

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, September 14, 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
 Treasurer Nancy K. Kopp, Ex officio
 Robert Kunisch, Member
 Frederick W. Meier, Jr., Member
 Mamie Johns Perkins, Member
 John Phelps, 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: Bonnie Phipps, 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 August 3, 2021 regular meeting of the Authority were unanimously approved.

NOTRE DAME OF MARYLAND UNIVERSITY

Ms. Mary Lou Yam, President of Notre Dame of Maryland University, provided an overview of the University and an update on enrollment. She reported that in person instruction began in the Fall of 2021 and the University has mandated the vaccination of all students, faculty, and staff. Enrollment for 2021 has met pre-COVID levels and 2021 tuition revenue has exceeded budgeted amounts. Ms. Yam reported that the University has begun its second BSN Program. This will be an off-site program offered in conjunction with the University's partnership with Orbis Education. The University has also been approved to offer two new Masters Programs: a Masters degree in Family Nurse Practitioner Studies (Fall 2022) and a Masters degree in Physician

Assistant Studies (Fall 2023). Ms. Yam concluded her remarks by stating that the University's \$5 million PPP loan was forgiven in June.

Mr. Sean Delaney, Vice President of Finance and Administration, provided a brief overview of operations. He reported that the University's financial profile had improved. The University has 163 days cash on hand and a debt service coverage ratio of 4.33.

A question was asked regarding which religious groups received medical exemptions from the mandatory vaccine requirement at the University. Ms. Yam responded that there was not a list of religious groups that received these exemptions; rather the University allowed for these exemptions on a case-by-case basis. She noted that there were very few exemptions that were granted.

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 \$25,000,000 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, Kopp, Kunisch, Meier, Perkins, Phelps, and White; Negative – none; Abstain – none):

**NOTRE DAME OF MARYLAND UNIVERSITY, INC.
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 \$25,000,000 IN ORDER TO LEND THE PROCEEDS THEREOF TO NOTRE DAME OF MARYLAND UNIVERSITY, INC. (THE "INSTITUTION") FOR THE PURPOSE OF REFUNDING ALL OR A PORTION OF THE AUTHORITY'S REVENUE BONDS, COLLEGE OF NOTRE DAME OF MARYLAND ISSUE, SERIES 2010; 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 March 3, 2020, Maryland Health and Higher Educational Facilities Authority (the "Authority") accepted an application from Notre Dame of Maryland University, Inc., a non-stock, nonprofit Maryland corporation (the "Institution"), for the refunding of all or a portion of the Authority's Revenue Bonds, College of Notre Dame of Maryland Issue, Series 2010

(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 project consists of the facilities financed and refinanced with the proceeds of the Refunded Bonds (the "Project").

At the request of the Institution, the Authority has determined to authorize the issuance of its revenue bonds under the Act for the purpose of 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 bond (the "2021 Bond") in an aggregate principal amount not to exceed \$25,000,000. 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, Sandy Spring Bank (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 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 the 2021 Bond;
- (b) the purchase price to be paid to the Authority for the 2021 Bond issued at any one time or from time to time;
- (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, the conditions precedent to the issuance 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 any 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.

MARYLAND INSTITUTE COLLEGE OF ART (MICA)

Mr. Savidge reported that MICA is required to meet a Debt Service Coverage Ratio (DSCR) of 1.10 under its Master Loan Agreement. MICA's audit for the year ended May 31, 2021 reported a coverage ratio of 0.47. As such, the Authority engaged a Management Consultant to review the results of operations and submit a written report providing recommendations and improvements that would enable MICA to comply with this rate covenant in FY 2022.

Mr. Eric Jordahl, Chairman of the Finance Committee of the Board of Trustees for MICA, provided a brief overview of the report and the recommendations. Mr. Jordahl stated that the Board of Trustees created an oversight committee to work with the management team of MICA to address the budget shortfalls and recommendations. All the recommendations provided in the consultant report were fully supported by the Board and management team.

