

April 5, 2004

The Mahaska County Board of Supervisors met on the above date at 9:00 a.m. in the third floor conference room of the Mahaska County courthouse. Present were the following board members: Lawrence Rouw; Henry W. VanWeelden and Greg Gordy. Also present were the following: Sarah McCain, Oskaloosa Herald; Lyle Dickey, Deputy Sheriff; Sone Scott, County Treasurer; Judy Stone, Deputy Treasurer; Don Russell, County Sanitarian; Robert Kelley, Country Life Health Care; Joleen Arnold, Mahaska County CPC; Jerry Nusbaum, County Engineer; Kirby Moss; Employee Group Services; Jerry Wright and Rick Cady, Secondary Road Dept.; Steve Walker and Stanley and Ruby DeYoung of Union Mills and Kay Swanson, Mahaska County Auditor.

It was moved by Gordy seconded by VanWeelden to approve the agenda. All present voted aye. Motion carried.

It was moved by VanWeelden seconded by Gordy to approve the minutes of March 15th and March 16th. All present voted aye. Motion carried.

It was moved by VanWeelden seconded by Gordy to approve the bills for March in the amount of \$1,058,079.90 and \$267.50 denied from June 2003 and payroll in the amount of \$416,512.56. All present voted aye. Motion carried.

It was moved by VanWeelden seconded by Gordy to approve the quarterly reports for the 3rd quarter of 2003-2004 for the Auditor and Sheriff. All present voted aye. Motion carried.

It was moved by VanWeelden seconded by Gordy to approve the Report for the Veterans Affairs Commission for February 2004. All present voted aye. Motion carried.

It was moved by VanWeelden seconded by Gordy to approve and accept the Audit Report from Hunt, Kain & Associates for fiscal year ending June 30, 2003. All present voted aye. Motion carried.

Chairman Lawrence Rouw presented ISAC Years of Service Certificates for dedicated service to Mahaska County government to Sheriff Deputy Lyle Dickey for 15 years of Service and to Judy Stone Deputy Treasurer for 25 years of service.

It was moved by Gordy seconded by VanWeelden to approve the following agreement with Country Life. All present voted aye. Motion carried

AGREEMENT BETWEEN
MAHASKA COUNTY, IOWA
AND
COUNTRY LIFE HEALTH CARE, INC.

This Agreement entered into this Fifth day of April 2004 by and between Country Life Health Care, Inc., and Iowa nonprofit corporation, hereinafter referred to as "Operator," and the County of Mahaska, an Iowa body corporate for civil and political purposes hereinafter referred to as "County."

WHEREAS, County through its elected Board of Supervisors owns the building and property that is operated as a Residential Care Facility referred to in this agreement as "Facility;" and,

WHEREAS, County and Operator intend that the Facility property continue to be used to provide residential care; and

WHEREAS, the parties have developed an understanding whereby this intent can be best realized and whereby the delivery system for the services will function in such a manner so that the Facility is not a public institution and County has divested itself of all responsibility and administrative control.

NOW, THEREFORE, IT IS AGREED by and between County and Operator as follows:

OPERATION. Operator agrees to operate the Facility as a Residential Care Facility providing such services as are now provided to the residents upon terms and conditions contained herein.

TERM. This Agreement shall be for a term of twelve (12) months commencing July 1, 2004 and terminating on June 30, 2005.

PAYMENT FOR SERVICES. County agrees to pay Operator for the term of this Agreement the sum of \$284,700.00 for the services set forth below for not to exceed 26 residents at any time during the term of this Agreement. The 26 residents shall be designated by County in accordance with the rules and regulations of the State Department of Inspections and Appeals for Residential Care Facilities. The above sum shall be payable as follows: \$23,725.00 on the seventh day of each month throughout the first eleven months of this Agreement and \$23,725.00 on the seventh day of the final month of this Agreement. These sums shall be due and payable in full even though the number of residents placed in the Facility by County shall be less than 26. Residents in excess of 26 may be placed in the Facility by County, if space is available therefore, at the rate set forth by Country Life Health Care, Inc.'s statement and agreement. Operator agrees to take responsibility for and assist all residents at the Facility in applying for any financial assistance for which they may be eligible.

LICENSURE LEVEL. Operator shall meet or exceed all requirements of the State Department of Inspections and Appeals and all other regulating agencies necessary to maintain licensure level of the Facility as a Residential Care Facility pursuant to Chapter 135C Iowa Code, and all rules promulgated by the State Department of Inspections and Appeals in accordance with Chapter 17A Iowa Code.

ANNUAL FINANCIAL REPORT. Operator shall obtain an annual financial and statistical report. The report shall be conducted as promptly as possible at the close of the Operator's first full fiscal year and every year thereafter. The results of each report shall be made available to the public.

DESCRIPTION OF ADDITIONAL SERVICES PROVIDED. Services provided beyond basic requirements of a Residential Care Facility shall include, but shall not be limited to:

Nursing Supervision: A nurse shall be kept on staff to ensure appropriate medication supervision as well as supervision of general medical status.

Activities/Recreation/Socialization: Geared towards appropriate leisure time activities within the community should the resident move into less restrictive living arrangements.

Agency Coordinator: Coordination of Services with agencies such as New Directions, Mahaska Vocational Services, Veterans Administration Medical Centers, Department of Human Services, Indian Hills Community College, etc., for the residents' total well being.

Adult Basic Education: Basic education including reading, mathematics, writing and Independent Living Skills. Classes are taught to meet each individual's specific needs.

Transportation: Transportation of residents from the Facility to appointments with physicians, dentists, optometrists, psychologists, and various agencies within an eighty-five (85) mile radius of the Facility for necessary care. Also, transportation of residents for activities/recreation and work sites to be approved by the Operator within the surrounding area.

Individual Program Planning: Individual Program Plans are coordinated with other agencies desiring input into the total plan of care for the residents.

Work Training Program: A work training program to provide residents an opportunity to earn money for incidentals at a less than minimum wage and provide therapy to instill a feeling of self worth. Inclusion in this program depends upon approval of wages from the Department of Labor.

INVENTORY. The Operator agrees to maintain the written inventory of all equipment and supplies as of November 1, 1989 during the term of this Agreement.

EXPENSES. Upon termination of this Agreement, Operator shall be liable and pay for all such items incurred prior to the date of termination and received and/or billed after the date of termination.

INCOME. Upon termination of this Agreement, all income for care of residents prior to the date of termination, but received thereafter, shall be paid to Operator.

EQUIPMENT. Until such time as Operator might purchase the equipment of the Facility, County shall be responsible for major repairs which require specialized repair personnel and replacement of all equipment valued in excess of \$2,000.00.

INDEMNIFICATION. Operator agrees to protect, indemnify and save harmless County from and against any and all claims, demands and causes of action of any nature whatsoever and any expenses incident to defense of and by County therefrom, for injury to or death of persons or loss of damage to property occurring in the course of services performed under this Agreement, except for any liability arising because of any acts of County or its agents. County agrees not to encourage, aid or abet any person making a claim under this paragraph and agrees to cooperate with Operator to the best of County's ability in the defense of any such claim.

DEFAULT. In the event that Operator shall fail to comply with any term, condition or covenant of this Agreement, County shall give to Operator written notice of said default, which notice shall specify in detail the nature of the claimed default, and Operator shall have forty-five (45) days after receipt of said notice within to rectify the default. If the default is not corrected within the forty-five (45) day period, County may terminate this Agreement immediately.

Operator covenants and agrees that if Operator shall at any time fail to perform any act, covenant, term, condition or agreement of Operator's part to be performed under this Agreement, County may, but shall not be obligated to perform any such act, covenant, term, condition or agreement for or on behalf of Operator, without notice, other than any notice required to be given pursuant to this Agreement, and Operator shall reimburse County for all sums paid by County and all necessary incidental costs and expenses in connection with the performance of any such act by County.

LEASE OF PREMISES. The parties hereto will enter into a lease of the Facility premises which lease is made part of this Agreement. Any default on said lease by Operator shall be default on this Agreement. This Agreement shall also terminate at any time the lease between Operator and County should terminate.

INVALIDITY OF PARTICULAR PROVISION. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to the extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

APPROVAL. This Agreement is conditioned upon approval by the Social Security Administration and the Iowa Department of Human Services.

ASSIGNMENT. This Agreement shall be binding on parties hereto and neither party shall assign or transfer its interest in this Agreement without the written consent of the other party.

LIMITED WAIVER. The failure of the County to insist on a strict performance of any of the terms and conditions hereto shall be deemed a waiver of the rights and remedies that County may have regarding that specific instance only and shall not be deemed a waiver of any subsequent breach or default in any terms and conditions.

CANCELLATION. The parties agree that either party may cancel this Agreement at any time by giving the other party thirty (30) days written notice. The written notice should be by certified mail.

