

MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY

A public meeting of the Maryland Health and Higher Educational Facilities Authority was convened at 10:00 a.m., Tuesday, May 7, 2019 on the 26th floor of the World Trade Center, 401 East Pratt Street, Baltimore, Maryland, with Mr. Arnold Williams, Chairman, presiding.

Present: Arnold Williams, Chairman
Sheila K. Riggs, Vice Chairman
Catherine Ashley-Cotleur, Member
James P. Daly, Jr., Member
Richard Lerner, Member
Frederick W. Meier, Jr., Member
Bonnie Phipps, Member

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

Absent: Nancy K. Kopp, Ex-officio
W. Daniel White, Member

Special Guests: See Attached

APPROVAL OF MINUTES

The minutes of the April 2, 2019 regular meeting of the Authority were approved.

ROLAND PARK PLACE

Ms. Terry Snyder, President of Roland Park Place, provided an update on the level of project related pre-sales and the status of various construction contracts and related deliverables. Mr. William H. Bass III, representing the borrower's Financial Advisor, Wye River Group, provided an update on the plan of finance.

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 \$62,000,000 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 Mr. Daly, seconded by Ms. Riggs, adopted the following resolution (Affirmative – Williams, Riggs, Ashley-Cotleur, Daly, Lerner, Meier, and Phipps; Negative – none; Abstain – none):

**ROLAND PARK PLACE
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 \$62,000,000 IN ORDER TO LEND THE PROCEEDS THEREOF TO ROLAND PARK PLACE, INC. (THE "INSTITUTION"), FOR THE PURPOSE OF FINANCING AND REFINANCING CERTAIN CAPITAL PROJECTS FOR THE INSTITUTION; 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

At its meeting on February 5, 2019, Maryland Health and Higher Educational Facilities Authority (the "Authority") accepted an application from Roland Park Place, Inc., a nonprofit corporation formed under the laws of the State of Maryland (the "Institution"), for the financing and refinancing by the Authority of the cost of a project (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").

The Project consists of financing and refinancing of the acquisition, construction, renovation or equipping of certain facilities of the Institution, including (a) the construction and equipping of an eight-story building to consist of approximately 58 independent living units, resident storage rooms, a lobby, salon/spa, an outdoor terrace, a club room and a three-story above-grade and a one-story below-grade parking garage and (b) other related renovations, improvements and capital expenditures to existing facilities of the Institution.

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 "2019 Bonds") in an aggregate principal amount not to exceed \$62,000,000. The 2019 Bonds shall be issued and the proceeds thereof loaned to the Institution pursuant to a financing agreement (the "Agreement") among the Authority, the Institution, STI Institutional & Government, Inc. (the "Lender") and the trustee named therein, which shall contain such terms, provisions and conditions

as shall be approved by the Authorized Member (hereinafter defined) 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 2019 Bonds shall be sold at private (negotiated) sale to the Lender, 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 2019 Bonds, including (without limitation):

- (a) the principal amount of 2019 Bonds;
- (b) the purchase price or prices to be paid to the Authority for the 2019 Bonds;
- (c) the rate or rates of interest payable on the 2019 Bonds, or the method of determining the same;
- (d) the date or dates of maturity of the 2019 Bonds, the payment provisions therefor, the optional and mandatory redemption provisions thereof, including (without limitation) the mandatory sinking fund installments for the 2019 Bonds, the designation or designations of the 2019 Bonds and the date of issuance thereof;
- (e) the form, tenor, terms and conditions of the 2019 Bonds, and provisions for the registration and transfer of the 2019 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 2019 Bonds, the loan of the proceeds of the 2019 Bonds to the Institution, and the financing and refinancing of the Project, including (without limitation) the Agreement and any escrow agreements, security agreements, letters of credit, bond insurance policies or other credit or liquidity facilities supporting the 2019 Bonds, financing agreements and other similar agreements;
- (g) provision for the administration of the 2019 Bonds, including (without limitation) the appointment of a trustee under the 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 form and contents of, and provisions for the execution and delivery of, a contract or contracts for the purchase and sale of the 2019 Bonds;

(i) procedures for the approval of change orders and substitutions for the equipment included within the Project by an authorized officer on behalf of the Authority; and

(j) the creation of security for the 2019 Bonds, which may include (without limitation) provisions for securing any indebtedness or other obligations incurred in connection with the issuance of the 2019 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

(k) such other matters in connection with the authorization, issuance, execution, sale, delivery and payment of the 2019 Bonds and the security for the 2019 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 2019 Bonds to take any action required or permitted to be taken by or on behalf of the Authority under the Act, the 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.

