Lakeland Community College

PROCEDURE TITLE:	CONTINUING DISCLOSURE
PROCEDURE NO:	BS40-01
ORIGINALLY APPROVED DATE:	04/28/26
REVISED DATE:	N/A
EFFECTIVE DATE:	04/28/26
NEXT REVIEW DATE:	04/2031
RELATED POLICY:	3354:2-40-01
RESPONSIBLE OFFICE(S):	BUSINESS & FINANCE
APPROVED BY:	PRESIDENT

In connection with the issuance of debt, the College may sign one or more Continuing Disclosure Agreements ("CDAs"). The CDAs require the College to file certain annual financial and operating information with the Electronic Municipal Market Access System ("EMMA") maintained by the Municipal Securities Rulemaking Board. The CDAs also require the College to disclose through EMMA, within 10 business days after occurrence, certain "material events," as follows:

1. Principal and interest payment delinquencies;
2. Non-payment-related defaults, <u>if material</u>;
3. Unscheduled draws on debt service reserves reflecting financial difficulties (<u>Note</u>: *Any scheduled redemptions pursuant to mandatory sinking fund redemption requirements does not constitute a specified event within the meaning of the Rule)*;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;[a]
6. (Issuance of) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other <u>material</u> notices or determinations with respect to the tax status of the security, or other <u>material</u> events affecting the tax status of the security;
7. Modifications to rights of security holders, <u>if material</u>;
8. Debt calls, <u>if material</u>, and tender offers;[b]
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, <u>if material</u>;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person (<u>Note</u>: *For the purposes of the event identified in this subparagraph, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority*

having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person);

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, <u>if material</u>;
14. Appointment of a successor or additional trustee or the change of name of a trustee, <u>if material</u>;
15. Incurrence of a Financial Obligation, <u>if material</u>, or agreement to covenants, events of default, remedies, priority rights, or similar terms of a Financial Obligation, any of which affect security holders, <u>if material</u>; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties.

(<u>Note</u>: For purposes of events 15 and 16, “Financial Obligation” means (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation or (c) guarantee of an obligation or instrument described in either clause (a) or (b) and Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Private Business Use Contract Review Worksheet
The College will generally limit Private Business Use of its facilities to comply with tax-exempt debt requirements. The checklist below will be used to monitor Private Business Use of College facilities. Bond counsel will be consulted if potentially impermissible use is identified.
Contracting Parties:
____

Agreement Not Subject to Private Use Limitation

_____ Relates solely to construction of bond-financed facility
_____ Relates to property that was not financed with proceeds of a bond issue
_____ Does not relate to use or function of property
_____ Includes incidental services only (janitorial or similar services)
_____ Compensation consists solely of reimbursement of actual expenses incurred by service provider

Agreement Satisfies Safe Harbors for Management/Service Contracts

_____ Service provider is not an agent or related party, and
_____ Payments are reasonable in amount and are not based in whole or in part on share of net profits, and

_____ Compensation meets one of the following sets of criteria:
_____ at least 95% periodic fixed fee; maximum term of 15 years
_____ at least 89% periodic fixed fee; maximum term of 10 years
_____ at least 50% periodic fixed fee, 100% capitation fee, or combination; maximum term of 5 years; terminable without penalty or cause after 3 years
_____ per unit fee or combination periodic fixed fee and per unit fee; maximum term of 3 years; terminable without penalty or cause after 2 years
_____ percentage of fees charged or combination of per unit fee and percentage of gross revenues or expenses (but not both); maximum term of 2 years; terminable without penalty or cause after 1 year; and one of the following must apply:
_____ service provider primarily provides services to third parties
_____ agreement involves a facility during an initial start-up period for which there have been insufficient operations to establish a reasonable estimate of the amount of annual gross revenues and expenses

Agreement Requires Further Review by Bond Counsel

_____ Ownership (including agreement that transfers title at end of the term)
_____ Lease, license or any other agreement which creates exclusive or priority rights to use any portion of a bond-financed property or which creates an economic benefit for the third-party user
_____ Agreement with governmental entity or 501(c)(3) organization
_____ Research agreement
_____ Management or services contract falling outside safe harbors listed above

Reviewer: ______________________________

Date: __________________________________