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October 8, 2019

Mr. Michael Clayton County Treasurer Woodbury County Courthouse 620 Douglas Street Sioux City, IA 51101

Re: Woodbury County, State of Iowa – Joint County and City Building Authority Engagement Agreement

Dear Board of Supervisors:

We are pleased to provide an engagement agreement for our services as special legal counsel with respect to the potential formation of a joint county and city building for the purpose of acquiring, constructing, equipping, furnishing, and operating a new Woodbury County Detention and Justice Center (the "Justice Center"). This engagement agreement will only cover consultation with the County as it explores the joint building concept. When the County has decided which financing structure to utilize, we will send a new engagement agreement covering the next phase.

A. DESCRIPTION OF SERVICES

As special legal counsel, we will represent the County in its process to determine whether a joint county and city building authority pursuant to Iowa Code Section 346.27 (the "Joint Authority") is a viable alternative structure. As special legal counsel for this phase, we intend to undertake each of the following (the "Services") as are necessary:

- 1. Review relevant Iowa law relating to the legal status and powers of the County or otherwise relating to the establishment of a Joint Authority.
2. Consult with the County regarding the proposed Joint Authority and the nature of use of the Justice Center.
3. Review the proposed timetable and consult with the participants as to the formation of the Joint Authority in accordance with the timetable.
4. Attend or host such planning sessions and other conferences as may be necessary.

B. LIMITATIONS; SERVICES WE DO NOT PROVIDE

The Services covered by this engagement agreement are limited as stated above. Because they will be covered by a separate engagement agreement, our services under this engagement agreement *do not* include:

1. Preparing any of the formation documents for the Joint Authority or proceedings related to the formation of the Joint Authority.
2. Acting as Bond Counsel or Disclosure Counsel for any financing related to the Justice Center.
3. Unless you engage us specifically to provide additional services or advice after a decision has been made regarding the formation of a Joint Authority, we have no continuing obligation to advise you with respect to changes in the applicable laws, regulations, or interpretations thereof, by courts, legislative bodies or governmental agencies as they relate to the Joint Authority. This will be true even though as a matter of courtesy we may from time to time provide you with information or newsletters about current developments that we think may be of interest to you. While we would be pleased to represent you in the future pursuant to a new engagement agreement, courtesy communications about developments in the law and other matters of mutual interest are not indications that we have considered the individual circumstances that may affect your rights or have undertaken to represent you or provide the legal services.
4. Any other services not specifically set forth above in Part A.

C. REPRESENTATION OF OTHERS

This engagement agreement will also serve to give you express notice that we represent many other municipalities, school districts, counties, townships, special districts and units of local government both within and outside of the State of Iowa and also the State itself and various of its agencies and authorities (collectively, the "*governmental units*"). Most but not all of these representations involve bond or other borrowing transactions. We have assumed that there are no controversies pending to which the County is a party and is taking any position which is adverse to another governmental unit, and you agree to advise us promptly if this assumption is incorrect. In such event, we will advise you if the other governmental unit is our client and, if so, determine what actions are appropriate. Such actions could include seeking waivers from both the County and such other governmental unit or withdrawal from representation. As you know, the joint county and city building statute dictates that the City of Sioux City participate in the formation of a Joint Authority and in the use of the building. Be advised, the Firm currently represents the City of Sioux City. The Services do not include the negotiation for or creation of the Joint Authority, so we do not believe there is a resulting conflict. In the event the County elects to pursue a Joint Authority with Sioux City, we may need conflict waivers from both the County and City for such additional work.

D. OTHER TERMS OF THE ENGAGEMENT

Please note our understanding with respect to this engagement and your role in connection with the decision to form a Joint Authority.

1. In performing any of the Services hereunder, we will rely upon the certified proceedings and other certifications you and other persons furnish us. Other than as we may determine as appropriate, we are not engaged and will not provide services intended to verify the truth or accuracy of these proceedings or certifications. Except by request, we do not ordinarily attend meetings of the governing body of the County at which proceedings regarding the Joint Authority may be discussed or passed unless special circumstances require our attendance.

