

January 31, 2021

Theresa Greenfield, SBO  
Belmond-Klemme Community School District  
411 10<sup>th</sup> Avenue NE  
Belmond, IA 50421

Re: Engagement Letter with Piper Sandler & Co.

We understand that the Belmond-Klemme Community School District, Iowa (the “Issuer” or “you”) wishes to issue School Infrastructure Sales, Services & Use Tax Revenue Bonds (the “Bonds,” the “Bond Issue” or the “Project”) and has selected Piper Sandler & Co. (“Piper Sandler” or “we”) to serve as placement agent or underwriter for the proposed issuance. We appreciate the opportunity to serve you in this manner. This letter will serve as an agreement regarding the terms of this engagement. In addition, we would like to take this opportunity to set forth some pertinent information about the financing process.

Although Piper Sandler intends to work closely with you during the period preceding the pricing and sale of the proposed Bond Issue with the aim of timely completion of the financing, we are not herein making a final commitment to underwrite bonds, if needed, until certain events have occurred. Such a commitment is subject to, among other things, satisfactory completion and execution of all final documentation for an offering (including a Bond Purchase Agreement containing all provisions necessary to satisfy federal securities laws and the rules of the Municipal Securities Rulemaking Board, and all other applicable rules and regulations); absence of any material adverse change in the financial markets or in the financial condition, operations or prospects of the Issuer; receipts of all required governmental approvals and appropriate legal opinions; an underwriter’s review (“due diligence”) of the offering documents, as required under federal securities laws; the negotiation of appropriate indemnification; state blue sky reviews, as appropriate; and credit approval by Piper Sandler. This Agreement is therefore not a final commitment by Piper Sandler, express or implied, to underwrite, place, or purchase any securities, nor does it obligate Piper Sandler to enter into a Bond Purchase Agreement. While we do not anticipate difficulties in the course of the proposed financing, and look forward to a successful conclusion to this engagement, we prefer to identify these conditions to our final commitment at the outset.

During the term of our engagement, we will, as appropriate to the Transaction:

- a) consult with you in planning and implementing the Transaction;
- b) prepare various options and numbers to financing the project as requested;
- c) assist with securing a rating on the proposed Bonds, if needed;
- d) assist you in preparing any transaction materials (the “Transaction Materials”) we mutually agree are beneficial or necessary to the consummation of the Transaction;
- e) assistance with disclosure counsel regarding the preparation of the official statement, if needed;
- f) assist you in preparing for due diligence conducted by potential investors;
- g) identify potential investors and use our reasonable commercial efforts to assist in arranging sales of the Securities to investors;
- h) Coordinate the closing effort for the Bonds

During the course of the engagement, Piper will participate in discussions with bond counsel, finance officials or internal legal counsel of the Issuer to assist in advising the Issuer, as part of the underwriting process, of various financial structures for the proposed offering and their probable reception in the municipal bond markets.

Piper Sandler will perform due diligence respecting any offering documents as part of their obligation under federal securities laws. If a final commitment to underwrite the Bonds is approved by Piper Sandler, and subject to the conditions described above, Piper Sandler will underwrite the Bonds and manage a public offering of the Bonds. Further details regarding the underwriting will be set forth in a Bond Purchase Agreement to be executed at the time of pricing of the Bonds. The Issuer and its chosen counsel agree to cooperate with and assist Piper Sandler in connection with such duties.

Compensation. As compensation for Piper Sandler's services, the Issuer will pay Piper Sandler a fee to be determined by the nature of the offering as set forth in Schedule A hereto. Fees will be payable to Piper Sandler in the form of a Placement Agent fee or an underwriter's discount on the Bond Issue as set forth therein. The fees, disbursements and other charges of Piper Sandler's outside legal counsel will be added to the underwriter's discount, if necessary. Piper Sandler shall select such counsel in its sole discretion. Fees payable to Piper Sandler in the form of a placement agent fee shall be paying in immediately available funds, due at closing. The fee shall not be payable in the event the Transaction does not occur, other than for non-performance by You.

Termination. The Issuer may not terminate this Agreement at any time prior to completion of the Project other than for non-performance on the part of Piper Sandler, in which case the Issuer may terminate this agreement, and upon such termination, all fees due to Piper Sandler for time served assisting with the Project shall be due and payable immediately by the Issuer. Piper Sandler may terminate this Agreement at any time on 30 days written notice.