STONE RIDGE SCHOOL

Mr. Eric Osberg, Director of Finance & Operations of Stone Ridge School, provided an update on the proposed project. Mr. Christopher Wienk, representing the borrower's financial advisor, Wye River Group, provided an update on the plan of finance.

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 \$44,000,000 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 Mr. Daly, seconded by Ms. Riggs, adopted the following resolution (Affirmative – Williams, Riggs, Ashley-Cotleur, Daly, Lerner, Meier, and Phipps; Negative – none; Abstain – none):

STONE RIDGE SCHOOL 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 \$44,000,000 IN ORDER TO LEND THE PROCEEDS THEREOF TO COUNTRY DAY SCHOOL OF THE SACRED HEART, INCORPORATED (THE "INSTITUTION"), FOR THE PURPOSE OF FINANCING AND REFINANCING CERTAIN CAPITAL PROJECTS FOR THE INSTITUTION AND REFUNDING OUTSTANDING BONDS; 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

At its meeting on February 5, 2019, Maryland Health and Higher Educational Facilities Authority (the "Authority") accepted an application from Country Day School of the Sacred Heart, Incorporated, a nonprofit corporation formed under the laws of the State of Maryland (the "Institution"), for the financing and refinancing by the Authority of a portion of the cost of a project (the "2019 Project") and the refunding of all or a portion of the Authority's Revenue Bonds, Stone Ridge School Issue, Series 2005 (the "Refunded Bonds") pursuant to the Maryland Health and Higher Educational Facilities Authority Act, Sections 10-301 through 10-356 of the Economic Development Article of the Annotated Code of Maryland, as amended (the "Act").

The 2019 Project consists of the (a) the financing and refinancing of (i) an approximately 54,000 square foot, two-story student life center, including an all-school dining space, a theater, visual arts classrooms, musical practice rooms, orchestral music space, student café and student life support spaces, (ii) landscaped areas, including a Campus Walk, outdoor learning and play areas, event and seating areas, bio-retention areas and other landscape improvements, (ii) infrastructure improvements, including new internal roadways, student drop-off areas and parking lot improvements, and (iv) other related improvements and capital expenditures.

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 2019 Project and refunding the Refunded Bonds.

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 "2019 Bonds") in an aggregate principal amount not to exceed \$44,000,000. The 2019 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, STI Institutional & Government, Inc. (the "Purchaser") and a trustee appointed by the Authority, which Financing Agreement shall contain such terms, provisions and conditions as shall be approved by the Authorized Member (hereinafter defined). The 2019 Bonds may be issued in one or more series. In determining the principal amount of 2019 Bonds issued pursuant to this resolution, each 2019 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 2019 Bond. Accordingly, it is expressly contemplated that the face amount of the 2019 Bonds may exceed the maximum aggregate principal amount of 2019 Bonds authorized hereby.

The proceeds of the 2019 Bonds shall be loaned to the Institution pursuant to the Financing Agreement for the public purposes of financing and refinancing the 2019 Project and the facilities financed and refinanced with proceeds of the Refunded Bonds (collectively, 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 2019 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 2019 Bonds, including (without limitation):

- (a) the principal amount of 2019 Bonds issued at any one time or from time to time;
- (b) the purchase price to be paid to the Authority for the 2019 Bonds issued at any one time or from time to time;
- (c) the rate or rates of interest payable on the 2019 Bonds, or the method of determining the same;
- (d) the date or dates of maturity of the 2019 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 2019 Bonds, the designation or designations of the 2019 Bonds and the date of issuance thereof;