Dated this Fifth day of April, 2004

Mahaska County, Iowa

Country Life Health Care, Inc.

By: _____
Chairperson, Board of Supervisors

By: _____
Robert Kelley, President

By: _____
Member, Board of Supervisors

By: _____
Randall Kelley, Vice-President

By: _____
Member, Board of Supervisors

It was moved by Gordy seconded by VanWeelden to approve the following Additional Services Agreement with Country Life. All present voted aye. Motion carried.

COUNTRY LIFE HEALTH CARE, INC.

ADDITIONAL SERVICES AGREEMENT

In addition to basic care, Country Life Health Care provides additional services. For these services, Mahaska County agrees to provide Country Life Health Care \$30.00 per day for each resident to offset operating deficits. Additional Services are set forth below.

Nursing Services: A nurse shall be kept on staff to ensure appropriate medication supervision as well as supervision of general medical status.

Agency Coordinator: Coordination of services with agencies such as New Directions, Mahaska Vocational Services, Iowa Department of Human Services, Indian Hills Community College, etc., for the resident's total well being.

Activities/Recreation/Socialization: Geared toward appropriate leisure time activities within the community should the resident move into less restrictive living arrangements.

Adult Basic Education: Basic education including reading, mathematics, writing and independent living skills. This program is geared to each individual's level and can be used to work toward a General Educational Development Diploma.

Transportation: Transportation of residents from the facility to appointments with physicians, dentists, optometrists, psychologists and various agencies within a fifty (50) mile radius of the facility for necessary care. Also, transportation of residents for activities/recreation and work sites approved by the administrator within the surrounding area. Transportation costs will not be billed to any other party.

Individual Program Planning: Individual Program Plans are coordinated with family and other individuals and agencies desiring input into the total plan of care for the resident. Individual Program Plans will be geared toward the resident's needs and goals.

Work Training Program: A work-training program to provide residents an opportunity to earn money for incidentals at a subminimum wage and to provide therapy to instill a feeling of self worth. Inclusion of this program depends upon approval of wages from the Department of Labor.

Term. This Agreement shall be for a term of twelve (12) months commencing July 1,2004 and terminating on June 30,2005.

I acknowledge receipt of a copy of this Agreement.

Signature of Responsible Party
Board of Supervisors Chair
Title

Date

It was moved by VanWeelden seconded by Gordy to approve the following Lease Agreement with Country Life Health Care, Inc.. All present voted aye. Motion carried.

LEASE -BUSINESS PROPERTY

THIS LEASE AGREEMENT , executed in duplicate, made and entered into this Fifth day of April, 2004 by and between Mahaska County, Iowa (hereinafter called "Landlord") whose address for the purpose of this lease is Court House, Oskaloosa, Iowa 52577 and Country Life Health Care, Inc. (hereinafter called the "Tenant"), a nonprofit corporation whose address for the purpose of this lease is 2554 Ford Avenue, Oskaloosa, IA 52577, WITNESSETH THAT:

1. PREMISES AND TERM. The Landlord, in consideration of the rents herein reserved and of the agreements and conditions herein contained, on the part of the Tenant to be kept and performed, leases unto the Tenant and Tenant hereby rents and leases from the Landlord, according to the terms and provisions herein, the following prescribed real estate, situated in Mahaska County, Iowa, to wit:

County Care Facility. See plat and legal description attached hereto and a part hereof. (This lease includes all buildings and structures except the grain bins, all equipment inventory and supplies of the facility. Landlord and/or its agents reserve the right to enter on and across the premises for access to the adjacent farmland, sewage lagoon, grain bins, and for any materials stored on the described premises.)

with the improvements thereon and all rights easements and appurtenances thereto belonging, which, more particularly, includes the space and premises as may be shown on "Exhibit A," if and as may be attached hereto, for a term of one year, commencing at midnight of the day previous to the lease term, which shall be on the 30th day of June, 2004 and ending at midnight on the last day of the lease term, which shall be on the 30th day of June 2005, upon the condition that the Tenant pays rent therefor, and otherwise performs as this lease provided.

2. RENTAL. Tenant agrees to pay to Landlord as rental for the said term, as follows: \$474.50 per month. All sums shall be paid at the address of the Landlord, as above designated.

3. POSSESSION. Tenant shall be entitled to possession on the first day of the term of this lease, and shall yield possession to the Landlord at the time and date of the close of this lease term, except as herein otherwise expressly provided. Should the Landlord be unable to give possession on said date, Tenants only damages shall be a rebating of the pro rata rental.

4. USE OF THE PREMISES. Tenant covenants and agrees during the term of this lease to use and occupy the leased premises only for a Residential Care Facility pursuant to all rules and regulations of the State Department of Inspections and Appeals. For restrictions on such use, see paragraphs (c), 6(d) and 11 (b) below.

5. QUIET ENJOYMENT. Landlord covenants that its estate in said premises is in fee simple and that the Tenant on paying the rent herein reserved and performing all the agreements by the Tenant to be performed as provided in this lease, shall and may peaceably have, hold and enjoy the demised premises for the term of this lease free from molestation, eviction or disturbance by the Landlord or any other persons or legal entity whatsoever. (But see paragraph 14, below.) Landlord, shall have the right to mortgage all of its right, title, interest in said premises at any time without notice, subject to this lease.

6. CARE AND MAINTENANCE OF PREMISES. (a) Tenant takes said premises in their present condition except for such repairs and alterations as may be expressly herein provided. Landlord shall be expressly responsible for the cost of all repairs to the buildings and associated equipment which require specialized repair personnel. Tenant shall be responsible for all ordinary repairs to the facility and premises which do not require specialized repair personnel.

(b) Landlord's Duty of Care And Maintenance Landlord will keep the roof structural part of the floor, walls and other structural parts of the building in good repair along with the furnace, plumbing, sewage and electrical systems.

(c) Tenant's Duty of Care And Maintenance. Tenant shall, after taking possession of said premises and until the termination of this lease and actual removal from the premises, at its own expense, care for and maintain said premises in a reasonably safe and serviceable condition, except for structural parts of the building. Tenant will furnish its own interior and exterior decorating. Tenant will not permit or allow said premises to be damaged or depreciated in value by any act or negligence of the Tenant, its agents or employees. Tenant agrees to keep faucets closed so as to prevent waste of water and flooding of premises; to promptly take care of any leakage or stoppage in any of the water, gas or waste pipes. The Tenant agrees to maintain adequate heat to prevent freezing of pipes, if and only if the other terms of this lease fix responsibility for heating upon the Tenant. Tenant at its own expense may install floor covering and will maintain such floor covering in good condition. Tenant will be responsible for the plate glass in the windows of the leased premises and for maintaining the parking area, driveways and sidewalks on and abutting the leased premises. Tenant shall make no structural alterations or improvements without the written approval of the Landlord first had and obtained, of the plans and specifications therefor.

d) Tenant will make no unlawful use of said premises and agrees to comply with all valid regulations of the Board of Health, City ordinances or applicable municipality, the laws of the State of Iowa and the Federal government, but this provision shall not be construed as creating any duty by Tenant to members of the general public. Tenant will not allow trash of any kind to accumulate on said premises in the halls or in the yard in front, side or rear thereof, and it will remove same from the premises at its own expense. Tenant also agrees to remove snow and ice and other obstacles from the sidewalk on or abutting the premises.

7. UTILITIES AND SERVICES. (a) Tenant, during the term of this lease, shall pay, before delinquency, all charges for use of telephone, water, sewer, gas, heat, electricity, power, air conditioning, garbage disposal, trash disposal and not limited by the foregoing all other utilities and services of whatever kind and nature which may be used in or upon the demised premises.

(b) Air conditioning equipment and maintenance thereof shall be furnished at the expense of Tenant.

(c) Janitor service shall be furnished at the expense of the Tenant.

(d) Heating shall be furnished at the expense of the Tenant

8. SURRENDER OF PREMISES AT END OF TERM-REMOVAL OF FIXTURES. (a) Tenant agrees that upon the termination of this lease, it will surrender, yield up and deliver the leased premises in good and clean condition, except in the effects

of ordinary wear and tear and depreciation arising from lapse of time, or damage without fault or liability of Tenant. See also 11(a) and 11 (e) below.

(b) Tenant may, at the expiration of the term of this lease, or renewal or renewals thereof or at a reasonable time thereafter, if Tenant is not in default hereunder, remove any fixtures or equipment which said Tenant has installed in the leased premises, providing said Tenant repairs any and all damages caused by removal.

(c) Holding over. Continued possession, beyond the expiratory date of the term of this lease, by the Tenant, coupled with the receipt of the specified rental by the Landlord (and absent a written agreement by both parties for an extension of this lease, or for a new lease) shall constitute a month to month extension of this lease.

