

DATE: May 3, 2024                      FROM: Travis Squires  
TO: Clarinda CSD                        RE: Continuing Disclosure Obligation

I am writing to discuss the disclosure obligations that will become effective after your upcoming sale of bonds. SEC's rule 15c2-12 (the "Rule") states that an underwriter cannot purchase bonds from an issuer unless the issuer has agreed to undertake to provide annual information to the market. There is a minor exemption to the rule for issuers that issue less than \$1 million per issue of securities or private placement (direct loans). You will not be able to meet this exception on the bonds you are selling now.

Because an underwriter cannot enter into an agreement to purchase the bonds without the issuer's consent to comply with the rule, an issuer must agree to provide continuing disclosure in order to sell its bonds.

For the new issue of bonds, you will agree to provide annual audit as well as certain information contained in the official statement by April 15th following the end of each fiscal year until the bonds are retired. The information to be provided will be similar to the Appendix A that appears in the official statement. In addition, there are certain "material events" that require immediate notification (such as a missed payment on the bonds).

Additionally, the SEC required that all filings be made to its Electronic Municipal Market Access ("EMMA") system. While electronic filing is not new to the municipal bond industry, the new part is that all documents filed must be filed in a [word-searchable .pdf](#) format.

While the Rule was recently amended by the SEC, the Rule has been in effect now for two decades, during which time some issuers have already had ongoing filing responsibilities. As a normal course of business, for approximately the past ten years, we have provided "continuing disclosure dissemination" service to our clients in Iowa, and we plan to continue doing so in the future. Essentially, we will prepare all information required to be provided, with your input, and submit it to EMMA and anyone else required to receive such information. We will submit a copy of your audit at the same time.

We provide this service for an annual fee of \$1,500 per security class of bonds outstanding.

If you are interested in this service, we will be glad to contract to act as dissemination agent. I have enclosed a form of agreement for your review and comment.

## AGREEMENT TO SERVE AS DISSEMINATION AGENT FOR SECONDARY MARKET DISCLOSURE

This Agreement to Serve as Dissemination Agent for Secondary Market Disclosure dated May 8, 2024 (as amended from time to time, the “Agreement”) is entered into between Piper Sandler & Co. (“Piper”) and the Clarinda Community School District (the “Obligated Party”), whereby Piper will serve as dissemination agent to the Obligated Party for purposes of assisting the Obligated Party with regard to its contract to provide to the marketplace certain secondary market disclosure information (the “Dissemination Agent Services”) with respect to outstanding bonds, in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

### Securities to which this Agreement Applies

This Agreement relates solely to the municipal securities described in Exhibit A hereto (collectively, the “Securities”) for which the Obligated Party has undertaken to provide certain ongoing secondary market disclosures pursuant to the Rule and the Obligated Party’s written undertakings identified in Exhibit A hereto in connection with the initial offer and sale of the Securities (collectively, the “Undertakings”). The Obligated Party and Piper may at any time amend this Agreement to include additional municipal securities of the Obligated Party by executing an amendment to this Agreement in the form of Exhibit B, attached hereto, which amendment will be fully incorporated herein.

This Agreement replaces all prior existing agreements between the Obligated Party and Piper with respect to the provision of dissemination agent by Piper to the Obligated Party; provided, however, that upon execution of this Agreement, Piper shall continue to provide dissemination agent services with respect to municipal securities covered by such prior agreements to the extent such securities are described on Exhibit A hereto.

### Services to be provided by Piper

Piper agrees to perform the following services for the Obligated Party:

#### **With Respect to the Annual Report**

- A. Notify the Obligated Party at the appropriate time each year to remind the Obligated Party of the nature and timing of its obligation under the Undertakings;
- B. To the extent available from third party sources, obtain all required content with respect to the Undertaking(s), in order to assist the Obligated Party compliance with its Undertakings;
- C. Compile and assemble the operating information as required by the Undertakings;
- D. Receive from the Obligated Party its annual financial information in form and content required by the Undertakings;
- E. Provide to the Obligated Party at least 15 days prior to the deadline for submission to the MSRB copies of the Annual Report to be disseminated;
- F. Unless otherwise directed in writing by the Obligated Party prior to the date required in the Undertakings for dissemination, disseminate the Annual Reports on or before the submission deadline date(s);
- G. Upon request of the Obligated Party, provide receipt of said dissemination; and

#### **With Respect to Material Events Filings**

- H. At the direction of the Obligated Party, disseminate notices of the occurrence of events (each, an “Event Notice”) specified in the Undertakings.

