



900 W. 48th Place, Suite 900, Kansas City, MO 64112-1895 • 816.753.1000

October 10, 2014

Edward E. Frizell
(816) 360-4158
(816) 572-5158 Direct Fax
tfrizell@polsinelli.com

Mr. Thomas S. Fritzel
Gene Fritzel Construction Company, Inc.
643 Massachusetts Street, Suite 300
Lawrence, KS 66044-2255

Re: Costs Incurred for Bliss Sports II, LLC

Dear Thomas:

This letter is to verify that, from the set-up of this limited liability company through September 17, 2014, we billed you and you paid the sum of \$212,535.81 on the Bliss Sports II, LLC account, the account that was set up to handle legal work on the infrastructure development, Development Agreement with the City, and matters associated therewith.

If you need any further information, please don't hesitate to contact me.

Very truly yours,

Edward E. Frizell

EEF:kla



900 W. 48th Place, Suite 900, Kansas City, MO 64112-1895 • 816.753.1000

November 5, 2014

Edward E. Frizell
(816) 360-4158
(816) 572-5158 Direct Fax
tfrizell@polsinelli.com

Mr. Thomas S. Fritzel
Gene Fritzel Construction Company, Inc.
643 Massachusetts Street, Suite 300
Lawrence, KS 66044-2255

Re: Costs Incurred for Bliss Sports II, LLC

Dear Thomas:

This letter will supplement the letter I sent to you on October 10, 2014, in which I indicated that, from the set-up of this limited liability company through September 17, 2014, we billed you and you paid the sum of \$212,535.81 on the Bliss Sports II, LLC account, which is the account that was set up to handle legal work on the infrastructure development, the Development Agreement with the City, and the matters associated therewith. The following is an indication (month-by-month) of the amount we billed to the Bliss Sports II account, which totals \$212,535.81:

Bliss Sports II		
July 2012		17,566.00
August 2012		15,492.61
September 2012		35,208.00
October 2012		11,705.50
November 2012		506.08
December 2012		0.00
January 2013		0.00
February 2013		23,833.00
March 2013		30,847.75
April 2013		5,276.50
May 2013		12,295.00
June 2013		10,951.00
July 2013		22,361.00
August 2013		16,065.48
September 2013		6,213.39
October 2013		0.00

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Chicago Dallas Denver Kansas City Los Angeles New York Phoenix St. Louis Washington, D.C. Wilmington

Polsinelli PC, Polsinelli LLP in California

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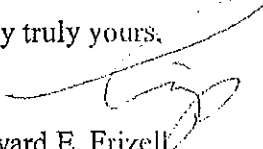
Mr. Thomas S. Fritzel
November 5, 2014
Page 2

November 2013	138.00
December 2013	138.00
January 2014	0.00
February 2014	1,451.00
March 2014	506.00
April 2014	368.00
May 2014	1,015.50
June 2014	0.00
July 2014	0.00
August 2014	598.00
September 2014	0.00
TOTAL	212,535.81

As indicated in Section 11.02 of the Development Agreement between the City, Bliss Sports, Bliss Sports II and RCP, legal fees are included in the soft costs that are included in the infrastructure improvement costs.

If you need further information, please don't hesitate to contact me.

Very truly yours,


Edward E. Frizell

EEF:kla

cc: Harry E. Wigner, Jr. (hwigner@lathropgage.com)
Monte Soukup (msoukup@KUEndowment.org)



900 W. 48th Place, Suite 900, Kansas City, MO 64112-1895 • 816.753.1000

November 21, 2014

Edward E. Frizell
(816) 360-4158
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tfrizell@polsinelli.com

RCP, LLC
P.O. Box 928
Lawrence, KS 66044-0928
Attention: Dale Seuferling and Monte Soukup

Re: Analysis of First Three Months' Bills of Bliss Sports II regarding City Commissioners' Questions.

Gentlemen:

As a result of the questions raised by the City Commissioners at last Tuesday night's meeting, you have asked me to review the bills we rendered on the Bliss Sports II account for July, August, and September 2012 in an effort to determine if there are amounts in those bills that it could be argued did not directly or indirectly contribute to the final structure of the transaction with the City, to the Development Agreement or to the other documentation and issues necessary to the completion of the infrastructure improvements as they now exist. Although it remains our belief that all of the fees we billed during that time period fall within the definition of "soft costs" in Section 11.02 of the Development Agreement, I have attempted to review the bills in light of the above more restrictive standard. Our bills for those months totaled \$50,700.61. Applying this standard to these bills could reduce that amount to \$27,591.00, a reduction of \$23,109.61.