9. ASSIGNMENT AND SUBLETTING. Any assignment of this lease or subletting of the premises or my part thereof Without the Landlord's written permission shall, at the option of the Landlord, make the rental for the balance of the lease Term due and payable at once. Such written permission shall not be unreasonably withheld.

10. REAL ESTATE TAXES. (a) All real estate taxes, except as may be otherwise expressly provided in this paragraph 10, levied or assessed by lawful authority (but reasonably preserving Landlord's rights of appeal) against said real property shall be timely paid by the Landlord

(b) Increase in such taxes, including those increases caused by improvements of Tenant shall be paid by Landlord.

(c) Personal Property taxes. Tenant agrees to timely pay all taxes assessments or other public charges levied or assessed by lawful authority (but reasonably preserving Tenant's rights of appeal) against its personal property on the premises, during the term of this lease.

(d) Special assessments shall be timely paid by the Landlord.

11. INSURANCE. (a) Landlord and Tenant will each keep its respective property interests in the premises and its liability in regard thereto, and the personal property on the premises, reasonably insured against hazards and casualties; that is, fire and those items usually covered by extended coverage; and Tenant will procure and deliver to the Landlord a certification from the respective insurance companies to that effect. Such insurance shall be made payable to the parties hereto as their interests may appear, except that the Tenant's share of such insurance proceeds are hereby assigned and made payable to the Landlord to secure rent or other obligations then due and owing Landlord by Tenant. See also 11(e) below.

(b) Tenant will not do or omit the doing of any act which would vitiate any insurance, or increase the insurance rates in force upon the real estate improvements on the premises or

upon any personal property of the Tenant upon which the Landlord by law or by the terms of this lease, has or shall have a lien.

(c) Subrogation rights are not to be waived unless a special provision is attached to this lease.

(d) Tenant further agrees to comply with the recommendations of Iowa Insurance Service Bureau and to be liable for and to promptly pay, as if current rental any increase in insurance rates on said premises and on the building of which said premises are a part, due to increased risks or hazards resulting from Tenant's use of the premises otherwise than as herein contemplated and agreed.

(e) Insurance Proceeds. Landlord shall settle and adjust any claim against any insurance company under its said policies of insurance for the premises, and said insurance monies shall be paid to and held by the Landlord to be used in payment for cost of repairs or restoration of damaged building, if the destruction is only partial. See also 11 (a) above.

12. INDEMNITY AND LIABILITY INSURANCE. Except as to any negligence of the Landlord, arising out of roof and structural parts of the building. Tenant will protect, indemnify and save harmless the Landlord from and against any and all loss, costs, damage and expenses occasioned by, or arising out of any accident or other occurrence causing or inflicting injury and/or damage to any person or property, happening or done, in, upon or about the leased premises, or due directly or indirectly to the tenancy, use or occupancy thereof, or any part thereof by the Tenant or any person claiming through or under the Tenant. The Tenant further covenants and agrees that it will be at its own expense procure and maintain casualty and liability insurance in a responsible company or companies authorized to do business in the State of Iowa, in amounts not less than \$100,000 for any one person injured, and \$5000,000 for any on accident, and with the limits of \$25,000 for property damage, protecting the Landlord against such claim, damages, costs or expenses on account of injury to any person or persons, or to any property belonging to any person or persons, by reason of such casualty, accident or other happening on or about the demised premises during the term thereof. Certificates and copies of said policies, naming the Landlord, and providing for fifteen (15) days' notice to the Landlord before cancellation shall be delivered to the Landlord within twenty (20) days from the date of the beginning of the term of this lease. As to insurance of the Landlord for roof and structural faults, see paragraph 11 (a) above.

13. FIRE AND CASUALTY. Partial Destruction Of Premises. (a) In the event of a partial destruction or damage of the leased premises, which is a business interference, that is, which prevents the conducting of a normal business operation and which damage is reasonably repairable within sixty (60) days after its occurrence, this lease shall not terminate but the rent for the leased premises shall abate during the time of such business interference. In the event of partial destruction, Landlord shall repair such damages within sixty (60) days of its occurrence unless prevented from doing so by acts of God, the elements, the public enemy, strikes, riots, insurrection, government regulations, city

ordinances, labor, material or transportation shortages, or other causes beyond the Landlord's reasonable control.

(b) Zoning. Should the zoning ordinance of the city or municipality in which this property is located make it impossible for Landlord, using diligent and timely effort to obtain necessary permits and to repair and/or rebuild so that Tenant is not able to conduct its business on these premises, then such partial destruction shall be treated as a total destruction as in the next paragraph provided.

(c) Total Destruction Of Business Use. In the event of a destruction or damage of the leased premises including the parking area (if a parking area is a part of the subject matter of this lease) so that Tenant is not able to conduct its business on the premises or the then current legal use for which the premises are being used and which damages cannot be repaired within sixty (60) days this lease may be terminated at the option of either the Landlord or Tenant. Such termination in such event shall be effected by written notice of one party to the other, within twenty (20) days after such destruction. Tenant shall surrender possession within 10 days after such notice issues, and each party shall be released from all future obligations hereunder, Tenant paying rental pro rata only to the date of the destruction. In the event of such termination of this lease, Landlord at its option, may rebuild or not, according to its own wishes and needs.

14. CONDEMNATION. (a) Disposition of Awards. Should the whole or any part of the demised premises be condemned or taken by a competent authority for any public or quasi-public use or purpose, each party shall be entitled to retain, as its own property, any award payable to it. Or in the event that a single entire award is made on account of the condemnation, each party will then be entitled to take such proportion of said award as may be fair and reasonable.

(b) Date of Lease Termination. If the whole of the demised premises shall be so condemned or taken, the Landlord shall not be liable to the Tenant except and as its rights are preserved as in paragraph 14 (a) above.

15. TERMINATION OF LEASE AND DEFAULT OF TENANT. (a) Termination Upon Expiration or Upon Notice of Defaults. This lease shall terminate upon expiration of the demised term; or if this lease expressly and in writing provides for any option or options, and if any such option is exercised by the Tenant, then this lease will terminate at the expiration of the option term or terms. Upon default of payment of rental herein or upon any other default by Tenant in accordance with the terms and provisions of this lease, this lease may at the option of the Landlord be cancelled or forfeited, provided, however, before any such cancellation and forfeiture except as provided in 15(b) below, Landlord shall give Tenant a written notice specifying the default, or defaults, and stating that this lease will be cancelled and forfeited forty-five (45) days after the giving of such notice, unless such default, or defaults, are remedied within such grace period (See paragraph 22 below.) As an additional optional procedure or as an alternative to the foregoing (and

neither exclusive of the other.) Landlord may proceed as in paragraph 21, below, provided.

(b) Bankruptcy Or Insolvency Of Tenant. In the event Tenant is adjudicated a bankrupt or in the event of a judicial sale or other transfer of Tenant's leasehold interest by reason of any bankruptcy or insolvency proceedings or by other operation of law, but not by death, and such bankruptcy, judicial sale or transfer has not been vacated or set aside within (10) days from the giving of notice thereof by the Landlord to Tenant, then and in any such events, Landlord may, at its option immediately terminate this lease, re-enter said premises, upon giving of ten (10) days' written notice by Landlord to Tenant, all to the extent permitted by applicable law.

(c) In (a) and (b) above, waiver as to any default shall not constitute a waiver of any subsequent default or defaults.

(d) Acceptance of keys, advertising and re-renting by the Landlord upon the Tenant's default shall be construed only as an effort to mitigate the damages by the Landlord, and not as an agreement to terminate this lease.

16. RIGHT OF EITHER PARTY TO MAKE GOOD ANY DEFAULT OF THE OTHER. If default shall be made by either party in the performance of, or compliance with, any of the terms, covenants or conditions of this lease, and such default shall have continued for thirty (30) days after written notice thereof from one party to the other, the person aggrieved, in addition to all other remedies now or hereafter provided by law, may, but need not, perform such term, covenant or condition, or make good such default and any amount advanced shall be paid forthwith on demand, together with interest at the rate of _____% per annum, from the date of the advance.

17. Signs. (a) Tenant shall have the right and privilege of attaching, affixing, painting or exhibiting signs on the leased premises, provided only (1) that any and all signs shall comply with the ordinances of the city or municipality in which the property is located and the laws of the State of Iowa; (2) such signs shall not change the structure of the building; (3) such signs if and when taken down shall not damage the building; and (4) such signs shall be subject to the approval of the Landlord, which approval shall not be unreasonably withheld.

(b) Landlord during the last ninety (90) days of this lease, or extension, shall have the right to maintain in the windows or on the building or on the premises either or both a "For Rent" or "For Sale" sign and Tenant will permit, at such time, prospective tenants or buyers to enter and examine the premises.

