

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, August 3, 2021, with Mr. Arnold Williams, Chairman, presiding. The meeting was conducted remotely via an open conference and video line available to the public.

Present: Arnold Williams, Chairman
Sheila K. Riggs, Vice Chairman
Frederick W. Meier, Jr., Member
Robert Kunisch, Member
John Phelps, Member
Bonnie Phipps, Member
W. Daniel White, Member
Bart Savidge, Executive Director
Lynn Gorman-Lepson, Chief Financial Officer
Elizabeth A. McKennon, Bond Counsel
William Taylor, Bond Counsel
Errol Brick, Financial Advisor
Alford Evans, Financial Advisor

Absent: Treasurer Nancy K. Kopp, Ex officio
Mamie Johns Perkins, Member

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 15, 2021 regular meeting of the Authority were unanimously approved.

GREATER BALTIMORE MEDICAL CENTER, INC. (GBMC)

Ms. Laurie R. Beyer, Executive Vice President and Chief Financial Officer of GBMC, provided a brief overview of the project and stated that construction is expected to start in September and conclude in 36 months. Ms. Beyer stated the project will be funded with approximately \$103 million of permanent debt and the remainder with equity. The equity portion will include proceeds from an expected \$50 million Capital Campaign, of which 60% of the funds have already been secured. Ms. Beyer reported that GBMC has a strong balance sheet with low leverage and its days cash on hand exceeds 300 days.

Ms. Beyer reported that GBMC's rating from S&P was confirmed at "A" (stable) and that Fitch had assigned an "A+" (stable) rating. These credit ratings underscore GBMC's strong financial and operational position.

Ms. Beyer highlighted the fact that in November 2020, GBMC was the first healthcare system in Maryland to receive the Malcolm Baldrige National Quality Award, the nation's highest presidential honor for performance excellence. GBMC was one of only five organizations nationwide to receive the award in 2020 and one of only 29 health care recipients in two decades of the award's history.

Ms. Beyer concluded her remarks by stating that GBMC intended to modify the terms of certain existing debt held by Capital One which will generate annual savings of approximately \$400,000 per annum. Ms. Beyer thanked the Authority and McKennon Shelton and Henn for being so helpful and responsive during the financing process.

There was some discussion on the increase in the authorization amount from \$155 million to \$230 million. Ms. McKennon clarified that the Authority may authorize an additional amount and that the increase was intended to provide for a refunding of existing bonds in the event that the terms of the existing debt could not be modified.

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 \$230,000,000 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 Ms. Riggs, seconded by Mr. Meier, adopted the following resolution (Affirmative – Williams, Riggs, Meier, Kunisch, Phelps, Phipps, and White; Negative – none; Abstain – none):

GREATER BALTIMORE MEDICAL CENTER 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 \$230,000,000 IN ORDER TO LEND THE PROCEEDS THEREOF TO GREATER BALTIMORE MEDICAL CENTER, INC. 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

At its meeting on June 15, 2021, Maryland Health and Higher Educational Facilities Authority (the "Authority") accepted an application from Greater Baltimore Medical Center, Inc., 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 "2021 Project") of the Institution and (b) refunding all or a portion of the Authority's outstanding Revenue Bonds, Greater Baltimore Medical Center Issue (2017) (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 2021 Project, which may include financing of all or a portion of the costs associated with (without limitation) (i) the construction and equipping of a three-story, approximately 106,083 square-foot building that is an expansion to and renovation of the existing hospital facility, providing new, private inpatient rooms and patient, family and support staff space, and (ii) the construction of a four-story, 400-space parking garage with a new approximately two-story, 78,000 square foot medical office building/cancer center constructed atop the new garage.

