

**Welcome to tonight's City Council meeting!**

The elected officials of the City of Bonners Ferry are appreciative of an involved constituency. Testimony from the public is encouraged concerning issues when addressed under the Public Hearing portion of the agenda. Any individual who wishes may address the council on any issue, whether on the agenda or not, during the Public Comments period. Normal business will preclude public participation during the business portion of the meeting with the discretion left to the Mayor and Council. Special accommodations to see, hear, or participate in the public meeting should be made at City Hall within two days of the public meeting.

**Vision Statement**

Bonners Ferry, "The Friendliest City", strives to achieve balanced growth, builds on community strengths, respects natural resources, promotes excellence in Government, and values quality of life.

**AGENDA  
SPECIAL CITY COUNCIL MEETING  
Bonners Ferry City Hall  
7232 Main Street  
267-3105  
February 5, 2019  
5:30 pm**

1. City – Discuss Contract with Ankura (attachment) {action item}

**ADJOURNMENT**



February 1, 2019

Kris Kleiner  
Cooley LLP  
380 Interlocken Crescent Suite 900  
Broomfield, CO 80021

**Re: City of Bonners Ferry Information Security Incident Investigation**

**PRIVILEGED; PREPARED IN CONTEMPLATION OF LITIGATION; STRICTLY PRIVATE AND CONFIDENTIAL**

Dear Mr. Kleiner:

This engagement letter (this "*letter*" or "*Agreement*") confirms the retention of Ankura Consulting Group, LLC ("*Ankura*") effective as of **February 1, 2019** by Cooley LLP ("*Law Firm*") on behalf of City of Bonners Ferry ("*Company*" or "*Client*") to provide independent professional services in connection with the above referenced matter.

1. Scope and Delivery of Services:

The professional services may include the following consulting areas: *Forensic computer analyses for investigation and/or response associated with a potential information security incident (the "Services")*.

You agree to provide us with timely access to information, locations and personnel reasonably necessary for the performance of the Services. Our work product is to be used only in relation to the above matter and not for any other purpose without our prior written approval.

Ankura understands that Client and Law Firm are not planning to call any member of Ankura as an expert witness in this matter. Please keep in mind that, to the extent that Client and Law Firm ask Ankura to reach conclusions or form opinions, Ankura is obligated to give Client and Law Firm Ankura's best independent judgment without regard to the impact that such conclusions or opinions may have upon the above referenced matter. Ankura has not made and cannot make any guarantees regarding the nature or admissibility of its opinions or the outcome of any legal proceeding. Ankura understands that all communications between Ankura and Law Firm or Client, either oral or written, as well as any materials and/or information developed or received by Ankura pursuant to this Agreement, are intended to be made or prepared for purposes of assisting Law Firm in rendering legal advice to Client and thus are protected by applicable legal privileges. Therefore, all such communications will be treated by Ankura as confidential.

The preparation of our work product is an evolving process during which our analysis is focused and refined as our research and document review proceeds and as information emerges in this engagement. Preliminary conclusions, superseded drafts, notations, analyses, work lists, and irrelevant data are not a part of, and will not be recorded in, our final work product. Such documents may be appropriately

discarded on a routine basis as work tasks are completed. Of course, circumstances may arise that require the retention of such drafts or other interim documents, including but not limited to subpoenas and court orders. We understand that Client and Law Firm will provide us with any instructions regarding document retention or document production procedures that Client and Law Firm expect us to follow.

#### The Services Disclaimer

Ankura will not be auditing any financial statements or performing any attest procedures, nor will Ankura be providing legal advice, in the course of this engagement. Our services are not designed, nor should they be relied upon, to disclose weaknesses in internal controls, financial statement errors, irregularities, illegal acts or disclosure deficiencies.

Client and Law Firm agree that prior to the submission of any statement or pleading describing Ankura's experience, credentials, or the nature of Ankura's work and opinions related to this Agreement, or the publishing of any report authored by Ankura, Ankura will be provided a reasonable opportunity to review such statement for accuracy and provide appropriate disclaimers and legends to any such information and materials.

