

	Contract Signature Page		Arizona Department of Water Resources
	Contract No.: CTR081886		
	Description: Outside Legal Counsel for the Arizona Department of Water Resources		

Contract Signature Page

SUBMISSION OF OFFER: The undersigned hereby offers and agrees to provide Outside Legal Counsel for the Arizona Department of Water Resources in compliance with all terms, conditions, specifications, and amendments in the Solicitation and any written exceptions in the Offer indicated by the latest dated version below

Coppersmith Brockelman PLC



5/19/2026

Offeror company name	Signature of person authorized to sign Offer	Date
2800 N Central Avenue, Suite 1900	Austin C. Yost, Partner	
Address	Printed name and Title	
Phoenix, AZ 85004	Austin C. Yost, Partner	
City, State, ZIP	Contact name and Title	
By checking this box, Offeror is certifying that it is exempt from the requirements regarding the forced labor of ethnic Uyghurs and boycott of Israel because of one of the following: Contractor is a Sole proprietorship, has fewer than ten (10) employees; or is a non-profit organization.	ayost@cblawyers.com	602.381.5485
	Contact email address	Contact phone number

Revised Offers:	Date	Signature	Date	Signature
Best and Final Offer:	Date	Signature		

CERTIFICATION: By signature in the above, Offeror certifies that it:

1. Will not discriminate against any employee or applicant for employment in violation of any Federal anti-discrimination laws, rules, regulations or executive orders, [Arizona] State Executive Orders 2023-09, 2023-01, 2009-09 or A.R.S. §§ 41-1461 through 41-1465;
2. Has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or Service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause will result in rejection of the Offer. Signing the Offer with a false statement will void the Offer, any resulting contract, and may be subject to legal penalties under law;
3. Complies with A.R.S. § 18-132 when offering electronics or information technology products, Services, or maintenance;
4. Has submitted this Offer as a firm offer for 180 days following the Solicitation due date and time per the Instructions to Offers. Any extensions to the Offer Acceptance Period shall be made in accordance with the A.A.C. R2-7-C310;
5. Did not and will not involve collusion or other anti-competitive practices; and
6. Is not debarred from, or otherwise prohibited from, participating in any contract awarded by federal, state, or local government.
7. Does not participate in, and agrees not to participate in during the term of the contract, a boycott of Israel in accordance with A.R.S. § 35-393 et seq. (Unless exempt)
8. Does not participate in the use of forced labor of ethnic Uyghurs as described in A.R.S. § 35-394. (Unless exempt)

ACCEPTANCE OF OFFER

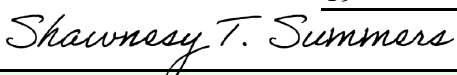
The offer is hereby accepted.

The Contractor is now bound to sell the Materials or Services listed by the attached Contract and based upon the Solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Offer as accepted by the State.

The Contract shall henceforth be referred to as Contract No. CTR081886

The effective date of the Contract is May 19, 2026

The Contractor is cautioned not to commence any billable work or to provide any Material or Service under this Contract until Contractor receives a purchase order.

State of Arizona Awarded this 19 day of May 2026

 Shawnesey Summers, EPS Procurement Manager

	Direct Contract		Arizona Department of Water Resources
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CONTRACTOR IS STRONGLY ENCOURAGED TO READ THE ENTIRE CONTRACT.

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	Scope of Work		Arizona Department of Water Resources
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Scope of Work

1. Services

This contract is a single-agency contract for the sole use of the Arizona Department of Water Resources (ADWR) to provide Outside Legal Counsel services.

2. Legal Authority

In accordance with Arizona Administrative Code (A.A.C.) R2-7-E303, Competition Impracticable Procurements, and the CI Determination signed 5/14/2026, the State establishes this contract with Coppersmith Brockelman PLC to provide the Services described herein.

Under A.R.S. § 41-192(D)(1), ADWR is exempted from A.R.S. § 41-2513(B) which requires approval of the contract from the Attorney General's Office.

Under A.R.S. § 45-104 ADWR is authorized to contract for and procure legal counsel services as may be required for the operation of ADWR.

