

Date March 24, 2008

APPROVING CONTINUED RETENTION OF AHLERS & COONEY, P.C. AS BOND COUNSEL TO THE CITY OF DES MOINES

WHEREAS, the law firm of Ahlers & Cooney, P.C., has been bond counsel to the City of Des Moines since 1973, and is currently acting as bond counsel pursuant to terms of engagement in Roll Call No. 96-483, approved by the City Council on February 5, 1996; and

WHEREAS, the financial terms of engagement of bond counsel have not been reviewed since 1996, and the hourly rate of payment for bond counsel has not been increased since 1996; and

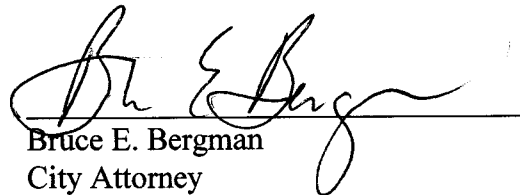
WHEREAS, the City Attorney has reviewed the proposed terms of engagement of bond counsel, as set forth in the attached Engagement Letter of Bond Counsel, dated March 4, 2008, and it is the joint recommendation of the City Attorney and the City Manager that the City should accept and approve the continued employment of Ahlers & Cooney, P.C., as bond counsel of the City of Des Moines, on the terms and conditions contained in the attached Engagement Letter;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa:

1. That the City of Des Moines will continue to employ Ahlers & Cooney, P.C., as its bond counsel, pursuant to the terms and conditions contained in the Engagement Letter, dated March 4, 2008, attached hereto.
2. That the Mayor is hereby authorized to execute the Engagement Letter, dated March 4, 2008, attached hereto.

APPROVED AS TO FORM:

Moved by _____ to adopt.


 Bruce E. Bergman
 City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
MEYER				
VLASSIS				
TOTAL				

MOTION CARRIED

APPROVED

Mayor

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

 City Clerk

AHLERS & COONEY, P.C.

PAUL F. AHLERS (1913-2002)

JAMES EVANS COONEY (1917-1998)

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March 4, 2008

Honorable Mayor and
Members of the City Council
City Hall
400 Robert D. Ray Drive
Des Moines, Iowa 50309

Re: Engagement Letter of Bond Counsel

Dear Mayor Cownie and Members of the City Council:

Upon your acceptance, this letter will serve as a memorandum of the terms of the engagement of this firm to serve as bond counsel to the City of Des Moines (the "City").

SCOPE OF ENGAGEMENT

We agree to render legal services to the City to the extent required as bond counsel and additionally as may be requested as provided in this engagement letter.

In general, our duties as bond counsel will consist of the preparation and review of official actions taken in respect of all documents necessary or appropriate to the authorization, issuance and delivery of City bonds, notes or other obligations ("Bonds"). In each case, we will coordinate the authorization and execution of such documents and review legal issues relating to the structure of the Bond issue. We also will provide such information to the City's financial advisor, bond insurer (if any) and rating agencies relating to legal issues affecting the issuance of Bonds as may be required in a particular transaction. Subject to the completion of proceedings to our satisfaction, we will render

our legal opinion (the "Bond Opinion") regarding the validity and binding effect of the Bonds, the source of payment and security for the Bonds, and the excludability of interest on the Bonds from gross income for federal income tax purposes.

The Bond Opinion will be based on facts and law existing as of its date. In rendering our Bond Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the City with applicable laws relating to the Bonds. During the course of this engagement, we will rely on City staff members to provide us with complete and timely information on all developments pertaining to any aspect of the Bonds and their security.

Our primary responsibility regarding the legality of Bonds will be to the City as issuer and in addition, to the ultimate purchasers of the Bonds. We will be looked to for assurance that the Bonds have been lawfully issued and that provision has been made for the payment thereof. As bond counsel, we will not assume or undertake responsibility for the preparation of an official statement or any other disclosure document with respect to the Bonds, nor will we be responsible for performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document. However, if a disclosure document will be adopted or approved by the City in connection with a particular financing, our responsibility will include the preparation or review of any description therein relating to (i) Iowa and federal law pertinent to the validity of the Bonds and the tax treatment of interest paid thereon, (ii) the terms of the Bonds or (iii) our opinion.

Upon the delivery of our Bond Opinion, our responsibilities as bond counsel will be concluded with respect to the particular series of Bonds involved, and we do not undertake (unless we are separately requested and engaged for such purposes, as described below) to provide continuing advice and assistance to the City concerning any actions that may be necessary to assure that interest paid on the Bonds will continue to be excluded from gross income for federal income tax purposes, or to assure that the City remains in compliance with any secondary market disclosure covenants made in connection with the public offering of the Bonds.

We also may be called upon to provide services to the City in connection with other legal matters, such as those arising under project development agreements, environmental law matters or on-going compliance with federal tax and securities laws. The scope of such services will be defined and rendered from time to time as may be requested by the City Attorney. All such other matters will be governed by this engagement letter. We will maintain separate billing accounts for any such additional matters, as described below.