#### 2. Fees and Expenses:

Ankura will make every reasonable effort to perform the assignment in a cost-effective manner. The current hourly rates are listed below:

Managing Director	\$525
Senior Director	\$440
Director	\$375
Senior Associate	\$320
Associate	\$260
Analyst	\$200

Our hourly rates are based on the experience and skills of the personnel involved and are adjusted periodically. Ankura does not predict or warrant the outcome of any particular matter or issue, and our fees are not dependent on such outcomes. We may utilize independent contractors or subcontractors from time to time, at the applicable rates set forth above. Professional services will be billed monthly based on hours incurred and the rates in effect at the time services are performed.

Related expenses, including but not limited to copy services, express mail and travel and transportation expenses, such as mileage (payable at the standard IRS rate), tolls, parking, airfare, hotel accommodations, and meals will be billed monthly at cost with no mark-up.

Our invoices are due upon receipt, and payment of professional fees and expenses is expected within thirty (30) days of the invoice date (unless otherwise provided herein, all references to "days" in this Agreement shall mean calendar days). Any objection to the invoice must be made within sixty (60) days after the date of the invoice; lack of timely objection to an invoice shall evidence Client and Law Firm's agreement to all invoiced amounts. A late charge of one percent (1%) per month will accrue on undisputed amounts not paid within thirty (30) days of the date of the invoice. If payment on invoices is past due more than sixty (60) days, we reserve the right to terminate the engagement or suspend services until payment is received. If a report, deposition, declaration, or trial testimony is required, we reserve the right to require payment of outstanding fees and expenses prior to submission of such report or testimony. Client will be solely responsible for all financial obligations to Ankura in connection with this Agreement. All costs of collection of amounts due and owing hereunder shall be paid by Client.

From time to time, we may give Client and Law Firm an estimate of fees and expenses relating to this

matter. Such estimates are subject to many unknown and/or uncontrollable variables. As such, they are only intended as approximate projections at a particular point in time. Estimates may change as we move forward, and they are not intended to be an agreed upon fixed-fee amount. It is agreed that any fee estimates we provide to Law Firm will be promptly forwarded to Client, and that Ankura may communicate directly with Client regarding billing and other administrative matters.

Client is responsible for paying any local, state or federal sales, use or ad valorem tax that might be assessed on the Services. Ankura will pay any local, state or federal income taxes due and payable by Ankura relating to the Services.

3. Retainer:

It is customary for Ankura to require the payment of a retainer in undertaking a new engagement. We have not requested a retainer in connection with this engagement. However, if our invoices are not paid when due or if circumstances warrant, we reserve the right to require, as a condition of our continuing this engagement, that you deposit a retainer to be applied by Ankura as it deems appropriate.

4. Termination:

If either party hereto desires to terminate its relationship with the other or the engagement, it may do so at any time for any reason by giving written notice to the other party. In such event, Ankura will be paid for fees and expenses incurred through the termination date, as well as for reasonable engagement closing costs.

5. Independent Contractor:

It is understood and agreed that Ankura will for all purposes be an independent contractor, will not hold itself out as representing or acting in any manner for Client, and neither Ankura nor Client will have any authority to bind the other party to any contract or in any other manner. Ankura and Client do not intend to create a joint employer relationship, and Ankura and Client each represents that it is the sole employer of its employees. Ankura shall not and does not have the right to control Client's employees' essential terms and conditions of employment, including hiring its employees, determining their wages and benefits, or assigning, scheduling, training, disciplining, or terminating Client's employees.

6. Standard of Care and Performance:

Ankura agrees that the Services provided for herein will be performed in a professional manner in accordance with recognized professional consulting standards for similar services and that qualified personnel will be assigned for that purpose. In providing the Services, Ankura and its personnel shall exercise reasonable care. Ankura cannot guarantee or assure the achievement of any particular performance objective, nor can Ankura guarantee or assure any particular outcome for Client or any other person as a result of this Agreement or the performance of the Services.

