

**MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES
AUTHORITY**

A public meeting of the Maryland Health and Higher Educational Facilities Authority was convened at 11:00 a.m., Tuesday, December 4, 2018 on the 21st floor of the World Trade Center, 401 East Pratt Street, Baltimore, Maryland, with Mr. Arnold Williams, Chairman, presiding.

Present:

Arnold Williams, Chairman
Sheila Riggs, Vice-Chairman
Nancy K. Kopp, Ex-officio
Catherine Ashley-Cotleur, Member
James P. Daly, Jr., Member
Richard Lerner, Member
Frederick W. Meier, Jr., Member
Bonnie Phipps, Member
W. Daniel White, Member

Annette Anselmi, Executive Director
John Bennett, Chief Financial Officer
William Taylor IV, Bond Counsel
David W. Gregory, Bond Counsel
Errol Brick, Financial Advisor

Absent: None

Special Guests: See attached

APPROVAL OF MINUTES

The minutes of the October 2, 2018 regular meeting of the Authority were approved.

ROCKBRIDGE ACADEMY

Roy Griffith, Headmaster of Rockbridge Academy, provided an update on the proposed project.

Ms. Anselmi asked the Members to consider a resolution authorizing the issuance from time to time of the Authority's revenue bonds in a principal amount not exceeding \$7,250,000 and delegating to any one Member of the Authority the power to approve the principal amount of the bonds, the interest rate and other terms of the bonds and other matters in connection with the issuance, sale and delivery of such bonds.

Following discussion, the Authority, on motion by Ms. Riggs, seconded by Mr. Meier, adopted the following resolution (Affirmative – Williams, Riggs, Ashley-Cotleur, Daly, Lerner, Meier, Phipps and White; Negative – none; Abstain – none):

**ROCKBRIDGE ACADEMY
BOND AUTHORIZING RESOLUTION**

A RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY BY MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY (THE "AUTHORITY") OF ITS REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT (DETERMINED AS PROVIDED HEREIN) NOT EXCEEDING \$7,250,000 IN ORDER TO LEND THE PROCEEDS THEREOF TO ROCKBRIDGE ACADEMY, INC. (THE "INSTITUTION"), FOR THE PURPOSE OF FINANCING AND REFINANCING THE ACQUISITION OF CERTAIN FACILITIES BY THE INSTITUTION, INCLUDING CAPITAL IMPROVEMENTS WITH RESPECT TO SUCH FACILITIES; AUTHORIZING ANY MEMBER OF THE AUTHORITY TO SPECIFY, PRESCRIBE, DETERMINE, PROVIDE FOR AND APPROVE CERTAIN MATTERS, DETAILS, FORMS, DOCUMENTS AND PROCEDURES PERTAINING TO THE AUTHORIZATION, SALE, ISSUANCE, DELIVERY AND PAYMENT OF AND FOR SUCH REVENUE BONDS; AND PROVIDING FOR AND DETERMINING VARIOUS MATTERS IN CONNECTION WITH THE FOREGOING.

RECITALS

Maryland Health and Higher Educational Facilities Authority (the "Authority") has received an application from Rockbridge Academy, Inc., a nonprofit corporation formed under the laws of the State of Maryland (the "Institution"), for the financing and refinancing of certain costs of acquisition, renovation and equipping of approximately 17.77 acres with an existing school building, an existing separate detached administrative building with a residential wing and an existing school bus shop and maintenance building and the payment of routine capital expenditures (the "Project"), pursuant to the Maryland Health and Higher Educational Facilities Authority Act, Sections 10-301 through 10-356, inclusive, of the Economic Development Article of the Annotated Code of Maryland (the "Act").

At the request of the Institution, the Authority has determined to authorize the issuance of revenue bonds under the Act for the purpose of financing and refinancing the Project.