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 and refunding all or a portion of 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 "2021 Bonds") in an aggregate principal amount not to exceed \$230,000,000 for the purposed of financing and refinancing the 2021 Project and refunding all or a portion of the Refunded Bonds. Each series of the 2021 Bonds shall be issued pursuant to one or more indentures of trust (collectively, the "Indenture") or financing agreements (collectively, the "Financing Agreement"), as supplemented and amended, to be executed and delivered by the Authorized Member (hereinafter defined) on behalf of the Authority, which shall contain such terms, provisions and conditions as shall be approved by the Authorized Member. The 2021 Bonds may be issued in one or more series. In determining the principal amount of 2021 Bonds issued pursuant to this resolution, each 2021 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 2021 Bond. Accordingly, it is expressly contemplated that the face amount of the 2021 Bonds may exceed the maximum aggregate principal amount of 2021 Bonds authorized hereby.

The proceeds of the 2021 Bonds shall be loaned to the Institution pursuant to a loan agreement (the "Loan Agreement") between the Authority and the Institution, which shall contain

such terms, provisions and conditions as shall be approved by the Authorized Member, or a Financing Agreement for the public purpose of financing and refinancing the 2021 Project and the facilities financed and refinanced with the proceeds of the Refunded Bonds (together with the 2021 Project, 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 2021 Bonds shall be sold at private (negotiated) sales 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 2021 Bonds, including (without limitation):

(a) the principal amount of the 2021 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 or purchasers of the 2021 Bonds issued at any one time or from time to time;

(c) the rate or rates of interest payable on the 2021 Bonds, or the method of determining the same;

(d) with respect to the 2021 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 2021 Bonds are offered initially to the public;

(e) the date or dates of maturity of the 2021 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 2021 Bonds, the designation or designations of the 2021 Bonds and the date of issuance thereof;

(f) the form, tenor, terms and conditions of the 2021 Bonds, and provisions for the registration and transfer of the 2021 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 2021 Bonds issued at any one time or from time to time, the loan of the proceeds

thereof to the Institution, and the financing and refinancing of the Project, including (without limitation) any Indenture, Loan Agreement, Financing Agreement, security agreements, letters of credit, bond insurance policies or other credit or liquidity support securing the 2021 Bonds and other similar agreements;

(h) provision for the administration of the 2021 Bonds, including (without limitation) the appointment of a trustee or other fiscal agent under any Indenture or Financing Agreement, 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 the 2021 Bonds, of a preliminary official statement and a final official statement in connection with the sale of one or more series of the 2021 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 2021 Bonds;

(k) the creation of security for the 2021 Bonds, which may include (without limitation) provisions for securing the 2021 Bonds or indebtedness incurred in connection therewith 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, renovation, equipment and other improvements included within the 2021 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 2021 Bonds and the security for the 2021 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 2021 Bonds to take any action

required or permitted to be taken by or on behalf of the Authority under the Act, the Indenture, the Loan Agreement, 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.

ST. ANDREW'S EPISCOPAL SCHOOL

Mr. Mark McKnight, Chief Financial Officer of St. Andrew's Episcopal School (SAES), provided a brief overview of the plan of finance and of operations. Mr. McKnight stated that this transaction will achieve annual debt service savings for SAES, extend the Bank's commitment period and consolidate its outstanding debt. This transaction is expected to generate \$400,000 a year in debt service savings which will allow SAES to meet the rising demand for financial aid and meet the educational needs of its increased enrollment. Mr. McKnight reported that SAES has experienced unprecedented growth in the past 5 years, including the construction of a new student center and parking structure and the replacement of its turf field. SAES is experiencing its 4th year of increases in enrollment. In the Fall of 2021, there will be a total of 700 students enrolled.

Mr. McKnight stated that due to the financial strength of SAES, the School was able to provide a successful year of learning in spite of COVID-19. The School invested in its faculty, staff and technology needs which allowed for its preschool and elementary school to conduct in-person learning 5 days a week and its upper grades to institute a hybrid learning structure. All grades are expected to be in-person in the Fall.

Mr. Savidge commented on the fact that many of the secondary private schools have benefitted from increases in demand during the COVID-19 pandemic. He commended SAES for its ability to continue its growth and strong financial position in light of COVID-19.