7. Intellectual Property:

Upon full payment of all amounts due to us in connection with this engagement, all rights, title and interest in any deliverables (collectively, the "*Ankura Deliverables*") we provide to you will become

your sole and exclusive property for use in connection with the subject of the engagement, except as set forth below. We will retain sole and exclusive ownership of all rights, title and interest in our work papers, proprietary information, processes, methodologies, know-how and software, including such information as existed prior to the delivery of the Services and, to the extent such information is of general application, anything that we may discover, create or develop during our provision of Services (collectively, "**Ankura Property**"). To the extent our reports or other documents delivered to you contain Ankura Property, we grant you a non-exclusive, non-assignable, royalty-free license to use it solely in connection with the subject of the engagement.

#### 8. Ankura Deliverables:

Ankura is providing the Services and Ankura Deliverables solely for Client's internal use and benefit. The Services and Ankura Deliverables are not for a third party's use, benefit or reliance and Ankura disclaims any contractual or other responsibility or duty of care to any third party based upon the Services or Ankura Deliverables. Except as otherwise provided herein, Client shall not discuss the Services with or disclose Ankura Deliverables to any third party, or otherwise disclose the Services or Ankura Deliverables without Ankura's prior written consent. Client will indemnify and hold Ankura harmless from any and all claims asserted by a third party as a result of such unauthorized release of the Ankura Deliverables or reliance on the Services.

The Services and Ankura Deliverables, including any oral advice or comments, should not be associated with, referred to or quoted in any manner in any financial statements or any offering memorandum, prospectus, registration statement, public filing, loan or other agreements.

#### 9. Data Transfer:

By accepting these terms, Client hereby provides consent for Ankura to obtain, store and process any Personally Identifiable Information acquired by it during the performance of Services. Client agrees and warrants that the transfer of Personally Identifiable Information to Ankura is in accordance with the relevant provisions of the applicable data protection law. In particular, if any such Personally Identifiable Information originates from a non-U.S. country ("**Foreign Data**"), Client hereby represents that at all times it has the requisite consent or authority under applicable law to transfer such Foreign Data to the U.S. If Client directs Ankura to transfer Foreign Data from Ankura to a third party, Ankura shall not be liable for the data handling practices of any such third party. With respect to Foreign Data originating from the European Union, Ankura adheres to the Privacy Shield framework for U.S. companies' protection of personal data from Europe. Ankura agrees to handle any Foreign Data from the European Union in accordance with the principles of the EU-U.S. [and Swiss-U.S.] Privacy Shield framework[s] overseen and administered by the United States Department of Commerce.

#### 10. Use of Data:

Notwithstanding any other term or provision in this Agreement, Client permits Ankura to use Client's data for purposes other than those set forth in this Agreement; provided however that any Personally Identifiable Information in such data shall be rendered de-identified.

#### 11. Indemnification and Limitation of Liability:

The Client agrees that it shall defend, indemnify and hold harmless Ankura and its affiliates and their respective directors, officers, employees, attorneys and other agents appointed by any of the foregoing and each other person (Ankura and each such person and entity being referred to as an "**Indemnified Person**"), from and against any losses, claims, damages, judgments, assessments, costs and other liabilities (collectively, "**Liabilities**"), and will reimburse each Indemnified Person for all reasonably incurred and documented fees and expenses (collectively, "**Expenses**") as they are incurred in investigating, preparing, pursuing or defending any claim, action, proceeding or investigation

