein to the contrary, (i) no term of the Agreement is intended to be, and shall not be construed to be, a condition of confidentiality as such term is used in Sections 6011, 6111 and 6112 of the Internal Revenue Code of 1986, as amended ("IRC"), the regulations thereunder and/or Section 10.35 of Treasury Department Circular 230 ("Circular 230"), (ii) Client is hereby authorized to disclose to any and all persons, without any limitation of any kind, any aspect of any entity, plan, arrangement or transaction RubinBrown introduces, addresses or recommends, or with respect to which RubinBrown provides advice, consultation or services pursuant to the Agreement, it being Client's duty to ascertain whether any additional authorization from any other person or entity is necessary or desirable, and (iii) there is no limitation imposed herein on any person or entity on disclosure of the tax treatment, tax structure or tax strategy of any transaction that is the subject of written advice (as defined in Circular 230) provided by RubinBrown pursuant to the Agreement.

RubinBrown is required to comply with certain peer review requirements in order to maintain its professional licensing. In complying with these peer review requirements certain confidential information may be disclosed to the reviewer. These peer reviews are only conducted by other qualified professionals who are subject to maintaining the confidentiality of information disclosed in the course of the review. Client acknowledges that these confidential disclosures by RubinBrown are not a violation of RubinBrown's obligation to maintain the confidentiality of information.

## EXHIBIT A - RUBINBROWN LLP ENGAGEMENT TERMS

**8. Subpoenas for Client's Records and Information.** At any time during or after our Engagement, should RubinBrown receive a subpoena from a Third Party seeking production of Client's records or confidential information, or testimony relating to RubinBrown's Engagement, RubinBrown will, to the extent permitted by law, notify Client using the last contact information for Client known to RubinBrown. Upon such notification, should Client wish to take action to protect its records and /or its information from production in compliance with the subpoena, it shall be Client's obligation to do so in compliance with applicable law, at Client's expense, using counsel of Client's choice. Irrespective of Client's decision regarding what action, if any, it intends to take to protect its records and information, RubinBrown shall have the right to engage its own counsel to assist and advise RubinBrown in coordinating with Client and/or Client's counsel in this regard, and/or in responding to the subpoena. Client shall reimburse RubinBrown, upon receipt of an appropriate invoice, for all of RubinBrown's internal and external costs and expenses in responding to any subpoena for Client's records, and/or providing testimony pursuant to such subpoena, including RubinBrown's reasonable and customary fees for such services, as well as its internal costs (employee time and expenses), external costs (copy services or other vendors), and reasonable attorneys' fees.

**9. Taxpayer Confidentiality Privileges: Use of Counsel.** The parties acknowledge that certain documents and other communications involving and/or disclosed to or by RubinBrown may be subject to one or more claims of privilege by or on behalf of Client (e.g., the attorney-client privilege, the IRC SEC 7525 tax advisory privilege, etc.). Although Client is solely responsible for managing the recognition, establishment and maintenance (e.g., possible waiver) of these possible protections (and for involving legal counsel as it deems necessary), RubinBrown shall cooperate with Client's reasonable written instructions regarding such privileges.

**10. Management Dishonesty.** While RubinBrown will advise Client if RubinBrown discovers errors or irregularities, Client understands and agrees that Client cannot rely on RubinBrown to detect employee or management dishonesty, including, without limitation, embezzlement, unless specifically set forth in the Letter.

**11. External Factors; Standards of Performance.** Client acknowledges that the Engagement will involve analysis, judgment and other performance from time to time in a context where the participation of Client or others is necessary, where answers are often uncertain or unverifiable in advance and where facts and available information change with time. Accordingly, evaluation of RubinBrown's performance of its obligations shall be based solely on its substantial conformance with any standards or specifications expressly set forth in the Agreement and all applicable professional standards, any such nonconformance (and applicability) to be clearly and convincingly shown. If there are any changes in the relevant laws, regulations, industry, market conditions or other circumstances, including in the Client's own business practices, RubinBrown has no responsibility to advise Client of any such changes and Client acknowledges the need for it to re-evaluate RubinBrown's preceding services, work product and deliverables. RubinBrown reserves the right, in whole or in part, to decline to perform certain tasks or withdraw from the Engagement entirely if information comes to RubinBrown's attention indicating that performing such tasks could cause RubinBrown to be in violation of any applicable law, regulations or standards, to be in a conflict of interest or to suffer reputational damage.

