

PROFESSIONAL SERVICES CONTRACT BETWEEN

STATE OF ALASKA
ALASKA STATE LEGISLATURE
LEGISLATIVE BUDGET & AUDIT COMMITTEE
120 4th Street, State Capitol, Room 3
Juneau, AK 99801-1182

AND

PEGASUS GLOBAL HOLDINGS, INC.
418 E. 1st Street, Suite #2
Cle Elum, WA 98922

TOTAL AMOUNT OF THIS CONTRACT: \$250,000
(amount includes reasonable travel expenses)

The parties to this Contract, made and entered into on the date the Legislative Auditor or her designee signs the Contract, are the State of Alaska, Alaska State Legislature, Legislative Budget and Audit Committee, whose address is 120 4th Street, State Capitol, Juneau, Alaska 99801-1182, hereinafter referred to as the "Committee," and Pegasus Global Holdings, Inc., whose address is 418 E. 1st Street., Suite #2, Cle Elum, WA 98922, hereinafter referred to as the "Contractor."

THE PURPOSE OF THIS CONTRACT is to provide the Committee with consulting work and analysis related to contracts for large natural resources projects.

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE I – GENERAL; STATEMENT OF SCOPE OF WORK

The Contractor shall advise, consult, and present to Legislators and Legislative Committees information related to large natural resource projects and best management policies and practices for the State of Alaska, as an owner of natural resources produced and delivered by the large projects. Work will be provided in accordance with the Contractor's proposal, attached as Exhibit A and fully incorporated into this Contract. Should any component of the Contractor's proposal conflict with this Contract document, this Contract document shall govern.

CLAUSE II - PERIOD AND DATES OF PERFORMANCE

(A) The term of this Contract begins when the Certifying Authority signs the Contract and continues through June 30, 2027, unless terminated earlier as provided herein.

(B) Upon delivery of written notice to the Contractor, this contract may be terminated by the Committee chair with or without cause. To terminate, the Committee shall provide notice by e-mail or delivery of a hard copy to the Contractor, whichever method is selected in the sole discretion of the Project Director. If this contract is so terminated and the termination is not based on a breach by the Contractor, the Committee shall compensate the Contractor for services provided under the terms of this contract up to the date the termination notice is delivered, provided the Contractor provides the Project Director with a statement in writing containing a description of the services provided prior to contract termination, detailed time records that include the items required for time records by Clause V (Records; Audits) of this contract for the services provided prior to contract termination, and a copy of all documents, reports, material, and other items required to be delivered to the project director by Clause VII (Ownership, Reuse, and Format of Data and Documents) of this Contract.

CLAUSE III - COMPENSATION

(A) The Contractor shall perform the work specified by this Contract at the rates described below.

Staff Position	Hourly Rate
Chair	\$775
President/CEO	\$675
Senior Vice President	\$650
Senior Executive Consultant	
Vice President	\$550
Executive Consultant	\$490
Senior Consultant	\$450
Consultant	\$375
Senior Analyst	\$275
Analyst	\$225

(B) All travel must be pre-approved by the Project Director. If approved travel is required in the performance of this Contract and supported by receipts, the Contractor will be reimbursed for transportation expenses as follows:

Air travel will be reimbursable for the cost of economy seating; ground transportation will be reimbursable for the actual cost of travel by taxi or a ride-share app; and lodging will be reimbursable at the rate of a standard hotel room. Meals will be reimbursed at the federal per diem rate. Copies of all reimbursable travel receipts must be provided as part of a billing.

(C) All payments shall be based on billings provided by the Contractor that include the items required for time records listed in Clause V (Records; Audit) of this Contract. The Project Director must approve all billings before payment may be made.

- (D) If payment is not made within 90 days after the Committee has received a proper billing, the Committee shall pay interest on the unpaid balance of the billing at the rate of 1.5 percent per month from, and including, the 91st day through the date payment is made. A payment is considered made on the date it is mailed or personally delivered to the Contractor.
- (E) Total payments under this Contract, including reimbursements for travel expenses, may not exceed TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$250,000.00).

