

## **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, July 7, 2020, with Mr. Arnold Williams, Chairman, presiding. The meeting was conducted remotely via an open conference line available to the public.

**Present:**

- Arnold Williams, Chairman
- Sheila K. Riggs, Vice Chairman
- James P. Daly, Jr., Member
- Frederick W. Meier, Jr., Member
- Mamie Johns Perkins, Member
- John Phelps, Member
- Bonnie Phipps, Member
- W. Daniel White, Member
- Treasurer Nancy K. Kopp, Ex officio
- Bernadette Benik, Chief Deputy Treasurer
- Bart Savidge, Executive Director
- Lynn Gorman-Lepson, Chief Financial Officer
- John Bennett, Accounting & Compliance 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:** None

**Special Guests:** See attached.

Mr. Williams convened the meeting. Mr. Savidge announced the names of the Members, staff, counsel, and advisors in attendance.

### **APPROVAL OF MINUTES**

The minutes of the June 2, 2020 regular meeting of the Authority were approved.

Mr. Williams stated that the Governor renewed the terms of service for Mr. Meier and Mr. White and reappointed Ms. Riggs as Vice Chairman and Mr. Williams as Chairman of the Authority.

### **UNIVERSITY OF MARYLAND MEDICAL SYSTEM (UMMS)**

Ms. Phipps disclosed the fact that she is a member of the Board of Trustees for UMMS and abstained from all deliberation and action regarding the proposed UMMS transaction.

Mr. White disclosed the fact that The Whiting-Turner Contracting Company, of which he is a retired Executive Vice President, Assistant Treasurer and member of the Board of Directors, has been engaged as a Construction Manager by University of Maryland Medical System and abstained from all deliberation and action regarding the proposed UMMS transaction.

Ms. Michelle Lee, SVP and CFO, provided an update on operations. Ms. Lee noted that the unique nature of Maryland's reimbursement system help recover lost revenue from FY20 in FY21. UMMS secured an additional \$68 million of CARES Act funding in June, bringing its total COVID-19 related funding to \$200 million. Ms. Lee expressed her gratitude to the Authority for its support.

Ms. Amy Myers, Senior Director of Corporate Treasury, provided an update on the plan of finance. Ms. Myers stated that the \$800 million issue is comprised of approximately \$510 million of new money that will be used for two construction projects and one renovation project and approximately \$290 million to be used to refinance certain existing debt to realize debt service savings. UMMS is expecting \$175 million of the issuance to be tax-exempt and the remaining \$625 million to be taxable. Ms. Myers reported that in March 2020, Moody's and S&P reaffirmed their credit ratings of A2 and A, respectively. Moody's upgraded its outlook to stable and S&P affirmed its stable outlook. The proposed bonds will be rated A2/A. While UMMS did not request a credit rating on the proposed issue from Fitch Ratings, Fitch maintains a rating on certain outstanding bonds issued by the Authority on behalf of the System of A- which is expected to be affirmed.

Mr. Savidge 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 \$800,000,000 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. Meier, seconded by Ms. Riggs, adopted the following resolution (Affirmative – Williams, Riggs, Kopp, Daly, Meier, Perkins and Phelps; Negative – none; Abstain – Phipps and White).

#### **UNIVERSITY OF MARYLAND MEDICAL SYSTEM 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 \$800,000,000 IN ORDER TO LEND THE PROCEEDS THEREOF TO ONE OR MORE OF UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION AND CERTAIN AFFILIATES FOR THE PURPOSE OF FINANCING AND REFINANCING CERTAIN CAPITAL PROJECTS AND REFUNDING PRIOR BONDS ISSUED BY THE AUTHORITY AND OTHER INDEBTEDNESS; 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 June 2, 2020, Maryland Health and Higher Educational Facilities Authority (the "Authority") accepted an application from University of Maryland Medical System Corporation, a nonprofit corporation formed under the laws of the State of Maryland (the "Institution"), for the (a) financing of a portion of the costs of acquisition, construction and equipping of certain capital projects (collectively, the "2020 Project") of the Institution and certain of its affiliates (collectively, the "Obligated Group Members"), (b) refunding all or a portion of the Authority's outstanding Revenue Bonds, University of Maryland Medical System Issue, Series 2008F, Series 2010 and Series 2013A (collectively, the Refunded Bonds") and (c) refinancing of certain outstanding indebtedness of the Institution (the "Term Loan") 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, as amended (the "Act").