18. MECHANIC'S LEINS. Neither the Tenant nor anyone claiming by, through, or under the Tenant, shall have the right to file or place any mechanic's lien or other lien of any kind or character whatsoever, upon said premises or upon any building or improvement thereon, or upon the leasehold interest of the Tenant therein, and notice is hereby given that no contractor, sub-contractor, or anyone else who may furnish any material,

service or labor for any building, improvements, alteration, repairs or any part thereof, shall at any time be or become entitled to any lien thereon, and for the further Security of the Landlord, the Tenant covenants and agrees to give actual notice thereof in advance, to any and all contractors and sub-contractors who may furnish or agree to furnish any such material, service or labor.

19. LANDLORD'S LIEN AND SECURITY INTEREST. (a) Said Landlord shall have in addition to the lien given by law, a security interest as provided by the Uniform Commercial Code of Iowa, upon all personal property and all substitutions therefor, kept and used on said premises by Tenant. Landlord may proceed at law or in equity with any remedy provided by law or by this lease for the recovery of rent or for termination of this lease because of Tenant's default in its performance.

(b) Spouse. If spouse is not a Tenant, then the execution of this instrument by the spouse shall be for the sole purpose of creating a security interest on personal property and waiving rights of homestead, rights of distributive share, and exemptions.

20. SUBSTITUTION OF EQUIPMENT, MERCHANDISE, ETC. (a) The Tenant shall have the right, from time to time during the term of this lease, or renewal thereof to sell or otherwise dispose of any personal property of the Tenant situated on the said demised premises, when in the judgement of the Tenant it shall have become obsolete, outworn or unnecessary in connection with the operation of the business on said premises; provided, however, that the Tenant shall, in such instance (unless no substituted article or item is necessary) at its own expense, substitute for such items of personal property so sold or otherwise disposed of, a new or other item in substitution thereof in like or greater value and adopted to the affixed operation of the business upon the demised premises.

(b) Nothing herein contained shall be construed as denying to the Tenant the right to dispose of inventoried merchandise the ordinary course of the Tenant's trade or business.

21. RIGHTS CUMULATIVE. The various rights powers, options, elections and remedies of either party, provided in this lease, shall be construed as cumulative and no one of them as exclusive of any rights, remedies or priorities allowed either party by law, and shall in no way affect or impair the right of either party to pursue any other equitable or legal remedy to which either party may be entitled as long as any default remains in any way unremedied, unsatisfied or undischarged.

22. NOTICE AND DEMANDS. Notices as provided for in this lease shall be given to the respective parties hereto at the respective addresses designated on page one of this lease unless either party notifies the other, in writing, of a different address. Without prejudice to any other method of notifying a party in writing or making a demand or other communication, such message shall be considered given under the terms of this lease when sent, addressed as above designated, postage prepaid, by-registered or certified mail return receipt requested, by the United States mail and so deposited in a United States mail box.

23. PROVISIONS TO BIND AND BENEFIT SUCCESSORS, ASSIGNS, ETC. Each and every covenant and agreement herein contained shall extend to and be binding upon the respective successors heirs, administrators, executors and assigns of the parties hereto; except that if any part of this lease is held in joint tenancy, the successor in interest shall be the surviving joint tenant.

24. CHANGES TO BE IN WRITING. None of the covenants, provisions, terms or conditions of this lease to be kept or performed by Landlord or Tenant shall be in any manner modified, waived or abandoned, except by a written instrument duly signed by the parties and delivered to the Landlord and Tenant This lease contains the whole agreement of the parties.

25. RELEASE OF DOWER. Spouse of Landlord, appears as a party signatory to this lease solely for the purpose of releasing dower; or distributive share, unless said spouse is also a co-owner of an interest in the leased premises.

26. CONSTRUCTION. Words and phrases herein, including acknowledgment hereof shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender according to the context.

27. Waiver of the Subrogation Rights hereto attached is by this reference made a part hereof.

28. This Agreement is subject to approval by the Social Security Administration and the Iowa Department of Human Services.

IN WITNESS WHEREOF, the parties hereto have duly executed this lease in duplicate the day and the year first above written.

TENANT - Country Life Health Care, Inc.

LANDLORD - Mahaska County, Iowa

By: s/Robert Kelley
Robert Kelley, President Country Life
Health Care, Inc.

By: s/Lawrence Rouw
Chairperson, Mahaska County
Board of Supervisors

CORPORATION.

STATE OF IOWA
COUNTY OF MAHASKA

On this Fifth day of April 2004, before me, the undersigned a Notary Public in and for said County and State, personally appeared Robert Kelley and Lawrence Rouw, to me personally known, who being by me duly sworn, did say that they are the President of Country Life Health Care, Inc. and Chairperson, Mahaska County Board of Supervisors respectively, of said corporation executing the within and foregoing instrument, that (no

seal has been procured by the said) corporation; that said instrument (the seal affixed thereto is the seal of said) was signed (and sealed) on behalf of said corporation by authority of its Board of Directors; and that the said Robert Kelley and Lawrence Rouw as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it and by them voluntarily executed.

s/Susan L. Brown
Notary Public in and for said County and State

It was moved by VanWeelden seconded by Gordy to approve the recommendation of the County Engineer and County Sanitarian to approve the VanderPol SD plat a subdivision of the NE quarter of the SE quarter of Section 14, Township 75, Range 15. All present voted aye. Motion carried.

10:00 a.m. It was moved by VanWeelden seconded by Gordy to open the public hearing for vacation of roads. All present voted aye. Motion carried. Notices were mailed to all the adjoining property owners and notice was published in the Oskaloosa Herald on March 18, 2004. After discussion with Mr. & Mrs. DeYoung and Steve Walker it was moved by Gordy seconded by VanWeelden to close the public hearing. All present voted aye. Motion carried.

It was moved by Gordy seconded by VanWeelden to approve the following Final Order for vacation of roads. All present voted aye. Motion carried.

**FINAL ORDER ON ROAD VACATION
CODE 306.16
RESOLUTION**

WHEREAS: A hearing was held April 5th ,2004 on the matter of vacating and closure of a portion of Mahaska County Secondary Roads described as follows:

Streets and Alleys in the Town of Union Mills formerly known as Middletown in Section 22, Township 77 North, Range 15 West of the 5 th P.M., Mahaska County, Iowa, described as follows:

- 1 . Cross St. from the East right-of-way line of Parkin Ave. to the easterly city limits.
2. Main St. from the SE corner of Lot 12 Block 4 northerly to the NE corner of Lot 12 Block 3.
3. West St. from the south city limits northerly to the NW corner of Lot 6 Block 4 and the portion of West St. adjacent to Lot 7 Block 3.
4. All the alleys in and adjacent to Block 4 except the alley running on the south side of Lots 10, 11, and 12 and except current right-of-way for

Parkin Ave.

5. The alley bounded by Lots 3 thru 6 of Block 2.
6. The alley adjacent to the south side of Lots 5 and 6 of Block 2.
7. The alley on the north side of Block 3 from the west right-of-way line of Parkin Ave. west to the westerly town limits.
8. The alley bounded by Lots 10 and 11 of Block 3.

The vacated streets and alleys shall be conveyed to the adjoining property owners as follows:

1. Stanley DeYoung - West Street from the north right-of-way line of 135th St. north to the north city limits, AND, the alley adjoining the north side of Lots 7 & 8 Block 3 from West Street to the west right-of-way line of Parkin Avenue.
2. Jeremiah and Stacey Lamb - the south 1/2 of Cross Street from the east right-of-way line of Parkin Avenue east to the centerline of the alley running north-south between Lots 2 & 3 Block 4, AND, the north 1/2 of the alley between Lots 3 & 10 from the east right-of-way line of Parkin Avenue east to the centerline of the alley running north-south between Lots 2 & Block 4, AND, the west 1/2 of the alley between Lots 2 & 3 Block 4.
3. Steve Walker - Cross Street from the centerline of Main Street east to the easterly city limits, AND, the east 1/2 of Main Street from Cross Street south to the centerline of the alley running east-west between Lots 4 & 5 Block 2, AND, the north 1/2 of the alley bounded by Lots 3 thru 6 Block 2.
4. Mark Doty - The alley running east-west adjoining the south side of Lots 7 thru 10 Block 4 beginning at a point 300 feet west of the NE corner NW NE section 27, T-77N, R-15W, thence easterly to the west right-of-way line of Parkin Avenue.
5. Union Mills Church - all vacated streets and alleys not previously assigned and excluding any and all current right-of-way of Parkin Avenue and 135th Street.

WHEREAS: All objections and/ or comments received at the April 5th , 2004 public hearing were dealt with by the Board of Supervisors.