(collectively, “*Actions*”), in each case, related to or arising out of or in connection with the Services rendered or to be rendered by an Indemnified Person pursuant to the Agreement; provided that the Client will not be responsible for any Liabilities or Expenses of any Indemnified Person that are finally determined by a judgment of a court of competent jurisdiction to have resulted from such Indemnified Person’s gross negligence, wilful misconduct or bad faith in connection with any of the actions, inactions or Services. If an Indemnified Person is requested or required to appear as a witness in any Action that is brought by or on behalf of or against the Client or that otherwise relates to this Agreement or the Services rendered by Ankura hereunder, the Client shall reimburse Ankura and the Indemnified Person for all documented, actual out of pocket expenses incurred by them in connection with such Indemnified Person appearing or preparing to appear as such a witness, including without limitation, the fees and disbursements of legal counsel. Neither the Client nor any other party acting on their behalf shall hold Ankura liable for any matter in connection with the engagement or the Agreement, absent gross negligence, wilful conduct or bad faith as finally determined by a judgment of a court of competent jurisdiction. In no event shall Ankura be liable (i) under this Agreement or the engagement for damages in excess of the total amount of Fees collected and (ii) for any claim whatsoever for any special, consequential, exemplary, incidental, consequential, punitive or indirect damages of any kind.

#### 12. Exculpation:

No (i) direct or indirect holder of any equity interests or securities of Ankura, whether such holder is a limited or general partner, member, stockholder or otherwise, (ii) affiliate of Ankura, or (iii) director, officer, employee, representative, or agent of Ankura, or of an affiliate of Ankura or of any such direct or indirect holder of any equity interests or securities of Ankura (collectively, the “*Party Affiliates*”) shall have any liability or obligation of any nature whatsoever in connection with or under this Agreement or the transactions contemplated hereby, and Client waives and releases all claims against such Party Affiliates related to any such liability or obligation.

#### 13. Governing Law; Jury Waiver; Jurisdiction:

THIS AGREEMENT WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. ANKURA AND THE COMPANY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) RELATED TO OR ARISING OUT OF OR IN CONNECTION WITH THE ENGAGEMENT OF ANKURA PURSUANT TO, OR THE PERFORMANCE BY ANKURA OF THE SERVICES CONTEMPLATED BY, THIS AGREEMENT. REGARDLESS OF ANY PRESENT OR FUTURE DOMICILE OR PRINCIPAL PLACE OF BUSINESS OF THE PARTIES HERETO, EACH PARTY HEREBY IRREVOCABLY CONSENTS AND AGREES THAT ANY CLAIMS OR DISPUTES BETWEEN OR AMONG THE PARTIES HERETO ARISING OUT OF OR RELATED TO THIS AGREEMENT SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN ANY FEDERAL COURTS SITTING IN THE SOUTHERN DISTRICT OF THE CITY OF NEW YORK, NEW YORK OR, IF SUCH COURTS DO NOT HAVE JURISDICTION, THEN THE COMMERCIAL DIVISION OF THE STATE COURTS SITTING IN THE COUNTY OF NEW YORK IN THE STATE OF NEW YORK, WHICH COURTS SHALL HAVE EXCLUSIVE JURISDICTION OVER THE ADJUDICATION OF SUCH MATTERS; PROVIDED HOWEVER, THAT IF ANY ENTITY COMPRISING THE COMPANY BECOMES A DEBTOR UNDER CHAPTER 11 OF THE BANKRUPTCY CODE, AND IF A COMPANY ENTITY IS A PARTY TO SUCH DISPUTE WITH RESPECT TO THIS AGREEMENT, ANKURA AND THE COMPANY IRREVOCABLY AGREE TO SUBMIT TO THE EXCLUSIVE JURISDICTION AND FORUM OF

THE BANKRUPTCY COURT IN WHICH SUCH CHAPTER 11 CASE IS PENDING. BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PARTY HERETO FURTHER IRREVOCABLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND HEREBY WAIVES IN ALL RESPECTS ANY CLAIM OR OBJECTION WHICH IT MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON-CONVENIENS. EACH PARTY HERETO AGREES THAT A FINAL NON-APPEALABLE JUDGMENT IN ANY SUCH ACTION BROUGHT IN ANY SUCH COURT SHALL BE CONCLUSIVE AND BINDING UPON IT AND MAY BE ENFORCED IN ANY OTHER COURT(S) HAVING JURISDICTION OVER IT BY SUIT UPON SUCH JUDGMENT. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN ALL SUCH DISPUTES BY THE MAILING OF COPIES OF SUCH PROCESS TO THE NOTICE ADDRESS FOR EACH SUCH PERSON AS SET FORTH IN THIS AGREEMENT. EACH OF THE PARTIES HERETO HEREBY CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF ANY OTHER PARTY HERETO HAS REPRESENTED EXPRESSLY OR OTHERWISE THAT SUCH PARTY WOULD NOT SEEK TO ENFORCE THE PROVISIONS OF THIS WAIVER. EACH OF THE PARTIES HERETO HEREBY ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY AND IN RELIANCE UPON, AMONG OTHER THINGS, THE PROVISIONS OF THIS SECTION.