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 \$30,000,000 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, Meier, Kunisch, Phelps, Phipps, and White; Negative – none; Abstain – none):

**ST. ANDREW'S EPISCOPAL 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 BOND IN AN AGGREGATE PRINCIPAL AMOUNT (DETERMINED AS PROVIDED HEREIN) NOT EXCEEDING \$30,000,000 IN ORDER TO LEND THE PROCEEDS THEREOF TO ST. ANDREW'S EPISCOPAL SCHOOL, INC. (THE "INSTITUTION"), FOR THE PURPOSE OF REFUNDING REVENUE BONDS PREVIOUSLY ISSUED ON BEHALF OF 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 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 St. Andrew's Episcopal School, Inc., a nonprofit corporation formed under the laws of the State of Maryland (the "Institution"), for the refunding of all or a portion of the (i) Montgomery County, Maryland Economic Development Revenue Bonds (St. Andrew's Episcopal School Project) Series 2019A and (ii) Montgomery County, Maryland Economic Development Revenue Bonds (St. Andrew's Episcopal School Project) Series 2015A (collectively, the "Refunded Bonds") 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 such revenue bond under the Act for such purposes.

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 "2021 Bond") in an aggregate principal amount not to exceed \$30,000,000. The 2021 Bond shall be issued and the proceeds thereof loaned to the Institution pursuant to a financing agreement (the "Financing Agreement") among the Authority, the Institution, TD Bank, N.A. (the "Purchaser") and a trustee, which shall contain such terms, provisions and conditions as shall be approved by the Authorized Member (defined herein) for the public purpose of financing and refinancing the facilities financed and refinanced with proceeds of the Refunded Bonds (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 2021 Bond shall be sold at private (negotiated) sale to the Purchaser, 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 2021 Bond, including (without limitation):

- (a) the principal amount of 2021 Bond;
- (b) the purchase price to be paid to the Authority for the 2021 Bond;
- (c) the rate or rates of interest payable on the 2021 Bond, or the method of determining the same;
- (d) the date or dates of maturity of the 2021 Bond, the payment provisions therefor, the optional and mandatory redemption provisions thereof, including (without limitation) the mandatory sinking fund installments (if any) for the 2021 Bond, the designation or designations of the 2021 Bond and the date of issuance thereof;
- (e) the form, tenor, terms and conditions of the 2021 Bond, and provisions for the registration and transfer of the 2021 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 2021 Bond issued at any one time or from time to time, the loan of the proceeds of such 2021 Bond to the Institution, and the financing and refinancing of the Project, including (without limitation) the Financing Agreement and any security agreements, letters of credit, bond insurance policies or other credit or liquidity facilities supporting the 2021 Bond, financing agreements and other similar agreements;
- (g) provision for the administration of the 2021 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 form and contents of, and provisions for the execution and delivery of, a contract or contracts for the purchase and sale of the 2021 Bond;
- (i) the creation of security for the 2021 Bond, which may include (without limitation) provisions for securing any indebtedness or other obligations incurred in connection with the issuance of the 2021 Bond, 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 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 2021 Bond and the security for the 2021 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 hereby authorized from time to time after the issuance of the 2021 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.

ADVENTIST HEALTHCARE

Mr. Savidge asked the Members to consider an application from Adventist HealthCare to finance the expansion and renovation of its Shady Grove Medical Center patient tower, the acquisition of its Support Center located in Gaithersburg, Maryland, which it currently leases, and the refunding of its taxable 2014B bond held by Capital One.

Ms. Maureen L. Dymond, Vice President - Financial Operations of Adventist, provided a brief overview of the plan of finance. Ms. Dymond concluded her remarks by recommending Ziegler and Bank of America Securities as co-senior managing underwriters of the proposed issue on behalf of Adventist HealthCare.

Mr. James G. Lee, Senior Vice President & Chief Financial Officer of Adventist, provided an update on operations. Mr. Lee reported that operating margins are above budget and prior year levels, and that Adventist has received federal, state and local support to compensate for lost

revenues due to the pandemic. Mr. Lee also stated that volumes across all major sectors, acute care, inpatient and surgical, are very close to pre-Covid levels.