Assignment. Neither Piper Sandler nor the Issuer shall have the right or power to assign this Agreement or parts thereof, or its respective duties, without the express written consent of the other party. In the event of acquisition of Piper Sandler by a third party firm, notice shall be given to the Issuer regarding the acquisition and the Issuer shall have the opportunity to consent to the assignment of this Agreement, which consent shall not be unreasonably withheld.

No Advisory or Fiduciary Role. You acknowledge that you have retained us solely to provide the services to you as set forth in this agreement. In rendering such services, we will act as an independent contractor. You acknowledge and agree that: (i) the primary role of Piper Sandler, as a placement agent or underwriter, is in an arms-length commercial transaction between you and Piper Sandler and Piper Sandler has financial and other interests that differ from your interests; (ii) Piper Sandler is not acting as a municipal advisor, financial advisor or fiduciary to you or any other person or entity and has not assumed any advisory or fiduciary responsibility to you with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether Piper Sandler has provided other services or is currently providing other services to you on other matters) (iii) the only obligations Piper Sandler has to you with respect to the Transaction contemplated hereby expressly are set forth in this Agreement and (iv) you have consulted your own legal, accounting, tax, financial and other advisors, as applicable, to the extent you deem appropriate in connection with the Transaction contemplated herein.

No Recourse for Tax Matters. No recourse shall be had against Piper Sandler for loss, damage, liability, cost or expense (whether direct, indirect or consequential) of the Issuer arising out of or in defending, prosecuting, negotiating or responding to any inquiry, questionnaire, audit, suit, action, or other proceeding brought or received from the Internal Revenue Service in connection with the Bonds or otherwise relating to the tax treatment of interest on the Bond.

Governance. This Agreement will be governed by, and construed in accordance with, the laws of the State of Iowa, without regard to principles of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby. The Issuer and Piper Sandler each hereby irrevocably waive any right they may have to a trial by jury in respect of any claim based upon or arising out of this Agreement or the transactions contemplated hereby.

Consent to Jurisdiction; Service of Process, Jury Trial. The parties each hereby (a) submits to the jurisdiction of the Federal court sitting in Des Moines, Iowa with respect to any actions and proceedings arising out of or relating to this Agreement, (b) agrees that all claims with respect to such actions or proceedings may be heard and determined in such court, (c) waives the defense of an inconvenient forum, (d) agrees not to commence any action or proceeding relating to this Agreement other than in the Federal court sitting in Des Moines, Iowa and (e) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. The parties each hereby agree to waive any right to a trial by jury with respect to any claim, counterclaim or action arising out of or in connection with this agreement or the transactions contemplated hereby.

Issuer to Provide Information and Documents to Piper Sandler. The Issuer agrees to provide to Piper Sandler all documents on which the Issuer has relied for purposes of certifying the Issuer is not aware of a material fact, nor has the Issuer omitted to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, with respect to the issuance of the Bonds. The Issuer also agrees to complete, and agrees to cause its agents and consultants to complete, upon request, answers and provide any documents requested by Piper Sandler as part of due diligence requested by Piper Sandler in compliance with Piper Sandler's duties and obligations with respect to MSRB, SEC or other regulatory requirements

Representations, Warranties and Agreements of the Issuer. You represent and warrant to, and agree with us, that:

- a) the Securities will be sold by you in compliance with the requirements for exemptions from registration or qualification of, and otherwise in accordance with, all federal and state securities laws and regulations;
- b) you agree to be responsible for the accuracy and completeness of any Transaction Materials to the extent of federal securities laws applicable to the Transaction. You agree to notify us promptly of any material adverse changes, or development that may lead to any material adverse change, in your business, properties, operations, financial condition or prospects and concerning any statement contained in any Transaction Material, or in any other information provided to us, which is not accurate or which is incomplete or misleading in any material respect;
- c) you will make available to us such documents and other information which we reasonably deem appropriate and will provide us with access to your officers, directors, employees, accountants, counsel and other representatives; it being understood that we will rely solely upon such information supplied by you and your representatives without assuming any responsibility for independent investigation or verification thereof; and
- d) at the closing, you will permit us to rely on your representations and warranties, and cause your counsel to permit us to rely upon any opinion, furnished to any purchaser of Securities.