AND WHEREAS: Said part of present right-of-way of the closed roads are no longer necessary or required for use by the public for highway purposes and will not hereafter be required for construction or maintenance purposes for any highway;

NOW THEREFORE BE IT RESOLVED by Mahaska County that said part of present right-of-way herein described, together with any and all right of Mahaska County in and to the same are hereby abandoned, and Mahaska County hereby disclaims any right, title or interest in and to said part of present right-of-way or to use thereof for any purposes whatsoever.

It was moved by seconded by to deny any and all claims filed on any of the road closing acted on in this meeting, motion carried.

Signed this 5th day of April, 2004.

s/Lawrence Rouw
Chairman, Board of Supervisors

s/Kay Swanson
Attest: County Auditor

The board discussed a proposal letter received from Jerry Thompson of Thompson & Associates for the SEIU Local 199 secondary road union contract.

The proposal was as follows:

Effective July 1, 2004 through June 30, 2005

Wage increase of five cents (\$0.05) per hour for each wage step.

Status quo regarding medical insurance provisions

Add a provision in the overtime section providing that all compensated

Leave time, except sick leave, shall count toward time worked for the

Purpose of computing overtime.

All other Articles in the current Labor Agreement would remain status quo.

Engineer Jerry Nusbaum and Jerry Thompson recommended acceptance of the contract proposal.

It was moved by Gordy seconded by VanWeelden not to approve the proposal dated March 24, 2004. All present voted aye. Motion carried.

Kirby Moss from Employee Group Services, Ltd gave the board a review of the Health Insurance Plan. No changes were made today.

Board Member VanWeelden introduced the following Resolution entitled "RESOLUTION CONSENTING TO ADDITIONAL INDEBTEDNESS OF SOUTH IOWA AREA DETENTION SERVICE AGENCY, AND PLEDGE OF 1991 LOAN AGREEMENT AS SECURITY THEREFOR", and moved that the same be adopted. Board Member Gordy seconded the motion to adopt. The roll was called and the vote was,

AYES: VanWeelden, Gordy and Rouw

NAYS: none

Whereupon, the Chairperson declared the Resolution duly adopted as follows:

RESOLUTION CONSENTING TO ADDITIONAL
INDEBTEDNESS OF SOUTH IOWA AREA DETENTION
SERVICE AGENCY, AND PLEDGE OF 1991 LOAN
AGREEMENT AS SECURITY THEREFOR

WHEREAS, this County is a member of the South Iowa Area Detention Service Agency (the "Agency"), formed in 1991 pursuant to Iowa Code chapter 28E; and

WHEREAS, the Agency issued \$2,300,000 General Obligation Capital Loan Note Certificates, Series 1991 (the "1991 Certificates" to finance construction and equipping two juvenile detention facilities; and

WHEREAS, as security for the 1991 Certificates, each member of the Agency entered into a loan agreement pledging funds from its general fund through 2005/2006 fiscal year; and

WHEREAS, pursuant to the 28E Agreement, the Agency is authorized "to borrow money, make and issue negotiable bonds, certificates, bond anticipation notes, refunding bonds and notes, loan agreements and project notes, and to secure the payment of the same or any part thereof by a pledge of any or all of the Agency's net revenues and any other funds which it has a right to, or may hereafter have a right to pledge for such purposes, subject however, to prior approval of the respective member County Board of Supervisors"; and

WHEREAS, the Agency reports savings may be attained by refunding the 1991 Certificates at current market rates.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF MAHASKA , STATE OF IOWA:

Section 1. This County hereby consents to the Agency refunding the 1991 Certificates to attain costs savings which will benefit the County and its taxpayers by restructuring the outstanding issue of Certificates for purposes of more efficient administration thereof.

Section 2. Provided the refunding debt does not extend beyond the 2005/2006 fiscal year, this County further consents to the Agency pledging the 1991 Loan Agreement, effectuating a pledge from the County's general fund through fiscal year 2005/2006, as security for the General Obligation Refunding Capital Loan Note Certificates, Series 2004.

Section 3. The County Auditor is hereby directed to file a certified copy of this resolution with the South Iowa Area Detention Services Agency prior to the Agency's meeting in April 2004.

This Contract for Juvenile Detention and Juvenile Shelter Costs Support is between the Iowa Department of Human Services, Mahaska Wapello Decategorization Project and Mahaska County and Wapello County. The parties agree as follows:

SECTION 1. IDENTITY OF THE PARTIES.

- 1.1 The Iowa Department of Human Services ("Department") is authorized to enter into this Contract. The Department's address is:
Cedar Rapids Service Area Office
411 3rd St SE, Suite 400
Cedar Rapids, IA 52401
- 1.2 Mahaska County ("Contractor") a unit of government is organized under the laws of the state of Iowa and authorized to do business in the state of Iowa. The Contractor's address is:
Courthouse
106 S 1st St
Oskaloosa, IA 52571

The contractor is not a business associate under the Health Insurance Portability and Accountability Act (HIPAA) of 1996.

- 1.3 Wapello County ("Contractor") a unit of government is organized under the laws of the State of Iowa and authorized to do business in the State of Iowa. The Contractor's address is:
Courthouse
101 W 4th St
Ottumwa, IA 52501

The contractor is not a business associate under the Health Insurance Portability and Accountability Act (HIPAA) of 1996.

SECTION 2. PURPOSE.

The parties have entered into this Contract for the purpose of retaining the Contractors to provide: maintenance of effort in providing Juvenile Detention Services and Juvenile Shelter Services for their respective county.

SECTION 3. DURATION OF CONTRACT.

The term of this Contract shall be May 1, 2004 through September 30, 2004, unless terminated earlier in accordance with the Termination section of this Contract.

SECTION 4. DEFINITIONS.

- 4.1 Contract shall mean all parts of this Contract including, without limitation and by way of example, the first portion of this Contract and the exhibits and attachments to this Contract.
- 4.2 Contract Administrator shall mean the primary point of contact for the State and the liaison between the Iowa Department of Human Services and the Contractor.

SECTION 5. SCOPE OF SERVICES.

5.1 Scope of Services.

Each Contractor shall provide the following services in accordance with the defined performance criteria as set forth below.

5.1.1 Each Contractor shall make payment for their respective County's share of Juvenile Detention costs directly associated with individual juveniles' stay in the detention facility; and make payment for their respective County's share of Juvenile Shelter costs directly associated with individual juveniles' stay in the shelter facility. These costs may be generally classified as room and board.

5.1.2 Each Contractor shall report, to the Mahaska Wapello Decategorization Project, not later than July 15, 2004, their respective County's total expenditures for Juvenile Detention costs directly associated with individual juveniles' stay in the detention facility for the fiscal year ended June 30, 2004; and their respective County's total expenditures for Juvenile Shelter costs directly associated with individual juveniles' stay in the shelter facility for the fiscal year ended June 30, 2004.

5.2 Non-Exclusive Rights.

This Contract is not exclusive. The Department reserves the right to select other contractors to provide services similar or identical to the Scope of Services described in this Contract during the term of this Contract.

5.3 Monitoring Clause

Each Contractor's compliance with the terms of this Contract will be monitored by 1) receipt by the Mahaska Wapello Decategorization Project, no later than July 15, 2004, of a single annual report of the applicable detention and shelter expenditures under this Contract for the fiscal year ended June 30, 2004, 2) review and verification by the Mahaska Wapello Decategorization Project of 100% of the annual expenditure reports.

5.4 Review Clause

Each Contractor's performance under this Contract will be measured by 1) submission to the Mahaska Wapello Decategorization Project, by the Contractor, prior to July 15, 2004, the required annual report of the applicable juvenile detention and juvenile shelter expenditures under this Contract for the fiscal year ended June 30, 2004, 2) verification that the Contractor expended for applicable juvenile detention and juvenile shelter costs under this Contract, in the fiscal year from July 1, 2003 through June 30, 2004 an amount greater than it expended for like detention and shelter costs during the fiscal year from July 1, 2002 through June 30, 2003 and the exact amount of that excess expenditure.

5.4.1 Juvenile detention and juvenile shelter expenses for the fiscal year from July 1, 2002 through June 30, 2003 as reported by respective Contractor's County Auditors were:

5.4.1.1 Mahaska County - \$123,384.94

5.4.1.2 Wapello County - \$189,642.72

SECTION 6. COMPENSATION.

6.1 Pricing.

The Contractors will be reimbursed for the services described in the Scope of Services a total maximum amount of \$45,392.00 of Juvenile Justice Youth Development Program funds. Each Contractor's Maximum Reimbursement will be the excess applicable juvenile detention and shelter expenditures for the fiscal year determined by subtracting the total applicable expenditures for the fiscal year ended June 30, 2003 from the total applicable expenditures for the fiscal year ended June 30, 2004.

