

**PROFESSIONAL SERVICES CONTRACT BETWEEN**

**State of Alaska  
Legislative Budget and Audit Committee  
333 Willoughby Avenue  
Juneau, AK 99801**

**AND**

**Stoel Rives, LLP  
510 L Street, Suite 500  
Anchorage, AK 99501**

**Contract Amount – Not to Exceed: \$100,000.00  
(amount includes travel and all other expenses)**

The parties to this Contract are the State of Alaska, Legislative Budget and Audit Committee, whose address is 333 Willoughby Avenue, Juneau, AK, 99801, hereinafter referred to as the "Committee," and Stoel Rives, Limited Liability Partnership (LLP), whose address is 510 L Street, Suite 500, Anchorage AK, 99501, hereinafter referred to as the "Contractor." This Contract is entered into on the date the Committee Chair signs the Contract.

THE PURPOSE OF THIS CONTRACT is to assist the Committee with preparing a lawsuit against the current administration regarding whether certain Trans-Alaska Pipeline System (TAPS) settlement-related payments should be deposited into the constitutional budget reserve fund. Unless otherwise agreed in writing, the Contractor has not agreed to represent the Committee in any other matter.

**IT IS THEREFORE MUTUALLY AGREED THAT:**

**CLAUSE I – STATEMENT OF WORK**

The Contractor will provide services and staff, and otherwise do all things necessary and incidental to the performance of work as specified in the engagement letter dated September 2, 2022, attached as Exhibit A as a fully incorporated component of this Contract. If the engagement letter and this Contract conflict, the Contract shall control.

**CLAUSE II – PERIOD AND DATES OF PERFORMANCE AND TERMINATION**

(A) The period of performance under this Contract shall be from the date the engagement letter was entered into through the completion of the litigation, unless terminated earlier as provided in this Contract.

(B) Upon delivery of written notice to the Contractor, the Contract may be terminated by the Committee Chair with or without cause. To terminate, the Committee Chair shall provide notice by email or delivery of a hard copy to the Contractor, whichever method is selected in the sole discretion of the Committee Chair. If the 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 the Contract up to the date the termination notice is delivered, provided the Contractor supplies the Project Director with a detailed written summary of the services performed prior to termination and all other materials required to be delivered to the Project Director by Clause VII ("Records, Documents, Inspection") of this Contract.

**CLAUSE III – COMPENSATION AND METHOD OF PAYMENT**

- (A) Payment shall be based on a billing provided by the Contractor. Billings shall be submitted each month for services provided.
- (B) All requests for payment must be approved by the Project Director prior to payment.
- (C) The Contractor shall be compensated based on the following rate structure;

<u>Person</u>	<u>Hourly Rate</u>
Jonathan Iversen	\$630
Jim Torgerson	\$625
Kevin Cuddy	\$540
Whitney Brown	\$395
Connor Smith	\$350
Sarah Dronenburg	\$285

- (D) If a payment is not made within ninety (90) days after the Project Director has received a request for payment, the Committee shall pay interest on the unpaid balance of the billing at the rate of one and one-half percent (1.5%) 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. Payment sent by mail shall be sent to the address designated by the Contractor.
- (E) The Committee will not pay a request for payment of services submitted more than 12 months after the calendar month in which the request for payment was due.
- (F) The Contractor shall perform the work specified in this Contract, including all labor, materials, equipment, and expenses to complete the work for a total Contract price not to exceed one hundred thousand dollars (\$100,000.00).



#### **CLAUSE IV – COMMITTEE PROJECT DIRECTOR**

The Committee Project Director is Megan Wallace, Legislative Legal Services Director. The Committee Chair may replace the Project Director at any time during the course of this Contract. Should a replacement be made, the Committee Chair will provide the new Project Director's name and contact information to the Contractor in writing within ten (10) calendar days after replacement.

#### **CLAUSE V – LIMITATION OF AUTHORITY**

The Contractor and the Contractor's employees or agents performing work under this Contract are not employees or agents of the Committee or the Alaska State Legislature. The Contractor will not hold itself out as nor claim to be an officer or employee of the Committee or the Alaska State Legislature.

#### **CLAUSE VI – EXPENSES AND DUPLICATION**

- (A) The office space, equipment, supplies, clerical support, and other expenses that are necessary for the Contractor to carry out the Contractor's obligations under this Contract shall be supplied and paid by the Contractor at no cost to the Committee.
- (B) Duplicates of any reports or other items developed under this Contract may be produced by the Committee. The office space, equipment, supplies, clerical support, and other expenses required for duplication shall be supplied by the Committee.