CLAUSE IV - PROJECT DIRECTOR

The Project Director is Jeff Stepp. The Project Director is appointed by the Committee Chair and is authorized to oversee and direct the activities of the Contractor under this Contract. The Committee Chair may replace the Project Director at any time by providing written notice to the Contractor.

CLAUSE V – RECORDS; AUDIT

In addition to any other records required by this Contract, the Contractor shall accurately maintain detailed time records that state the date of the work, break down billable time in quarters of an hour, describe in detail the work done during the quarter of an hour, and identify which individual did the work. The Contractor shall also keep any other records that are required by the Project Director. The records required by this Contract are subject to inspection by the Committee or the Project Director at all reasonable times.

CLAUSE VI – MATERIALS AND PROCESSES COVERED BY PATENTS, TRADEMARKS, OR COPYRIGHTS

If the Contractor employs any design, device, material, or process covered by a patent, trademark, or copyright not held by the Contractor, the Contractor shall obtain permission to use the design, device, material, or process from its owner. The Contractor shall indemnify, hold harmless, and defend the Legislature of the State of Alaska, the Committee, the officers, agents, and employees of the Legislature and the Committee, and any affected third party from any and all claims for infringement by reason of the use of patented design, device, material or process, or any trademark or copyright, and for any costs, expenses, and damages due to infringement at any time during the work or after the completion of the work.

CLAUSE VII – OWNERSHIP, REUSE, AND FORMAT OF DATA AND DOCUMENTS

All documents, reports, material, and other items generated as a consequence of work done under this Contract are the property of the Committee. To the extent the Contractor has any interest in the copyright for these items under the copyright laws of the United States, the Contractor transfers, by this Contract, any and all interest the Contractor has in the copyright for these items to the Committee, and the Committee will be the owner of the copyright for these items. Upon completion of the work or termination of this Contract, the items shall be delivered to the Project Director.

On and after April 1, 2026, electronic versions of material (including but not limited to documents, reports, data sets, studies, and presentations) provided to the Committee under this Contract that the Contractor reasonably believes will be made available on a State of Alaska website shall be compliant with Title II of the Americans with Disabilities Act, including, but not limited to 28 CFR Part 35, Subpart H (Web and Mobile Accessibility). It is ultimately up to the Contractor to determine the technical standard required, however, at this time, the Committee understands it to be the Web Content Accessibility Guidelines (WCAG) Version 2.1 Level AA.

CLAUSE VIII – DISPUTE

To make a claim under this Contract, the Contractor shall provide notice within 10 days of discovery of the claim or 10 days of the termination of the Contract, whichever is sooner, to the Procurement Officer that the Contractor intends to file a claim under Alaska Legislative Procurement Procedures secs. 350 – 370. The Contractor shall file the complete claim concerning this Contract with the Procurement Officer in accordance with Alaska Legislative Procurement Procedures secs. 350 – 370 within 90 days of the discovery of the claim or 90 days after the termination of this Contract, whichever is sooner.

CLAUSE IX – VENUE

In the event that the parties to the Contract find it necessary to litigate the terms of the Contract, venue shall be State of Alaska, First Judicial District, at Juneau, and the Contract shall be interpreted according to the laws of Alaska.

CLAUSE X – FEDERAL AND STATE LAWS

In addition to the other requirements of this Contract, the Contractor must comply with all applicable Federal and State labor, wage/hour, safety, and other laws which have a bearing on the Contract and must have all licenses and permits required by the Federal government, State government, and municipality for performance of the work covered by this Contract, including, but not limited to, a valid Alaska business license and any necessary applicable professional licenses. The Contractor must pay all fees associated with the licenses and permits required for performance of the Contract. The Contractor shall pay all Federal, State, and local taxes incurred by the Contractor in the performance of the Contract. The Contractor's certification that taxes have been paid may be verified before final payment by the Committee.

CLAUSE XI – COVERAGE UNDER THE ETHICS LAW

Certain provisions of AS 24.60 (the Legislative Ethics Act) apply to legislative contractors. It is the responsibility of the Contractor to review AS 24.60 and comply with all applicable provisions of AS 24.60 throughout the term of the Contract.