6.2 Billings.

The Contractor shall submit, on an annual basis, an invoice for services rendered in accordance with this Contract. The invoice shall comply with all applicable rules concerning payment of such claims. The Department shall pay all approved invoices in arrears and in conformance with Iowa Code section 421.40 and 701 Iowa Administrative Code 201.1(2). The Department may pay in less than sixty (60) days, as provided in Iowa Code section 421.40. However, an election to pay in less than sixty (60) days shall not act as an implied waiver of Iowa Code section 421.40.

Unless otherwise agreed in writing by the parties, the Contractor shall not be entitled to receive any other payment or compensation from the State for any goods or services provided by or on behalf of the Contractor under this Contract. The Contractor shall be solely responsible for paying all costs, expenses and charges it incurs in connection with its performance under this Contract.

6.3 Delay of Payment Due to Contractor's Failure.

If the Department in good faith determines that the Contractor has failed to perform or deliver any service or product as required by this Contract, the Contractor shall not be entitled to any compensation under this Contract until such service or product is performed or delivered. In this event, the Department may withhold that portion of the Contractor's compensation, which represents payment for service or product that was not performed or delivered.

6.4 Set-Off Against Sums Owed by the Contractor.

In the event that the Contractor owes the State any sum under the terms of this Contract, any other Contract, pursuant to any judgment, or pursuant to any lack the State may set off the sum owed to the State against any sum owed by the State to the Contractor in the State's sole discretion, unless otherwise required by law. The Contractor agrees that this provision constitutes proper and timely notice under the law of setoff.

6.5 Payment Clause

The Contractors will be paid by American Home Finding Association as fiscal agent under contract CJJP-04-C7-001. Each Contractor will be reimbursed at the 0% level if fewer than two (2) of the two (2) performance measures in the Monitoring and Review Clauses are met. Each Contractor that has met two (2) of the two (2) performance measures in the Monitoring and Review Clauses will be reimbursed at the 100% level as follows.

6. 5. 1 Each Contractor's share of the reimbursement will be determined by applying the ratio, determined by dividing it's county's child population age 5 to 17 (as used by the Iowa Department of Human Rights - Division of Criminal and Juvenile Justice Planning when determining the Juvenile Justice Youth Development Program allocation for the current program year) by the total child population age 5 to 17 of the counties that will share in the reimbursement, to the total amount of money to be reimbursed per the Pricing Section above.

6. 5 .1. 1 Mahaska County child population age 5-17 equals four thousand thirty (4,030).

6.5.1.2 Wapello County child population age 5-17 equals six thousand one hundred thirty five (6,135).

6.5.2. Each Contractor that meets the performance criteria in Section 6.5 above will be paid its prorated share, up to its Maximum Reimbursement per Section 6.1, as determined in Section 6.5.1, of the total amount of money to be reimbursed per the Pricing Section.

6.5.3 Each Contractor that does not meet the performance criteria in Section 6.5 will forfeit any right to payment under this contract and its share of the money will be divided among the remaining counties, if any, that have met the performance criteria.

6.5.4 In the event a Contractor meets the performance criteria but its Maximum Reimbursement is less than its prorated share as determined in Section 6.5.1, said Contractor will forfeit the amount of its prorated share that exceeds its Maximum Reimbursement and this forfeited amount will be prorated among the remaining counties, if any, who have met the performance criteria and have unsatisfied Maximum Reimbursement amounts, until their individual Maximum Reimbursement amounts are satisfied.

SECTION 7. -TERMINATION.

7.1 Immediate Termination by the Department.

The Department may terminate this Contract for any of the following reasons effective immediately without advance notice:

7.1.1 In the event the Contractor is required to be certified or licensed as a condition precedent to providing services, the revocation or loss of such license or certification will result in immediate termination of the Contract effective as of the date on which the license or certification is no longer in effect;

7.1.2 The Department determines that the actions, or failure to act, of the Contractor, its agents, employees or subcontractors have caused, or reasonably could cause, a client's life, health or safety to be jeopardized;

7.1.3 The Contractor fails to comply with confidentiality laws or provisions;

7.1.4 The Contractor furnished any statement, representation or certification in connection with this Contract or the RFP which is materially false, deceptive, incorrect or incomplete.

7.2 Termination for Cause.

The occurrence of any one or more of the following events shall constitute cause for the Department to declare the Contractor in default of its obligations under this Contract.

7.2.1 The Contractor fails to perform, to the Department's satisfaction, any material requirement of this Contract or is in violation of a material provision of this Contract, including, but without limitation, the express warranties made by the Contractor;

7.2.2 The Department determines that satisfactory performance of this Contract is substantially endangered or that a default is likely to occur:

7.2.3 The Contractor fails to make substantial and timely progress toward performance of the Contract;

7.2.4 The Contractor becomes subject to any bankruptcy or insolvency proceeding under federal or state law to the extent allowed by applicable federal or state law including bankruptcy laws; the Contractor terminates or suspends its business; or the Department reasonably believes that the Contractor has become insolvent or unable to pay its obligations as they accrue consistent with applicable federal or state law;

7.2.5 The Contractor has failed to comply with applicable federal, state and local laws, rules, ordinances, regulations and orders when performing within the scope of this Contract; or

7.2.6 The Contractor has engaged in conduct that has or may expose the State or the Department to liability, as determined in the Department's sole discretion.

7.2.7 The Contractor has infringed any patent, trademark, copyright, trade dress or any other intellectual property right.

7.3 Notice of Default.

If there is a default event caused by the Contractor, the Department shall provide written notice to the Contractor requesting that the breach or noncompliance be remedied within the period of time specified in the Department's written notice to the Contractor. If the breach or noncompliance is not remedied by the date of the written notice, the Department may either:

7.3.1 Immediately terminate the Contract without additional written notice; or,

7.3.2 Enforce the terms and conditions of the Contract and seek any legal or equitable remedies.

7.4 Termination Upon Notice.

Following sixty (60) days' written notice, the Department may terminate this Contract in whole or in part without the payment of any penalty or incurring any further obligation to the Contractor. Following termination upon notice, the Contractor shall be entitled to compensation, upon submission of invoices and proper proof of claim, for services provided under this Contract to the Department up to and including the date of termination.

7.5 Termination Due to Lack of Funds or Change in Law.

The Department shall have the right to terminate this Contract without penalty by giving sixty (60) days' written notice to the Contractor as a result of any of the following:

7.5.1 Adequate funds are not appropriated or granted to allow the Department to operate as required and to fulfill its obligations under this Contract;

7.5.2 Funds are de-appropriated or not allocated or if funds needed by the Department, at the Department's sole discretion, are insufficient for any reason;

7.5.3 The Department's authorization to operate is withdrawn or there is a material alteration in the programs administered by the Department;

7.5.4 The Department's duties are substantially modified.

7.6 Remedies of the Contractor in Event of Termination by the Department

In the event of termination of this Contract for any reason by the Department, the Department shall pay only those amounts, if any, due and owing to the Contractor for services actually rendered up to and including the date of termination of the Contract and for which the Department is obligated to pay pursuant to this Contract. Payment will be made only upon submission of invoices and proper proof of the Contractor's claim. This provision in no way limits the remedies available to the Department under this Contract in the event of termination. However, the Department shall not be liable for any of the following costs:

7.6.1 The payment of unemployment compensation to the Contractor's employees;

7.6.2 The payment of workers' compensation claims, which occur during the Contract or extend beyond the date on which the Contract terminates;

7.6.3 Any costs incurred by the Contractor in its performance of the Contract, including, but not limited to, startup costs, overhead or other costs associated with the performance of the Contract;

7. 6. 4 Any taxes that may be owed by the Contractor in connection with the performance of this Contract, including, but not limited to, sales taxes, excise taxes, use taxes, income taxes or property taxes.

7. 7 The Contractor's Termination Duties.

The Contractor upon receipt of notice of termination or upon request of the Department, shall:

7.7.1 Cease work under this Contract and take all necessary or appropriate steps to limit disbursements and minimize costs, and furnish a report within thirty (30) days of the date of notice of termination, describing the status of all work under the Contract, including, without limitation, results accomplished, conclusions resulting therefrom, any other matters the Department may require.

7. 7. 2 Immediately cease using and return to the Department any personal property or materials, whether tangible or intangible, provided by the Department to the Contractor.

7. 7. 3 Comply with the Department's instructions for the timely transfer of any active files and work product produced by the Contractor under this Contract.

7. 7. 4 Cooperate in good faith with the Department, its employees, agents and contractors during the transition period between the notification of termination and the substitution of any replacement contractor.

7. 7 .5 Immediately return to the Department any payments made by the Department for services that were not rendered by the Contractor.

SECTION 8. CONFIDENTIAL INFORMATION.