Dr. Hoi, President of MICA, provided background on the operations of MICA in light of the COVID pandemic. During the COVID pandemic enrollment decreased 23%. Operations were severely impacted due to the fact that MICA has limited revenue sources, other than tuition and housing, and is dependent on in-person studio settings and retaining international students. Due to COVID restrictions, many students deferred their applications to the school, negatively impacting revenue. Dr. Hoi stated that MICA was very proactive and diligent in adopting strict health safety measures to allow the school to partially reopen in the Spring of 2021 with limited access to art studios and residence halls.

Mr. Martin Lemelle, Vice President and Chief Financial Officer of MICA, provided an overview of the cost savings measures that MICA put in place in FY 2021. These measures included salary cuts, layoffs and furloughs for the majority of the staff as well as discontinuing the year's 403(b) retirement match for faculty and staff. MICA also implemented additional budget balancing measures for FY 2022, including not providing cost-of-living salary adjustments or equity pool increases for staff and faculty. Mr. Lemelle concluded his remarks by stating that MICA is expected to meet its covenant requirements as of May 31, 2022.

There were several questions raised regarding the impact that these cost savings measures had on the morale of the faculty and staff and the impact on operations if there was another COVID surge this winter. Dr. Hoi responded that the Board has listened to the concerns of the faculty and

staff and has created collaborative workshops for members of the Board and faculty to work together on these issues. Most of the faculty and staff believe that these cost savings measures are moving the college in the right direction, and they are encouraged that salary levels will be restored in the very near future. Dr. Hoi stated that MICA is assuming that students will be in the residence halls this winter and that enrollment levels will be strong because of the number of students that deferred their enrollment until the Fall of 2021.

ADVENTIST HEALTHCARE

Ms. Maureen L. Dymond, Vice President - Financial Operations of Adventist, provided a brief overview of the project and the plan of finance. Ms. Dymond concluded her remarks by reporting that Moody's reaffirmed its Baa3 rating for Adventist.

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. Mr. Lee stated that there has been a slight increase in the number of COVID patients in the hospital since the last meeting which are predominately being cared for at its Washington Adventist Hospital alternative care site in Tacoma Park.

There were several questions regarding what alternative care sites are being used and if the increase in COVID patients will restrict voluntary elective surgeries. Mr. Lee responded that Tacoma Park is the alternative care site that is being used. Adventist owns this facility, and the state has approved its use as an alternative care site. Mr. Lee stated that, currently, there are no restrictions on voluntary elective surgeries.

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 \$225,000,000 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. Perkins, seconded by Ms. Riggs, adopted the following resolution (Affirmative – Williams, Riggs, Kunisch, Meier, Phelps, and White; Negative – none; Abstain – none):

**ADVENTIST HEALTHCARE
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 \$225,000,000 IN ORDER TO LEND THE PROCEEDS THEREOF TO ONE OR MORE OF ADVENTIST HEALTHCARE, INC. AND ITS AFFILIATES FOR THE PURPOSE OF FINANCING AND REFINANCING CERTAIN CAPITAL PROJECTS 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 BONDS; AND PROVIDING FOR AND DETERMINING VARIOUS MATTERS IN CONNECTION WITH THE FOREGOING.

RECITALS

Maryland Health and Higher Educational Facilities Authority (the "Authority") accepted at its meeting on September 14, 2021 an application from Adventist HealthCare, Inc., a nonprofit corporation formed under the laws of the State of Maryland (the "Institution"), for the (i) construction and equipping of a six-story, approximately 150,000 square-foot patient tower at Shady Grove Medical Center ("SGMC") and for various renovations at SGMC, including the renovation of approximately 25,700 square feet of the existing hospital space; providing new, private medical and surgical inpatient rooms; renovations to provide for a modern emergency department with private treatment bay; and an expanded intensive care unit and clinical unit to facilitate patient transitions from the emergency department to inpatient care, observation and discharge; (ii) costs of acquiring an administrative support center for the Institution's operations (collectively, the "2021 Project"); (iii) refunding of the Authority's Revenue Bond, Adventist HealthCare Issue (2014B) and the refinancing of a taxable term loan (collectively, the "Refunded Obligations") and (iv) payment of capitalized interest, certain costs of issuance and other related costs incurred with respect to the financing 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 (the "Act").

