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February 2, 2021

Dr. Dan L. Frazier, Superintendent
Belmond-Klemme Community School District
411 – 10th Avenue, N.E.
Belmond, IA 50421

Re: Belmond-Klemme Community School District
Sales Tax Bonds, Series 2021

Dear Dan:

We are pleased to be working with you and the Belmond-Klemme Community School District with respect to the issuance of Sales Tax Bonds.

The purpose of this letter is to disclose and memorialize the legal services that we will render in serving as Bond Counsel for the above-referenced financing. Our understanding is that the Bonds will be tax-exempt, revenue obligations of the Belmond-Klemme Community School District (the "District"). We understand you have engaged Piper Sandler & Co. as your placement agent (the "Placement Agent"). We also understand the District has determined the proposed financing structure is in the District's best interest and that the District will not engage a financial advisor for this transaction.

I. DESCRIPTION OF SERVICES

As Bond Counsel to the District, we will work with the District, including the officers and employees, the Placement Agent, and other parties to this transaction to provide the following services:

1. Review the proposed timetable and consult with the other parties to the transaction as necessary in order to implement the financing in accordance with that timetable.
2. Review all relevant Iowa statutory and constitutional provisions, including all pending legislation and any other recent developments, relating to the issuance of the Bonds.
3. Obtain detailed information about the proposed Bond issue and review the nature of public and private ownership and the operation of the facilities financed with the Bond proceeds (the "Project").

4. Consider the issues arising under the Internal Revenue Code of 1986, as amended (the "Code"), and all applicable tax regulations relating to the issuance of the Bonds on a tax-exempt basis in view of the use of the Project and prepare all necessary tax compliance certificates.

5. Prepare or review the hearing proceedings, the issuing resolution, the bond purchase agreement, and draft documents as necessary. As Bond Counsel, upon request we will assist the District in reviewing only those sections of any official statement or any other disclosure document to be disseminated in connection with the sale of the Bonds which involve the description of the Bonds, the security for the Bonds and matters pertaining to tax exemption.

6. Prepare all pertinent proceedings to be considered by the District Board of Directors; confirm the necessary quorum, meeting and notice requirements, and draft pertinent excerpts of minutes of the meetings relating to the financing; and supervise the filing of all necessary federal reporting or state public notice requirements for issuing the Bonds.

7. Prepare, revise as necessary, and coordinate the distribution and execution of necessary closing documents and certificates, opinions and document transcripts.

8. Attend or host such drafting sessions and other conferences necessary to implement the financing, including the preclosing, if needed, and closing.

9. Render our customary approving legal opinion regarding the validity of the Bonds, the sources of payment therefor and the federal income tax treatment of interest thereon (the "Bond Opinion"), which opinion will be delivered by us in written form on the date the Bonds are exchanged for their purchase price (the "Closing"). The Bond Opinion will be based on facts and law existing as of its date. In rendering the Bond Opinion, we will rely upon the certified proceedings and other certifications of District officials and other persons furnished to us. We are not engaged and will not provide services intended to verify the truth or accuracy of these proceedings or certifications. We understand that you and other members of the District staff and other employees of and consultants to the District will cooperate with us in this regard. Please note that our opinion represents our legal judgment based upon our review of the law and the facts so supplied to us that we deem relevant and is not a guarantee of result.

II. LIMITATIONS

Our duties as Bond Counsel are limited to those expressly set forth above in this letter. Among other things, our duties *do not* include:

1. Except as described in paragraph 5 above, assisting in the preparation or review of an official statement or any other disclosure document with respect to the Bonds, or performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document or rendering any advice, view or comfort that the official statement or other disclosure document does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

2. We have not been engaged as, and should not be viewed as acting as, Disclosure Counsel;
3. Preparing requests for tax rulings from the Internal Revenue Service;
4. Preparing blue sky or investment surveys with respect to the Bonds;
5. Drafting state legislative amendments;
6. Pursuing test cases or other litigation;
7. Making an investigation or expressing any view as to the creditworthiness of the District or of the Bonds;
8. Opining on a continuing disclosure undertaking pertaining to the Bonds and, after the execution and delivery of the Bonds, providing advice concerning any actions necessary to assure compliance with any continuing disclosure requirements;
9. Responding to Internal Revenue Service audits or Securities and Exchange Commission investigations;
10. After Closing, providing continuing advice to the District or any other party concerning any actions necessary to assure that interest paid on the Bonds will continue to be excluded from gross income for federal income tax purposes, e.g., we will not undertake rebate calculations for the Bonds;
11. Providing any advice, opinion or representation as to the financial feasibility or the fiscal prudence of issuing the Bonds, the financial condition of the District, or to any other aspect of the financing, such as the proposed financing structure, use of a financial advisor, or the investment of proceeds of the Bonds; or
12. Any other matter not specifically set forth above that is not required to render the Bond Opinion.