8.1 Access to Confidential Data.

The Contractor's employees, agents and subcontractors may have access to confidential data maintained by the Department to the extent necessary to carry out its responsibilities under the Contract. The Contractor shall presume that all information received pursuant to this Contract is confidential unless otherwise designated by the Department. The Contractor shall provide to the Department a written description of its policies and procedures to safeguard confidential information. Policies of confidentiality shall address, as appropriate, information conveyed in verbal, written, and electronic formats. The Contractor must designate one individual who shall remain the responsible authority in charge of all data collected, used, or disseminated by the Contractor in connection with the performance of the Contract. The Contractor shall provide adequate supervision and training to its agents, employees and subcontractors to ensure compliance with the terms of this Contract. The private or confidential data shall remain the property of the Department at all times.

8.2 No Dissemination of Confidential Data.

No confidential data collected, maintained, or used in the course of performance of the Contract shall be disseminated except as authorized by law and with the written consent of the Department, either during the period of the Contract or thereafter. Any data supplied to or created by the Contractor shall be considered the property of the Department. The Contractor must return any and all data collected, maintained, created or used in the course of the performance of the Contract in whatever form it is maintained promptly at the request of the Department.

8.3 Subpoena.

In the event that a subpoena or other legal process is served upon the Contractor for records containing confidential information, the Contractor shall promptly notify the Department and cooperate with the Department in any lawful effort to protect the confidential information.

8.4 Reporting of Unauthorized Disclosure.

The Contractor shall immediately report to the Department any unauthorized disclosure of confidential information.

8.5 Survives Termination.

The Contractor's obligation under this Contract shall survive termination of this Contract.

SECTION 9. PROJECT MANAGEMENT AND REPORTING.

9. 1 Project Manager.

At the time of execution of this Contract, each party shall designate, in writing, a Project Manager to serve until the expiration of this Contract or the designation of a substitute Project Manager. During the term of this Contract, each Project Manager shall be available to meet monthly, unless otherwise mutually agreed, to review and plan the services being provided under this Contract.

9. 2 Review Meetings.

During the review meetings the Project Managers shall discuss progress made by the Contractor in the performance of this Contract. Each party shall provide a status report, as desired by a Project Manager, listing any problem or concern encountered since the last meeting. Records of such reports and other communications issued in writing during the course of Contract performance shall be maintained by each party.

9. 3 Reports.

At the next scheduled meeting after which any party has identified in writing a problem, the party responsible for resolving the problem shall provide a report setting forth activities undertaken, or to be undertaken, to resolve the problem, together with the anticipated completion dates of such activities. Any party may recommend alternative courses of action or changes that will facilitate problem resolution. For as long as a problem remains unresolved, written reports shall identify :

9. 3. 1 Any event not within the control of the Contractor or the Department that accounts for the problem;

9. 3. 2 Modifications to the Contract agreed to by the parties in order to remedy or solve the identified problem;

9. 3. 3 Damages incurred as a result of any party's failure to perform its obligations under this Contract; and

9. 3. 4 Any request or demand for services by one party that another party believes are not included within the terms of this Contract.

9. 4 Problem Reporting Omissions.

The Department's acceptance of a problem report shall not relieve the Contractor of any obligation under this Contract or waive any other remedy under this Contract or at law or equity that the Department may have. The Department's failure to identify the extent of a problem or the extent of damages incurred as a result of a problem shall not act as a waiver of performance under this Contract. Where other provisions of this Contract require notification of an event in writing, the written report shall be considered a valid notice under this Contract provided the parties required to receive notice are notified .

9.5 Change Order Procedure.

The Department may at any time request a modification to the Scope of Services using a Change Order. The following procedures for a change order shall be followed:

9.5.1 Written Request.

The Department shall specify in writing the desired modifications to the same degree of specificity as in the original Scope of Services.

9.5.2 The Contractor's Response.

The Contractor shall submit to the Department a time and cost estimate for the requested Change Order within five (5) business days of receiving the Change Order Request.

9.5.3 Acceptance of the Contractor Estimate.

If the Department accepts the estimate presented by the Contractor within five (5) business days of receiving the Contractor's response, the Contractor shall perform the modified services subject to the time and cost estimates included in the Contractor response. The Contractor's performance and the modified services shall be governed by the terms and conditions of this Contract.

9.5.4 Adjustment to Compensation.

The parties acknowledge that a Change Order for this Contract may or may not entitle the Contractor to an equitable adjustment in the Contractor's compensation or the performance deadlines under this Contract.

SECTION 10. LIMITATION OF LIABILITY.

The Contractor expressly acknowledges that the Juvenile Justice Youth Development Program is subject to legislative change by either the federal or state government. Should either legislative body enact measures which alter the Juvenile Justice Youth Development Program the Contractor shall not hold the Department liable in any manner for the resulting changes. The Department shall use best efforts to provide thirty (30) days' written notice to the Contractor of any legislative change. During the thirty (30)-day period, the parties shall meet and make a good faith effort to agree upon changes to the Contract to address the legislative change. Nothing in this Subsection shall affect or impair the Department's right to terminate the Contract pursuant to the termination provisions.

SECTION 11. –WARRANTIES

11.1 Construction of Warranties Expressed in this Contract with Warranties Implied by Law.

All warranties made by the Contractor in all provisions of this Contract and the Proposal by the Contractor, whether or not this Contract specifically denominates the Contractor's promise as a warranty or whether the warranty is created only by the Contractor's affirmation or promise, or is created by a description of the materials and services to be provided, or by provision of samples to the Department, shall not be construed as limiting or negating any warranty provided by law, including without limitation, warranties which arise through course of dealing or usage of trade. The warranties expressed in this Contract are intended to modify the warranties implied by law only to the extent that they expand the warranties applicable to the goods and services provided by the Contractor. The provisions of this Section apply during the term of this Contract and any extensions or renewals thereof.

11.2 Professional Practices.

The Contractor represents and warrants that all of the services to be performed hereunder will be rendered using sound, professional practices and in a competent and professional manner by knowledgeable, trained and qualified personnel.

11.3 Conformity with Contractual Requirements.

The Contractor represents and warrants that the Works will appear and operate in conformance with the terms and conditions of this Contract.

11.4 Authority to Enter into Contract.

The Contractor represents and warrants that it has full authority to enter into this Contract and that it has not granted and will not grant any right or interest to any person or entity that might derogate, encumber or interfere with the rights granted to the Department.

SECTION 12. CONTRACT ADMINISTRATION.

12.1 Independent Contractor.

The status of the Contractor shall be that of an independent contractor. The Contractor, its employees, agents and any subcontractors performing under this Contract are not employees or agents of the State of Iowa or any agency, division or department of the state. Neither the Contractor nor its employees shall be considered employees of the Department or the State of Iowa for federal or state tax purposes. The Department will not withhold taxes on behalf of the Contractor (unless required by law).

12.2 Compliance with the Law.

The Contractor, its employees, agents, and subcontractors shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations and orders when performing the services under this Contract, including without limitation, all laws applicable to the prevention of discrimination in employment and the use of targeted small businesses as subcontractors or suppliers. The Contractor, its employees, agents and subcontractors shall also comply with all federal, state and local laws regarding business permits and licenses that may be required to carry out the work performed under this Contract.

12.3 Amendments.

This Contract may be amended in writing from time to time by mutual consent of the parties. All amendments to this Contract must be in writing and fully executed by the parties.

12.4 Third Party Beneficiaries.

There are no third party beneficiaries to this Contract. This Contract is intended only to benefit the State, the Department and the Contractor.

12.5 Choice of Law and Forum.

The laws of the State of Iowa shall govern and determine all matters arising out of or in connection with this Contract without regard to the choice of law provisions of Iowa law. In the event any proceeding of a quasi-judicial or judicial nature is commenced in connection with this Contract, the exclusive jurisdiction for the proceeding shall be brought in Polk County District Court for the State of Iowa, Des Moines, Iowa, or in the United States District Court for the Southern District of Iowa, Central Division, Des Moines, Iowa wherever jurisdiction is appropriate. This provision shall not be construed as waiving any immunity to suit or liability including without limitation sovereign immunity in State or Federal court, which may be available to the Department or the State of Iowa.

12.6 Assignment and Delegation.

This Contract may not be assigned, transferred or conveyed in whole or in part without the prior written consent of the other party. For the purpose of construing this clause, a transfer of a controlling interest in the Contractor shall be considered an assignment.

12.7 Use of Third Parties.

The Department acknowledges that the Contractor may contract with third parties for the performance of any of the Contractor's obligations under this Contract. The Contractor shall notify the Department in writing of all subcontracts relating to services to be performed under this contract. The Contractor may enter into these contracts to complete the project provided that the Contractor remains responsible for all services performed under this Contract. All restrictions, obligations and responsibilities of the Contractor under this Contract shall also apply to the subcontractors. The Department shall have the right to request the removal of a subcontractor from the Contract for good cause.