At the request of the Institution, the Authority has determined to issue its revenue bonds 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 bonds in an aggregate principal amount not to exceed \$225,000,000 (the "Bonds"). The Bonds shall be issued pursuant to one or more bond resolution or other financing agreements (each, a "Resolution") entered into by an 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 Bonds may be issued in one or more series. In determining the principal

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

The proceeds of the Bonds shall be loaned to the Institution pursuant to one or more loan agreements or other financing agreements (each, a "Loan Agreement") between the Authority and the Institution, which shall contain such terms, provisions and conditions as shall be approved by the Authorized Member, for the public purpose of financing and refinancing the 2021 Project and the facilities financed and refinanced with proceeds of the Refunded Obligations (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 Bonds that are publicly offered shall be sold at private (negotiated) sale to B.C. Ziegler and Company and BofA Securities, Inc. (collectively, the "Underwriter"), 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 Bonds, including (without limitation) the following matters with respect to Bonds issued at any one time or from time to time:

- (a) the principal amount of such Bonds;
- (b) the purchase price or prices to be paid to the Authority for such Bonds;
- (c) the rate or rates of interest payable on such Bonds, or the method of determining the same;
- (d) the price or prices at which such Bonds are offered or sold;
- (e) the date or dates of maturity of such Bonds, the payment provisions therefor, the optional and mandatory redemption provisions thereof, including (without limitation) the mandatory sinking fund installments (if any) for such Bonds, the designation or designations of such Bonds and the date of issuance thereof;
- (f) the form, tenor, terms and conditions of such Bonds, and provisions for the registration and transfer of such 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 such

Bonds, the loan of the proceeds of such Bonds to one or more of the Institution and affiliates, and the financing and refinancing of the Project, including (without limitation) the Resolutions, the Loan Agreements and any escrow agreements, security agreements, letters of credit, bond insurance policies or other credit or liquidity facilities supporting such Bonds, financing agreements and other similar agreements;

(h) provision for the administration of such Bonds, including (without limitation) the appointment of the trustee under the Resolutions 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;

(i) the preparation and distribution, in conjunction with the Institution and the Underwriters, of one or more preliminary official statements and final official statements in connection with the sale of such 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 such Bonds;

(k) procedures for the approval of change orders and substitutions for the construction, renovations, equipment and other improvements included within the 2021 Project by an authorized officer on behalf of the Authority;

(l) the creation of security for such Bonds, which may include (without limitation) provisions for securing any indebtedness or other obligations incurred in connection with the issuance of such 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 such resolution or trust agreement have been met to the satisfaction of the Authority; and

(m) such other matters in connection with the authorization, issuance, execution, sale, delivery and payment of such Bonds and the security for such 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 Bonds to take any action required or

permitted to be taken by or on behalf of the Authority under the Act, a Resolution, a 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.

ROCHAMBEAU, THE FRENCH INTERNATIONAL SCHOOL

Ms. Helene Fabre, Executive Director of Rochambeau, provided a brief overview of operations and enrollment. For the 2021-2022 academic year, annual enrollment has returned to pre-COVID levels, and all grades are receiving in person instruction. The Board of Trustees has mandated the vaccination of all students, faculty, and staff as well as mandatory weekly testing. There have been no COVID cases reported at the school this academic year.

Ms. Fabre also provided an overview of the construction project. The new campus will support the growth of the School and allow the School to offer more programs, enhancing the learning environment for students. The School is targeting receipt of occupancy permits in August 2022, to allow the new campus to open for the 2022-23 academic year.

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 \$73,000,000 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 Mr. White, adopted the following resolution (Affirmative – Williams, Riggs, Kopp, Kunisch, Meier, Perkins, Phelps, and White; Negative – none; Abstain – none):

**ROCHAMBEAU, THE FRENCH INTERNATIONAL SCHOOL OF WASHINGTON, DC
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 (DETERMINED AS PROVIDED HEREIN) NOT EXCEEDING \$73,000,000 IN ORDER TO LEND THE PROCEEDS THEREOF TO ROCHAMBEAU, THE FRENCH INTERNATIONAL SCHOOL OF WASHINGTON, DC (THE "INSTITUTION"), FOR THE PURPOSE OF FINANCING AND REFINANCING CERTAIN CAPITAL PROJECTS 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 Rochambeau, The French International School of Washington, DC, a nonprofit corporation formed under the laws of the District of Columbia (the "Institution"), for the financing and refinancing of (i) all or a portion of the costs of the acquisition and renovation of an approximately 11.2 acre campus to house the Institution's pre-school and elementary school and related sitework, including (without limitation) roadway reconfiguration; (ii) certain taxable indebtedness, a portion of the proceeds of which were used to refund the Authority's Revenue Bond, French International School Issue (2012) and a portion of the proceeds of which were used to pay part of the costs of acquiring the property comprising the new campus described above (collectively, the "Refunded Obligations") 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 a principal amount not to exceed \$73,000,000. 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, STI Institutional & Government, Inc. (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 2021 Project and the facilities financed and refinanced with proceeds of the Refunded Obligations (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. The 2021 Bond may be issued in one or more series.

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 the 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) procedures for the approval of change orders and substitutions for the construction, renovations, equipment and other improvements included within the 2021 Project by an authorized officer on behalf of the Authority;

(j) 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

(k) 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.

WASHINGTON EPISCOPAL DAY SCHOOL (WES)

Mr. Danny Vogelmann, Head of School of Washington Episcopal Day School, provided a brief background of the School and an overview of operations. WES is an independent, co-educational school for grades nursery through 8th grade. WES has an enrollment of approximately 300 students and is small by design. The School prides itself in providing individual attention to students during the formative years and providing a curriculum grounded in Episcopalian values. WES is providing in-person instruction and 100% of its employees are vaccinated. For the

academic year 2021-2022, WES has an enrollment of 323 students, its largest enrollment in 15 years.

Mr. Vogelmann also provided an overview of the plan of finance. The plan of finance includes a tax-exempt, fixed rate, bank direct placement that will be purchased by BB&T Community Holdings, a subsidiary of Truist. The plan of finance will extend the Bank's commitment period and achieve annual debt service savings of approximately \$160,000 a year. WES intends to put these savings back into the operating budget with the intent of using them to keep staff salaries competitive.

A question was raised about the diversity of the student body. Mr. Vogelmann responded that 70% of the students are Caucasian and 30% are either African American, Asian or Hispanic. Approximately 40% of the student body is made up of international students.

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 \$12,900,000 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 Ms. Riggs, adopted the following resolution (Affirmative – Williams, Riggs, Kopp, Kunisch, Meier, Perkins, Phelps, and White; Negative – none; Abstain – none):

WASHINGTON EPISCOPAL DAY 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 A PRINCIPAL AMOUNT (DETERMINED AS PROVIDED HEREIN) NOT EXCEEDING \$12,900,000 IN ORDER TO LEND THE PROCEEDS THEREOF TO WASHINGTON EPISCOPAL DAY SCHOOL, INC. (THE "INSTITUTION"), FOR THE PURPOSE OF REFINANCING CERTAIN OUTSTANDING TAXABLE INDEBTEDNESS, THE PROCEEDS OF WHICH FINANCED AND REFINANCED CAPITAL PROJECTS 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 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 Washington Episcopal Day School, Inc., a nonprofit corporation formed under the laws of the State of Maryland (the "Institution"), for the refinancing of all or a

portion of certain taxable loans made to the Institution, the proceeds of which were applied to finance and refinance certain capital projects of the Institution (the "Refunded Obligations") 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 a 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 a principal amount not to exceed \$12,900,000. 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, BB&T Community Holdings Co. (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 Obligations (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. The 2021 Bond may be issued in one or more series.