**12. Affiliates.** If the Letter provides that RubinBrown's services, work product or deliverables may pertain not only to Client but also to a parent, subsidiaries, affiliates, advisors, contractors, family members, related trusts, partnerships, partners, estates or foundations, such Affiliates shall be bound by the terms of the Agreement. Client shall, as may be requested by RubinBrown from time to time (including subsequent to completion of the Engagement), obtain written confirmation of their agreement to the terms of the Agreement.

## EXHIBIT A - RUBINBROWN LLP ENGAGEMENT TERMS

13. **Limitation of Liability.** The liability of RubinBrown (including its partners, employees, agents and affiliated companies) to Client (and any purported third-party beneficiaries, including Affiliates) for any claim or damages (including but not limited to incidental, special, exemplary, punitive or consequential), whether in contract, strict liability, tort (including but not limited to RubinBrown's NEGLIGENCE or FAULT, except that this provision does not purport to limit liability for RubinBrown's intentional/willful torts or for any other liabilities for which a limitation of liability is prohibited by Missouri law), or otherwise, arising out of, connected with, or resulting from RubinBrown's services, work product or deliverables or the Engagement generally, shall not exceed all fees related to the Engagement paid by Client to RubinBrown, even if RubinBrown has been advised of the possibility of such claims or damages.

14. **Baker Tilly International.** RubinBrown is an independent member of Baker Tilly International. Baker Tilly International Limited is an English Company. Baker Tilly International provides no professional services to clients. Each of the member firm is a separate and independent legal entity and each describes itself as such. RubinBrown is not Baker Tilly International's agent and does not have authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, RubinBrown, or any of the other independent member firms of Baker Tilly International has any liability for each other's acts or omissions. In addition, neither Baker Tilly International nor any other member has a right to exercise management control over any other member firm. RubinBrown shall in no event be held liable for any work or conduct (whether negligent, intentional, fraudulent, or otherwise) done by Baker Tilly International or any other member firm.

15. **Indemnification.** Client agrees to release, indemnify, and hold RubinBrown, its partners, officers, managers, personnel, agents, employees, affiliated companies, successors and assigns harmless from any liability and costs, including attorneys' fees, resulting from knowing misrepresentations by management of Client. Client's obligation to indemnify shall survive until such time as all claims against RubinBrown are legally barred under all applicable statutes of limitation.

16. **Independent Contractor Status.** Each party is an independent contractor with respect to the other and shall not be construed as having an employment, partnership, trustee or fiduciary relationship.

17. **Assignments and Successors.** Neither party may assign any of its rights or benefits under the Agreement without the prior written consent of the other party. Subject to the preceding sentence, the Agreement will apply to, be binding in all respects upon, and inure to the benefit of the permitted successors, assigns, heirs, estates, and legal representatives of the parties. Notwithstanding the foregoing, RubinBrown may authorize and allow its affiliates and contractors to assist in performing the Engagement and to share in RubinBrown's rights hereunder, provided any such party shall commit (as applicable) to be bound by the restrictions set forth in the Agreement.

18. **No Third Party Rights.** Unless specifically set forth in the Letter, nothing expressed or referred to in the Agreement will be construed to give any person, other than the parties to the Agreement, any legal or equitable right, remedy, claim, benefit, priority or interest under or with respect to the Agreement or any provision of the Agreement. Except as specifically provided in the Letter, the Agreement and any services, work product or other deliverables hereunder are for the sole and exclusive benefit of the Client and its permitted successors and assigns, and neither Client nor RubinBrown intends for RubinBrown's services to be used by or to provide any benefit or guidance to any other persons. The work product or services provided hereunder shall not be disclosed or disseminated to third parties or used for any purpose, other than as specifically set forth in the Letter, without RubinBrown's prior written consent.