The Bond Opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion. No assurance can be given as to whether or not the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the Bond Opinion. If an audit is commenced, the Internal Revenue Service will treat the District as the taxpayer, and the bondholders may have no right to participate in such procedure. As Bond Counsel we are neither obligated to defend the tax-exempt status of the Bonds nor responsible to pay or reimburse the costs of the District or the bondholders with respect to any audit or litigation relating to the Bonds.

III. ATTORNEY-CLIENT RELATIONSHIP

Upon execution of this engagement letter the District will be our client, and an attorney-client relationship will exist between us with respect to the issuance of the Bonds. However, our services

as Bond Counsel are limited to those as set forth in this engagement letter, and the District's execution of this engagement letter will constitute an acknowledgment of those limitations. We will not act as an intermediary among the parties to the transaction.

Our representation of the District and the attorney-client relationship created by this engagement letter will be concluded upon the issuance of the Bonds. Nevertheless, subsequent to the Closing, we will prepare and provide a transcript of proceedings pertaining to the Bonds and make certain that a Federal Information Reporting Form 8038-G is filed for the Bonds.

IV. FEES

As is customary, we will bill our fees as Bond Counsel on a transactional basis instead of hourly. Disbursements are typically itemized and billed separately. Factors which affect our billing include: (a) our estimate of the risk involved in our writing our normal "unqualified" approving Bond Opinion (risk is related to the size, complexity and tax questions in the transaction); (b) an estimate of the time necessary to do the work; (c) the complexity of the issue (number of parties, timetable, type of financing and so forth); (d) a recognition that we carry the time for services rendered on our books until a financing is completed, rather than billing monthly or quarterly.

Based on (i) our current understanding of the structure, size and schedule of the financing, (ii) the duties we would undertake pursuant to this letter, (iii) the time we anticipate devoting to the financing; and (iv) the responsibilities we assume, we estimate the fee for our legal services for this transaction will be \$12,500 plus costs such as copying, overnight charges, bond printing, and other similar costs. Generally, these expenses will not exceed \$500. If at any time we believe that circumstances require an adjustment of our original fee estimates, we will consult with you. Such adjustment might be necessary in the event (i) the principal amount of bonds issued differs significantly from the amount stated at the time we advise you of the fee, (ii) the manner in which the Bonds are marketed (private placement, public offering, etc.) changes, (iii) there are material changes in the structure, security or opinion from the description of the Bonds after we advise you or our fee, or (iv) unusual or unforeseen circumstances arise which require a significant increase in the services rendered, such as personal attendance at meetings, significant travel, or unexpected revision of the issuance documents.

If for any reason the District terminates this engagement before closing or the Bonds are not issued, or if the Bonds are issued without the delivery of our Bond Opinion, we will bill you for the services rendered on your behalf up to that point. These services will be billed at the normal hourly rates for those attorneys and legal assistants who have performed such services. We will also bill you for all expenses we have incurred as outlined above. My current hourly rate is \$305, and Ron Peeler's current hourly rate is \$350. Services performed by legal assistants will be billed at \$120 per hour.

Our firm represents, and in the future will represent, other clients including cities, city utilities, counties, school districts, community colleges, area education agencies, the Iowa Public Agency Investment Trust, the Iowa Schools Joint Investment Trust, the Iowa Association of Municipal Utilities, Missouri Basin Municipal Electric Cooperative Association, North Iowa Municipal Electric Cooperative Association, and the Iowa Association of School Business Officials.

In addition, other clients of our firm may be involved in transactions or have contacts or involvement with the District.

We do not believe our representation of these clients will adversely affect our ability to represent you as provided in this letter, either because such matters will be sufficiently different from the issuance of the Bonds by the District so as to make such representation not adverse to our representation of you, or because a potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that the advice given to other clients will be relevant to any aspect of the issuance of the Bonds.

By approving this letter, the District consents to the firm's continued and future representation of such other clients without the need for any further consents from the District when there is no direct conflict and where matters the firm is handling for either the District or other clients involve legislative or policy issues or administrative proceedings unrelated to the representation of the other client.

If the foregoing terms are acceptable to you, please so indicate by returning a copy of this letter signed by the Board President, retaining the original for your files. If you have any questions, please call. We appreciate the opportunity to work with you on this matter.

Sincerely,

AHLERS & COONEY, P.C.

By *Jim Wainwright*

James R. Wainwright

JRW:jp

Accepted and Approved this _____
day of _____, 2021:

BELMOND-KLEMM COMMUNITY SCHOOL DISTRICT

By _____
President of the Board of Directors