The Project includes (without limitation) (i) the acquisition of land and an office building and the fit-out and equipping of the building for outpatient services and physician practices, and construction and equipping of a freestanding medical facility to house a full service emergency department and a behavioral health/special psychiatric hospital facility at the Upper Chesapeake Medical Center campus in Aberdeen, Maryland, which will replace Harford Memorial Hospital in Havre de Grace, Maryland, (ii) construction and equipping of three inpatient floors providing additional inpatient medical and surgical bed capacity above an existing building at the Upper Chesapeake Medical Center, (iii) acquisition of land and construction and equipping of a medical office building at the Upper Chesapeake Medical Center campus in Bel Air, Maryland, (iv) the acquisition of land and construction and equipping of a two-story building to house a freestanding medical facility, including a full service emergency department, and a second floor suite, including outpatient services and physician practices, at the Shore Health Medical Center located in Cambridge, Maryland, which will replace the University of Maryland Shore Medical Center at Dorchester hospital, (v) the construction of a medical office building, expansion of an adjacent parking garage and inpatient floor renovations at the Baltimore Washington Medical Center campus in Glen Burnie, Maryland and (vi) and other capital improvements to the facilities of the Obligated Group Members.

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 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 "2020 Bonds") in an aggregate principal amount not to exceed \$800,000,000. Each series of the 2020 Bonds shall be issued pursuant to an indenture or a bond resolution, as supplemented and amended, to be adopted or executed by the Authorized Member (hereinafter defined) on behalf of the Authority (collectively, the "Resolution"), which shall contain such terms, provisions and conditions as shall be approved by the Authorized Member. The 2020 Bonds may be issued in one or more series. In determining the principal amount of 2020 Bonds issued pursuant to this resolution, each 2020 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 2020 Bond. Accordingly, it is expressly contemplated that the face amount of the 2020 Bonds may exceed the maximum aggregate principal amount of 2020 Bonds authorized hereby.

The proceeds of the 2020 Bonds shall be loaned to one or more of the Obligated Group Members pursuant to a separate loan agreement or a master loan agreement, as supplemented and amended (collectively, the "Loan Agreement"), between the Authority and one or more of the Obligated Group Members, which shall contain such terms, provisions and conditions as shall be approved by the Authorized Member, for the public purpose of financing the 2020 Project and the facilities financed and refinanced with proceeds of the Refunded Bonds and the Term Loan (collectively, the "Project") in order to enable such Obligated Group Members 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 2020 Bonds shall be sold at private (negotiated) sale to J.P. Morgan Securities LLC, BofA Securities, Inc., Loop Capital Markets LLC and RBC Capital Markets (collectively, the "Underwriters") pursuant to a bond purchase agreement at a price or 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 2020 Bonds, including (without limitation):

- (a) the principal amount of the 2020 Bonds issued at any one time or from time to time;
- (b) the purchase price or prices to be paid to the Authority by the Underwriters for the 2020 Bonds issued at any one time or from time to time;
- (c) the rate or rates of interest payable on the 2020 Bonds, or the method of determining the same;

