

June 6, 2017

Greg Hubinger, Director
Legislative Coordinating Commission
100 Rev. Dr. Martin Luther King Jr. Blvd.
State Office Building, Room 72
St. Paul, MN 55155

Re: Litigation on behalf of the Minnesota Legislature to continue to function after its appropriation was vetoed by the Governor

Dear Mr. Hubinger:

We appreciate the Legislative Coordinating Commission's ("LCC") selection of Kelley, Wolter & Scott, P.A. ("KW&S, P.A.") to represent the Minnesota House of Representatives and the Minnesota Senate in the above-referenced matter. This will confirm that the LCC has hired us to represent the House and the Senate, effective June 2, 2017. We appreciate the opportunity to serve you in this matter. This letter and the enclosure describe the terms of our agreement.

The 90th Legislature, 2017 Special Session, passed the Omnibus State Government Appropriations Bill, 2017 1st Special Session, Chapter 4. Included in article 1, section 2 of that bill were the appropriations for the Senate and for the House of Representatives for the fiscal year 2018-2019 biennium. On May 30, 2017, the Governor line-item vetoed section 2, subdivision 2, which contained the biennial appropriation for the Minnesota Senate. He also line-item vetoed section 2, subdivision 3, which contained the biennial appropriation for the Minnesota House of Representatives. The total amount appropriated was in excess of \$129 million. Absent the governor rescinding his vetoes or enactment of appropriations in an intervening special session, on July 1, 2017, the two-year biennium will begin without an appropriation for the operation of the House or Senate. By resolution adopted June 2, 2017, the Legislative Coordinating Commission, on behalf of the legislative bodies, authorized KW&S, P.A. to represent the legislature to ensure that the core functions of the legislative branch of Minnesota State government will continue so that the legislature can fulfill its duty to represent the citizens of Minnesota. This will likely result in litigation against the executive branch of state government.

Our representation includes all matters relating to, preparing for, commencing, and pursuing litigation, including legal research, factual investigation, meetings, discussions with representatives of our client, legislators, legislative branch employees, attorneys representing the

executive branch of government, court appearances, motions, briefing on legal issues, mediation, special master proceedings, and public communications with interested parties.

It is possible that litigation will take place before the Minnesota District Court, Court of Appeals, and the Supreme Court. We agree to represent you in this litigation through its final resolution in the state courts.

We refer matters to those lawyers in the firm who, in our judgment, can perform the highest quality work, in a timely and efficient manner, and at reasonable cost. We also employ non-lawyer assistants in tasks where lawyers are not necessary, to facilitate the rapid and efficient performance of services. In the event that you ever have questions or concerns respecting your representation, please bring them to my attention immediately. Our fees will be based on the respective standard hourly rates of the attorneys, paralegals, or staff rendering services on your behalf, which currently range from \$300 per hour to \$650 per hour for our attorneys, and \$180 per hour for our paralegals. We specifically agree to reduce our hourly rates for this representation as listed below:

Attorney	Regular rate	Rate for this case
Doug Kelly	\$650	\$325
Steve Wolter	\$500	\$250
Dan Scott	\$500	\$250
Kevin Magnuson	\$425	\$212.50
Pat Pedersen	\$400	\$200
Brett Kelly	\$300	\$150
Paralegals	\$180	\$90

In addition, we will bill for all disbursements incurred on your behalf, which may include, but are not limited to, court filing fees, expert witness fees, online research charges, court reporter charges, photocopying, database creation and management, and travel expenses. We may request that you pay certain disbursements directly. We ordinarily render a bill at the end of each calendar month, and expect payment within 30 days of billing.

The enclosed Standard Client Billing Policy (the "Policy") is incorporated as a part of the terms of our engagement. KW&S, P.A.'s service charges and disbursements that appear on fee statements will be determined as described on the Policy. The enclosed Addendum is also recognized as part of the terms of this engagement. The Policy, this letter, and the Addendum comprise our entire legal services agreement with you.

If you have any questions concerning our services, this agreement or the Policy, please call me at any time. To confirm your acceptance of these terms, please sign the enclosed copy of this letter where indicated and return it to me.

We look forward to serving as your counsel.

Sincerely,

KELLEY, WOLTER & SCOTT, P.A.



Daniel M. Scott

Enclosure

ACCEPTED AND AGREED:

By: Greg Hubinger

Date: 6/9/17

Greg Hubinger, Director
Legislative Coordinating Commission

By: Kurt Daudt

Date: 6-9-17

Representative Kurt Daudt, Chair
Legislative Coordinating Commission

Kelley, Wolter & Scott, P.A.
Kelley, Wolter & Scott, P.A.
Agreement for Legal Services -- Standard Client Billing Policy

This Standard Client Billing Policy, together with the engagement letter from Kelley, Wolter & Scott, P.A. ("KW&S, P.A."), contains the agreement ("Agreement") under which KW&S, P.A. will provide legal services to you, as the client ("Client") named in that engagement letter. This Agreement describes KW&S, P.A.'s standard billing policies and practices and will be applicable to all of your Client matters unless otherwise agreed in writing. KW&S, P.A. may periodically modify its general billing policies and practices; if this happens you will be notified in advance of the changes.

Services. KW&S, P.A. will provide you the legal services described in the engagement letter and other services agreed to between you and KW&S, P.A..