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

RESOLUTION RECITALS

Maryland Health and Higher Educational Facilities Authority (the “Authority”) has received a request from Adventist HealthCare, Inc. (the “Institution”) for the issuance of revenue bonds by the Authority to finance the expansion and renovation of its Shady Grove Medical Center patient tower and the acquisition of its Support Center located in Gaithersburg, Maryland (the “Project”), and the refinancing of its taxable 2014B bond; and

The Authority has duly considered such application;

NOW, THEREFORE, BE IT RESOLVED, THAT the Authority hereby accepts such application and authorizes any Member and the Executive Director of the Authority to execute the form of acceptance of such application in order to evidence such acceptance, such acceptance being subject to the following:

- (1) the fulfillment of all requirements of the Authority with respect to the quality of obligations which the Authority will issue; and
- (2) the Authority’s acceptance of such application shall not be deemed to constitute in any way a determination by the Authority that the Project and the refinancing are feasible or will in fact be consummated and although the Authority will keep the Institution advised from time to time of the Authority’s opinion in regard to the possibility of a successful financing and refinancing by the Authority, the Authority does not guarantee such successful financing and refinancing or in any way represent that funds for such financing and refinancing are or will become available.

ROCHAMBEAU, THE FRENCH INTERNATIONAL SCHOOL

Mr. Savidge asked the Members to consider an application from Rochambeau, The French International School of Washington, DC (“Rochambeau”) to finance capital expenditures related to a new campus for the School located on Rockville Pike in Bethesda, Maryland, and to refinance its existing taxable debt.

Ms. Helene Fabre, Executive Director of Rochambeau, provided a brief background of the school and its mission. The School was founded in 1955 and its mission is to provide a French Curriculum from Pre-K through Grade 12 for native French children and children coming from

French speaking countries, as well as children of all nationalities. In June 2021 the School received the International Baccalaureate accreditation authorizing Rochambeau to add the IB Diploma (11th and 12th grades) to its curriculum. The School has seen growing trends in enrollment over the past several years and currently serves 1,100 students.

Ms. Fabre also provided an overview of the construction project. This new campus is located on Rockville Pike in Bethesda and comprises about 165,000 square feet on 11.2 acres. This new facility will house over 700 students from the Pre-School and Elementary School along with the School's administrative staff. This new campus will support the growth of the School and allow the School to offer more programs, including student learning support programs.

Ms. Fabre stated that the building was purchased in early 2020 and the School has begun demolition on the interior of the existing building. The School will begin construction upon receipt of zoning approval which is expected this month. The School is targeting receipt of occupancy permits in August 2022, to allow the new campus to open for the 2022-23 academic year. Ms. Fabre highlighted the fact that the School has a seller contingency plan that will allow them to stay in the current building that they are renting in the event of any construction or permit delays.

Ms. Fabre concluded her remarks by reporting that the School received a \$2.8 million PPP loan and recently learned that this loan will be forgiven. Ms. Fabre also reported that the School is expected to end this year with a surplus.

Several questions were raised relating to tuition levels, student composition and support from the French government. Ms. Fabre responded that the School's tuition is low compared to its competitors and that part of the School's mission is to remain affordable to expatriates and other families seeking an education based on the French culture. Ms. Fabre stated that the student population is comprised of 50% expatriate students and 50% local students. Ms. Fabre stated that the School does not receive any direct support from the French government.