- (d) with respect to the 2020 Bonds issued at any one time or from time to time that are offered to the public at a premium or discount from their stated principal amount due at maturity, the price or prices at which such 2020 Bonds are offered initially to the public;
- (e) the date or dates of maturity of the 2020 Bonds issued at any one time or from time to time, the payment provisions therefor, the mandatory tender and purchase provisions thereof, optional and mandatory redemption provisions thereof, including (without limitation) the mandatory sinking fund installments (if any) for such 2020 Bonds, the designation or designations of the 2020 Bonds and the date of issuance thereof;
- (f) the form, tenor, terms and conditions of the 2020 Bonds, and provisions for the registration and transfer of the 2020 Bonds;
- (g) 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 2020 Bonds issued at any one time or from time to time, the loan of the proceeds thereof to one or more of the Obligated Group Members, and the financing and refinancing of the Project, including (without limitation) the Resolution, the Loan Agreement and any security agreements, letters of credit, bond insurance policies or other credit or liquidity support securing the 2020 Bonds, financing agreements and other similar agreements;
- (h) provision for the administration of the 2020 Bonds, including (without limitation) the appointment of a trustee or other fiscal agent under the Resolution, and the appointment of 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;
- (i) the preparation and distribution, in conjunction with representatives of the Institution and the Underwriters, of a preliminary official statement and a final official statement in connection with the sale of one or more series of the 2020 Bonds;
- (j) the form and contents of, and provisions for the execution and delivery of, a contract or contracts for the purchase and sale of one or more series of the 2020 Bonds;
- (k) the creation of security for the 2020 Bonds, which may include (without limitation) provisions for securing any indebtedness incurred in connection with the issuance of the 2020 Bonds 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 such resolution or trust agreement have been met to the satisfaction of the Authority;

(l) procedures for the approval of change orders and substitutions for the construction, renovations, equipment and other improvements included within the 2020 Project by an authorized officer on behalf of the Authority; and

(m) such other matters in connection with the authorization, issuance, execution, sale, delivery and payment of the 2020 Bonds and the security for the 2020 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 2020 Bonds to take any action required or permitted to be taken by or on behalf of the Authority under the Act, the Resolution, the Loan 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.

#### **KENNEDY KRIEGER INSTITUTE, INC. (KKI)**

Mr. Savidge advised the Members that the Authority had received an application from Kennedy Krieger Institute, Inc. for the issuance of the Authority's bonds to refund its outstanding 2011 variable rate bonds held by Bank of America. He stated that the bonds are expected to be a direct placement with Fulton Bank and will provide economic savings from reduced interest costs and a longer bank commitment period.

Mr. Michael Neuman, CFO of the Institute, provided an overview of operations. Mr. Neuman reported that cash flow and liquidity were stable. There were some reductions in hospitalizations and therapy due to COVID-19, but they are beginning to see these volumes come back to historic levels. Over 80% of its outpatient services have converted to telehealth services with minimal impact on financial performance. Although some clinical research has been delayed, most of the research has remained unchanged thus far to the pandemic. KKI has effectively reduced operating expenses and instituted temporary furloughs for some staff to help mitigate

costs. KKI secured \$8.5 million of CARES Act funding and recently received a \$1 million telehealth grant from the Federal Communications Commission.

Mr. Neuman provided some additional details on the plan of finance. KKI plans to use the proceeds from this financing to refinance \$14,140,000 of its variable rate 2011 Bonds held by Bank of America. This financing will be a direct placement with Fulton Bank. The proposed financing will benefit KKI by extending the term 10 years and will lower the interest rate by 65bps. He advised that Truist Bank (formerly BB&T), which currently holds the Authority's 2017B Bond issued on behalf of KKI, has agreed to extend its commitment to hold the 2017B Bond until 2030, an extension of 3 years, and to lower the interest rate by 40bps. KKI also expects to obtain a \$10 million taxable term loan and a one year, \$10 million revolving line of credit from Truist Bank, each of which is expected to be secured on parity with the bonds. Ms. McKennon advised that these actions will be taken by a Member of the Authority as authorized by the Bond Resolution and the resolution authorizing the issuance of the 2017B Bond.