#### 14. Conflicts of Interest:

Ankura is involved in a wide range of other activities from which conflicting interests, or duties, may arise. We have undertaken an inquiry of our records in accordance with our standard business practices based on the parties identified to us and have determined that we may proceed. Due to the diversity of Ankura's experts and advisory services, Ankura cannot be certain all relationships have or will come to light. Should an actual conflict come to the attention of Ankura during the course of this engagement, we will notify you immediately and take appropriate actions, as necessary. The Company represents and warrants that it has informed Ankura of the parties-in-interest to this matter and agrees that it will inform Ankura of additions to, or name changes for, those parties-in-interest. Ankura is not restricted from working on other engagements involving the parties in this matter; however, during the course of this engagement, services of the nature described in this Agreement that are directly adverse to the Company shall not be provided by personnel working on this engagement without prior written consent of the Company.

The Company acknowledges that Ankura and its affiliates may have provided professional services to, may currently provide professional services to, or may in the future provide such services to other parties-in-interest. The Company agrees that Ankura, its affiliates, subsidiaries, subcontractors and their respective personnel will have no responsibility to the Company in relation to such professional services, nor any responsibility to use or disclose information Ankura possesses by reason of such services, whether or not such information might be considered material to the Company. Information which is held elsewhere within Ankura but is not publicly available will not for any purpose be taken into account in determining Ankura's responsibilities to the Company under this engagement. Ankura will not have any duty to disclose to the Company or any other party or utilize for the benefit of any such party's or any other party any non-public information, or the fact that Ankura is in possession of such information, acquired in the course of providing services to any other person, engaging in any transaction (on its own account or otherwise) or otherwise carrying on its business.

#### 15. Confidentiality:

In connection with this Agreement, either party (the "**Receiving Party**") may come into the possession, whether orally or in writing, of Confidential Information of the other party (the "**Disclosing Party**"). The Receiving Party hereby agrees that it will not disclose, publish or distribute such Confidential Information to any third party without the Disclosing Party's consent, which consent shall not be unreasonably withheld. For purposes of this Agreement, "**Confidential Information**" includes the Ankura Deliverables and means (a) the existence and terms of this Agreement and (b) any and all non-public, confidential or proprietary knowledge, data, or information of or concerning the Disclosing Party. For the avoidance of doubt, Confidential Information includes without limitation, research, analyses, names, business plans, valuations, databases and management systems. Confidential Information shall not include information that: (i) was publicly known and made generally available in the public domain prior to the time of disclosure; (ii) is already in the lawful possession of the Receiving Party at the time of disclosure; (iii) is lawfully obtained from a third party lawfully in possession of such information and without a breach of such third party's obligations of confidentiality; (iv) is independently developed without use of or reference to any Confidential Information; (v) is required to be disclosed to governmental agencies having regulatory authority or other authority over the Receiving Party; or (vi) is required to be disclosed pursuant to law or legal process; *provided* that the Receiving Party shall use its reasonable best efforts to promptly give Disclosing Party written prior notice to any disclosure under this clause (vi) so that Disclosing Party can seek a protective order. Nothing in this Section or this Agreement shall prohibit Ankura from using the Company's name and logo as part of a general client listing and as a specific citation in proposals or similar directed marketing efforts.