2. The factual representations contained in those documents which are prepared by us, and the factual representations which may also be contained in any other documents that are furnished to us by you are essential for and provide the basis for our conclusions that there is compliance with State law requirements for the formation of the Joint Authority. Accordingly, it is important for you to read and understand the documents we provide to you because you will be confirming the truth, accuracy and completeness of matters contained in those documents.

3. If the documents contain incorrect or incomplete factual statements, you must call those to our attention. We are always happy to discuss the content or meaning of the transaction documents with you. During the course of this engagement, we will further assume and rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the proposed Joint Authority. We understand that you will cooperate with us in this regard.

4. You should carefully review all of the representations you are making. We are available and encourage you to consult with us for explanations as to what is intended in these documents. To the extent the facts and representations stated in the documents we provide to you appear reasonable to us, and are not corrected by you, we are then relying upon your signed certifications for their truth, accuracy and completeness.

E. FEES AND BILLING MATTERS

The fee we charge for the Services rendered under this engagement agreement is based upon: (i) our current understanding of the facts related to the potential formation of a Joint Authority; (ii) the duties we will undertake pursuant to this engagement agreement; (iii) the time we anticipate devoting to the potential formation of a Joint Authority; and (iv) the responsibilities we will assume in connection therewith. We estimate that our fee with respect to the Services described herein will not exceed \$7,500. If, at any time, we believe that circumstances require an adjustment of our original fee estimate, we will advise the County. Such adjustment might be necessary in the event: (a) material changes in the potential Joint Authority concept occur; or (b) unusual or unforeseen circumstances arise which require a significant increase or decrease in our time or responsibility. It is not anticipated that it will be

necessary for us to personally attend meetings in order to provide the Services outlined above but we will do so in the event that circumstances require.

In addition to our fee, we will bill for all customary client charges made or incurred on your behalf, such as travel costs reimbursement, photocopying, deliveries, computer-assisted research, and other related expenses.

We will submit a summary invoice for the professional services described herein upon the decision of the County to form a Joint Authority or to abandon the concept. In the event of a substantial delay in completing the decisions regarding the formation of the Joint Authority, we reserve the right to present an interim statement for payment. Unless other arrangements have been agreed upon in advance, we anticipate our statements to be paid in full within thirty (30) days of receipt.

If, for any reason, the decision regarding the formation of a Joint Authority is not consummated or our services are otherwise terminated, we will expect to be compensated as described above.

F. TERMS OF ENGAGEMENT AND POST-ENGAGEMENT; RECORDS

Upon our receipt of notification that the Services are requested under this engagement agreement, the County will be our client and an attorney-client relationship will exist between us as outlined above. We assume that all other parties to each such transaction will retain such counsel as they deem necessary and appropriate to represent their interests. We further assume that all parties understand that in each such transaction we represent only the County, we are not counsel to any other party, and we are not acting as an intermediary among the parties. Our Services are limited to those contracted for in this engagement agreement; the County's execution of this engagement agreement will constitute an acknowledgement of those limitations. Representation of the County and the attorney-client relationship created by this engagement agreement will be concluded upon formation of the Joint Authority.

At your request, papers and property furnished by you will be returned promptly upon receipt of payment for outstanding fees and client charges. Our own files, including lawyer work product, pertaining to the transaction will be retained by us. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to dispose of any documents or other material retained by us after the termination of this engagement agreement. You will be notified prior to destruction of our file, and will have the option to request them, should you desire.

G. YOUR SIGNATURE REQUIRED

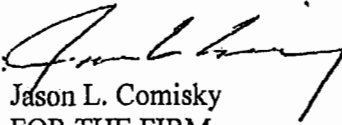
If the foregoing terms are acceptable to you, please so indicate by returning the enclosed copy of this engagement agreement dated and signed by an authorized officer, retaining the original for your files. Please note that if we perform Services prior to your executing this engagement agreement, this engagement agreement shall be effective as of the date we have

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begun rendering Services. Upon your request, we will provide copies of this letter to certain of the participants to provide them with an understanding of our role. We look forward to working with you.

Ahlers & Cooney, P.C.

Sincerely,

By: 
Jason L. Comisky
FOR THE FIRM


JLC:dc

cc: Dennis Butler
Karen James

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Accepted:

Woodbury County, State of Iowa*

By:  Date: 10/22/19

*Approved by Motion or Resolution No. _____ of the governing body on _____, 2019.

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