(e) the form, tenor, terms and conditions of the 2019 Bonds, and provisions for the registration and transfer of the 2019 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 2019 Bonds at any one time or from time to time, the loan of the proceeds of the 2019 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 2019 Bonds, loan agreements, security agreements, deeds of trust, assignments of leases and rents, indemnification agreements and other similar agreements;

(g) provision for the administration of the 2019 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) procedures for the approval of change orders and substitutions for the construction, renovations, equipment and other improvements included within the 2019 Project by an authorized officer on behalf of the Authority;

(i) the creation of security for the 2019 Bonds, which may include (without limitation) provisions for securing any indebtedness or other obligations incurred in connection with the issuance of the 2019 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

(j) such other matters in connection with the authorization, issuance, execution, sale, delivery and payment of the 2019 Bonds and the security for the 2019 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 2019 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.

UNION HOSPITAL OF CECIL COUNTY – MARCH 31, 2019 PERFORMANCE UPDATE

Ms. Anselmi provided an update on the financial performance of Union Hospital of Cecil County for the period ended March 31, 2019, noting that the Hospital continues to meet its financial covenants for fiscal year 2019.

FY2019 AUDIT – AUDIT COMMITTEE REPORT – STATUS UPDATE

Mr. Meier reported on the Audit Committee's recent meeting with representatives of CohnReznick, the Auditor for the upcoming FY2019 audit, noting that the engagements will be conducted in much the same way as in prior years. Mr. Meier noted the Committee's discussion of Cyber Security and the request for proposals for an IT Security Assessment engagement to commence during the summer of 2019.

COMMUNITY OUTREACH INITIATIVES – UPDATE

Ms. Ashley-Cotleur provided an update on the recent activities regarding this initiative. Ms. Ashley-Cotleur noted that the committee will reconvene when it receives the staff recommended guidelines for the program.

2019 LEGISLATIVE SESSION – RECAP/STUDENT LOAN REFINANCING STUDY

Ms. Anselmi reported that there was no legislation passed that impacted the Authority's operations or mission. Ms. Anselmi noted that \$250,000 was appropriated for the Student Loan Refinancing Study. The Authority will be working with the Department of Budget and Management as recommended by the 2018 study to determine the procedures governing the use of these monies. The funds are currently appropriated within a line item in the Maryland Higher Education Commission 2020 Operating Budget.

FY 2020 BUDGET – INTRODUCTION

Ms. Anselmi reported that the FY2020 Budget overview and Administrative Fee recommendation will be presented for approval at the next meeting of the Authority, scheduled for June 4, 2019.

FINANCIAL ADVISOR'S REPORT

Mr. Evans provided reports on: Markets and Economy; Moody's Healthcare Preliminary Medians; and an Update on the search for a benchmark rate to replace LIBOR.

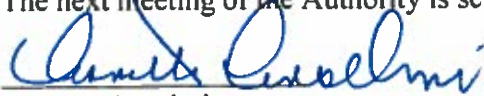
EXECUTIVE DIRECTOR'S REPORT

Ms. Anselmi provided updates on transactions in process; amendments of direct placements with banks as a result of the reduction in the maximum federal corporate income tax rate and reissuances for tax purposes; closed IRS examinations; recent meeting with Rebate and Arbitrage services provider; the IT Risk Assessment prospective bidder meeting; and other miscellaneous activities since the last meeting.

At the request of Mr. Williams, Ms. Anselmi, Ms. Phipps and Ms. Riggs provided comments on recent succession planning activities.

With no further business, on motion by Mr. Daly, seconded by Ms. Riggs (Affirmative – Williams, Riggs, Ashley-Cotleur, Daly, Lerner, Meier, and Phipps; Negative – none; Abstain – none), the meeting was adjourned at approximately 11:30 a.m.

The next meeting of the Authority is scheduled for June 4, 2019.



Annette Anselmi
Executive Director

Approved:



Sheila K. Riggs
Vice Chairman

June 4, 2019

SPECIAL GUESTS

Roland Park Place

Terry Snyder, President

Keith Spillane, Vice President of Finance

Stone Ridge Country Day School of the Sacred Heart (Stone Ridge School)

Eric Osberg, Director of Finance and Operations

Wye River Group

Christopher Wienk, Senior Vice President

William H. Bass III, Vice President