If access to any of the materials and information in Ankura's possession relating to this Agreement are sought by a third party, or any of its professionals are requested or compelled to testify as a fact witness in any legal proceeding related to this Agreement, by subpoena or otherwise, or it is made a party to any litigation related to this Agreement, Ankura will promptly notify Client of such action, and either tender to Client its defense responding to such request and cooperate with Client concerning Ankura's response thereto or retain counsel for its defense. In such event, Client shall compensate Ankura at Ankura's standard billing rates for its professional fees and reimburse Ankura's expenses, including reasonable attorneys' fees (internal and external), involved in responding to such action.

#### 16. Third-Party Beneficiaries:

This Agreement does not and is not intended to confer any rights or remedies upon any person or entity other than the parties.

#### 17. Force Majeure:

Ankura shall not be deemed in default of any provision of this Agreement or be liable for any delay, failure in performance, or interruption of the Services resulting directly or indirectly from acts of God, electronic virus attack or infiltration, civil or military authority action, civil disturbance, war, strike and other labor disputes, fires, floods, other catastrophes, and other forces beyond its reasonable control.

#### 18. Notices:

All notices given under or pursuant to this Agreement will be sent by national courier, Certified or Registered Mail, Return Receipt Requested, and will be deemed to have been delivered when physically delivered to Client or Ankura at the following address:



If to Ankura:

1775 Sherman Street Suite 2775

Denver, CO 80203

Attn: Mark Griffith

With a copy to:

1220 19<sup>th</sup> Street NW Suite 700

Washington, DC 20036

Attention: Office of General Counsel

If to Client:

7232 Main Street

Bonnors Ferry, ID 83805

Attn: Matt Klausmklus

If to Law Firm:

380 Interlocken Crescent Suite 900

Broomfield, CO 80021

Attn: Kris Kleiner

19. Use of Ankura Affiliates and Third-Party Service Providers:

Ankura may work with and use the services of other entities controlled by, or under common control with, Ankura to provide Services to the Client. Ankura may, in its discretion, utilize the services of third-party service providers within or outside of the United States to complete any Services. Ankura and such third parties may have access to Confidential Information from offshore locations. Ankura represents that it will require any such third-party service providers that have access to Confidential Information to comply with the applicable confidentiality requirements and obligations set forth in this Agreement in all material respects.

20. Non-Solicitation:

Client will not, during the term of this Agreement or for twelve (12) months thereafter, solicit (directly or indirectly) any employee of Ankura or attempt to induce or cooperate with any other firm in an attempt to induce any employee to leave the employ of the Ankura. In the event that an employee of the Ankura is hired by Client during the above-mentioned period, Client agrees to pay, no later than ten days after accepting a position with Client, Ankura an amount equal to one hundred percent (100%) of the employee's annualized compensation.

21. Disposition of Documents:

At the end of this engagement, you will have several options with respect to disposition of documents related to the engagement that Ankura does not wish to retain in its files. You can (a) direct Ankura to return all such documents to you, where practicable; (b) authorize Ankura to discard or destroy such documents; or (c) direct Ankura to store any or all such documents at the expense of Company. If you do not request one of these options for the disposition of materials within sixty (60) days after this engagement is concluded, Ankura may implement any one of these options at its sole discretion. Ankura will have the right to retain a copy of our reports or work papers for our records or as necessitated by internal policies or archiving procedures.

22. Entire Agreement:

This letter constitutes the entire agreement between Ankura, on one side, and Law Firm and Company on the other side, regarding the terms of this engagement. In the event Company requires Ankura to execute a purchase order or other Company documentation in order to receive payment for the Services, the terms and conditions contained in such purchase order or documentation shall be null and void and shall not govern the terms of this engagement. This letter is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein and supersedes any other such promises or representations. It can only be modified by a written agreement signed by duly authorized representatives of each party.