Definitions

- 2.1. ADWR: Arizona Department of Water Resources
- 2.2. Attachment: Attachment means any document titled "Attachment" incorporated into the Contract.
- 2.3. Counsel: The firm identified on the Contract Signature Page who has entered into the Contract with the State. In this Contract, it is Coppersmith Brockelman PLC.
- 2.4. Documents: Documents shall include all correspondence, evaluations, depositions, interrogatories, reports, pleadings, memoranda, briefs, information and any other similar documents or material prepared or used in connection with Services in the pursuit of this matter.
- 2.5. Deliverable: Deliverable shall refer to any report or other work product produced by the Counsel for ADWR
- 2.6. May: Indicates something that is not mandatory but permissible.
- 2.7. Shall, Must: Indicates a mandatory requirement; Failure to meet these mandatory requirements may result in the rejection of a proposal as non-responsive.
- 2.8. Should, Will: Indicates something that is recommended but not mandatory.
- 2.9. State: Within this Contract, "State" is defined to mean the Arizona Department of Water Resources. With respect to administration or rights, remedies, obligations and duties under the Contract for a given Order, "State" means each Eligible Agency who has issued the Order, which in this Contract, is ADWR.
- 2.10. State Indemnitees: Collectively, the State of Arizona, its departments, agencies, universities, commissions, and boards and, and their respective officers, agents, and employees.

3. Scope of Work

- 3.1. Services: Counsel shall provide legal representation of the State, including but not limited to investigation services, legal advice and opinions to the State under this Contract. Services rendered by Counsel shall be furnished in accordance with the terms listed herein, and in the attached Engagement Letter (Exhibit B), unless the State has clearly granted an exception based on specific facts or circumstances.

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3.2. Counsel's Personnel: Counsel shall employ suitably trained and skilled professional personnel to perform the service. Prior to changing any key personnel, Counsel shall obtain the approval of the State.

3.2.1. Counsel's Personnel Replacement. Any replacement of personnel shall follow the guidelines outlined below:

3.2.1.1 New personnel shall have capabilities at least equal to those of personnel they are replacing, and

3.2.1.2 Hourly rate of new personnel shall not exceed the hourly rate of the personnel being replaced.

3.2.1.3 Counsel shall bear the costs associated with any and all such changes and said costs shall not be reimbursed by the State.

3.2.1.4 While the State recognizes that staffing changes may be necessary from time to time, the State will not pay for the "downtime" or learning time that may result from such a staffing change.

3.2.1.5 The State does not believe it appropriate to pay legal fees for the training of Counsel's personnel. Counsel has been retained because of its expertise.

3.2.1.6 The time Counsel spends educating junior lawyers in the substantive law applicable to the matter assigned shall not be included in Counsel's billings.

3.2.2. Unless otherwise agreed, the State expects that only one attorney from Counsel's firm will attend meetings, depositions, and arguments, although a second person may be needed for trials and major hearings or meetings.

3.3. Lead Counsel

3.3.1. The Lead Counsel for the outside counsel team shall be considered key personnel as defined in this Contract. The Counsel shall provide the Lead Counsel's complete address, e-mail address and telephone number. The Lead Counsel shall be the company representative to whom all correspondence, official notices, and requests related to the project shall be addressed.

3.3.2. The expectation under this contract is for the assigned Lead Counsel to represent the Agency/State for the duration of the case(s), unless extenuating circumstances arise. In the event Lead Counsel is required to be replaced, written approval from the State is required.

3.4. Other Key Personnel

Any other individual who will perform crucial duties to directly support the Lead Counsel shall be considered key personnel. The role and crucial duties this individual will perform shall be identified.

4. Privileged Communications

All confidential communications between ADWR, any State of Arizona officer, employee or agent ("Arizona") and Counsel, whether oral or written, and all Documentation, whether prepared by Counsel or supplied by Arizona shall be considered privileged communications and shall not,

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except as required by law, be communicated by Counsel to any public agency, insurance company, rating organization, Counsel, vendor, or consultant, whether or not connected in any manner with Arizona or Counsel, without the prior written consent of the State.

4.1. Privileged communications may only be disclosed under the following guidelines and or circumstances:

4.1.1. Privileged communication is required by law to be disclosed, in this instance Counsel shall provide the State with a written Counsel's position and include a written notice as to the time, place and manner of such disclosure and a written summary of any information likely to be part of this disclosure.

4.1.2. Written approval by the State of Arizona has been obtained by Counsel.

4.2. For any approved disclosure of information Counsel shall provide the State :

4.2.1. Two (2) copies of each written communication and/or;

4.2.2. Counsel shall provide two (2) copies of summaries of each oral communication.

5. Case Management Requirements

5.1. Counsel shall maintain continuous communication with the State to report on the progress of handling cases as follows:

5.1.1. Provide the State a written quarterly report of the progress on assigned case/matter.

5.1.2. Provide a report when significant developments occur.

5.1.3. If no activity has occurred, a simple letter to that effect will be satisfactory.

5.2. Depositions

Notices of depositions shall not be sent by Counsel without prior written authorization from the State. Notices of depositions of State of Arizona employees filed by any party will be submitted to the State immediately upon Counsel's receipt to make necessary arrangements for their testimony. Upon request, summaries of depositions will be supplied by the assigned Counsel on conclusion of the deposition. Ordinarily only one attorney should attend depositions. The State may request the presence of a State employee at one or more depositions. Before copies of depositions are ordered, Counsel shall consider the necessity and is encouraged to avoid copies of deposition of questionable value. Copies of portions of depositions should be considered.