Fees. Unless otherwise agreed in writing, the cost of the legal services rendered will be determined at the respective standard hourly rate of the person(s) rendering the services. KW&S, P.A. will designate the appropriate attorney, or contract attorney or legal or staff assistant, to render the services based on: your request; the complexity of the matters involved; the skill and availability of the person to be assigned; and other relevant factors. Time is recorded in one-tenth hour increments. Hourly rates are subject to periodic adjustment by KW&S, P.A. with prior notice.

Billing. Unless otherwise agreed in writing, fees, services charges and disbursements are billed monthly and invoices are due within thirty (30) days after receipt. KW&S, P.A. will send you a monthly Statement of Account which summarize all outstanding invoices. If you pay a retainer or other advance payment of fees, services charges or disbursements, KW&S, P.A. will deposit and disburse that amount in a non-interest-bearing trust account as required under applicable rules of professional responsibility.

Termination. As the Client, you may terminate KW&S, P.A. as your legal counsel at any time by written notice to KW&S, P.A.. KW&S, P.A. may also withdraw as your legal counsel or suspend or limit its services to you, in compliance with applicable rules of professional responsibility.

Collection. Clients are responsible to reimburse KW&S, P.A.'s collection costs and attorneys' fees for nonpayment of invoices. If invoices are not timely paid, KW&S, P.A. may obtain and perfect an attorneys' lien against documents, property, money or other rights, in accordance with applicable law. Subject to applicable law and rules, A LATE PAYMENT CHARGE OF 8% PER YEAR (OR THE MAXIMUM ALLOWABLE RATE, IF LOWER) MAY BE ADDED TO ANY UNPAID INVOICE OVER THIRTY (30) DAYS PAST DUE.

Questions or Disputes. Questions or disputes concerning invoices should be brought to the attention of the attorney providing legal services within fifteen (15) days after receipt of the invoice.

Service Charges and Disbursements. KW&S, P.A. passes through, without markup, itemized charges from outside vendors (e.g. filing fees, expert witness fees, computer assisted research, telephone toll charges, postage and courier charges, travel, etc.), and may retain travel incentives and other vendor discounts and incentives not directly attributable to a specific charge or client. In some instances, we must estimate the division of invoices received by us among the files to which they pertain. If you request that KW&S, P.A. contract on your behalf for additional services to be provided by a third party vendor, KW&S, P.A. may request a purchase order or other authorization request from you. KW&S, P.A. will notify you of the terms of these arrangements and you will be responsible for payment either directly to the third party or through KW&S, P.A..

Unless otherwise agreed in writing, KW&S, P.A.'s charges that appear on fee statements for other incidental services are based on KW&S, P.A.'s direct cost or the following schedule, which is subject to periodic adjustment:

INTERNAL COPY CHARGES (Black & White)	\$.10/Page
INTERNAL COPY CHARGES (Color)	\$.50/Page
FAX (out-going only)	\$.50/Page

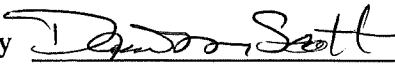
ADDENDUM TO LETTER AGREEMENT

This addendum is part of the agreement dated June 6, 2017 between Kelly, Wolter & Scott, P.A. ("KW&S, P.A.") and Greg Hubinger, Director, on behalf of the Legislative Coordinating Commission ("LCC") for legal services specified in the letter agreement.

- 1. Nondiscrimination.** During the performance of this agreement, KW&S, P.A. agrees that it will not discriminate against any employee or applicant for employment because of race, color, religion, age, sex, national origin, or physical or mental handicap. KW&S, P.A. further agrees to take affirmative action, consistent with applicable laws, to ensure that applicants are considered for employment, and that employees are treated during employment, without regard to their race, color, religion, age, sex, national origin, or physical or mental handicap. KW&S, P.A. further agrees that it will comply with all applicable laws and regulations prohibiting discrimination on the basis of race, color, religion, age, sex, national origin, or physical or mental handicap.
- 2. Workers' Compensation.** In accordance with Minnesota Statutes, section 176.182, KW&S, P.A. must provide to the LCC acceptable evidence of compliance with the workers' compensation insurance coverage requirement of Minnesota Statutes, section 176.181, subdivision 2.
- 3. Tax Identification Numbers.** As required by Minnesota Statutes, section 270C.65, subdivision 3, KW&S, P.A. must provide to the LCC its federal taxpayer identification number and its Minnesota tax identification number (if applicable). This information may be used in the enforcement of federal and state tax laws. Supplying these numbers could result in action to require KW&S, P.A. to file state tax returns and pay delinquent state tax liabilities. This agreement will not be approved unless these numbers are provided. These numbers will be available to federal and state tax authorities and state personnel involved in approving the agreement and the payment and audit of state obligations. These numbers will not be made available to any other person without the express written permission of KW&S, P.A.
- 4. Invoices.** A single invoice for all services provided must be submitted within 30 days of completion of all work under this agreement. Payment will be provided within 30 days upon approval by the LCC director.

IN WITNESS WHEREOF, the parties have caused this agreement to be signed by their duly authorized officers.

Kelly, Wolter & Scott, P.A.

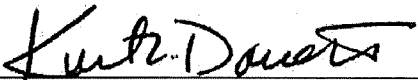
By 

Its V.P.

Date: 6.9.17

LEGISLATIVE COORDINATING COMMISSION

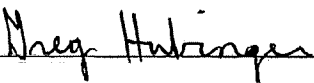
Representative Kurt Daudt

By 

Chair

Date: 6-9-17

Greg Hubinger

By 

Director

Date: 6/9/17