Disclosure Procedure for Publicly Offered Bonds

Purpose

As an issuer of municipal securities (“Bonds”), Camas School District No. 117, Clark County, Washington (the “District”) is subject to the antifraud provisions of the Securities Act of 1933 and the Securities and Exchange Act of 1934, as well as the antifraud provisions of the Securities Act of Washington (chapter 21.70 RCW). These acts impose various obligations on the District, including requiring disclosure of material information regarding its publicly-offered Bonds to allow investors to make informed decisions. Documents prepared in connection with the marketing of the District’s Bonds cannot contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements not misleading. This procedure is designed to assist the District in its compliance with securities laws and promote best practices regarding disclosure.

The District has three major disclosure obligations when it publicly offers Bonds: (1) to prepare an official statement for all public offerings of its Bonds that is delivered to the underwriter(s) for distribution to potential and actual purchasers and that sets forth the terms of the Bonds and information regarding the District; (2) to provide ongoing disclosure required by the District’s undertakings made pursuant to paragraph (b)(5) of Securities and Exchange Commission (“SEC”) Rule 15c2-12 (“Rule 15c2-12”); and (3) if and when the District provides information that can reasonably be expected to be relied on by the market, to ensure that the information is not inaccurate or misleading.

Official Statements

The District prepares a preliminary and final official statement for each publicly-offered series of Bonds.

1. Procedure and Timeline for Preparing Official Statements. In advance of each series of publicly-offered Bonds, the District’s Secretary to the Board of Directors, or such other officer of the District who may in the future perform the duties of that office, if any (the “Secretary”) will select the financing team, including underwriter(s) (for negotiated offerings only), bond counsel and financial advisor(s), if any. The District’s underwriter (or other member of the financing team selected by the Secretary) drafts the preliminary and final official statements on behalf of the District. The underwriter will prepare a schedule for each series of Bonds, including dates for distributing drafts of the preliminary and final official statements. The Secretary will coordinate among District staff and consultants (including, but not limited to, bond counsel) the review of the District’s preliminary and final official statements, and should assign or cause to be assigned to staff and consultants review of those portions of the preliminary and final official statements regarding which staff and consultants have particular knowledge (e.g., bond counsel’s review of portions of the preliminary and final official statements that describe the federal income tax treatment of interest on Bonds). Prior to “deeming final” any preliminary official statement, the District may be required to participate in a “due diligence” call with the underwriter(s) and bond counsel. The objective of the due diligence call is to verify that the preliminary official statement prepared in connection with the public offering of Bonds provides a complete and accurate description of Bonds and the District. The underwriter(s) are expected to provide a questionnaire to the District and bond counsel that is designed to confirm and/or obtain information that will be used in the preliminary official statement.
2. **“Deeming Final” the Preliminary Official Statement.** The Secretary or such other District official, if any, designated by the Board of Directors (the “Board”) shall: (i) review and “deem final” (within the meaning of Rule 15c2-12), if necessary and upon such official’s satisfaction, any preliminary official statement prepared in connection with all of the District’s publicly offered Bonds; (ii) authorize the “deemed final” preliminary official statement to be distributed prior to the date any underwriter or purchaser bids for, purchases, offers or sells such Bonds; and (iii) acknowledge in writing any action taken pursuant to clauses (i) and (ii) of this paragraph.

3. **Final Official Statement.** The Secretary (or such other District official, if any, designated by the Board) shall review and approve on behalf of the District a final official statement with respect to any of the District’s publicly offered Bonds, substantially in the form of the “deemed final” preliminary official statement for that series of Bonds and supplemented or amended as the Secretary (or such other District official, if any, designated by the Board) deems necessary, desirable, or appropriate. The Secretary is authorized to execute each such official statement and the District is authorized to deliver or cause to be delivered that official statement to the underwriter in the manner required by Rule 15c2-12, the Municipal Securities Rulemaking Board (“MSRB”), any notice of competitive sale, if applicable, and the applicable bond purchase agreement.

4. **Training.** The District is expected to provide periodic training opportunities to finance staff who participate in the District’s Bond offerings regarding disclosure obligations and best practices. Such training sessions will include education regarding the District’s disclosure obligations under applicable securities laws and responsibilities and potential liabilities regarding such obligations.

5. **Document Retention.** The District’s Director of Business Services (the “Director of Business”) shall retain for a period of at least five years printed copies of each preliminary and final official statement and any written certifications or opinions relating to disclosure matters. The Director of Business is not required to retain drafts of any disclosure materials.

**Ongoing Disclosure**

Each time the District issues publicly-offered Bonds, the District likely will enter into a written undertaking to provide continuing disclosure for the benefit of the holders and beneficial owners of the Bonds as required by Rule 15c2-12. The undertakings require the District, not later than nine months after the end of each fiscal year, to provide to the MSRB an annual report consisting of the District’s unaudited financial statements (and audited financial statements when available) and specified historical financial and operating data. In each undertaking, the District also agrees to provide or cause to be provided, in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB notice of the occurrence of the “Listed Events,” as defined in the undertaking.

The Director of Business is responsible for complying with each undertaking, including to file the annual financial information within the specified time and to provide timely notice of any Listed Event. In addition, the Director of Business (or his/her designee) is registered with the MSRB’s Electronic Municipal Market Access (“EMMA”) and familiar with the filing requirements and procedures. The duty to comply with the undertakings will be included in the job description for the
Director of Business. The Director of Business shall keep a record of each undertaking and a copy of each filing pursuant to the undertakings. Any material failure to comply with an undertaking generally must be disclosed in future District’s official statements for a period of five years after the failure occurs. The Director of Business is expected to sign up with EMMA for email reminders.

Speaking to the Market

The SEC has stated that, when a municipal issuer of outstanding securities provides “information to the public that is reasonably expected to reach investors and the trading market, those disclosures are subject to the antifraud provisions” the information cannot be misleading or contain incorrect information. A statement made outside of the context of a public offering of Bonds possibly could violate the antifraud rules if the statement: (a) is a misrepresentation; (b) is made publicly; (c) is material; (d) involves a security traded on an efficient market; and (e) would induce a reasonable investor, relying on the statement, to misjudge the value of the security. Examples of information that might be relied on by investors in the District’s outstanding Bonds include ongoing disclosure filings, unaudited and audited financial statements, investor presentations, and financial information posted on the District’s website.

Legal reference: Resolutions of the Board, adopted and to be adopted, authorizing the issuance of bonds; Securities Act of 1933; Securities and Exchange Act of 1934; Chapter 21.70 RCW; and SEC 15c2-12.

Approved this 19th day of April, 2016.

CAMAS SCHOOL DISTRICT NO. 117
CLARK COUNTY, WASHINGTON

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Michael C. Nerland
Superintendent and Secretary to the Board of Directors

Adoption Date: 4.16
Camas School District
Revised Date: