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June 7, 2023

Sent via email only: earlhamcityhall@mchsi.com

Mary Sue Hibbs, City Clerk
City of Earlham, Iowa
140 S. Chestnut
P.O. Box 518
Earlham, IA 50072

Dear Mary Sue:

We were recently asked to represent the Earlham Community School District (the "District") related to a water tower owned and operated by the City of Earlham, Iowa (the "City") currently located on District-owned real estate. However, as you know, our firm also currently represents the City on certain matters unrelated to this transaction, including finance, bond, economic development and urban renewal matters ("City Representations"). The purpose of this letter is to inform you that the proposed representation of the District and the City Representations present an ethical conflict of interest for our firm, and to seek the consent of the City to our representation of the District in this matter.

While this work is not within the scope of the City Representations, this representation is a concurrent conflict of interest under the ethical standards governing the practice of law in Iowa. From a legal perspective, a concurrent conflict of interest exists under Iowa rules if (1) *the representation of one client will be directly adverse to another client*; or (2) there is a significant risk that the representation of one or more clients will be materially limited by the lawyer's responsibilities to another client, a former client, or a third person or by a personal interest of the lawyer. We know that the second condition stated above does not apply to this situation, but our firm's representation of the District on the transaction will be directly adverse to City because they are concurrent representations.

The state's ethical rules allow a law firm to concurrently represent two adverse parties if (1) the lawyer reasonably believes that the lawyer will be able to provide competent and diligent representation to each affected client; (2) the representation is not prohibited by law; (3) the representation does not involve the assertion of a claim by one client against another represented by the lawyer in the same litigation or other proceeding before a tribunal; and (4) each affected client gives informed consent, confirmed in writing. We believe confidently that our attorneys will be able to provide competent and diligent representation to each of their affected clients as the matters being addressed are totally unrelated, the representation is not prohibited by law, and there will not be an assertion of a claim as described. The purpose of this letter is to seek the written consent of the City to proceed with our representation of the District on the transaction. We are requesting the same from the District.

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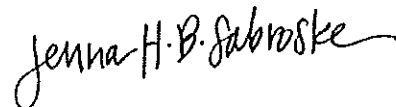
Please be aware that the Rules of Professional Conduct require that we represent all our clients with diligence and that we protect and maintain their confidences. Accordingly, we will not disclose or use any confidential information that we may have acquired about either party to the other in our prior or ongoing representation of the parties.

In deciding whether to consent, the City should consider how our representation as described above could or may affect the City. For example, clients that are asked to waive or consent to conflicts should consider whether there is any material risk that their attorney will be less diligent on their behalf due to the conflict. Similarly, clients should consider whether there is any material risk that their confidential information or other proprietary matters will be used adversely to them due to the conflict. Although you are not required to do so, we recommend that the City seek the advice of a lawyer outside of our Firm if the City has any questions or concerns about whether to approve and sign this conflict waiver.

Please feel free to contact me with any questions or concerns. If the City consents to the concurrent representation, please so indicate below and return a copy of this fully executed letter to my attention. Thank you.

Very truly yours,

AHLERS & COONEY, P.C.

A handwritten signature in black ink that reads "Jenna H.B. Sabroske". The signature is written in a cursive style with a long horizontal flourish at the end.

Jenna H.B. Sabroske

JHBS:ap

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The City Council of the City of Earlham, Iowa waives and consents to any actual, potential, or perceived conflict of interest associated with Ahlers & Cooney, P.C.'s representation of the Earlham Community School District with respect to the above-referenced transaction and the City Representations.

Dated this ___ day of _____, 2023.

CITY OF EARLHAM, IOWA

By: Mayor

By: _____
City Clerk