23. Survival:

Those provisions that by their nature are intended to survive termination or expiration of this Agreement and any right or obligation of the parties in this Agreement which, by its express terms of nature and context is intended to survive termination or expiration of this Agreement, shall so survive any such termination or expiration. For the avoidance of doubt, the provisions that survive termination of this Agreement include but are not limited to the following: Section 15 of this Agreement (Confidentiality) (for a period of one (1) year post termination of this Agreement); and Sections 2 (Fees and Expenses), 7 (Intellectual Property), 8 (Ankura Deliverables), 11 (Indemnification), 12 (Exculpation), 13 (Governing Law; Jury Waiver; Jurisdiction), 14 (Conflicts of Interest), 16 (Third-Party Beneficiaries), 18 (Notices), 21 (Disposition of Documents), 22 (Entire Agreement), 24 (Counterparts), 25 (Severability), 27 (Counsel Representation) and 29 (Headings).

24. Counterparts:

This Agreement may be executed in counterparts (and by facsimile or other electronic means), each of which shall constitute an original and all of which together will be deemed to be one and the same document.

25. Severability:

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision.

26. Authority; Due Authorization; Enforceability:

Each party hereto represents and warrants that it has all requisite power and authority to enter into this Agreement and to perform its obligations hereunder. Each party hereto further represents and warrants that this Agreement has been duly and validly authorized by all necessary corporate action and has been duly executed and delivered by each such party and constitutes the legal, valid and binding agreement of each such party, enforceable in accordance with its terms.

27. Counsel Representation:

The terms of this Agreement have been negotiated by the parties hereto, who have each been represented by counsel, there shall be no presumption that any of the provisions of this Agreement shall be construed adverse to any party as “drafter” in the event of a contention of ambiguity in this Agreement, and the parties waive any statute or rule of law to such effect.

28. Assignment:

This Agreement may not be assigned by any party hereto without the prior written consent of the other parties. Any attempted assignment of this Agreement made without such consent shall be void and of no effect, at the option of the non-assigning parties.

29. Headings:

Headings used herein are for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

If you wish to engage us to provide the Services outlined in this Agreement, please sign in the space provided below and return an executed original to us.

We look forward to providing our Services in connection with this matter. If you have any questions, please do not hesitate to call me.

Very truly yours,

By: \_\_\_\_\_  
**Robert Olsen**

Date: \_\_\_\_\_

Agreed to and Accepted by:

**Cooley LLP**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**City of Bonners Ferry**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



February 1, 2019

STATEMENT OF WORK AND FEE ESTIMATE FOR:

**City of Bonners Ferry**

**CYBER INCIDENT RESPONSE**

**PRESENTED TO:**

**Kris Kleiner**  
**Cooley LLP**

380 Interlocken Crescent  
Suite 900  
Broomfield, CO 80021

720.566.4048  
Kkleiner@cooley.com

**PROVIDED BY:**

**Mark Griffith, Senior Director**  
**Ankura**

1775 Sherman Street  
Suite 2775  
Denver, CO 80203

213.670.3208  
Mark.Griffith@ankura.com

**Todd Doss, Managing Director**  
**Ankura**

1220 19th Street N.W.  
Suite 700  
Washington, D.C. 20036

540.935.9036  
Todd.Doss@ankura.com

February 1, 2019

Kris Kleiner  
Cooley LLP  
380 Interlocken Crescent  
Suite 900  
Broomfield, CO 80021

Mr. Kleiner

Thank you for allowing us the opportunity to respond to your request for services supporting a Security Incident Investigation, and to outline the ways in which Ankura is ideally situated to provide services to City of Bonners Ferry.

The Ankura Team includes +1400 professionals, including a dedicated multi-national team of experts focusing on Information Security, Preparedness, Cyber Incident Response and Digital Forensics. Our practitioners include former federal agents and law enforcement officials, Big Four alumni, and court-accepted expert witnesses. We have extensive experience responding to and investigating security incidents, network compromises, data breaches and performing data recovery services.

Ankura is uniquely positioned to effectively and efficiently carryout the various responsibilities contemplated in the Statement of Work. With decades of experience in the following areas of expertise, Ankura has the resources and professionals to coordinate an integrated approach related to your unique needs.