The Members were asked to consider a resolution authorizing the issuance from time to time of the Authority's revenue bonds in a principal amount not exceeding \$14,500,000 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. Phelps, seconded by Mr. Daly, adopted the following resolution (Affirmative – Williams, Riggs, Kopp, Daly, Meier, Perkins, Phelps, Phipps and White; Negative – none; Abstain – none).

#### **KENNEDY KRIEGER INSTITUTE BOND AUTHORIZING RESOLUTION**

A RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY BY MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY (THE "AUTHORITY") OF ITS REVENUE BOND IN A PRINCIPAL AMOUNT NOT EXCEEDING \$14,500,000 IN ORDER TO LEND THE PROCEEDS THEREOF TO ONE OR MORE OF KENNEDY KRIEGER INSTITUTE, INC. (THE "INSTITUTION") AND CERTAIN AFFILIATES (COLLECTIVELY, THE "OBLIGATED GROUP MEMBERS") FOR THE PURPOSE OF REFUNDING THE AUTHORITY'S REVENUE BOND, KENNEDY KRIEGER ISSUE (2017B) ISSUED BY THE AUTHORITY ON BEHALF OF THE OBLIGATED GROUP MEMBERS; 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 BOND; 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 Kennedy Krieger Institute, Inc., a nonprofit corporation formed under the laws of the State of Maryland (the "Institution"), for the refunding of the Authority's Revenue Bond, Kennedy Krieger Issue (2011) (the "Refunded Bond") 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, as amended (the "Act").

At the request of the Institution, the Authority has determined to authorize the issuance of a revenue bond under the Act for the purpose of refunding the Refunded Bond.

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 bond (the "2020 Bond") in a principal amount not to exceed \$14,500,000. The 2020 Bond shall be issued pursuant to a financing agreement (the "Financing Agreement") among the Authority, the Institution and certain of its affiliates (collectively, the "Obligated Group Members"), Fulton Bank, N.A. (the "Purchaser") and the trustee thereunder, which shall contain such terms, provisions and conditions as shall be approved by the Authorized Member (as herein defined). The proceeds of the 2020 Bond shall be loaned to one or more of the Obligated Group Members pursuant the Financing Agreement for the public purpose of financing and refinancing the facilities financed and refinanced with proceeds of the Refunded Bond (the "Project") in order to enable the Obligated Group Members 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. It is hereby found and determined that the financing and refinancing of the Project serves the public purposes of Kennedy Krieger Children's Hospital, Inc.

SECTION 2. As permitted by the Act, the 2020 Bond shall be sold at private (negotiated) sale to the Purchaser, at a price 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 2020 Bond, including (without limitation):

- (a) the principal amount of the 2020 Bond issued at any one time or from time to time;
- (b) the purchase price to be paid to the Authority for the 2020 Bond;
- (c) the rate or rates of interest payable on the 2020 Bond, or the method of determining the same;



(d) the date of maturity of the 2020 Bond, the payment provisions therefor, the purchase provisions thereof, the optional and mandatory purchase and redemption provisions thereof, including (without limitation) the mandatory sinking fund installments (if any) for the 2020 Bond, the designation or designations of the 2020 Bond and the date of issuance thereof;

(e) the form, tenor, terms and conditions of the 2020 Bond, and provisions for the registration and transfer of the 2020 Bond;

(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 2020 Bond, the loan of the proceeds of the 2020 Bond to the Obligated Group Members, the financing and refinancing of the Project, including (without limitation) the Financing Agreement and any escrow agreements, letters of credit, bond insurance policies or other credit or liquidity facilities supporting the 2020 Bond, 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 2020 Bond, 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 2020 Bond, which may include (without limitation) provisions for securing the 2020 Bond or any indebtedness or other obligations incurred in connection with the issuance of the 2020 Bond, including (without limitation) any interest rate swap agreement, on parity with outstanding revenue bonds 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 such resolution or trust agreement (or 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 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 2020 Bond and the security for the 2020 Bond 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 each hereby authorized from time to time after the issuance of the 2020 Bond 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.

