

BLANKROME

Government Relations LLC

October 31, 2019

The Honorable Gary Paxton
Mayor
City and Borough of Sitka
100 Lincoln Street
Sitka, AK 99835

Dear Mayor Paxton:

We are very pleased that you are considering adding Blank Rome Government Relations (“BRGR”) and Blank Rome LLP (“BR LLP”) to the City and Borough of Sitka’s (“CBS”) government affairs team. We look forward to assisting CBS accomplish its goals in Washington, D.C. relative to upcoming federal legislation, and with respect to federal agency regulatory, grant, and loan programs.

On behalf of CBS, and in coordination with you and your team, we will engage, and appropriately “follow-up” with the Alaska Congressional Delegation, and other relevant Members of Congress, and their key staffs. We will also utilize our existing relationships with applicable Congressional Committees, Members and staff, especially those with jurisdiction over pending legislation that includes but is not limited to: Water Resources Development Act Reauthorization, Surface Transportation Reauthorization Act, Indian Energy Reauthorization (other Energy Policy legislation as well), FY21 Appropriations bills, FY21 National Defense Authorization Act (NDAA) and Coast Guard Reauthorization, as needed. We will also meet as needed with relevant federal agencies such as Dept. of Energy, EPA, Dept. of Defense (IRT), Dept. of Commerce (EDA), Dept. of Agriculture (RUS, RD), FERC, Dept. of Interior (IHS, BIA), and Dept. of Health and Human Services (HHS), among others.

In short, we will work closely with the CBS team, which we understand is composed principally by Mayor Paxton, Hugh Bevan, Garry White of SEDA, and Larry Markley, to prioritize and implement an action and messaging plan for the next 14 months based upon the opportunities and options described in the attached trip report from Ken Cameron.

We believe a project of this size will require a focused and strategic “execution plan” with clear lines of communication and coordination. To help devise and execute this proactive plan, BRGR proposes a fee of \$12,000 per month beginning Nov 1, 2019 through December 31, 2020. The agreement may be terminated by either party, with 30 days written notice and may be extended by mutual agreement of the parties. We will provide CBS’s team with regular updates in writing and/or via conference call on activities and outcomes as they develop, and we will help arrange meetings for CBS officials when they visit Washington. Please refer to the attached Addendum for additional explanation of fees, disbursements and details.

Blank Rome LLP has well-known and respected legal expertise in the practice areas of Insurance Recovery, Maritime, Government Contracting, Bond and Public Finance, Federal Energy Regulatory

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Commission (FERC), and Real Estate, to name a few. Any legal work that CBS decides to obtain from BR LLP will be handled under separate agreement and will be billed at the firm's hourly rates for those attorneys working on CBS matters. However, an accommodation (discount) for those hourly rates will be made for CBS as a client of BRGR should CBS choose to go forward with BRGR. As is standard in all BRGR's representation agreements, during the term of this agreement, should CBS hire or engage additional entities to assist CBS's efforts, BRGR will need to evaluate if such addition may cause a conflict of interest for BRGR. If we determine a conflict has arisen, BRGR will promptly notify CBS.

The terms of this engagement letter and the attached Addendum will govern our representation of City and Borough of Sitka and may only be modified in writing signed by BRGR's managing principal. Please review carefully the terms of this engagement letter and the attached Addendum. If you have any questions, please give me a call to discuss further.

On behalf of Blank Rome Government Relations LLC, we thank you for the opportunity to represent the City and Borough of Sitka and look forward to serving to enhance your interests. CJ Zane, Stephen Peranich, David Thompson, Jenni Ellison, and Genevieve Cowan will be the leads for this effort, but our entire team of professionals will be available to assist if needed. If this arrangement is agreeable to you, please sign below and return a signed copy of this letter. We have attached general information about BRGR and BR LLP for your review.

Very Truly Yours,



C.J. Zane

Managing Principal

zane-cj@blankrome.com

Agreed and Accepted:
City and Borough of Sitka

By: Mayor Paxton

Date: _____

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ADDENDUM TO ENGAGEMENT LETTER

The policies and practices set forth below apply to your engagement of Blank Rome Government Relations LLC (BRGR) as your representative:

1. Scope of Engagement.

The scope of this engagement is described in the attached Engagement Letter. Unless otherwise agreed to in writing or we specifically undertake such additional engagement at your request, we will serve only the client named in the engagement letter and not its affiliates, subsidiaries, partners, joint ventures, employees, directors, officers, shareholders, members, owners, or agencies. You specifically acknowledge that BRGR and Blank Rome LLP are free to represent another client in any matter adverse to any of those possibly related persons or entities.

You may not rely upon BRGR for legal, business, investment or accounting advice, nor to assess the character or creditworthiness of persons with whom you may deal.

2. Compensation and Billing.

Although we may from time to time for a client's convenience furnish estimates of fees or charges that we anticipate will be incurred on a client's behalf, these estimates are subject to unforeseen circumstances and are by their nature inexact. We will not be bound by any estimates except as otherwise expressly agreed to by us in writing. Your obligation to pay our fees and costs incurred in connection with the representation is not contingent upon our achieving any particular result. Absent a written agreement to the contrary, each client named in the engagement letter is jointly and severally liable for all fees and disbursements.