FEES AND STATEMENTS

a. New Bond issues. The billing method for determining our fees as bond counsel for future Bonds will reflect the factors of time and responsibility, and will be calculated at the rate of \$225 per hour plus \$0.50 per \$1,000 of principal of Bonds issued (the "Base Rate"). Any legal assistants will be billed at \$80 per hour. Our statement for services related to each Bond issue will be submitted to the City following the delivery of the applicable Bond Opinion.

b. Other Matters. At the request of the City Attorney, we will maintain a separate account for periodic services rendered to the City in connection with other matters unrelated to any particular Bond financing. Such services may involve the rendering of advice, opinions or other assistance in connection with such issues as (i) general financing matters which are not extensive enough to warrant separate project billing, (ii) environmental law matters, (iii) particular development agreements, or (iv) the impact of specified actions on the tax-exempt status of outstanding Bonds. Billings for such separate services will be based upon a "blended" rate of \$225 per hour (the "Blended Rate"), regardless of the standard hourly rate of the individual lawyer performing the services. Our statements for such services will be submitted to the City on a periodic basis, but no less frequently than semi-annually.

c. Expenses. In all cases, we will expect to be reimbursed for all reasonable out-of-pocket expenses that may be incurred in connection with a particular financing or other representation. These expenses may include such items (depending on the financing or representation involved) as travel costs, photocopying, deliveries, long-distance telephone charges, filing fees and other necessary office disbursements. In no event shall such expenses exceed the following amounts:

<u>Disbursement</u>	<u>Allowable Cost</u>
Travel Expenses	
• Air fare	Actual cost (coach rate only)
• Automobile mileage	Applicable IRS-approved rate
• Hotels	Actual cost (only if approved in advance by City Attorney)
• Meals	Actual cost
Photocopying	15 cents per page
Long-distance telephone charges	Actual cost
Filing fees	Actual cost

Laser-printed bonds	\$20 per bond
Local Deliveries	Actual cost (if third-party provider is used; if a firm employee is used, \$10.00 per trip)
Overnight mailings	Actual cost
Facsimile	No charge (local area); \$2 for 1st page, \$1 per page thereafter (long distance)

The firm will obtain receipts for all out-of-pocket expenses billed to the City and provide copies of the same to the City Attorney upon request.

All firm statements for services rendered on behalf of the City will set forth (i) a narrative description of the legal services performed, (ii) the date on which such services were rendered, (iii) the amount of lawyer and legal assistant time devoted to the indicated services, and the identity of the lawyer or legal assistant performing the same and (iv) all out-of-pocket expenses incurred, including the date of posting or payment and the individual amounts thereof.

ATTORNEY-CLIENT RELATIONSHIP

Upon execution of this engagement letter, the City will be our client and an attorney-client relationship will exist between us. In connection with the issuance of any Bonds, we will represent only the City, and we will not serve as counsel to any other party in the financing. Our services as bond counsel are limited to those contracted for in this letter and the City's execution of this engagement letter will constitute an acknowledgment of those limitations.

OTHER REPRESENTATIONS

As you are aware, our firm represents many political subdivisions, companies and individuals, including a number of the surrounding metro-area cities. It is possible that during the time that we are representing the City, one or more of our present or future clients will have transactions with the City. We do not believe such representation, if it occurs, will adversely affect our ability to represent you as provided in this letter, either because such matters will be sufficiently different from the issuance of the Bonds so as to make such representations not adverse to our representation of you, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of the issuance of the Bonds. We will consult with the City Attorney in connection with any

matter where the interests of our clients, including the City, may differ to the point where separate representation is advisable, and we will decline to participate in those matters where it is appropriate that we do so. The firm historically has arranged its practice to hold such occasions to a minimum, and intends to continue doing so. Execution of this letter will signify the City's consent to our representation of others consistent with the circumstances described in this paragraph.

RECORDS

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 specific transactions 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 materials retained by us after the termination of this engagement.

MODIFICATIONS

While this engagement letter continues in effect, we agree that the Base Rate and the Blended Rate will each be increased by \$10 per hour for services performed after January 1, 2010, with similar adjustments being made on January 1st of every third year thereafter.

EFFECTIVE DATE

All matters pending and unbilled as of the date of your acceptance of this letter, and all new representations commencing after said date, shall be governed by the terms of this engagement letter.

TERMINATION

Our relationship is based upon mutual consent and you may terminate our representation at any time, with or without cause, by notifying us. Your termination of our services will not affect your responsibility for payment of fees for legal services rendered and other charges incurred before termination and in connection with an orderly transition of any on-going matters.

* * * *

March 4, 2008

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If the foregoing terms are acceptable to you, please so indicate by returning the enclosed copy of this engagement letter dated and signed by the Mayor, retaining the original for your files. We have enjoyed our prior work on behalf of the City, and look forward to continuing the relationship.

Yours very truly,



William J. Noth

WJN:dc

Accepted and approved on behalf of the City*

By: _____ Dated: _____
Title: Mayor

*Authorized by Roll Call _____ approved on _____, 2008.