

**To:** Michael Doweary[mdoweary@pa.gov]; vkapoor@kapoorco.com[vkapoor@kapoorco.com]; John McLaughlin[jmclaughlin@cdblaw.com]; Santucci, Adam[ASantucci@mcneeslaw.com]  
**From:** Ken Schuster[ken@schusterlaw.com]  
**Sent:** Tue 8/25/2020 11:24:01 AM (UTC-04:00)  
**Subject:** Fwd: Engagement Letter - Transaction -- attorney-client privilege/work product  
[41951067\\_1.pdf](#)  
[ATT00001.htm](#)

FYI

Ken

Begin forwarded message:

**From:** "Karetnick, Aliza" <KaretnickA@ballardspahr.com>  
**Date:** August 13, 2020 at 4:15:14 PM EDT  
**To:** Ken Schuster <ken@schusterlaw.com>  
**Subject:** **Engagement Letter - Transaction -- attorney-client privilege/work product**

Ken – Hope all is well. See attached and let me know your thoughts. If this works, please confirm via email. If you'd like to make any changes, just let me know. Thank you.

Best,  
Aliza

**Aliza R. Karetnick**



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August 13, 2020

*Via E-mail*

Kenneth Schuster  
Solicitor, City of Chester  
405 Avenue of the States  
Chester, PA 19013

Re: Legal Representation

Dear Ken

Thank you for selecting Ballard Spahr LLP ("Ballard Spahr") to represent the City of Chester (the "City") in connection with its sale of assets of the Chester Water Authority system to Aqua Pennsylvania, Inc. (the "Matter"). The following lays out the terms of our engagement and the parties' rights and responsibilities.

Our engagement is limited to performance of services relating to the Matter. Because we are not the City's general counsel, our acceptance of this engagement does not involve an undertaking to represent the City's interests in other cases or transactions, although we look forward to working with the City on future projects.

For the most part, our fees are based on the time spent and the regular hourly rates of each attorney and legal assistant providing services on the City's behalf. The hourly rates vary from person to person and are adjusted periodically. At this juncture, it is anticipated that work on the Matter will be handled principally by Steven T. Park and William C. Rhodes, whose standard rates are \$595 and \$835, respectively. For the Matter, as a courtesy, Ballard is reducing Steven's and Bill's hourly rates by 10%. Whenever possible, in the interest of economy, we will assign work to experienced associates.

The City is solely responsible and will be billed for all disbursements and out-of-pocket expenses made or incurred on its behalf. These expenses may include document reproduction, travel, mailing charges and filing fees. We separately bill for computerized legal research and related expenses. Please note, if we anticipate that substantial expenses will be incurred, we will first discuss with you and we may require that the City pay the vendor directly. Our statements will be rendered monthly, but are payable in full within 3 business days of the Effective Date, as defined by the Asset Purchase Agreement (the "APA"). If the APA is not executed by October 15, 2020, our bills will be due in full on October 31, 2020. We are always

Kenneth Schuster  
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happy to discuss our billings with you, and we welcome the opportunity to address any questions you may have.

New clients of Ballard Spahr are commonly asked to deposit a retainer. If the City deposits a retainer with us, it grants Ballard Spahr a security interest in that deposit. Typically, the retainer is equal to the fees and costs likely to be incurred during a one-month period.

Given the scope of our business and the scope of our client representations, it is possible that some of our present or future clients will have matters adverse to the City during the course of our representation. We understand that you have no objection to our representation of parties with interests adverse to the City, and waive any actual or potential conflict of interest as long as those other engagements are not substantially related to the services subject to this engagement letter. Your consent to and waiver of such representation, however, shall not apply in any instance where, because of our representation of the City, we have obtained proprietary or other confidential information of a non-public nature that could be used to the City's disadvantage or potential disadvantage.

Similarly, new lawyers frequently join our firm. These lawyers may have represented parties adverse to the City while employed by other law firms or organizations. We assume, consistent with ethical standards, that you have no objection to our continuing representation of the City notwithstanding our lawyers' prior professional relationships.

Either party may terminate the engagement at any time for any reason by written notice, subject to applicable rules of professional conduct. Your termination of our services will not affect your responsibility for payment of legal services rendered and additional charges incurred before termination and in connection with an orderly transition of the matter.

Unless previously terminated, our representation of the City will end upon the City's final payment for services rendered in the Matter. Any otherwise nonpublic information you have supplied to and is retained by us will be kept confidential in accordance with applicable rules of professional conduct. At your request, your papers and property will be returned to you promptly upon receipt of payment of outstanding fees and costs. Our own files pertaining to the Matter will be retained by the firm. These firm files include, for example, firm administrative records, time and expense reports, personnel and staffing materials, credit and accounting records, and internal lawyers' work products such as drafts, notes and internal memoranda.

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Please do not hesitate to call me if you have any questions or concerns. We look forward to working with you and appreciate your confidence in Ballard Spahr.

Sincerely,

*Aliza R. Karetnick*

Aliza R. Karetnick

ARK