CLAUSE XII – INDEMNIFICATION

The Contractor shall indemnify, hold harmless, and defend the Committee, the Alaska State Legislature, and officers, agents, and employees of the Committee and the Alaska State Legislature from liability of any nature or kind, including, but not limited to, costs, attorney fees, and expenses, for or on account of any and all legal actions or claims of any character whatsoever resulting from injuries or damages sustained by any person or persons or property as a result of any error, omission, or negligence of the Contractor that occurs on or about the Committee's or State of Alaska premises or that relates to the Contractor's performance of its contractual obligations.

CLAUSE XIII – INSURANCE

Without limiting indemnification responsibilities under Clause XII (Indemnification) of this Contract and Clause VI (Materials and Processes Covered by Patents, Trademarks, or Copyrights), the Contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement, the policies of insurance listed below. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the Contractor's policy contains higher limits, the Committee is entitled to coverage to the extent of such higher limits. Certificates of insurance must be furnished to the Project Director prior to beginning work and must provide for notice of cancellation, nonrenewal, or material change of conditions. Failure of the Contractor to furnish the Committee with satisfactory evidence of insurance, or to notify the Project Director of the lapse of, or material change in, a policy, is a material breach of the Contract and shall be grounds for termination of the Contractor's services. All insurance policies shall comply with and be issued by insurers authorized in Alaska or another state to transact the business of insurance.

Workers Compensation Insurance: The Contractor shall provide and maintain, for all employees engaged in work under this Contract, coverage as required by AS 23.30.045, and as required by any other applicable statute. The policy must waive subrogation against the state.

Commercial General Liability Insurance: Covering all business premises of, and operations by or on behalf of, the Contractor in the performance of the Contract, including, but not limited to, blanket contractual coverage, products coverage, premises and operations coverage, independent Contractor's coverage, broad form property damage endorsement, and personal injury endorsement; the policy must have minimum coverage limits of \$1,000,000 combined single limit per occurrence and annual aggregates where generally applicable. Unless waived by the Committee, the insurance policy shall name the Committee as an additional insured.

Commercial Automobile Liability Insurance: Covering all vehicles used by the Contractor in the performance of work under this Contract with minimum coverage limits of \$500,000 combined single limit per occurrence.

Professional Liability Insurance: Covering all errors, omissions, or negligent acts in the performance of the professional services under this agreement with minimum coverage limits of \$1,000,000 combined single limit per occurrence and annual aggregate.

All insurance shall be considered to be primary and non-contributory to any other insurance carried by the Committee through self-insurance or otherwise. The Contractor shall provide evidence of continuous coverage by submitting, without reminder, annual renewal certificates for the required insurance to the Project Director for the life of the Contract.

CLAUSE XIV - NONDISCLOSURE AND CONFIDENTIALITY

The Contractor agrees that all confidential information shall be used only for purposes of providing the deliverables and performing the work specified in this Contract and shall not disseminate or allow dissemination of confidential information except as provided for in this Clause XIV (Nondisclosure and Confidentiality) of the Contract. The Contractor shall hold as confidential and shall use reasonable care (including both physical security and electronic security) to prevent unauthorized access by, storage, disclosure, publication, dissemination to, or use by third parties of, the confidential information. "Reasonable care" includes compliance by the Contractor with all applicable federal and state laws. The Contractor must promptly notify the Committee in writing if it becomes aware of any improper storage, disclosure, loss, unauthorized access to, or use of any confidential information.

Confidential information, as used in this Contract, means any data, files, software, information, or materials (whether prepared by the State, the Committee, or their agents, advisors, or contractors) in oral, electronic, tangible, or intangible form and however stored, compiled, or memorialized, that is classified confidential as defined by the State of Alaska Information Security Policies adopted by the Department of Administration and provided by the Committee to the Contractor or the Contractor's agent or otherwise made available to the Contractor or the Contractor's agent in connection with the Contract, or acquired, obtained, or learned of by the Contractor or the Contractor's agent in the performance of the Contract. Examples of confidential information include but are not limited to, personal information, health data, financial data, trade secrets, equipment specifications, user lists, passwords, research data, and technology data (infrastructure, architecture, operating systems, security tools, IP addresses, etc.).

CLAUSE XV – HUMAN TRAFFICKING

By signature on this Contract, the Contractor certifies that the Contractor is not headquartered in a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report.