#### **CLAUSE VII – RECORDS, DOCUMENTS, INSPECTION**

Throughout the duration of the Contract, the Contractor shall accurately maintain records, including, but not limited to, detailed time records listing date, quarters of an hour worked, and a description of the work performed relating to this Contract and performance of the services described herein. The records are subject to inspection by the Project Director at all reasonable times.

All documents, reports, and other items generated as a consequence of work done under this Contract are the property of the Committee.

### **CLAUSE VIII – CONTRACT CONTROVERSIES**

To make a claim under this Contract, the Contractor shall provide notice to the procurement officer that the Contractor intends to file a claim under Alaska Legislative Procurement Procedures secs. 350-370; the notice shall be provided within 10 days of the discovery of the claim or 10 days after the termination of the Contract, whichever is sooner. If not resolved, the Contractor shall file the complete and certified claim with the procurement officer in accordance with Alaska Legislative Procurement Procedure secs. 350-370 within 90 days of the discovery of the claim or 90 days after the termination of the Contract, whichever is sooner.

### **CLAUSE IX – ASSIGNMENT, TRANSFER, AND SUBCONTRACTING**

This Contract may not be assigned, transferred, or subcontracted to another party unless in accordance with sec. 160 of the Alaska Legislative Procurement Procedures, and approved by the Committee Chair.

### **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, and municipality for performance of services covered by the 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 Project Director.

### **CLAUSE XI - CERTIFICATION**

Execution of this Contract by the Committee and the signing of this Contract by the Certifying Authority hereby constitute a certification that funds are available in an appropriation to pay for work performed under this Contract through June 30, 2023. Availability of funds to pay for work performed after June 30, 2023, is contingent upon appropriation of funds for the next fiscal year. If, in the judgment of the Certifying Authority of this Contract, sufficient funds are not appropriated for that fiscal year, the Contract will either be terminated under Clause II(B) of this Contract, without liability of the Committee for the termination, or amended.

Execution of this Contract was authorized by a majority of the members of the Legislative Budget and Audit Committee on July 14, 2022.

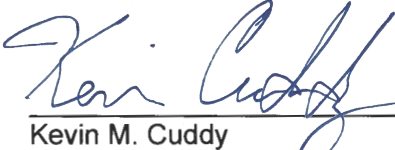


**CLAUSE XII – MODIFICATION AND PREVIOUS AGREEMENTS**

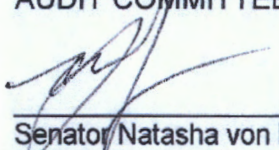
This document, including Exhibit A, contains all terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Contract shall be considered to exist or to bind either of the parties to this Contract. This Contract may be amended by mutual agreement of the parties, but any amendment must be in writing and signed by the parties.

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

STOEL RIVES, LLP

  
01/12/2023  
Date  
Kevin M. Cuddy  
Principal Stoel Rives, LLP  
Business License No. 928703

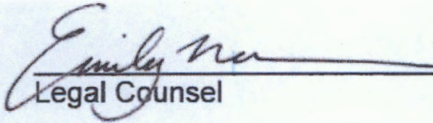
LEGISLATIVE BUDGET AND  
AUDIT COMMITTEE

 1/12/23  
Date  
Senator Natasha von Imhof  
Procurement Officer

CERTIFYING AUTHORITY

 1/12/23  
Date  
Kris Curtis, CPA, CISA  
Legislative Auditor

APPROVED AS TO FORM:

 1/11/23  
Date  
Emily  
Legal Counsel

## EXHIBIT A



September 2, 2022

Kevin M. Cuddy  
510 L Street, Suite 500  
Anchorage, AK 99501  
D. 907.263.8410  
kevin.cuddy@stoel.com

VIA EMAIL [MEGAN.WALLACE@AKLEG.GOV](mailto:MEGAN.WALLACE@AKLEG.GOV)

Megan Wallace, Director of Legal Services  
Legislative Affairs Agency  
State Capitol Mail Stop 3101  
Juneau, AK 99801

**Re: Engagement Letter and Request for Advance Waiver of Conflicts of Interest**

Dear Ms. Wallace:

Thank you for selecting Stoel Rives LLP (“Stoel Rives” or “Firm”) to represent the Legislative Budget and Audit Committee (“Committee,” “Client,” or “you”). We appreciate the opportunity to act as your legal counsel. This letter, and the attached Standard Terms of Representation, set forth the terms on which Stoel Rives will provide legal services to you (“Terms of Engagement”).