### **ROLAND PARK COUNTRY SCHOOL**

Mr. Savidge advised the Members that the Authority had received an application from Roland Park Country School for the issuance of the Authority's bonds to finance capital expenditures related to various construction and renovation projects at the school and to refinance its outstanding Authority's Roland Park Country School Issue (2009). Mr. Savidge stated that this transaction will be a private placement with Fulton Bank.

Mr. Duncan Booth, Assistant Head of School for Finance and Operations, provided an overview of the history and operations of the School. Mr. Booth stated that the School was able to maintain a stable financial position in the Spring due to the dedication of the faculty and staff in providing on-line instruction to the students and due to the strong partnership between the school and the families. While challenging, enrollment for the Fall has remained steady at approximately 580 students and the School is able to provide approximately 40% of its students with some amount of financial assistance. The administration is still evaluating the structure for classes for the Fall of 2020, but they are expected to be a combination of in person and on-line learning. The School has engaged an outside consultant to focus on four important areas to ensure a safe and productive Fall semester for its students: Health and Safety, Student Experience, Campus Operations and Continuity of Learning. The administration has held a series of Town Hall Meetings with both families and staff members to keep everyone abreast of future plans.

Mr. Booth also provided additional details on the plan of finance. Mr. Booth stated that this financing will provide new money for various construction and renovation projects at the School as well as provide economic savings from reduced interest costs and a longer bank commitment period with the refinancing of its 2009 Bonds issued by the Authority.

The Members were asked to consider a resolution authorizing the issuance from time to time of the Authority's revenue bonds in a principal amount not exceeding \$13,000,000 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. White, seconded by Mr. Daly, adopted the following resolution (Affirmative – Williams, Riggs, Kopp, Daly, Meier, Perkins, Phelps, Phipps, and White; Negative – none; Abstain – none).

**ROLAND PARK COUNTRY 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 A PRINCIPAL AMOUNT NOT EXCEEDING \$13,000,000 IN ORDER TO LEND THE PROCEEDS THEREOF TO ROLAND PARK COUNTRY SCHOOL, INCORPORATED (THE "INSTITUTION") FOR THE PURPOSE OF FINANCING AND REFINANCING CERTAIN CAPITAL PROJECTS AND REFUNDING PRIOR BONDS ISSUED BY THE AUTHORITY; 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 Roland Park Country School, Incorporated, a nonprofit corporation formed under the laws of the State of Maryland (the "Institution"), for the refunding of the Authority's Revenue Bond, Roland Park Country School Issue (2009) (the "Refunded Bond") and the financing and refinancing of the costs of the renovation of main entrance and reception area, the library, dining hall, science wing roof, HVAC and other capital projects (collectively, 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, as amended (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 refunding the Refunded Bonds and 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 "2020 Bonds") in a principal amount not to exceed \$13,000,000. The 2020 Bonds shall be issued pursuant to a financing agreement (the "Financing Agreement") among the Authority, the Institution, Fulton Bank, N.A. (the "Purchaser") and the trustee thereunder, which shall contain such terms, provisions and conditions as shall be approved by the Authorized Member (as herein defined).

The proceeds of the 2020 Bonds shall be loaned to the Institution pursuant the Financing Agreement for the public purpose of refunding the Refunded Bonds and 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 facilities financed and refinanced with the proceeds of the Refunded Bonds and 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, the 2020 Bonds shall be sold at private (negotiated) sale to the Purchaser, at a price 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 2020 Bonds, including (without limitation):