NOW, THEREFORE, BE IT RESOLVED BY MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY THAT:

SECTION 1. The Authority is hereby authorized to issue, sell and deliver its revenue bonds (the "2018 Bonds") in an aggregate principal amount not to exceed \$7,250,000. The 2018 Bonds shall be issued and the proceeds thereof loaned to the Institution pursuant to a financing agreement (the "Financing Agreement") among the Authority, the Institution, Eagle Bank or an affiliate thereof (the "Purchaser") and The Bank of New York Mellon, as trustee, which Financing Agreement shall contain such terms, provisions and conditions as shall be approved by the Authorized Member (hereinafter defined). The 2018 Bonds may be issued in one or more series.

In determining the principal amount of 2018 Bonds issued pursuant to this resolution, each 2018 Bond issued at a discount from the stated amount thereof due at maturity shall be deemed to be issued in a principal amount equal to the gross proceeds realized from the sale of such 2018 Bond. Accordingly, it is expressly contemplated that the face amount of the 2018 Bonds may exceed the maximum aggregate principal amount of 2018 Bonds authorized hereby.

The proceeds of the 2018 Bonds shall be loaned to the Institution pursuant to the Financing Agreement for the public purpose of financing and refinancing the Project in order to enable the Institution to provide, and to finance and refinance at the least cost to the users thereof, the Project, for the benefit of the people of the State of Maryland, the increase of their commerce, welfare and prosperity and the improvement of their health and living conditions.

SECTION 2. As permitted by the Act, one or more series of the 2018 Bonds shall be sold at private (negotiated) sale to the Purchaser, at prices at, above or below par and upon such terms as the Authorized Member deems to be in the best interest of the Authority.

SECTION 3. Any Member of the Authority (the "Authorized Member") is hereby authorized to specify, prescribe, determine, provide for or approve, all within the limitations of this resolution and the Act, all matters, details, forms, documents and procedures pertaining to the sale, security, issuance, delivery and payment of or for the 2018 Bonds, including (without limitation):

- (a) the principal amount of 2018 Bonds issued at any one time or from time to time;
- (b) the purchase price to be paid to the Authority for the 2018 Bonds issued at any one time or from time to time;
- (c) the rate or rates of interest payable on the 2018 Bonds, or the method of determining the same;
- (d) the date or dates of maturity of the 2018 Bonds issued at any one time or from time to time, the payment provisions therefor, the optional and mandatory redemption provisions thereof, including (without limitation) the mandatory sinking fund installments (if any) for the 2018 Bonds, the designation or designations of the 2018 Bonds and the date of issuance thereof;
- (e) the form, tenor, terms and conditions of the 2018 Bonds, and provisions for the registration and transfer of the 2018 Bonds;
- (f) the form and contents of, and provisions for the execution and delivery of, such documents as the Authorized Member shall deem necessary or desirable to evidence, secure or effectuate the issuance, sale and delivery of the 2018 Bonds at any one time or from time to time, the loan of the proceeds of the 2018 Bonds to the Institution, and the financing and refinancing of the Project, including (without limitation) the Financing Agreement and any escrow agreements, security agreements, letters of credit, bond insurance policies or other credit or liquidity facilities supporting the 2018 Bonds, loan agreements, deeds of

trust, assignments of leases and rents, indemnification agreements and other similar agreements;

(g) provision for the administration of the 2018 Bonds, including (without limitation) the appointment of a trustee under the Financing Agreement and any remarketing agents, paying agents, registrars, escrow agents or other agents as the Authorized Member shall deem necessary or desirable to effectuate the transactions authorized hereby;

(h) the creation of security for the 2018 Bonds, which may include (without limitation) provisions for securing any indebtedness or other obligations incurred in connection with the issuance of the 2018 Bonds, including (without limitation) any interest rate swap agreement, on parity with outstanding revenue bonds previously issued by the Authority pursuant to any resolution or trust agreement executed and delivered by the Authority, the execution and delivery by an Authorized Member of any supplemental resolution or trust agreement providing therefor to constitute conclusive evidence of the determination by the Authority that all of the conditions to the issuance of parity debt under any such resolution or trust agreement have been met to the satisfaction of the Authority; and

(i) such other matters in connection with the authorization, issuance, execution, sale, delivery and payment of the 2018 Bonds and the security for the 2018 Bonds and the consummation of the transactions contemplated by this resolution as may be deemed appropriate and approved by the Authorized Member, including (without limitation) the establishment of procedures for the execution, acknowledgment, sealing and delivery of such other and further agreements, documents and instruments as are or may be necessary or appropriate to consummate the transactions contemplated by this resolution in accordance with the Act and this resolution.