Very truly yours,

Edward E. Frizell

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Chicago Dallas Denver Kansas City Los Angeles New York Phoenix St. Louis Washington, D.C. Wilmington
Polsinelli PC, Polsinelli LLP in California

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900 W 48th Place, Suite 900, Kansas City, MO 64112-1895 • 816.753.1000

January 6, 2015

Edward E. Frizell
(816) 360-4158
(816) 572-5158 Direct Fax
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Mr. Dale Seuferling
Kansas University Endowment Association
P.O. Box 928
Lawrence, KS 66044

RCP, LLC
Attn: Monte Soukup
1891 Constant Avenue
Lawrence, KS 66047-3743

Re: Review of Polsinelli PC Bills Rendered on behalf of Bliss Sports II, LC ("Bliss Sports II"), in connection with the Development Agreement between the City of Lawrence, Kansas ("City"); RCP, LLC ("RCP"); Bliss Sports, LC ("Bliss Sports"); and Bliss Sports II ("Development Agreement")

Dear Dale and Monte:

Pursuant to recent requests by the City Commission and the City Manager's office, you have asked us under what circumstances we would be comfortable with a review by a City official (or someone else on their behalf) of the bills rendered by our firm on behalf of Bliss Sports II in connection with the Development Agreement. I have discussed this with the appropriate parties at our firm, and we believe the attorney/client privilege would be negated by anyone making copies of our bills or if Bliss Sports II otherwise delivered our bills or copies of our bills to third parties. It is our strong desire, and the desire of Bliss Sports II, that we do not negate that attorney/client privilege. However, we have determined that we believe the attorney/client privilege would not be negated by the review of a City official (or someone else on their behalf) of our bills in our office. We would propose that review be done by Toni Wheeler, the City Attorney of Lawrence, Kansas. However, that review would have to be with the agreement of Ms. Wheeler and the City that (i) she does not make copies or remove the bills from the conference room in which she reviews them, (ii) she agrees not to post on the City website any written notes she makes as a result of the review of those bills, and (iii) she and the City agree their review of these documents will not constitute a waiver of the attorney/client privilege enjoyed by Bliss Sports II with regard to the underlying documents Ms. Wheeler will review or for any other communications protected by the same privilege. If the City would rather have its internal auditor or an independent auditing firm that is conducting an audit of the infrastructure project review the bills, we are comfortable with that party coming to our office and reviewing the bills in our office under certain terms and conditions as set forth in this letter



Mr. Dale Seuferling
Mr. Monte Soukup
January 6, 2015
Page 2

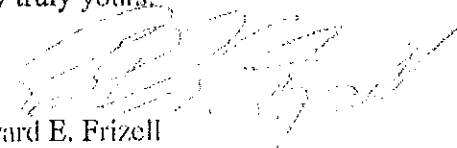
and subject to a written verification from that third party they will comply with the terms of this letter.

Secondly, we would need the agreement of Ms. Wheeler and the City (or the independent auditor, if applicable) on the scope of that review. The only statement in the Development Agreement with respect to the legal fees that can be charged as Infrastructure Improvement Costs on the project is contained in Section 11.02 of the Development Agreement. That section states that soft costs included in the Infrastructure Improvement Cost will include "legal fees and other professional services costs attributable to the zoning, platting, plan approval and permitting of the Recreation Center Site and the Infrastructure Improvements and to the negotiation of this Agreement, the Purchase Agreement and the Infrastructure Improvements Construction Contract." That is the only standard contained in the Development Agreement with respect to what legal costs are appropriate Infrastructure Improvement Costs. There is no provision in the Development Agreement that would allow a disallowance of legal fees as Infrastructure Improvement Costs under the Development Agreement based on a belief that an hourly rate is higher than should have been paid or that the time taken by an attorney in accomplishing a task was greater than should have been taken. The Development Agreement was not negotiated in such a manner. Before we would allow the review of the records, we would want Ms. Wheeler and the City (or the independent auditor, if applicable) to agree to this standard in connection with any reporting they do of the records subsequently to the City Commission.

If these parameters are agreeable, then we would agree to make these billing records available as soon as reasonably possible at a time convenient to both parties.

Please let me know whether the City is willing to go forward under these parameters.

Very truly yours,



Edward E. Frizell

EEF:kla