5.3. Settlement Attempts: Counsel shall discuss with the State the advisability of attempting to settle a lawsuit when, in the opinion of Counsel, it is deemed in the best interest of the State to attempt settlement.

5.4. Additional Investigation: Whenever additional investigation is required by Counsel and can be provided by use of non-attorney investigators, Counsel shall notify the State of such need identifying who will conduct or contract for such investigation. The State shall be solely responsible for the accuracy of the facts or other information developed in response to such requests.

5.5. Expert Witness: Expert witnesses shall be hired only after consultation with and prior written approval by the State.

5.6. Travel: Approval for travel by Counsel shall be obtained and confirmed in writing through

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the State prior to departure.

6. Correspondence

All correspondence between the firm and the State shall be sent to:

Nicole D. Klobas, Chief Counsel
Emily Petrick, Deputy Counsel
ndklobas@azwater.gov
epetrick@azwater.gov

All physical correspondence shall be mailed to:

Arizona Department of Water Resources
Legal Division
1110 W. Washington, Ste 310
Phoenix AZ 85007

7. Conflict of Interest Statement

Counsel confirms that it has no current matters adverse to ADWR.

8. Request for Waiver of Conflict of Interest Form

Should the Waiver of Conflict of Interest form need to be completed or revised, this form can be requested by emailing docketsupervisor@azwater.gov

9. Litigation against the State of Arizona

ADWR agrees that Counsel's work for ADWR does not preclude Counsel from representing parties in unrelated matters involving any other State Agency, to the extent permitted by the Arizona Rules of Professional Conduct. Counsel will be retained by ADWR to the extent set forth in this Contract. Counsel shall disclose to ADWR, in the proposal, all litigation, claims, and matters in which Counsel represents parties adverse to ADWR. ADWR shall collaborate with Counsel to decide if the conflict is remote or disqualifying. In the event Counsel must either withdraw from a case or decline to defend, ADWR shall be immediately notified in writing, or by telephone if time is of the essence.

10. Schedule

Counsel shall be available to perform services upon execution of this Contract in the most expeditious manner necessary for each particular task and within the time agreed upon by the respective representatives of each party, all within the terms of this Contract and the Engagement Letter in Exhibit B.

11. Compensation and Payment

11.1. General

Except as otherwise agreed, the State shall compensate Counsel for the reasonable costs and expenses arising out of the satisfactory and complete performance of the Services at the composite rates per hour (Exhibit A), or fractions thereof, specified in the Engagement Letter (Exhibit B).

11.2. Pricing

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All prices shall be on an all-inclusive basis and shall contain the labor rate, labor benefits, payroll burden, insurance, workman's compensation, all taxes, profit, overhead, general and administrative expenses and all other related charges. At any time during the term of the Contract, Counsel may offer a price reduction adjustment, which shall become effective upon acceptance and notice by the State.

11.3. Billings and Invoices As applicable, all billings and invoices shall be emailed to:

Finance and Administration	financeshared@azwater.gov
Nicole D. Klobas, Chief Counsel	ndklobas@azwater.gov
Sharon Scantlebury, Program Specialist	sscantlebury@azwater.gov

Payment for legal services under this Contract shall be the responsibility of the State. All billings shall be submitted on a monthly basis to the State. Billings for any fiscal year shall be submitted to the State within fifteen (15) days of the end of the fiscal year, which begins July 1 and ends June 30. The State expects to remit payments promptly upon receipt and review by the State. Each billing shall be in sufficient detail to clearly indicate:

- 11.3.1. The project or matter involved with separate billing for each project or matter.
- 11.3.2. The attorney or other personnel whose time is involved on each charge
- 11.3.3. The number of hours billed to the nearest 1/10 of an hour.
- 11.3.4. The date and activity which generated the time billed.
- 11.3.5. The project or matter involved including the file numbers of the State.
- 11.3.6. The attorney or other personnel whose time is involved on each charge
- 11.3.7. The number of hours billed to the nearest 1/10 of an hour.
- 11.3.8. The date and activity which generated the time billed.
- 11.3.9. The hourly rate for the attorney or other personnel (A master charge list kept current will be satisfactory.)
- 11.3.10. A list of expenses including receipts for air travel and lodging, deposition transcripts, service of process and expert fees. Expenses under \$200.00 are to be paid by the Counsel's firm and submitted with their billing. The State will attempt to resolve billing problems but expect Counsel to assist in resolving billing problems without additional cost to the State.
- 11.3.11. Counsel may charge an Hourly Rate and/or mileage reimbursement only when Counsel must travel over a fifty (50) mile radius from their normal place of business. This reimbursement would begin from the time the Counsel leaves their normal business location.
- 11.3.12. Invoices, with receipts attached, shall be accompanied by itemization of disbursements and Contract related costs (long-distance calls, photocopying, transcripts, expert witnesses, court costs, et cetera) Contract related travel and living expenses (per diem) shall be itemized separately to indicate travel, lodging, business meetings, meals, taxis, and other Contract related expenses (specifically detailed).
- 11.3.13. Counsel will only bill for the actual time spent performing a task and that all charges will be specified and not grouped or clustered into one billing charge.

