

PATRICK F. GILL
WOODBURY COUNTY
AUDITOR & RECORDER &
COMM. OF ELECTIONS

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BakerHostetler

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July 28, 2016

Via Email: egilliland@woodburycountyiowa.gov

Ed Gilliland
Director of Human Resources
Woodbury County
620 Douglas St.
Sioux City, IA 51101

Re: Engagement of Counsel

Dear Mr. Gilliland:

Thank you for selecting Baker & Hostetler LLP to represent Woodbury County with regards to an incident response. We look forward to serving your needs and to establishing a mutually satisfactory relationship.

The purpose of this letter is to confirm our engagement as counsel and to provide you certain information about our fees, billing and collection policies, and other terms that will govern our relationship. We believe it is helpful to explain to our clients the nature and terms of our representation at the beginning of our relationship. Accordingly, we have attached to this letter our firm's Standard Terms of Engagement.

Scope of the Engagement. You have asked and authorized us to assist Woodbury County with a potential data security event involving ransomware, including incident investigation, breach analysis, notification obligations, crisis management advice, risk analysis and reporting to regulators.

This confirms that our firm has not been engaged to determine whether the claims or issues are covered under any insurance policies or to otherwise represent you regarding any insurance coverage issues. It is our understanding that you, either individually or through independent counsel or through others, will independently determine whether there is any

Atlanta Chicago Cincinnati Cleveland Columbus Costa Mesa Denver
Houston Los Angeles New York Orlando Philadelphia Seattle Washington, DC

insurance available in connection with this matter. You have not asked us to perform any other services or functions or assume any other responsibilities.

For the purpose of checking whether there exists any conflict of interest with respect to this engagement, we have searched our conflict of interest database under the following:

Woodbury County (client)

We will assume that the above listing is accurate and complete unless you otherwise advise us. We also request that you notify us promptly if any additional searches are required because of any change in your circumstances.

Professional Services and Fees. Our fees for legal services are based on hourly rates that are in effect during the month in which services are provided and will be determined primarily by the amount of time our attorneys, paralegals and other timekeepers spend on this engagement. Our discounted rate is \$525 per hour for this matter type.

Where appropriate, I will be assisted by other lawyers. Our discounted partner and counsel billing rate on this matter will be \$525 per hour. Our discounted billing rate for associates on this matter is \$350. It is our practice to have tasks performed by the lowest billing rate attorney qualified to perform the task. In addition to fees for our professional services, there may be charges for other costs and expenses that we incur in performing services on your behalf.

Third Party Payor. You have requested that we forward our billing statements to your insurance company, who is assuming payment responsibility for your legal bills over any self-insured retainer. In the event that timely payment is not received, you agree to pay our legal fees and costs directly.

Expenses and Other Charges. In addition to fees for our professional services, there may be charges for expenses in connection with our engagement (e.g., copying, long distance telephone, computerized legal research, faxes). Expenses incurred will be billed at our cost (which in some cases may be estimated). Further detail regarding these expenses and other charges will be furnished upon request. For large disbursements, we will forward such invoices to you for direct payment to the vendors.

Ownership of Files and Records. Except as to records which belong to the firm, records or files which we receive from you and documents that are produced or created in connection with your representation, shall be your property, subject to any lien granted by law, rules of professional conduct and our right to make and retain copies. Upon the closing of our files after termination of the engagement, we will return records belonging to you unless you request otherwise, or unless special circumstances require us to retain such records. If you request that we retain your files we may ask that you bear the costs of storage. We shall require from you written authorization to transfer any property belonging to you to a third party. Under our record retention policy we normally destroy files ten years after a matter is closed. It is understood and agreed that we shall have the right, at our discretion, to dispose of files which have not been returned to you at such time that we determine that such files need no longer be retained.

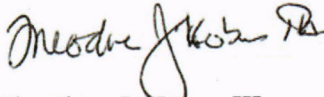
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Dispute Resolution. New York law applies to this Engagement Letter and will govern any dispute concerning our engagement. If a dispute arises between us relating to our fees, you may have the right to arbitrate the dispute under Part 137 of the Rules of the Chief Administrator of the Courts, a copy of which will be provided to you on request.

Acceptance of Engagement. If the terms described above and in the attached Standard Terms of Engagement are acceptable to Woodbury County, please sign the enclosed copy and return it to our office. Upon receipt of the signed copy, we will begin our work on this matter.

We look forward to working with you.

Very truly yours,



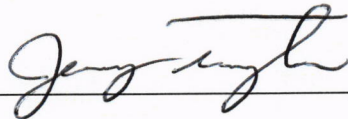
Theodore J. Kobus III

For Baker & Hostetler LLP

Attachments:
Standard Terms of Engagement

ACCEPTED AND AGREED TO:

Woodbury County
Ed Gilliland



Director of Human Resources
(Title)

8-2-2016

(Date)