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

RESOLUTION RECITALS

Maryland Health and Higher Educational Facilities Authority (the "Authority") has received a request from Rochambeau, The French International School of Washington, DC (the "Institution") for the issuance of revenue bonds by the Authority to finance the acquisition and renovation of a new campus in Bethesda, Maryland (the "Project"); and

The Authority has duly considered such application;

NOW, THEREFORE, BE IT RESOLVED, THAT the Authority hereby accepts such application and authorizes any Member and the Executive Director of the Authority to execute the form of acceptance of such application in order to evidence such acceptance, such acceptance being subject to the following:

- (1) the fulfillment of all requirements of the Authority with respect to the quality of obligations which the Authority will issue; and
- (2) the Authority's acceptance of such application shall not be deemed to constitute in any way a determination by the Authority that the Project is feasible or will in fact be consummated and although the Authority will keep the Institution advised from time to time of the Authority's opinion in regard to the possibility of a successful financing and refinancing by the Authority, the Authority does not guarantee such successful financing and refinancing or in any way represent that funds for such financing and refinancing are or will become available.

EMPLOYEE HANDBOOK – ANNUAL ACKNOWLEDGEMENT

Mr. Savidge presented to the Members the Authority's Employee Handbook for acknowledgement. He stated that all employees annually acknowledge the Employee Handbook, as well as the policy on IT usage. Minor edits have been made to the Handbook since the last annual review by the Authority.

The Members acknowledged receipt of the Employee Handbook by unanimous vote.

FINANCIAL ADVISOR'S REPORT

Mr. Evans reported on the current overall economic condition in the United States, highlighting the increases in commodity prices resulting from concerns over trends in inflation. He provided details on the overall impact these conditions have on interest rates and the bond market. He also provided an update on the supply and demand of bond transactions and the resulting impact on the market for them. He reported that both Fitch and S&P changed their healthcare sector outlook from "negative" to "stable". Mr. Evans concluded his remarks by reporting on the increased risk of cyber-attacks and the challenges these risks pose to organizations. He stated the importance of including disclosures relating to these risks in all bond offering statements.

EXECUTIVE DIRECTOR'S REPORT

Mr. Savidge provided updates on transactions that have closed, waivers and amendments to financing agreement provisions and the various activities that MHHEFA is pursuing. He

highlighted the sustained and increased competition among commercial banks on responses to RFP's and how this competition is resulting in favorable terms for MHHEFA's institutions.

Mr. Savidge also reported that a management consultant has been engaged by the Authority for the Maryland Institute College of Art (MICA) pursuant to the terms of the Master Loan Agreement with MICA. MICA's representatives and the management consultant report are expected to be available at the next board meeting on September 14th.

Mr. Savidge reported that PFM announced a definitive agreement to sell its asset management subsidiary, Public Finance Management Asset Management, to US Bank. He stated that this agreement does not impact the Authority's relationship with PFM since the Authority has a contract with PFM until 2024.

Mr. Savidge also provided updates on his outreach activities including updates on several projects that Harlem Park CDC is pursuing and shared how the Authority could leverage its Community Outreach Program.

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)(6) of the General Provisions Article of the Annotated Code of Maryland for the purpose of discussing the marketing of public securities. (Affirmative – Williams, Riggs, Kunisch, Meier, Phelps, Phipps, and White; Negative – none; Abstain – none).

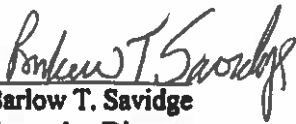
Subsequently, Mr. Williams resumed the public meeting of the Authority.

ADVENTIST HEALTHCARE -- APPOINTMENT OF UNDERWRITERS


Following discussion, the Authority, on motion by Mr. Meier, seconded by Ms. Riggs, appointed B.C Ziegler and Company and Bank of America Securities as co-senior managing underwriters of the proposed Adventist HealthCare bond issue. (Affirmative – Williams, Riggs, Kunisch, Meier, Phelps, Phipps, and White; Negative – none; Abstain – none).

With no further business, on motion by Mr. White, seconded by Mr. Meier, the meeting was adjourned at approximately 11:20 a.m. (Affirmative – Williams, Riggs, Kunisch, Phelps, Phipps, and White; Negative – none; Abstain – none).

The next meeting of the Authority is scheduled for September 14, 2021.


Barlow T. Savidge
Executive Director

Approved:


Arnold Williams
Chairman
September 14, 2021