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11.4. Spending Limit

Travel expenses for Counsel shall be in accordance with the Arizona Department of Administration Travel Policy (see <http://www.gao.state.az.us/travel/>) unless otherwise authorized in advance and in writing by the State shall be limited to:

- 11.4.1. \$0.67 per mile for the use of the private conveyances of Counsel;
- 11.4.2. Coach airfare with airline ticket receipts attached to billings; and
- 11.4.3. Only in unusual cases, and only with prior approval from the State, can travel by more than one attorney be permitted.
- 11.4.4. The maximum number of hours that the State will pay per day for any individual (except during a trial) is ten.
- 11.4.5. Expenses will be reimbursed by the State at the actual cost paid by Counsel, except for certain disbursements that will not be paid unless agreed to in advance by the State. Unless authorized by the State, the following charges are not acceptable:
 - 11.4.5.1 Secretarial or word processing services (normal, temporary, or overtime);
 - 11.4.5.2 Incoming facsimiles at more than 5 cents per page; Charges for outgoing local facsimiles and out of area facsimiles shall not be billed at more than actual cost.
 - 11.4.5.3 Photocopy expenses at more than 10 cents per page.
 - 11.4.5.4 Any other staff service charges, such as meals, filing, proofreading, regardless of when incurred.
 - 11.4.5.5 Computer time (other than computer legal research specifically authorized in advance by the State)
 - 11.4.5.6 Photocopy costs in excess of \$2,000 for a single job should be authorized in advance by the State.
 - 11.4.5.7 Expenses should not include local telephone expenses or office supplies.
 - 11.4.5.8 Unless otherwise approved in advance, the State does not pay charges for time spent in preparing bills.
 - 11.4.5.9 In addition to the per diem limits outlined above it is expected that expenses for lodging, meals, and transportation shall be at reasonable rates and that Counsel will exercise prudence in incurring such expenses.
 - 11.4.5.10 The State will not reimburse the costs of first class travel and expects that travel arrangements will take advantage of any cost effective discounts or special rates.

11.5. Total Compensation

- 11.5.1. Payment as specified above for performance of the Services shall be total

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compensation paid to Counsel for performance of all of Counsel's obligations under this Contract.

- 11.5.2. Total value of the Contract shall not exceed one hundred twenty thousand dollars (\$120,000), per fiscal year, to include all hourly wages and reimbursable expenses.

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Special Terms and Conditions

The Special Terms and Conditions modify the Uniform Terms and Conditions. It can modify them by replacing, deleting, appending to, or revising the text of an existing provision or by inserting a new paragraph into an existing article. No other document modifies or adds to the Uniform Terms and Conditions, except as may subsequently be otherwise and expressly agreed and incorporated by Contract Amendment.

Uniform Terms and Conditions

The State's Uniform Terms and Conditions version 10.5 are incorporated into this Contract. Offerors are encouraged to obtain these documents. Offerors may obtain copies by visiting the Arizona State Procurement Office (SPO) website at: <https://spointra.az.gov/resources/standard-forms-and-documents>.

1. Authority to Contract

This Contract is a single-agency contract issued by the Arizona Department of Water Resources (The State) and for its sole use.

2. Contract

This Contract is made with reference to the following facts:

- 2.1. The State desires to contract for the provision of legal services by Counsel not in its employ.
- 2.2. Counsel has represented that it is professionally qualified to perform such services, and the State has relied on such representation in entering into this Contract.
- 2.3. The signed Conflict Waiver is complete and the State has relied upon the disclosures when entering into this Contract.
- 2.4. Counsel accepts and bears the role of Contractor in this Contract. Any contract Counsel enters into with another entity to perform work under this Contract shall be treated as a Subcontract.

3. Contract Type

Firm Fixed Price - Hourly Rate.

4. Term of Contract

The term of the Contract shall commence upon award and shall remain in effect for a period of not to exceed one (1) year thereafter or through May 14, 2027, whichever is sooner, unless terminated, canceled or extended.