SECTION 4. The Authorized Member and the Executive Director of the Authority are hereby authorized from time to time after the issuance of the 2018 Bonds to take any action required or permitted to be taken by or on behalf of the Authority under the Act, the Financing Agreement or other document or instrument executed and delivered in connection therewith, including (without limitation) providing any consent, approval or direction required or permitted thereunder, entering into any amendment of or supplement to any of the foregoing and entering into any agreement providing for the replacement of, substitution for or addition of (as the case may be) any credit or liquidity facility, remarketing agent, trustee or other agent, subject to the requirements of the Act and any other agreement by which the Authority is bound.

SECTION 5. This resolution shall take effect immediately.

REPORT FROM AD HOC COMMITTEE ON RFPs FOR PROFESSIONAL SERVICES

Ms. Anselmi provided an update on professional services for which RFPs have been issued or are going to be issued in the near future. The selection of primary and alternate financial advisors has been completed. Responses to the RFP for audit and agreed upon procedures are being reviewed; finalists will be interviewed shortly and selection is expected by early January 2019. Staff is currently identifying vendors for an RFP for an independent review of the Authority's information technology controls.

Mr. Meier commented on the activities of the committee and recognized the work performed by staff.

REPORT FROM COMMITTEE ON COMMUNITY OUTREACH INITIATIVES

Ms. Ashley-Cotleur provided an update on the Committee's recent discussions and plans for next steps.

UPDATE ON AUTHORITY MEMBER APPOINTMENTS AND TERMS

Ms. Anselmi stated that Mr. Williams and Ms. Riggs have been reappointed by the Governor as Chair and Vice Chair, respectively for 1 year beginning July 1, 2018. Also, the following updated term end dates were noted: Ms. Riggs – June 30, 2023, Mr. Daly – June 30, 2023.

FINANCIAL ADVISOR'S REPORT

Mr. Brick provided a written report on: highlights of the current economy; current industry issues, a market overview and the Broadmead bond sale. Mr. Brick limited his oral remarks to the report on the Broadmead bond sale.

EXECUTIVE DIRECTOR'S REPORT

Ms. Anselmi provided updates on transactions in process and recently closed; amendments and reissuances for tax purposes; matters relating to borrowers; student loan refinancing; MHHEFA website upgrade; and outreach activities.

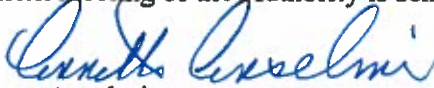
EXECUTIVE SESSION

Upon motion by Ms. Riggs, seconded by Mr. White, the Authority voted unanimously to close the meeting pursuant to Section 3-305(b) (14) of the General Provisions Article of the Annotated Code of Maryland for the purpose of discussing personnel matters.

Subsequently, Mr. Williams resumed the public meeting of the Authority.

With no further business, on motion by Ms. Riggs, seconded by Mr. White, the meeting was adjourned at approximately 12:15 p.m.

The next meeting of the Authority is scheduled for February 5, 2019.



Annette Anselmi
Executive Director

Approved:



Chairman

February 5, 2019

SPECIAL GUESTS

Rockbridge Academy
Roy Griffith, Headmaster
Amy Ramsey, Director of Finance

Wye River Group
Kevin Quinn, Principal
Christopher Wienk, Senior Vice President

PFM Financial Advisors
Alford Evans, Director