Analytics & Data Optimization	Anti-Corruption	Anti-Money Laundering	Audit Advisory
Bankruptcy Services	Chief Restructuring Officer	Company Restructuring Advisory	Compliance & Ethics
Crisis Preparedness & Operational Resilience	Cybersecurity	eDiscovery	Energy
Foreign Investments & Transactional Advisory	Forensic Accounting & Financial Investigations	Geopolitical Intelligence	Government Contracts & Grants
Healthcare	Intellectual Property	Interim Management	International Trade Controls
Investigations	Labor Strategy	Lender Restructuring Advisory	Litigation & Disputes
Mass Torts & Class Actions	MDL Online	Monitoring & Independent Oversight	Public Sector
Regulatory & Technical Accounting Advisory	Strategy & Operations	Visual Communications	White Collar & Securities

## City of Bonners Ferry CYBER INCIDENT RESPONSE

***Privileged & Confidential – Provided at the Request of Counsel***  
**Ankura Statement of Work and Fee Estimate**  
**Based on information known as of February 1, 2019**

### Engagement Scope of Services

The purpose of this engagement is to assess and investigate a possible information security that may have resulted in a malware attack. This review will include a focused technical investigation of relevant company IT assets for any evidence of compromise and/or breach, including a forensics examination of the affected server. The goal of the investigation is to identify the point of compromise and determine if the attacker maintains a presence on the network or moved laterally within the network. The investigation will also attempt to determine if Personally Identifiable Information (PII) was exposed and/or exfiltrated.

#### I. Data Gathering & Project Planning

- A. Further discussions with client personnel and IT staff related to the incident as needed
- B. Run triage scripts across affected servers and workstations for preliminary data
- C. Obtain logs relevant to the investigation
- D. Additional project planning and management
- E. Update Calls

**Estimated Fees:** \$3,000 – \$4,000

#### II. Forensic Triage Analysis

Forensically triage key artifacts up to 7 servers and workstations to help identify the entry vector into the environment, and what systems the attacker may have moved to laterally. Key artifacts for this include but not limited to: System EVT logs, Memory Images, Registry Hives, Prefetch, Amcache, and Active Connections.

**Estimated Fees:** \$12,000 - \$16,000

#### III. Endpoint Monitoring and Proactive Threat Hunting

Provide agents for Carbon Black Response for 30 days for up to 100 systems, daily investigation analysis and briefing, and recommendations for containment in the forensic investigation. Goals are to utilize known infected systems to provide signature pattern(s) to identify any other infected systems and provide clean systems a way to block infection from the known variant of malware, as well as determining if active remnants of the malware remain on the network.

**Estimated Fees:** \$25,000

**Total Estimated Fees (Phases I-III): \$40,000 - 45,000**

**Optional Items:** Based on initial investigation and if directed by Counsel

#### I. Forensic Analysis

Analyze affected computer system and attempt to determine if unauthorized access and data exfiltration occurred.

- A. Run scans on the collected image to identify the presence of any malware and/or resultant payloads of malicious code
- B. File chronology analysis; assess whether any files created around the time of compromise are indicative of maturation of the malware to the point where additional risk exists
- C. Assess whether any unauthorized changes occurred to directory structures on impacted computer systems
- D. Assess if malware provided ability for lateral movement within the environment
- E. Assess whether there was any exfiltration of sensitive information or files
- F. Identify any indicators of compromise such as delivery, exploitation, installation, and communication channels the attackers would have utilized

**Estimated Fees: \$8,000**  
*(If victim 0 is identified).*

## II. Report

- A. Prepare a Report Describing Work Processes and Analysis

**Estimated Fees: \$3,000**

### About Ankura

Ankura is an expert services firm defined by *HOW* we solve challenges. Whether a client is facing an immediate business challenge, trying to increase the value of their company or protect against future risks, Ankura designs, develops, and executes tailored solutions by assembling the right combination of expertise. We build on this experience with every case, client, and situation, collaborating to create innovative, customized solutions, and strategies designed for today's ever-changing business environment. This gives our clients unparalleled insight and experience across a wide range of economic, governance, and regulatory challenges. At Ankura, we know that **collaboration drives results**. For more information, please visit [www.ankura.com](http://www.ankura.com)