5. Contract Extension

This Contract may be extended by mutual agreement and amendment. Any subsequent terms cannot exceed the original term and cannot exceed a cumulative total of five (5) years. If the parties desire to continue services after the five (5) years a new contract must be entered into.

6. Withdrawal from Case

If Counsel seeks to withdraw from a case, Counsel must first notify the State's Representative. If the State does not agree that Counsel should be allowed to withdraw from the case, Counsel shall file a written motion to withdraw with the Court.

7. Section Headings and Definitions

Section headings in this Contract are for convenience only, and are not to be construed to define, limit, expand,

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interpret, or amplify the provisions of this Contract. When initially capitalized in this Contract or amendments hereto, the following words or phrases shall have the meanings specified:

- 7.1. **Contract:** This document, including all referenced material that forms a contract between the State and the firm named on Contract Signature Page for the performance of service by person or firm whose signature is on the Contract Signature Page.
- 7.2. **Best Efforts:** Those efforts which a skilled, competent, experienced and prudent legal professional would use to perform and complete the requirements of this Contract in a timely manner, exercising the degree of skill, care, competence, and prudence customarily imposed on a legal professional performing similar work.
- 7.3. **Counsel:** The firm identified on the Contract Signature Page who has entered into the Contract with the State. In this Contract, it is Coppersmith Brockelman PLC.
- 7.4. **Documentation:** Correspondence, evaluations, depositions, interrogatories, reports, pleadings, memoranda, briefs, information and any other similar documents or material prepared or used in connection with Services.
- 7.5. **Services:** All obligations undertaken by Counsel pursuant to - SCOPE OF WORK
- 7.6. **Site(s):** The area(s) at Arizona facilities where Counsel may be called upon to visit to perform Services.

8. Estimated Usage

The Contract shall be used on an as needed, if needed basis. The State makes no guarantee as to the amount of work that may be performed under this Contract.

9. Non-Exclusive Contract

The State has the right to procure the services listed herein from Counsel other than those named within this Contract.

10. Ownership of Materials

All materials, documents, deliverables and/or other products of the Contract (including but not limited to e.g., work plans, reports, etc.) shall be the sole, absolute and exclusive property of the State, free from any claim or retention of right on the part of the Counsel, its agents, subcontractors, officers or employees.

11. General Requirements

- 11.1. **Cooperation –** Counsel shall, to the best of its abilities, cooperate with Arizona to enable the successful completion of the Services according to the terms of this Contract including, but not limited to, commitment of additional resources, material and personnel, if requested by the State or his designated representative to assure that the Services are properly performed and completed in accordance with the provisions of this Contract.
- 11.2. **Testimony –** Should Counsel be required to testify at any judicial, legislative or administrative hearing concerning matters in any way related to the Services performed under this Contract, Counsel shall prior to the scheduled time of each hearing supply to the State or the Attorney General's designated representative in writing all information likely to be disclosed at said hearing as well as Counsel's position thereon. Should Counsel be required by a third party to testify at any judicial, legislative or administrative hearing not specified in this Contract but concerning the subject matter of this Contract,

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Counsel shall notify the State's designated representative in advance of the date and time of such hearing to enable the State's representatives to attend and participate.

12. Changes

- 12.1. Notwithstanding any other provisions of this Contract to the contrary, the State reserves the right for any reason without invalidating this Contract to make or to direct changes in the Services including the performance of additional tasks. Such change shall be made in writing by the State's authorized representative.
- 12.2. The State's designated representative may issue and sign written change orders on behalf of the State. Any Contract Amendments shall be issued by the Procurement Officer with authority to modify this Contract.

13. Professional Responsibility

- 13.1. General – Counsel shall use Best Efforts to perform and complete the Services in accordance with the provisions of this Contract.
- 13.2. Liability – In the event that Counsel breaches its obligations under this Contract, Counsel shall take the necessary actions to correct and cure its breach of this Contract. If Counsel, upon notification of said breach does not promptly take steps to correct the breach, the State without waiving any other rights or remedies it may have at law or otherwise may do so and Counsel shall reimburse the State for all expenses and costs incurred in performing such corrective action.
- 13.3. Expertise - Work under the Contract will be performed in the manner that a reasonably competent and prudent attorney would perform legal work. Work may be performed by paralegals if a reasonably competent and prudent attorney would delegate such work to a paralegal. Paralegals are expected to perform their work in the manner that a reasonably competent and prudent paralegal would perform. All time deadlines specified by court or court rules shall be complied with.
- 13.4. Complaints - Counsel will promptly notify the State if a business complaint is filed against Counsel on any matter, if a motion for sanctions is filed against Counsel, or if sanctions are awarded against Counsel in cases assigned pursuant to this Contract. Any sanctions ordered by the court as a result of attorney or paralegal malfeasance shall be borne by the attorney.