### Responsibilities of the Obligated Party

The Obligated Party agrees to cooperate with Piper to collect and provide the Disclosure Information on a timely basis to allow Piper to disseminate the same on or before the deadlines therefor set forth in the Undertakings. For purpose of this discussion, Piper shall communicate, periodically, what “timely basis” means for that particular year, but in no event will it be less than 15 days prior to the date specified in the Undertaking for annual filing.

The Obligated Party agrees to review and sign-off on all filings, whether Annual Report or Material Event, prior to the filings being made by Piper.

The Obligated Party agrees to provide all information in order to complete the Annual Report.

The Obligated Party will provide Piper with an electronic copy, in word-searchable portal document format (PDF),

of:

- A. its unaudited financial statements no later than the December 1 following the fiscal year end of June 30 of each year; and
- B. its audited financial statements, as soon as possible after receipt and approval (if applicable) thereof by the Obligated Party.

The Obligated Party will inform Piper of the occurrence of any event required to be disclosed by the Undertakings as soon as practicable after it has, or is deemed to have, knowledge thereof.

### Fees

#### **Annual Filing Obligation**

The Obligated Party agrees to pay Piper an annual fee equal to \$1,500 per year per class of Securities outstanding and subject to the Rule. This fee will be payable at the time of the submission of the Obligated Party's Annual Report to the MSRB. Piper retains sole discretion to increase the annual fee for any succeeding year after the dissemination of an Annual Report for the prior year has been completed and the fees for such prior year have been paid in full to Piper. All services rendered herein shall be on a fiscal year basis.

#### **Material Events Obligations**

The Obligated Party agrees to pay Piper a fee equal to \$250 per material event filing, payable on demand.

### Piper Not Acting as Municipal Advisor

The Obligated Party and Piper intend and agree that the performance of services by Piper under this Agreement does not constitute the provision of municipal advisory activities within the meaning of Rule 15Ba1-1(e) of the Act and does not create or impose a duty on Piper to advise the Obligated Party with respect to the issuance of municipal securities or municipal financial products (as defined in the Act). In providing the services described herein, Piper is not recommending any action to any person, and the services provided by Piper herein are not intended to be, and shall not be construed as, a "recommendation" or "advice" within the meaning of Section 15B of the Act and the regulations promulgated thereunder. Piper is not acting as an advisor to any person and does not owe a fiduciary duty pursuant to Section 15B of the Act and the regulations promulgated thereunder or under any state or other federal law to any person with respect to services provided by this Agreement.

### Other Legal Obligations of the Obligated Party

The Obligated Party acknowledges and understands that other state and federal laws, rules and regulations, including but not limited to the Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the Act, may apply to the Obligated Party, and that the failure of Piper to advise the Obligated Party of the Obligated Party's responsibilities under such laws, rules and regulations shall not constitute a breach by Piper of any of its duties and responsibilities under this Agreement. The Obligated Party acknowledges and understands that (i) Piper is not acting in any legal, accounting or financial capacity with the Obligated Party under this Agreement and is not providing legal, accounting or financial advice with respect to any federal or state laws rules, or regulations; and (ii) the duties of Piper under this Agreement relate exclusively to the performance of administrative tasks set forth in Section 2 hereof on behalf of the Obligated Party. The Obligated Party should consult with its own legal, accounting and financial professionals for advice with respect to compliance with other state and federal laws, rules and regulations applicable to the Obligated Party.

### Limitation of Liability

Piper shall have only such duties as are specifically set forth in Section 2 of this Agreement. Piper's obligation to disseminate the Disclosure Information at the times and with the content described in the Undertakings shall be limited solely to the extent the Obligated Party has provided the foregoing to Piper as required by this Agreement. Piper shall have no duty to review or verify the accuracy or completeness of any Disclosure Information provided by the Obligated Party or other sources reasonably believed by Piper to be reliable, and the Obligated Party hereby disclaims and releases Piper from any responsibility to act in a fiduciary capacity to the Obligated Party, the holders of the Securities or any other party pursuant to this Agreement. Piper shall have no responsibility for the failure of the Obligated Party to report in a timely manner to Piper a Notice Event or a duty to determine the materiality thereof. Piper shall have no duty to determine, or liability for failure to determine, whether the Obligated Party has complied with the Undertakings. Piper may rely exclusively upon certifications of the Obligated Party at all times.