**Scope of Engagement.** You have engaged Stoel Rives to assist the Committee with preparing a lawsuit against the current administration regarding whether certain TAPS settlement-related payments should be deposited into the constitutional budget reserve fund (the “Engagement”). Unless otherwise agreed in writing, Stoel Rives has not agreed to represent you in any other matter. If you engage Stoel Rives to represent you in any matters beyond the scope of the Engagement, these Terms of Engagement shall apply to those matters.

**Client Relationship.** As we have discussed, our client in the Engagement will be the Legislative Budget and Audit Committee. To the extent that you have affiliates not otherwise defined in this letter as clients, you agree that our representation of the Committee in the Engagement does not give rise to an attorney-client relationship between Stoel Rives and any of these affiliates, and that Stoel Rives may represent clients adverse to these affiliates in matters unrelated to this Engagement.

In addition, the Engagement does not include responsibility for review of your insurance policies to determine the possibility of coverage for the claim asserted in this matter, or for notification of your insurance carriers about the matter.

The Engagement also does not include any advice or other legal services relating to federal or state securities laws, including appearing or practicing before the U.S. Securities and Exchange Commission (“SEC”), or your disclosure obligations under such laws, and we understand that you

will not, without our prior written consent, include documents or information we provide to you in any filings with federal or state securities regulators, including with the SEC.

### **Conflicts of Interest.**

**Advance Waiver.** Stoel Rives represents companies, individuals, and government agencies in many matters throughout many jurisdictions. During the time we are representing you, we may represent other clients (“Firm clients”) in disputes or transactions adverse to you that are not substantially related to the Engagement and do not materially limit our ability to represent you.

By signing this letter, you consent to our present and future representation of these Firm clients and other adversaries/competitors. This consent, if provided, also allows Stoel Rives to take positions adverse to either you, or any of your affiliates, in any matters (whether involving the same substantive areas of law for which you have retained the Firm or some other unrelated areas of law, and whether involving transactional, litigation, or advisory matters), so long as two conditions are met: (1) the representation does not involve any work that we have done for you; and (2) the representation would not place us in a position to use your confidential information adversely to you.

Because the work that we have been asked to perform on the Engagement is unrelated to any present matter we are handling adverse to you and under the terms of our agreement would be unrelated to any future matters we may take on adverse to you, we do not believe that there is a material risk that your confidential information will be used adversely to you. Similarly, the lack of a relationship between our work for you under the Engagement and our work for other clients – current and future – suggests to us that there is little risk that our efforts on your behalf will be affected. Although we do not believe that these factors would affect your representation, you should review this yourself.

To ensure that any consent you provide is fully informed, I welcome any questions you have and recommend that you review the issue of consent with independent counsel. Whether you actually do, however, is up to you.

**Principal Attorneys Handling Your Matter(s).** Jim Torgerson, Connor Smith, and I will be the attorneys responsible for the Engagement. However, as our representation progresses and issues arise, other attorneys at Stoel Rives may become responsible for and handle certain aspects of our work for you. If you ever have any questions or concerns about how we staff matters, please do not hesitate to let me know. Otherwise, we will use our judgment to determine how to staff matters in the most cost-effective manner possible.

**Fees.** Unless we agree to other arrangements, the principal factors that determine our fees incurred in connection with the Engagement are the time devoted to the matter and the hourly rates of the attorneys and staff involved in the matter. Jim Torgerson’s hourly rate will be \$625. My hourly

Megan Wallace, Director of Legal Services  
Legislative Affairs Agency  
September 2, 2022  
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rate will be \$540. Connor Smith's hourly rate will be \$325. Finally, our paralegal's (Sarah Dronenburg) hourly rate will be \$285. These billing rates are subject to change from time to time and are adjusted at least annually. Legal services provided after the effective date of the new rates will be charged at the new applicable rates. As explained in the enclosed Standard Terms of Representation, we may take other factors into consideration in determining our fees.

Stoel Rives understands that, if the costs of litigation exceed \$35,000, under the Alaska Legislative Procurement Procedures ("Procurement Procedures"), Stoel Rives and the Legislative Affairs Agency will be required to enter into a contract complying with the Procurement Procedures.

Stoel Rives understands that funds are available in an appropriation to pay for the monetary obligations under this engagement letter through June 30, 2023. The availability of funds to pay for the monetary obligations under this engagement letter after June 30, 2023, is contingent upon appropriation of funds for the particular fiscal year involved. In addition to any other right of the under this engagement letter to terminate this agreement, if, in the judgment of the Legislative Affairs Agency, sufficient funds are not appropriated, this agreement will be terminated. To terminate under this section, written notice of the termination shall be provided.