14. Termination at Will

At the sole discretion of the State, the State may terminate this Contract at any time, or may terminate all or any portion of the Services not then completed by giving the other party written notice of termination. Upon receipt of notice of termination, Counsel, unless the notice requires otherwise, shall discontinue performance of the Services on the date and to the extent specified in the notice, except those Services necessary to preserve and protect the work product of the Services already performed, and otherwise minimize costs to the State. Payment for Services already completed or in the process of completion shall be adjusted between Counsel and the State, in a fair and reasonable manner, but such payment shall exclude any allowance for unperformed Services or anticipated profits thereon. Such payment for Services already completed or in the process of completion shall be the total compensation due to Counsel for Termination at Will by either party.

15. Termination for Cause

The State may declare this Contract canceled for default by notifying Counsel in writing should Counsel at any time (i) violate any part of this Contract, (ii) fail to supply sufficient properly skilled personnel, material or equipment of the quality or quantity to properly perform the Services, (iii) fail to provide services in the most

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cost-effective manner. Without limiting or waiving any other remedies the State may have, Counsel shall compensate the State for costs (whether they arise before or after completion of the Services) arising out of any breach by Counsel or arising out of any.

16. Accounting and Auditing

Under A.R.S. § 35-214 and § 35-215, Counsel shall maintain accurate and complete accounting and financial records and vouchers in support of all cost and service billings to the State in accordance with generally accepted accounting principles and practices. The State, or its audit representative, shall have the right at any reasonable time to examine and audit the records, vouchers, and their source documents without limitation which serve as a basis for compensation under this Contract. Said records shall be available in Phoenix, Arizona for the State's inspection and audit for five years after completion or termination of the services under this Contract.

17. Laws and Regulations

Counsel and its employees shall at all times comply with all applicable federal, state and local laws, ordinances, statutes, rules and regulations. Counsel shall hold the State of Arizona and the State harmless from loss, cost or damage by reason of any actual or alleged violation thereof arising out of Counsel's employees or Counsel's contractor(s) failure to so comply.

18. Governing Law and Venue

This Contract shall be interpreted in accordance with the substantive and procedural laws of the State of Arizona. Any action at law or judicial proceeding instituted by Counsel relating to this Contract shall be instituted only in the State or Federal Courts of the State of Arizona. The parties agree that proper venue for any and all disputes arising out of this Contract shall be in Maricopa County, State of Arizona.

19. Authorized Representatives and Notices

19.1. Representatives - Prior to commencement of the Services, the State and Counsel shall each designate a representative authorized to act on behalf of each party and shall advise the other party in writing of the name, address, and telephone number (day and night) of such designated representative and shall inform the other party of any subsequent change in such designation. All communications relating to the administrative activities under this Contract shall be exchanged between the respective representatives of the State and Counsel.

19.2. Notices - All legal or claim notices required by this Contract shall be in writing, and shall be delivered personally to the authorized representatives of the State and Counsel as set forth below, or shall be mailed thereto by certified mail, postage prepaid, return receipt requested. Notice shall be effective on the date delivered.

To: State of Arizona:
Arizona Department of Water Resources
Legal Division
Attn: Nicole Klobas, Chief Counsel
1110 W Washington St, Suite 310
Phoenix, AZ 85007

To: Counsel:
To the contact person designated on the signed
Contract Signature Page

20. Offshore Performance of Work Prohibited

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Due to security and identity protection concerns, all Services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to Data shall be performed within the defined territories of the United States. This provision applies to work performed by subcontractors at all tiers.

21. Federal Immigration Laws, Compliance by State of Arizona Contractors

- 21.1. Contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, Contractor shall flow down this requirement to all Subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of Contractor and Subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the Contractor or any Subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to: suspension of work, termination of the contract for default and suspension or debarment of the contractor.

22. INDEMNIFICATION CLAUSE

To the fullest extent permitted by law, Counsel shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Counsel or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such Counsel to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Counsel from and against any and all claims. It is agreed that Counsel will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, Counsel agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents, and employees for losses arising from the work performed by Counsel for the State of Arizona.

This indemnity shall not apply if the Counsel or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

23. Insurance Requirements

Counsel and subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Contract, insurance against claims for injury to persons or damage to property arising from, or in connection with, the performance of the work hereunder by Counsel, its agents, representatives, employees or subcontractors.

The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect Counsel from liabilities that arise out of the performance of the work under this Contract by Counsel, its agents, representatives, employees or subcontractors, and Counsel is free to purchase additional insurance.