Miscellaneous. This Agreement embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof. If any provision of this Agreement is determined to be invalid or unenforceable in any respect, such determination will not affect such provision in any other respect or any other provision of this Agreement, which will remain in full force and effect. This Agreement may not be amended or otherwise modified or waived except by an instrument in writing signed by both Piper Sandler and Issuer except that to the extent that any term of an executed Bond Purchase Agreement conflicts with the terms of this Agreement, in which case the terms of the Bond Purchase Agreement shall have precedence.

This letter agreement may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this letter agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart of this letter agreement. The invalidity or unenforceability of any provision of this agreement will not affect the validity or enforceability of any other provisions of this agreement, which will remain in full force and effect. You and us will endeavor in good faith negotiations to replace the invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid or unenforceable provisions. This agreement is solely for the benefit of you and us, and no other person [(other than the Indemnified Persons set forth in Annex A hereto)] will acquire or have any rights by virtue of this agreement.

Please confirm that the foregoing correctly sets forth our agreement by signing and returning to Piper Sandler & Co., the enclosed original copy of this Agreement.

Very truly yours,

Matthew R. Gillaspie  
Managing Director

Please acknowledge your acceptance by indicating below:

Belmond-Klemme Community School District, Iowa

Signature \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Date on which this letter is executed by the Issuer: \_\_\_\_\_

Acknowledgement of Approval of Engagement and Confirmation of Receipt of the Schedule A and Annex A Disclosures.

## Schedule A – Maximum Fees

\*This issue is currently expected to proceed with Piper acting as Placement Agent. Only if that method of sale is not successful would Piper instead become the Underwriter and purchase the Bonds directly from the District.

### If Placement Agent

A flat fee of \$19,500

### If Underwriter

All fees are calculated based on either the par amount of bonds offered or the gross initial offering proceeds, whichever is higher.

If the rating is “Aa3” (Moody’s) or “AA-” (S&P) or higher, the maximum fee shall be \$19,500

If the rating is “A3” to “A1” (Moody’s) or “A-” to “A+” (S&P), add \$1,500

If the rating is below “A3” or “A-”, or the issue not rated, add \$3,500

## **Annex A**

You agree to (i) indemnify and hold harmless us, our affiliates (within the meaning of the Securities Act of 1933), and each of our respective partners, directors, officers, agents, consultants, employees and controlling persons (within the meaning of the Securities Act of 1933) (each of Piper Sandler and such other person or entity is hereinafter referred to as an "Indemnified Person"), from and against any losses, claims, damages, liabilities and expenses, joint or several, and all actions, inquiries, proceedings and investigations in respect thereof, to which any Indemnified Person may become subject arising out of or in connection with our engagement or any matter referred to in the agreement to which this Annex A is attached and of which this Annex A forms a part (the "Agreement"), regardless of whether any of such Indemnified Persons is a party thereto, and (ii) periodically reimburse an Indemnified Person for such person's legal and other expenses as may be incurred in connection with investigating, preparing, defending, paying, settling or compromising any such action, inquiry, proceeding or investigation, whether or not such action, inquiry, proceeding or investigation is initiated or brought by you, your creditors or stockholders, or any other person. You are not responsible under clause (i) of the foregoing sentence for any losses, claims, damages, liabilities or expenses to the extent that such loss, claim, damage, liability or expense has been finally judicially determined to have resulted primarily and directly from actions taken or omitted to be taken by such Indemnified Person due to such person's gross negligence or willful misconduct. To the extent that any prior payment you made to an Indemnified Person is determined to have been improper by reason of such Indemnified Person's gross negligence or willful misconduct, such Indemnified Person will promptly pay you such amount.