- (a) the principal amount of the 2020 Bonds issued at any one time or from time to time;
- (b) the purchase price to be paid to the Authority for the 2020 Bonds;
- (c) the rate or rates of interest payable on the 2020 Bonds, or the method of determining the same;
- (d) the date of maturity of the 2020 Bonds, the payment provisions therefor, the purchase provisions thereof, the optional and mandatory redemption provisions thereof, including (without limitation) the mandatory sinking fund installments (if any) for the 2020 Bonds, the designation or designations of the 2020 Bonds and the date of issuance thereof;
- (e) the form, tenor, terms and conditions of the 2020 Bonds, and provisions for the registration and transfer of the 2020 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 2020 Bonds, the loan of the proceeds of the 2020 Bonds to the Institution, the refunding of the Refunded Bonds and the financing and refinancing of the Project, including (without limitation) the Financing Agreement and any escrow agreements, letters of credit, bond insurance policies or other credit or liquidity facilities supporting the 2020 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 2020 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 Project by an authorized officer on behalf of the Authority;

(i) the creation of security for the 2020 Bonds, which may include (without limitation) provisions for securing the 2020 Bonds or any indebtedness or other obligations incurred in connection with the issuance of the 2020 Bonds, including (without limitation) any interest rate swap agreement, on parity with outstanding revenue bonds 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 such resolution or trust agreement (or 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 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 2020 Bonds and the security for the 2020 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 each hereby authorized from time to time after the issuance of the 2020 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.

#### **INVESTMENT POLICY – ANNUAL APPROVAL**

Mr. Savidge presented the Authority's Investment Policy. He stated that there are no changes to the Investment Policy proposed for FY 2021. He stated that Authority's Investment Policy is very conservative and is modeled after the State of Maryland's Policy with the goal of

preservation of capital. He reminded the Members that investment advisors, selected through an RFP process, have been retained to manage certain trustee-held funds held under the Authority's bond documents and confirmed that at this time, the Authority does not purchase commercial paper when it is investing the General Operating Fund or amounts held under any bond documents the investment of which is directed by the Authority.

After discussion, the Members approved the Investment Policy by unanimous vote.

### **FINANCIAL ADVISOR'S REPORT**

Mr. Evans reported on the current overall economic condition, including global outlook, details on the significant economic impact of the COVID-19 pandemic and the overall impact these conditions have on interest rates.

Mr. Brick reported on the Frederick Health bond sale. He provided an analysis on the pricing structure and the investor participation in this issuance. He stated that this bond sale was priced fairly given the conditions in the market at the time.

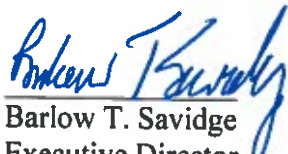
### **EXECUTIVE DIRECTOR'S REPORT**

Mr. Savidge provided updates on transactions that have closed; reissuances in connection with extensions of bank commitments and amendments of terms; operations; and outreach activities.


Mr. Williams asked Mr. Savidge to provide an update on the Legends Public Charter School. Mr. Savidge responded that Legend's last construction requisition materials indicated that the construction was progressing on-time and that Legends expects that the construction deadlines will be met. Mr. Savidge stated that the Authority continues to monitor the development report that is sent out every month.

With no further business, on motion by Ms. Phipps, seconded by Mr. Daly, the meeting was adjourned at approximately 11:10 a.m. (Affirmative – Williams, Riggs, Kopp, Daly, Meier, Perkins, Phelps, Phipps, and White; Negative – none; Abstain – none).

The next meeting of the Authority is scheduled for September 1, 2020.

  
Barlow T. Savidge  
Executive Director

Approved:

  
Arnold Williams  
Chairman  
September 1, 2020

**July 7, 2020 Authority Meeting**  
**Guests participating remotely via conference line**

University of Maryland Medical System (UMMS)  
S. Michelle Lee, Senior Vice President and CFO  
Amy Myers, Senior Director of Corporate Treasury

Kaufman Hall (Financial Advisor for UMMS)  
Matt Robbins, Senior Vice President

Kennedy Krieger Institute  
Michael Neuman, Chief Financial Officer

Roland Park Country School  
Duncan Booth, Assistant Head of School for Finance and Operations

Community Outreach Consultant  
Annette Anselmi