23.1. MINIMUM SCOPE AND LIMITS OF INSURANCE:

	Special Terms and Conditions	
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Counsel shall provide coverage with limits of liability not less than those stated below.

23.1.1. Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage, and broad form contractual liability coverage.

General Aggregate	\$2,000,000
Products – Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Damage to Rented Premises	\$ 50,000
Each Occurrence	\$1,000,000

a. The policy shall be endorsed, as required by this written Contract, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Counsel.

b. Policy shall contain a waiver of subrogation endorsement, as required by this written Contract, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of Counsel.

23.1.2. Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned automobiles used in the performance of this Contract.

Combined Single Limit (CSL)	\$1,000,000
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a. Policy shall be endorsed, as required by this written Contract, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, Counsel involving automobiles owned, hired and/or non-owned by Counsel.

b. Policy shall contain a waiver of subrogation endorsement as required by this written Contract in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of Counsel.

23.1.3. Worker's Compensation and Employers' Liability

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$1,000,000
Disease – Each Employee	\$1,000,000
Disease – Policy Limit	\$1,000,000

a. Policy shall contain a waiver of subrogation endorsement, as required by this written Contract, in favor of the State of Arizona, and its departments, agencies, boards,

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commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of Counsel.

- b. This requirement shall not apply to each Counsel or subcontractor that is exempt under A.R.S. § 23-901, and when such Counsel or subcontractor executes the appropriate waiver form (Sole Proprietor or Independent Counsel).

23.1.4. Professional Liability (Errors and Omissions Liability)

Each Claim	\$2,000,000
Annual Aggregate	\$2,000,000

- a. In the event that the Professional Liability insurance required by this Contract is written on a claims-made basis, Counsel warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained, or an extended discovery period will be exercised, for a period of two (2) years beginning at the time work under this Contract is completed.
- b. The policy shall cover professional misconduct or negligent acts for those positions defined in the Scope of Work of this contract.

23.2. ADDITIONAL INSURANCE REQUIREMENTS:

The policies shall include, or be endorsed to include, as required by this written Contract, the following provisions:

Counsel's policies, as applicable, shall stipulate that the insurance afforded Counsel shall be primary and that any insurance carried by the State, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).

Insurance provided by Counsel shall not limit Counsel's liability assumed under the indemnification provisions of this Contract.

23.3. NOTICE OF CANCELLATION

Applicable to all insurance policies required within the Insurance Requirements of this Contract, Counsel's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the State of Arizona. Within two (2) business days of receipt, Counsel must provide notice to the State of Arizona if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the State.

23.4. ACCEPTABILITY OF INSURERS

Counsel's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A-VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Counsel from potential insurer insolvency.

23.5. VERIFICATION OF COVERAGE

Counsel shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) evidencing that Counsel has the insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates.

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All such certificates of insurance and policy endorsements must be received by the State of Arizona before work commences. The State of Arizona's receipt of any certificates of insurance or policy endorsements that do not comply with this written Contract shall not waive or otherwise affect the requirements of this Contract.

Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the State. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Contract at any time.

23.6. SUBCOUNSELS/SUBCONTRACTORS

Counsel's certificate(s) shall include all subcontractors as insureds under its policies or Counsel shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum Insurance Requirements identified above. The State reserves the right to require, at any time throughout the life of this contract, proof from Counsel that its subcontractors have the required coverage.

23.7. APPROVAL and MODIFICATIONS

The Contracting Agency, in consultation with State of Arizona Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.

23.8. EXCEPTIONS

In the event the Counsel or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a certificate of self-insurance. If Counsel or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

	Cost for Services	Arizona Department of Water Resources
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Exhibit A - Cost for Services

Hourly Rate Table			
Provide an Hourly Rate for each individual who may provide services under this contract. The Hourly Rate Table should be labeled accordingly.			
Name of Counsel, Paralegal, Legal Assistant or Law Clerk anticipated to work on this assignment	Title (i.e.: Partner, Of Counsel, Associate, paralegal)	Counsel Bar Number	Hourly Rate - List rate for any personnel anticipated to work on this assignment
Austin C. Yost	Partner	034602	\$425.00
Sambo (Bo) Dul	Partner	030313	\$450.00
Kelleen Mull	Associate	036517	\$375.00
Caitlin Doak	Associate	037669	\$350.00
Sarah Flaaen	Paralegal	N/A	\$250.00

	ENGAGEMENT LETTER		Arizona Department of Water Resources
	Contract No.: CTR081886		
	Description: Outside Legal Counsel for Arizona Department of Water Resources		

Exhibit B - ENGAGEMENT LETTER

**COPPERSMITH
BROCKELMAN**
LAWYERS

Austin C. Yost
ayost@cblawyers.com
PH. (602) 381-5485
FAX (602) 224-6020

2800 N. Central Avenue, Suite 1900
Phoenix, AZ 85004
CBLAWYERS.COM

May 6, 2026

Via Email (ndklobas@azwater.gov)

Arizona Department of Water Resources
c/o Nicole D. Klobas
Chief Counsel

Re: Engagement Letter for Legal Services

Dear Nicole:

We are pleased to have the opportunity to represent the Arizona Department of Water Resource and its Director. The purpose of this letter is to set forth the terms of our representation.