If the indemnity or reimbursement referred to above is, for any reason whatsoever, unenforceable, unavailable or otherwise insufficient to hold each Indemnified Person harmless, you agree to pay to or on behalf of each Indemnified Person contributions for losses, claims, damages, liabilities or expenses so that each Indemnified Person ultimately bears only a portion of such losses, claims, damages, liabilities or expenses as is appropriate (i) to reflect the relative benefits received by each such Indemnified Person, respectively, on the one hand and you and your stockholders on the other hand in connection with the Transaction or Sale, or (ii) if the allocation on that basis is not permitted by applicable law, to reflect not only the relative benefits referred to in clause (i) above, but also the relative fault of each such Indemnified Person, respectively, and you as well as any other relevant equitable considerations; provided, however, that in no event will the aggregate contribution of all Indemnified Persons to all losses, claims, expenses, damages, liabilities or expenses in connection with any Transaction or Sale exceed the amount of the fee actually received by us pursuant to the Agreement. The respective relative benefits received by us and you in connection with any Transaction or Sale will be deemed to be in the same proportion as the aggregate fee paid or proposed to be paid to Piper Sandler in connection with the Transaction or Sale bears to the aggregate consideration paid or proposed to be paid in the Transaction or Sale, whether or not consummated.

Promptly after its receipt of notice of the commencement of any action or proceeding, any Indemnified Person will, if a claim in respect thereof is to be made against you pursuant to this letter, notify you in writing of the commencement thereof; but omission so to notify you will not relieve you from any liability which you may have to any Indemnified Person, except your obligation to indemnify for losses, claims, damages, liabilities or expenses to the extent that you suffer actual prejudice as a result of such failure, but will not relieve you from your obligation to provide reimbursement of expenses and any liability which you may have to an Indemnified Person otherwise than hereunder. If you so elect, you may assume the defense of such action or proceeding in a timely manner, including the employment of counsel (reasonably satisfactory to us) and payment of expenses, provided you permit an Indemnified Person and counsel retained by an Indemnified Person at its expense to participate in such defense. Notwithstanding the foregoing, in the event (i) you fail promptly to assume the defense and employ counsel reasonably satisfactory to us, or (ii) the Indemnified Person has been advised by counsel that there exist actual or potential conflicting interests between you or your counsel and such Indemnified Person, an Indemnified Person may employ separate counsel (in addition to any local counsel) to represent or defend such Indemnified Person in such action or proceeding, and you agree to pay the fees and disbursements of such separate counsel as incurred; provided however, that you will not, in connection with any one such action or proceeding, or separate but substantially similar actions or proceedings arising out of the same general allegations, be liable for fees and expenses of more than one separate firm of attorneys (in addition to any local counsel).

You will not, without our prior written consent, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought under the Agreement, unless such settlement, compromise or consent includes an express, complete and unconditional release of us and each other Indemnified Person from all liability and obligations arising therefrom. Without your prior written consent, which will not be unreasonably withheld, delayed or conditioned, no Indemnified Person will settle or compromise any claim for which indemnification or contribution may be sought hereunder. Notwithstanding the foregoing sentence, if at any time an Indemnified Person requests that you reimburse the Indemnified Person for fees and expenses as provided in the Agreement, you agree that you will be liable for any settlement of any proceeding effected without your prior written consent if (i) such settlement is entered into more than 30 days after receipt by you of the request for reimbursement, and (ii) you will not have reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement.

You also agree that no Indemnified Person will have any liability (whether in contract, tort or otherwise) to you or your affiliates, directors, officers, employees, agents, creditors or stockholders, directly or indirectly, related to or arising out of the Agreement or the services performed thereunder, except losses, claims, damages, liabilities and expenses you incur which have been finally judicially determined to have resulted primarily and directly from actions taken or omitted to be taken by such Indemnified Person due to such person's gross negligence or willful misconduct. In no event, regardless of the legal theory advanced, will any Indemnified Person be liable for any consequential, indirect, incidental, special or punitive damages of any nature. Your indemnification, reimbursement, exculpation and contribution obligations in this Annex A will be in addition to any rights that any Indemnified Person may have at common law or otherwise.

You understand that in the event that you reimburse Piper Sandler pursuant to this Annex A for the fees and expenses of its counsel, such reimbursement will be made on the basis of counsel's generally applicable rates, which may be higher than the rates that counsel charges Piper Sandler for other matters based on arrangements that it has entered into with such counsel.

Capitalized terms used, but not defined in this Annex A, have the meanings assigned to such terms in the Agreement.