Please be advised that in litigation matters you may be liable for the opposing party's costs, fees, and expenses if you are not the prevailing party.

**Billing and Payment.** Unless otherwise agreed, we will send invoices for our legal fees and expenses on a monthly basis. Our invoices include narratives of the legal services performed and itemize expenses incurred by Stoel Rives in connection with the Engagement. If you would like additional information about any of our invoices, please let me know. Payment is due within 30 days after the date of the invoice. The enclosed Standard Terms of Representation contains additional information regarding our billing processes and payment terms.

**eDiscovery.** Because of the increasing complexity of electronic discovery, many litigation matters require collection and processing of electronic documents and database management throughout the course of the case and related services. We have relationships with a number of vendors that provide services relating to eDiscovery. If you and I agree that this case requires eDiscovery services and you do not have a third-party vendor that you prefer to use, we would be pleased to discuss with you the kinds of services we can provide through our vendor and the pricing for those services.

**Publicity.** In connection with our representation of you, Stoel Rives requests, and you consent, for us to use certain information about the Engagement for the sole purpose of describing our expertise in marketing materials. Your consent here is only with respect to information about the Engagement that you have disclosed to the public.

**In-Firm Communications.** From time to time, issues may arise relating to our duties under the professional conduct rules that apply to lawyers. These issues may involve conflict of interest



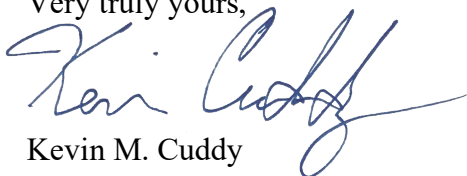
Megan Wallace, Director of Legal Services  
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questions or even a dispute between Stoel Rives and a client over how we have handled a client matter. When such issues arise, we may seek the advice of our Firm Counsel and loss prevention partners. We consider such consultations to be attorney-client privileged communications. We believe that it is in our clients' interests, as well as Stoel Rives' interest, that when legal ethics or related issues arise during a representation, we obtain expert analysis of our obligations. Accordingly, you agree that if we determine in our own discretion during the course of the representation that it is either necessary or appropriate to consult with our internal or outside counsel, we have your consent to do so and that our representation of you shall not waive any attorney-client privilege Stoel Rives may have regarding the confidentiality of our communications with counsel.

**Protected Health Information.** We do not believe that this Engagement will require us to access, create, receive, use, maintain, disclose, or transmit Protected Health Information ("PHI") as that term is defined in the privacy and security rules issued under the Health Insurance Portability and Accountability Act of 1996, as amended. In the event you believe that we need to review information that constitutes PHI, we request that you communicate with us in advance of sending the information so that we can confirm that such review is necessary and, if so, sign a business associate agreement and arrange for an appropriately secure method of transmission. We request that you do not email us PHI unless you are using an email encryption program.

If the Terms of Engagement meet with your approval, please promptly sign the letter in the space below and return a copy to me with the security deposit so that we may begin work. Please call or email me if you have any questions. Once again, let me say how pleased we are that you have entrusted Stoel Rives to represent you in the Engagement. We look forward to working with you.

Very truly yours,

A handwritten signature in blue ink that reads "Kevin M. Cuddy". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Kevin M. Cuddy

Megan Wallace, Director of Legal Services  
Legislative Affairs Agency  
September 2, 2022  
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**THE UNDERSIGNED ACKNOWLEDGES AND ACCEPTS THE TERMS OF  
ENGAGEMENT, AND CONSENTS TO STOEL RIVES' REPRESENTATION  
NOTWITHSTANDING THE CONFLICTS OF INTEREST DESCRIBED ABOVE.**

ALASKA LEGISLATIVE AFFAIRS AGENCY

By: Megan Wallace  
Megan Wallace

Title: Director of Legal Services

Date: 9/9/22

## STANDARD TERMS OF REPRESENTATION

**Fees.** Unless otherwise agreed to in writing by the Client and Stoel Rives, the principal basis for computing our fees for the legal services we provide will be the amount of time spent on the matter by various lawyers and legal assistants multiplied by their individual hourly billing rates. Other factors we may consider in setting our fee include the novelty and difficulty of the questions involved; the skill required to perform the services properly; the experience, reputation, and ability of those performing the services; the time limitations imposed by the Client or the circumstances; the amount involved; and the results obtained.