1. **Identity of Client and Scope of Engagement.** We have been retained to provide legal advice and representation to the Arizona Department of Water Resources and its Director in *Home Builders Association of Central Arizona v. Arizona Department of Water Resources*, CV2025-002623, currently pending in Maricopa County Superior Court, and in connection with any appeal or petition for special action review.

2. **Progress.** Close cooperation and frequent communications improve our ability to assist and to complete our work. We will want to discuss with you the progress of this matter on a regular basis, and would ask that you call us promptly with any new or significant information that could affect our work. In addition, we have made it our practice to send our clients copies of significant correspondence or filings, so you may keep track of the matter's progress. If you have questions or concerns, please bring them up promptly so we can address them right away.

3. **Fees and Costs.** The following sets forth our agreement with respect to fees and expenses in this matter, the payment of costs, and the timing and content of billing statements.

3.1. **Fee Basis.** My discounted hourly rate is \$425 per hour. I will be assisted on this matter by Bo Dul and Caitlin Doak, whose discounted hourly rates are \$450 and \$350, respectively. If necessary and appropriate, I may have other lawyers and paralegals assist me at their regular rates or other agreed upon rate.



ENGAGEMENT LETTER

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Description: Outside Legal Counsel for Arizona Department of Water Resources

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3.2. Retainer Agreement. We are not requesting a retainer at this time. If we deem it to be necessary, we reserve the right to request an additional retainer at any time during our representation.

3.3. Costs and Expenses. We do not charge for reasonable and usual long-distance telephone calls, faxes, copying in modest amounts that are done in-house, or secretarial time. As to other outside costs, including service of process fees and court filing fees, said fees will be invoiced to you separately. We generally find it easier and more efficient to advance funds on your behalf for minor costs and disbursements for outside services than to ask you to pay a succession of small invoices. As we will bill on a monthly basis, we expect to make advances for invoices that do not exceed \$250.

3.4. Invoices. Our bills are due on receipt, and are considered past due 30 days after the date they bear. We reserve the right to add late charges at the rate of 1.5% per month on an invoice for which we have not received payment by the 30th day after the date it bears. We must reserve the right to decline to perform further services if any account is 45 days or more past due. Subject to our ethical and professional obligations, you agree that we may terminate our legal services and withdraw from this engagement in such event.

We will closely review the bills we send to you. Our firm's goal is to provide you with the best representation possible at a fair and reasonable price. We are interested in building a long-term relationship based on trust and confidence. If you ever have any questions about any aspect of our bills, please call me so we can discuss the matter. We will never charge for time spent discussing billing issues.

4. Document Retention Policy. Please note that our document retention policies provide that at the conclusion of our representation of you, we will send you any original documents that have singular value as originals. We will treat as copies original documents that may be obtained from public records, or for which copies or counterparts, whether in paper or electronic form, are acceptable as an original. You may request that we retain original documents, in which case we will document your request in the file. We retain documents for five years after termination of representation (except for probate or estate matters, where the State Bar of Arizona recommends indefinite retention). After the five-year period expires, we scan the paper files and shred the paper copies except for valuable originals, which we will make reasonable efforts to return to you until the originals are considered abandoned property under Arizona law.

5. Right to Stop Work and Withdraw. We reserve the right to stop our work if you fail to cooperate with us or if your account becomes past due. You agree that the firm may stop providing services and may withdraw from representing you



ENGAGEMENT LETTER

Contract No.: CTR081886

Description: Outside Legal Counsel for Arizona Department of Water Resources

Arizona Department of
Water Resources

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(subject, of course, to our ethical and professional obligations) under these circumstances.

We look forward to representing the Arizona Department of Water Resources and working with you. If you ever wish to discuss any matter relating to our legal representation, please do not hesitate to call me.

Sincerely,

A handwritten signature in black ink that reads "Austin Yost".

Austin C. Yost

ACY/djh

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Statement of Agreement

I have read the foregoing agreement regarding the legal services Coppersmith Brockelman PLC will provide to the Arizona Department of Water Resources and its Director. Its terms are acceptable.

Arizona Department of Water Resources

By: Nicole D. Klobas
Nicole D. Klobas
Chief Counsel

Date: May 6, 2026