## EXHIBIT A - RUBINBROWN LLP ENGAGEMENT TERMS

19. **Mediation.** If Client (including any purported third-party beneficiaries, including Affiliates) is dissatisfied with the quality or timeliness of RubinBrown's services, or believes such services were in any way negligently performed, Client agrees to promptly notify RubinBrown in writing of its dissatisfaction and specifically set forth its complaints. If the parties are unable to resolve their differences within thirty (30) days after RubinBrown's receipt of Client's written notice, it is agreed that either party may invoke the services of an impartial mediator under the auspices of the commercial mediation rules of the American Arbitration Association, United States Arbitration and Mediation Service, or any other national neutral mediation service, at the election of the party who first requests mediation. It is agreed that no claim pertaining to the quality or timeliness and/or alleged negligence of RubinBrown's provided services shall be arbitrated unless the foregoing procedures have first been followed and the mediator fails to settle the claim within thirty (30) days after the mediation process has concluded.

20. **Binding Arbitration.** Any and all disputes in any way concerning the services provided by RubinBrown pursuant to the Agreement (including services performed under any prior agreement) or the business relationship arising out of the Engagement or any prior Engagement shall be committed to binding arbitration before the American Arbitration Association ("AAA"), including any disputes involving parties who are Affiliates of Client or who are alleged third-party beneficiaries to this Agreement. The Arbitrator, and not any federal, state, or local court or agency, shall have exclusive jurisdiction to resolve any disputes involving RubinBrown, and it is the intent of this Agreement that this grant of jurisdiction be the broadest allowed by law, and that any disputes regarding the scope of the Arbitrator's jurisdiction be both decided by the Arbitrator and resolved in favor of arbitration, except where expressly prohibited by applicable law. Without limiting the foregoing, the Arbitrator shall have exclusive jurisdiction to resolve any dispute relating to the interpretation, applicability, enforceability or formation of this Agreement including, but not limited to any claim that all or any part of this Agreement was not agreed to, is invalid, or is void or voidable. Such arbitration shall be conducted in accordance with the AAA's Commercial Arbitration Rules then in effect, as modified by the provisions stated herein. The location of the arbitration shall be in the St. Louis metropolitan area. The parties shall select one arbitrator, unless the amount of any demand or counterclaim in the arbitration shall be \$750,000 or more, in which case the parties shall select three arbitrators. The parties shall have the right to conduct discovery in the arbitration consistent with that discovery permitted by the Federal Rules of Civil Procedure, with the arbitrator(s) to decide any discovery disputes. All proceedings conducted in the arbitration, including any discovery and any order entered by the arbitrator(s), shall be strictly confidential. The award of the arbitrator(s) shall be final, and may be confirmed by the parties in the St. Louis County Circuit Court, or in the United States District Court for the Eastern District of Missouri.

21. **Governing Law.** The Agreement, including its formation, the parties' respective rights and duties and all disputes that might arise from or in connection with the Agreement or its subject matter, shall be governed by and construed in accordance with the laws of Missouri, without giving effect to conflicts of laws rules.

22. **Attorneys' Fees and Costs.** In connection with any legal action, arbitration or litigation arising from or in connection with the Agreement or its subject matter, the prevailing party shall be entitled to recover, subject to the damage limitations set forth in the Agreement, all costs incurred by such party in furtherance of such legal action, arbitration or litigation, including reasonable attorney's fees.

23. **Construction.** To the extent any apparent or actual contradiction may exist when construing or interpreting the contents of the Letter and the Terms, the Terms shall control and supersede any statement contained in the Letter, unless expressly stated otherwise in the provision or portion of the Letter or Terms at issue.

24. **Waivers.** Neither the failure nor any delay by any party in exercising any right, power or privilege under the Agreement will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege.

## EXHIBIT A - RUBINBROWN LLP ENGAGEMENT TERMS

**25. Entire Agreement and Modification.** The Agreement supersedes all prior agreements, arrangements and communications between the parties with respect to its subject matter and constitutes a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. The Agreement may not be modified or amended except by the mutual written agreement of both parties.

**26. Severability.** If any arbitrator or court of competent jurisdiction holds any provision of the Agreement invalid or unenforceable, the other provisions of the Agreement will remain in full force and effect. Any provision of the Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

**27. Headings.** The headings of paragraphs contained in the Agreement are provided for convenience only. They form no part of the Agreement and shall not affect its construction or interpretation.

**THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION  
WHICH MAY BE ENFORCED BY THE PARTIES.**