3. Disbursements and Other Charges.

In addition to our fees, we will be entitled to payment or reimbursement for disbursements and other charges incurred in performing services for you under this engagement, such as messenger and delivery, custom printed materials, and travel (including mileage, parking, airfare, lodging, meals, and ground transportation). To the extent we directly provide any of these services, we reserve the right to adjust the amount we charge with your prior approval, and the charge may exceed our costs. Unless special arrangements are made, fees and expenses of consultants and outside professionals (such as experts or investigators) and other large disbursements will not be paid by our firm and will be the responsibility of and billed directly to you, or you will be asked to advance to us an estimate of those costs.

4. Term and Termination.

Subject to the provisions for termination provided herein, the engagement shall be for the term set out in the Engagement Letter. If our engagement is limited to a specific matter or transaction, and we are not engaged to represent you in other matters, our engagement will terminate upon the completion of our services with respect to such matter or transaction whether or not we send you a letter to confirm the termination of our representation.

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The parties may renew this agreement upon mutually agreed terms. Absent an express written agreement to the contrary, the terms of our engagement set forth in this Engagement Letter and Addendum will apply to other matters which we agree to undertake on your behalf.

Either party will have the right to terminate our services and representation upon 30 days written notice. Such termination shall not, however, relieve you of the obligation to pay for all services rendered and disbursements and other charges made or incurred on your behalf prior to the date of termination.

5. Services of BRGR

BRGR is a Limited Liability Company that is owned by the law firm of Blank Rome LLP, a Pennsylvania limited liability partnership. However, BRGR is not a law firm. The services BRGR will provide are non-legal in nature and distinct from the kinds of services that are provided by lawyers.

Therefore, some of the legal protections that exist within an attorney-client relationship do not apply to your relationship with BRGR. In an attorney-client relationship, an attorney is ordinarily required to maintain the confidentiality of all information relating to the representation of the client, and communications between a client and an attorney are legally protected from compelled disclosure under the attorney-client privilege. Attorneys are also prohibited from representing persons with conflicting interests and are obliged to maintain professional independence. These aspects of the attorney-client relationship, which exist because of the Rules of Professional Conduct and the legal doctrine of attorney-client privilege, do not apply to your relationship with BRGR.

If your company is also a client of Blank Rome LLP, we are required to advise that you may wish to consult with independent legal counsel in connection with engaging BRGR and that other companies may provide the kinds of services BRGR provides.

6. Confidentiality and Non-Disclosure

BRGR will use reasonable efforts to protect the confidentiality of information relating to this engagement, including communications between us and any of your agents or attorneys, and will not voluntarily divulge such information except to the extent we need to do so in order to carry out the engagement or you authorize us to do so.

Because BRGR is not a law firm, to the extent that you engage Blank Rome LLP or another law firm in connection with this engagement, the attorney-client privilege that exists with respect to your communications with a lawyer may not apply with respect to communications between BRGR and another law firm you may engage (including Blank Rome LLP) or a corporate law department. Such communications may therefore be subject to compelled disclosure.

We recognize the importance of preserving the confidentiality of our communications with you and other information relating to the engagement. However, all means of communication are, to some degree, susceptible to misdirection, delay or interception. E-mail and cellular telephone communications present special risks of inadvertent disclosure. Because of the speed, efficiency, and convenience of these methods of communication, we have adopted them as part of the normal course of our operations. Unless you instruct us to the contrary, we will assume that you consent to our use of e-mail and cell

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phone communications in this engagement.

7. Conflicts of Interest.

Our agreement to represent you is based upon your agreement that, in matters that are not substantially related to a matter for which you have retained BRGR, BRGR and Blank Rome LLP are free to represent any client (including your competitors and adversaries) and to take positions adverse to you or your affiliates even if those matters are directly adverse to you. We undertake to disclose to you and obtain your consent prior to our acceptance, or Blank Rome LLP's acceptance, of any other representation substantially related to this one that we know may be adverse to your interests.

It is unavoidable that from time to time conflicts of interest develop between or among our clients, or between clients, or former clients, and prospective clients we wish to represent, or between or among clients of BRGR and clients of Blank Rome LLP. In these situations, if we are authorized to do so, we would wish to disclose the conflicts to our clients, former clients and prospective clients and consult with them to obtain the clients' or former clients' consents before we may proceed, whether or not we may be required to do so. We wish to confirm that you agree that you will promptly and in good faith consider our requests for a consent if we seek them. At no time would we use or disclose any confidential or proprietary information relating to your representation in connection with our representation of another client without your written consent. Please know that we have asked for similar agreements in engagement letters with other new clients to preserve our ability to represent you.

8. Records.

With respect to records and files, BRGR is the sole owner of its files and those files are not within your possession, custody or control.

9. Lobbying Reports.

To the extent that our representation of you requires that we register and report lobbying activities under applicable law or to register and report any representation of you that requires registration under the Foreign Agents Registration Act, you authorize us to prepare and file these registrations and reports with the appropriate government authorities and to pay for our filing fees.

10. BRGR's Attorney-Client Privilege.

Blank Rome LLP has internal and external ethics and professional responsibility counsel who advise BRGR personnel (as well as Blank Rome LLP attorneys) from time to time concerning their ethical, professional, and legal duties. We encourage consultation between BRGR/Blank Rome LLP professionals and counsel. You acknowledge that BRGR's (and Blank Rome LLP's) own attorney-client privilege protects any such consultations, waive any right to discovery of them, and waive any conflict of interest that might be involved in ethics counsel's providing advice to these attorneys and personnel.