12.8 Integration.

This Contract represents the entire Contract between the parties. The parties shall not rely on any representation that; may have been made which is not included in this Contract.

12.9 Headings or Captions.

The paragraph headings or captions used in this Contract are for identification purposes only and do not limit or construe the contents of the paragraphs.

12.10 Not a Joint Venture.

Nothing in this Contract shall be construed as creating or constituting the relationship of a partnership, joint venture, (or other association of any kind or agent and principal relationship) between the parties hereto. Each party shall be deemed to be an independent contractor contracting for services and acting toward the mutual benefits expected to be derived herefrom. No party, unless otherwise specifically provided for herein, has the authority to enter into any contract or create an obligation or liability on behalf of, in the name of, or binding upon another party to this Contract.

12.11 Joint and Several Liability.

If the Contractor is a joint entity, consisting of more than one individual, partnership, corporation or other business organization, all such entities shall be jointly and severally liable for carrying out the activities and obligations of this Contract, and for any default of activities and obligations.

12.12 Supersedes Former Contracts or Agreements.

This Contract supersedes all prior Contracts or Agreements between the Department and the Contractor for the services provided in connection with this Contract.

12.13 Waiver.

Except as specifically provided for in a waiver signed by duly authorized representatives of the Department and the Contractor, failure by either party at any time to require performance by the other party or to claim a breach of any provision of the Contract shall not be construed as affecting any subsequent right to require performance or to claim a breach.

12.14 Notice.

12.14.1 Any and all notices, designations, consents, offers, acceptances or any other communication provided for herein shall be given in writing by registered or certified

mail, return receipt requested, by receipted hand delivery, by Federal Express, courier or other similar and reliable carrier which shall be addressed to each party as set forth as follows:

If to the Department:

Marc Baty
Cedar Rapids Service Area Office
411 3rd St SE, Suite 400
Cedar Rapids, IA 52401

If to the Contractor Mahaska County:

Kay Swanson, Auditor
Courthouse
106 S 1st St
Oskaloosa, IA 52577

If to the Contractor Wapello County:

Phyllis Dean, Auditor
Courthouse
101 W 4th St
Ottumwa, IA 52501

12.14.2. Each such notice shall be deemed to have been provided:

12.14.2.1 At the time it is actually received;

12.14.2.2 Within one day in the case of overnight hand delivery, courier or services such as Federal Express with guaranteed next day delivery; or,

12.14.2.3 Within five (5) days after it is deposited in the U.S. Mail in the case of registered U.S. Mail.

12.14.3 From time to time, the parties may change the name and address of a party designated to receive notice. Such change of the designated person shall be in writing to the other party and as provided herein.

12.15 Cumulative Rights.

The various rights, powers, options, elections and remedies of any party provided in this Contract, shall be construed as cumulative and not one of them is exclusive of the others or exclusive of any rights, remedies or priorities allowed either party by law, and shall in no way affect or impair the right of any party to pursue any other equitable or legal remedy to which any party may be entitled as long as any default remains in any way unremedied, unsatisfied or undischarged.

12.16 Severability.

If any provision of this Contract is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other part or provision of this Contract.

12.17 Time is of the Essence.

Time is of the essence with respect to the performance of the terms of this Contract.

12.18 Authorization.

Each party to this Contract represents and warrants to the other parties that:

12.18.1

It has the right, power and authority to enter into and perform its obligations under this Contract.

12.18.2

It has taken all requisite action (corporate, statutory or otherwise) to approve execution, delivery and performance of this Contract, and this Contract constitutes a legal, valid and binding obligation upon itself in accordance with its terms.

12.19 Successors in Interest.

All the terms, provisions, and conditions of the Contract shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.

12.20 Record Retention and Access.

The Contractor shall maintain books, records and documents which sufficiently and properly document and calculate all charges billed to the Department throughout the term of this Contract for a period of at least five (5) years following the date of final payment or completion of any required audit, whichever is later. Records to be maintained include both financial records and service records. The Contractor shall permit the Auditor of the State of Iowa or any authorized representative of the State and where federal funds are involved, the Comptroller General of the United States or any other authorized representative of the United States government, to access and examine, audit, excerpt and transcribe any directly pertinent books, documents, papers, electronic or optically stored and created records or other records of the Contractor relating to orders, invoices or payments or any other documentation or materials pertaining to this Contract, wherever such records may be located. The Contractor shall not impose a charge for audit or examination of the Contractor's books and records.

12.21 Solicitation.

The Contractor warrants that no person or selling agency has been employed or retained to solicit and secure this Contract upon an agreement or understanding for commission, percentage, brokerage or contingency excepting bona fide employees or selling agents maintained for the purpose of securing business.

12.22 Obligations Beyond Contract Term.

This Contract shall remain in full force and effect to the end of the specified term or until terminated or canceled pursuant to this Contract. All obligations of the Department and the Contractor incurred or existing under this Contract as of the date of expiration, termination or cancellation will survive the termination, expiration or conclusion of this Contract.

12.23 Counterparts.

The parties agree that this Contract has been or may be executed in several counterparts, each of which shall be deemed an original and all such counterparts shall together constitute one and the same instrument.

12.24 Additional Provisions.

The parties agree that if an Addendum, Rider or Exhibit is attached hereto by the parties, and referred to herein, then the same shall be deemed incorporated herein by reference.

12.25 Further Assurances and Corrective Instruments.

The parties agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Contract.

12.26 Delay or Impossibility of Performance.

The Contractor shall not be in default under this Contract if performance is delayed or made impossible by an act of God, flood, fire or similar events. In each such case, the delay or impossibility must be beyond the control and without the fault or negligence of the Contractor. If delay results from a subcontractor's conduct, negligence or failure to perform, the Contractor shall not be excused from compliance with the terms and obligations of this Contract.

12.27 Certified Audits.

Local governments and non-profit subrecipient entities that expend \$300,000 or more in a year in federal awards (from all sources) shall have a single audit conducted for that year in accordance with the provisions of OMB Circular A-133 "Audit of States, Local Governments, and Non-Profit Organizations." A copy of the final audit report shall be submitted to the Department if either the schedule of findings and questioned costs or the summary schedule of prior audit findings includes any audit findings related to federal awards provided by the Department. If an audit report is not required to be submitted per the criteria above, the subrecipient must provide written notification to the Department that the audit was conducted in accordance with Government Auditing Standards and that neither the schedule of findings and questioned costs nor the summary schedule of prior audit findings includes any audit findings related to federal awards provided by the Department. See A-133 Section 21 for a discussion of subrecipient versus vendor relationships.

12.28 Drug Free Work Place.

The Contractor shall provide a drug free workplace in accordance with the Drug Free Workplace Act of 1988 and all applicable regulations

SECTION 13. -EXECUTION.

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other goods and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Contract and have caused their duly authorized representatives to execute this Contract.

Iowa Department of Human Services:
By Marc Baty, Service Area Manager

Date:

Mahaska County:

BY Lawrence Rouw, Supervisor

Date :

Federal Tax ID Number:

Wapello County:

BY

Date :

Federal Tax ID Number:

It was moved by VanWeelden seconded by Gordy to appoint the following members to a Mahaska County Landuse Committee for a 1 year term: Tom Jackson; Alan DeBruin; Ed Davis; Don Voss and Mark Hall. All present voted aye. Motion carried.

It was moved by VanWeelden seconded by Gordy to approve the request of the following cities for assistance with cleanup days. Oskaloosa April 12,13,14,15; Barnes City – May 13 & 14; Beacon – June 7th; New Sharon – May 4 & 5. All present voted aye. Motion carried.

It was moved by Gordy seconded by VanWeelden to award the construction contract for project RC-CO62(47)—9A-62 to Manatt’s Inc. of Brooklyn in the amount of \$144,121.93. All present voted aye. Motion carried.

It was moved by VanWeelden seconded by Gordy to approve the request of the engineer to place Justin DeJong on the payroll as summer intern at \$8.50 per hour. Justin had this position last year. All present voted aye. Motion carried.

It was moved by VanWeelden seconded by Gordy to approve the Iowa Department of Transportation Secondary Road Budget for fiscal year 2005. All present voted aye. Motion carried.

It was moved by Gordy seconded by VanWeelden to approve the Iowa Department of Transportation Secondary Road Construction Program for fiscal year 2005. All present voted aye. Motion carried.

A work session with the engineer was held.

Items discussed were the road near the North Mahaska School and quotes for a truck.

It was moved by VanWeelden seconded by Gordy to adjourn. All present voted aye. Motion carried.

Lawrence Rouw, Chairman
Mahaska County Board of Supervisors

ATTEST: _____
Kay Swanson, Mahaska County Auditor