**Costs.** We will include in our statements separate charges for services such as copying, messenger and delivery service, travel, and filing fees. Unless otherwise agreed to in writing, the Client authorizes us to retain any investigators, consultants, or experts necessary in our judgment to represent the Client's interests in the specified matter. Their fees and expenses generally will not be paid by us, but will be billed directly to the Client.

**Estimates.** We are often requested to estimate the amount of fees and costs likely to be incurred in connection with a particular matter. Because fees and costs are usually not predictable, we generally make no commitment to the Client concerning the maximum fees and costs that will be necessary to resolve or complete the matter. Any mention by us of fees and costs is only an estimate. It is also expressly understood that your obligation to pay our fees and costs is in no way contingent on the ultimate outcome of the matter.

**Client Responsibilities.** You agree to pay our statements for services and expenses as agreed in the Terms of Engagement. In addition, you agree to be candid and cooperative with us and keep us informed with complete and accurate factual information, documents, communications, and other material relevant to the subject matter of our representation or otherwise reasonably requested by us. You also agree to make any necessary business and strategy decisions in a timely manner. Because we need to be able to communicate with you regarding the representation, you agree to keep us advised of name, address, telephone number, contact person, or email address changes.

**Advice about Possible Outcomes.** From time to time, we may express opinions or beliefs concerning the matter or various courses of action and the results that might be anticipated. Any such statement made by any of our lawyers is an expression of opinion only, based on information available to us at the time, and should not be construed by you as a promise or guarantee.

**Electronic Communications.** It is likely that, during the course of this engagement, you and Stoel Rives will use electronic devices and internet services (which may include unencrypted email, mobile phones, voice over Internet, electronic data/document websites, and other technology) to communicate and transfer documents. Although the use of this technology involves some degree of risk that third parties may access confidential communications, we believe and, by signing the engagement letter, you agree that the benefits of using this technology outweigh the risk of accidental disclosure. Nevertheless, just as we have policies and systems in place designed to make our electronic communications with you reasonably secure, it is equally important that you communicate with us in a manner that reasonably protects the confidentiality of information we share and any attorney-client privilege that may apply to our communications. This means that you should not use any computers or other electronic devices, networks, or internet addresses that are owned, controlled, or may be accessed by others to send or receive confidential information to or from us. Any device you use should be password protected and not accessible for use by any third party.



**Responding to Subpoenas and Other Requests for Information.** If we are required to respond to a subpoena or other formal request from a third party or a governmental agency for our records or other information relating to services we have performed for you, or to testify by deposition or otherwise concerning such services, we will first consult with you as to whether you wish to provide the information demanded or assert the attorney-client privilege to the extent you may properly do so. In such circumstances, you agree that you will reimburse us for our time and expense incurred in responding to any such demand, including, but not limited to, time and expense incurred in searching for information and photocopying costs, reviewing documents, appearing at depositions or hearings, and otherwise litigating issues raised by the request.

**Termination of Engagement.** You may, at any time, terminate our representation upon written notice to us. We reserve the right to withdraw from our representation as required or permitted by the applicable rules of professional conduct upon written notice to you. Your termination or our withdrawal will not relieve you of your obligation to pay for services already rendered, including work in progress and incomplete at the time of termination, and to pay for all expenses incurred on your behalf by us through the termination or withdrawal date.

**Conclusion of Representation; Retention and Disposition of Documents.** Unless previously terminated or otherwise agreed, our representation will conclude and the attorney-client relationship will terminate automatically upon the occurrence of either of the following: first, 30 days following the date on which we send you a final statement for services rendered in the matter(s); or second, in the event a final statement for services is not sent, when 12 months have elapsed with no meaningful billable services provided to the Client. Thereafter, should you reengage us to represent you, you agree that the terms of this letter shall apply to any matters that we handle for you unless a new engagement letter has been signed. At your request, client documents and property will be returned to you upon receipt of payment for outstanding fees and costs, although we reserve the right to copy any documents we deem appropriate. Our files and documents pertaining to the matter will be retained by us for ten years after the termination of a matter, without further notice to the Client.

**Post-engagement Matters.** The Client is engaging us to provide legal services in connection with a specific matter. After completion of the matter, changes may occur in the applicable laws or regulations that could impact the Client's future rights and liabilities. Unless the Client engages us after the completion of the matter to provide additional legal advice or services on issues arising from the matter, we have no continuing obligation to advise the Client on such issues or on future legal developments, including docketing milestones, making additional or continuation filings, monitoring renewal or notice dates or similar deadlines that may arise with respect to the matter, pursuing appeals, or taking other steps on the Client's behalf to protect its interests.