TO THE EXTENT PERMITTED BY LAW, THE OBLIGATED PARTY AGREES TO INDEMNIFY AND HOLD PIPER AND ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS HARMLESS FROM AND AGAINST ALL LOSSES, EXPENSES, AND LIABILITIES WHICH IT OR THEY MAY INCUR ARISING OUT OF OR IN

THE EXERCISE OR PERFORMANCE OF PIPER'S RIGHTS DUTIES AND OBLIGATIONS HEREUNDER INCLUDING WITHOUT LIMITATION THE COSTS AND EXPENSES (INCLUDING ATTORNEY FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY BUT EXCLUDING LIABILITIES ARISING AS A RESULT OF PIPER'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

#### Termination

This Agreement will automatically terminate on the defeasance, refunding or total redemption of all of the Bonds subject to the Agreement, including Bonds added to this Agreement pursuant to Exhibit B. Either party may terminate this Agreement in writing upon 15 days' notice (from the receipt of the written notice) to the other party. Termination shall only occur at the end of the most recent fiscal year, after the dissemination has occurred for said fiscal year and fees associated with the dissemination have been received by Piper. All services rendered herein shall be on a fiscal year basis.

#### Governing Law

This Agreement shall be governed by the laws of the State of Iowa.

#### Consent to Jurisdiction; Service of Process

EACH OF THE PARTIES HEREBY (A) SUBMITS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT SITTING IN DES MOINES, IOWA FOR THE RESOLUTION OF ANY CLAIM OR DISPUTE WITH RESPECT TO OR ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN THE PARTIES (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 A STATE OR 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.

#### Waiver of Jury Trial

EACH OF THE PARTIES HEREBY AGREES 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 OR THE RELATIONSHIP BETWEEN THE PARTIES. THE PARTIES AGREE TO WAIVE CONSEQUENTIAL AND PUNITIVE DAMAGES.

#### Addresses For Notices

All notices and other communications called for hereunder shall be made in writing including via electronic mail and, unless otherwise specifically provided herein, shall be deemed to have been duly made or given when delivered by hand or mailed first class postage prepaid or, in the case of faxed, emailed or telexed notice, when transmitted, answer back received, addressed as follows:

If to Obligated Party: Clarinda Community School District, 423 E. Nodaway, Clarinda, IA 51632, Attention: Superintendent

If to Piper: 3900 Ingersoll Ave. Suite 110, Des Moines, Iowa, 50312, Attention: Managing Director, Public Finance

#### Arbitration

At the request of Piper or Obligated Party any claim shall be resolved by binding arbitration in accordance with the Federal Arbitration Act (Title 9, United States Code) (the "Act"). The Act will apply even though this Agreement provides that it is governed by the law of the State of Iowa. Arbitration proceedings will be determined in accordance with the Act, the applicable rules and procedures for the arbitration of disputes, and the terms of this Section. In the event of any inconsistency, the terms of this Section shall control.

#### Beneficiaries

This Agreement shall inure solely to the benefit of the Obligated Party and Piper, and shall create no rights in any other person or entity.

#### Miscellaneous

This Agreement embodies the entire agreement and understanding between the parties hereto and, unless otherwise indicated, 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 and the Obligated Party.

Counterparts

This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Entered into on behalf of Piper by

\_\_\_\_\_  
Title: Managing Director

Date: \_\_\_\_\_

Entered into on behalf of Obligated Party by

\_\_\_\_\_  
Title: Board President

Date: \_\_\_\_\_

## Exhibit A- Identification of Municipal Securities

Name of Issue

Date of Undertaking

**Class: General Obligation Debt**

TBD

TBD

**Class: Sales Tax Revenue Debt**

Sales Tax Revenue Bonds, Series 2024

07/11/2024

**Exhibit B – Form of Amendment -- DO NOT SIGN**

**Amendment to Agreement to Serve as Dissemination Agent for Secondary Market Disclosure**

{Date}

{Name of Obligated Party/Borrower}  
{Address of Obligated Party}

Re: Agreement to Serve as Dissemination Agent for Secondary Market Disclosure, dated \_\_\_\_\_ (the “Dissemination Agreement”) between Piper Sandler & Co. (“Piper”) and \_\_\_\_\_, (the “Obligated Party” or the “Issuer”)

Pursuant to the Agreement, Piper agreed to provide certain secondary market disclosure dissemination services to the Obligated Party with respect one or more contractual undertakings of the Obligated Party to disseminate certain continuing operating and financial information and notices of certain enumerated events to the MSRB. The parties to the Dissemination Agreement hereby agree to amend the Dissemination Agreement to add the following subject securities:

Name of Issue	Date of Undertaking

A copy of the Undertaking is in the final transcript with respect to the Bonds.

Insert changes in agreement here

{TBD}

The parties hereto agree that this letter amendment amends the Dissemination Agreement and is fully incorporated therein in all its terms.

Entered into on behalf of Piper by

\_\_\_\_\_ Date: \_\_\_\_\_  
Managing Director

Entered into on behalf of Obligated Party by

\_\_\_\_\_ Date: \_\_\_\_\_  
Issuer