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SEDOR WENDLANDT WANG

500 L STREET, SUITE 500 ANCHORAGE, ALASKA 99501

ATTORNEYS AT LAW

TELEPHONE: (907) 677-3600 FACSIMILE: (907) 677-3605

August 15, 2005

North Slope Borough School District Trent Blankenship, Superintendent Pouch 169 Barrow, Alaska 99723

Re:

Legal Services Agreement

North Slope Borough School District; General Matters

File No. 1109-0001

Dear Trent:

We agree to provide the North Slope Borough School District with legal service and representation as is more fully described below. This letter will define the terms and conditions of that representation.

## A. Description of Services.

We will furnish Client with legal advice and representation in connection with the conduct of its general operations. In and during the course of this representation, we will consult with Client periodically to review the status of those matters referred to us for assistance, discuss related issues and options and then act pursuant to Client's instruction. Unless we agree in writing to different or additional terms, this agreement will apply to all matters and services Client may ask us to undertake on its behalf.

## B. Attorney Fees.

Fees for services performed by attorneys pursuant to this agreement will be charged at a rate of \$175 per hour. Those fees, based upon time expended, include any and all work required to represent Client including: conducting investigations, reviewing materials and researching legal issues, preparing documents and pleadings, attending/participating in meetings, hearings and other proceedings (including travel time), communicating (in writing, by telephone and in person) with Client and others (including witnesses, consultants, experts, opposing counsel, and court and administrative personnel). If asked to estimate the total fees and costs likely to be incurred in any given matter, we will use our professional judgment to fumish same, but with an understanding that it is not a maximum or fixed fee quote (as it is impossible to be exact in these estimates considering the unknowns inherent in such matters). The minimum charge for services rendered by us is 0.2 hours. Periodically we review and modify our hourly rates and reserve the right to make changes thereto.

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#### C. Costs.

In addition to attorney fees Client will be billed for the expenses we incur on its behalf in this representation. These costs include paralegal services (at \$85 per hour), telephone charges, photocopies (at \$.25 per page), outgoing faxes (at \$.50 per page, plus associated long distance costs), travel-related expenses, court fees and deposition expenses and computer-assisted legal research. In instances where such costs are of significant amount, including consultant and deposition transcription expenses, we may choose to forward the vendors' invoices to Client for payment directly.

## D. Billings and Retainer.

We will bill Client on a periodic basis, usually monthly, and Client is expected to pay our invoices in full within thirty (30) days of the billing date. If full payment is not received within that period, interest may be charged on the unpaid balance at the rate of 10.5% per annum. We maintain careful records of the work performed and costs incurred. If Client ever has any questions or concerns regarding our invoices, please bring them to our immediate attention and we will review the bills and explain or correct our charges. If we are not able to resolve Client's concerns, Client may pursue fee arbitration through the Alaska Bar Association.

### E. Represented Party.

In this engagement we represent only the person or entity specifically identified in this letter agreement and not any affiliated or associated entities. For corporations, limited liability companies, partnerships and governmental agencies, this engagement does not include or extend to our representation of any parent, subsidiary, affiliate or any associated agencies or departments. Nor does it include or extend to our representation of any employees, officers, directors or shareholders of a corporation or governmental entity, members of a limited liability company or partners of a partnership, or of any commonly owned corporations, joint ventures or other corporate, governmental or contractual affiliates or partnerships. Client agrees that we may represent another client with interests adverse to any such affiliate, individual, or associated entity without obtaining Client's further consent.

# F. Termination of Representation.

Client may terminate our representation at any time, with or without cause, by notifying us in writing. However, Client remains responsible for payment for services provided and costs incurred prior to termination (which Client agrees to do within ten (10) days after receipt of final billing) and in arranging to transition this matter to new counsel.

We may terminate our representation and seek to withdraw as Client's counsel of record in pending actions and matters if Client should fail to honor this agreement in any

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material way (including Client's failure to make timely payment of our fees and costs) or if allowed or required under the Alaska Rules of Professional Conduct (including failure to communicate effectively or our inability to obtain sufficient cooperation from Client to permit us to properly perform our duties as Client's counsel or if a significant conflict of interest arises between our service to Client and our service to one or more other clients of this firm). If we withdraw from representation, for any reason, we will notify Client in writing.

#### G. File Materials.

Files created and maintained by us on Client's behalf in the course of this representation are Client's property and are recoverable by Client at the conclusion thereof. Any file materials left in our possession at that time will be retained for two years, after which (or sooner if mutually agreed) we will arrange to dispose of same <u>unless</u> we've previously received a written notice from Client that Client wishes to retrieve these materials. Please call with any questions regarding our file retention and disposal policies.

### H. Insurance.

Client is responsible for determining if Client has any insurance policies relating to any matter (or elements thereof) where we are providing Client with legal representation, and we do not assume an obligation to advise you regarding the existence, applicability or availability of insurance coverage unless Client requests and provides us with copies of insurance policies. If an insurance company agrees to pay or pays any portion of the fees or costs we bill Client in this representation, Client shall remain responsible for any amounts not paid thereby.

# I. Litigation Matters - Preservation of Evidence and Attorneys Fees.

If this representation involves matters that might result in litigation or arbitration. Client acknowledges awareness of and agrees that Client will comply with the duty to preserve all evidence concerning the subject matter of that dispute. That obligation extends to all electronic evidence including emails, backup tapes/discs/drives, the preservation of any deleted items on computers/servers and any written memoranda and notes, transcripts and tapes of conversations, personal or office calendars and diaries, and financial data. Failure to comply with this obligation to preserve evidence may subject Client to discovery sanctions, awards against Client of costs and attorney fees, dismissal of claims or striking of defenses, imposition of a judgment against Client and, in some cases, additional liability beyond the amount in dispute.

Further, if this representation involves matters that may result in litigation in state or federal court, Client acknowledges awareness that certain state and federal statutes and court rules may operate, depending upon the circumstances, to allow a party adverse to Client's interests to recover from Client some or all its attorney fees and costs if Client is held

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not to be the prevailing party. We will endeavor to provide a more detailed assessment of the risks of such recovery as the litigation matter develops.

J. Applicable Law and Venue.

This agreement and all services rendered hereunder shall be governed by the laws of the State of Alaska and any proceeding relating to or arising from this agreement shall be commenced exclusively in the Third Judicial District in the State of Alaska.

K. End of Engagement.

Our representation of Client will be completed with regard to any matter covered by this agreement upon the preparation and distribution of a final statement or closing letter. In such cases, from that time forward, we do not and cannot undertake any duty to advise Client when and if any changes in the law (or inquire when and if changes in the facts) occur which might impact Client's legal rights and obligations or suggest that Client should take any particular action. If Client wishes to discuss any renewed or further representation, Client will need to contact us.

A completion of our representation of Client with regard to any one matter will not affect or interfere with our continuing representation of Client in any other matter that we are handling. Nor would it interfere with our ability to again form an attorney/client relationship should Client decide to later engage our services in connection with that same or some other matter.

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M. Acceptance.

This letter constitutes our entire fee agreement and its terms cannot be revised in any way unless done so in writing. If this letter is acceptable to Client, please sign it below and return the original to us.

Please contact me with any questions or concerns regarding this letter or our representation generally. We look forward to working with you on this matter.

Sincerely,

SEDOR, WENDLANDT & WANG, LLC

I HAVE READ, UNDERSTOOD AND HEREBY AGREE E FOREGOING.

> Sugh School District North Slope Bc

Date: 8.16-05

Its: Superintendent