In addition, if the Contractor conducts business in but is not headquartered in a country

recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report, a certified copy of the Contractor's policy against human trafficking must be submitted to the Committee prior to contract execution.

The most recent United States Department of State's Trafficking in Persons Report can be found at the following website <https://www.state.gov/reports/2025-trafficking-in-persons-report/>.

If the Contractor fails to comply with this paragraph, the Committee may, without liability, cancel this Contract.

CLAUSE XVI – ASSIGNMENT OR TRANSFER OF CONTRACT

Assignment or transfer of the Contract is subject to Sec. 160 of the Alaska Legislative Procurement Procedures.

CLAUSE XVII – BINDING ON SUCCESSORS

Subject to Clause XVI (Assignment or Transfer of Contract) and Clause XIX (Severability of Contract) of this Contract, the Contract and all the covenants, provisions, and conditions contained in the Contract shall inure to the benefit of and be binding upon the successors and assigns of the Contractor and the Committee.

CLAUSE XVIII – BREACH OF CONTRACT

In case of a breach of the Contract, for whatever reason, by the Contractor, the Committee may procure the services from other sources and hold the Contractor responsible for damages resulting from the breach.

CLAUSE XIX – SEVERABILITY OF CONTRACT

If any provision of this Contract is declared by a court to be illegal or in conflict with any law, the Committee and the Contractor shall be bound by the remainder of the Contract without the provision.

CLAUSE XX – CONFLICT OF INTEREST

By signing this Contract, the Contractor attests that no staff performing work under this Contract has had an employment or contractual relationship with the State of Alaska within the past five years. Additionally, the Contractor attests that no staff performing work under this Contract has had an employment or contractual relationship with any business associated with an Alaska large natural resource project within the past five years. During the term of this Contract, the Contractor agrees to not work or agree to perform work that would cause a conflict of interest or perceived or potential conflict of interest with the work of the Committee. It is a conflict of interest for the Contractor to work for or agree to perform work for any entity that is related to the work that the Contractor will perform under this Contract. The Contractor will not accept work, enter into a contract, amend an existing contract, or accept an obligation or duty from a third party that is substantially similar to the scope of work of this Contract. Contractor warrants that there is no other

existing contract, agreement, obligation, or duty on its part that is substantially similar to the scope of work of this Contract.

CLAUSE XXI - AUTHORIZATION; CERTIFICATION

Execution of this Contract was authorized by a majority of the members of the Committee at a meeting on January 20, 2026.

The Alaska Legislative Procurement Procedures sec. 040(a)(1) procurement exemption justification was authorized by the Chair of the Legislative Budget and Audit Committee on January 20, 2026. The sec. 040 procurement exemption justification is attached as Exhibit B to this Contract.

Execution of this Contract by the Legislative Auditor or her designee hereby constitutes a certification that funds are available in an appropriation to pay for work performed under this Contract through June 30, 2026. Availability of funds to pay for work performed from July 1, 2026, through June 30, 2027, is contingent upon appropriation of funds for that fiscal year. If, in the judgment of the Legislative Auditor, sufficient funds are not appropriated for the appropriate fiscal year, the Contract will be terminated, or, if the Committee and Contractor agree in writing to amend the contract, the Contract may be amended in writing by the parties.

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CLAUSE XXII - MODIFICATION AND PREVIOUS AGREEMENTS

This Contract contains all terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind either of the parties to this Contract. This Contract may not be modified unless in writing and signed by all the parties to this Contract.

IN WITNESS WHEREOF, the parties have executed this Contract on the dates indicated below:

CONTRACTOR:
PEGASUS GLOBAL
HOLDINGS, INC.

COMMITTEE:
STATE OF ALASKA
LEGISLATIVE BUDGET & AUDIT
COMMITTEE

Michael Chilton

1/20/26

Michael Chilton
Chair
Business License No.: 2228372

Senator Elvi Gray-Jackson
Chair
Legislative Budget & Audit Committee
Procurement Officer

CERTIFYING AUTHORITY:

APPROVED AS TO FORM:

Kris Curtis
Kris Curtis
Legislative Auditor

1/20/20

Date _____

Emily M.
Legal Counsel

1/20/26

Date