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.

AUDIT COMMITTEE UPDATE

Mr. Meier stated that the Authority's Audit Committee met just prior to this meeting of the Authority to consider the Authority's FY 2021 Annual Report and Agreed Upon Procedures Report as presented by CohnReznick LLP. The Authority's Audit Committee accepted the FY 2021 Annual report as presented. Mr. Meier reported that the Authority received an unqualified opinion on the financial statements from the auditors, that no material weaknesses or significant deficiencies were noted and that, accordingly, there were no comments or adjustments noted in the management letter. Mr. Meier noted that the Agreed Upon Procedures performed by CohnReznick LLP also indicated no issues. Mr. Meier further stated that the Authority will present the audit at the November 2, 2021 meeting of the Authority when the final printed report will be available.

FINANCIAL ADVISOR'S REPORT

Mr. Alford Evans reported on the current overall economic condition in the United States, highlighting the trends in COVID cases and related hospitalizations and the positive trends in various employment indicators. 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.

Mr. Errol Brick reported on the GBMC bond sale. He provided an analysis on the marketing, pricing structure and the investor participation in the issuance, highlighting that the oversubscription by more than 2 times reflected the robust demand for the issue. He stated that this issuance was fairly priced and achieved GBMC's objective of the lowest all-in cost to maturity.

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 favorable terms that St. Andrew's Episcopal School received on its current transaction and the Authority's tax due diligence measures.


Mr. Savidge also reported that Mr. Williams had arranged a meeting with members of Fulton Bank, Ms. Annette Anselmi and Ms. Liz McKennon to discuss the Authority's Community Outreach Program and how this program could be leveraged in connection with the bank's community development loans.

Mr. Savidge provided an update that the reinstatement of advance refunding measures was being considered in Congress as part of the reconciliation bill. The passing of this bill is not certain, but the Authority is being proactive in understanding the impact that this legislation could have on its business.


Mr. Savidge also reported that Mr. Rob Kunisch will be moving to Florida and will be resigning from the Board, effective September 15, 2021. Mr. Savidge commented that, although Mr. Kunisch's tenure on the Board was short, he provided a valuable service to the Authority and wished him and his family the best. On behalf of the Board, Mr. Williams also thanked Mr. Kunisch for his commitment and service to the Authority and wished him well.

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

The next meeting of the Authority is scheduled for November 2, 2021.


Barlow T. Savidge
Executive Director

Approved:


Arnold Williams
Chairman
November 2, 2021

September 14, 2021 Authority Meeting
Guests participating remotely via conference line

Notre Dame of Maryland University

Mary Lou Yam, President
Sean Delaney, Vice President of Finance & Administration

Wye River (Notre Dame of Maryland University)

Christopher O Wienk, Associate

Maryland Institute College of Art

Samuel Hoi, President
Eric Jordahl, Chairman of the Finance Committee
Martin Lemelle, Vice President

Adventist HealthCare

James G. Lee, Senior Vice President & Chief Financial Officer
Maureen L. Dymond, Vice President - Financial Operations

Ziegler (Adventist HealthCare)

John Hanley, Senior Managing Director

Rochambeau, The French International School

Helene Fabre, Executive Director
Betty Rogers, Senior Controller

Washington Episcopal Day School

Danny Vogelmann, Head of School
Wendy Tasin, Business Manager

Arent Fox Kintner Plotkin & Kahn, PLLC (Rochambeau, The French International School and Washington Episcopal School)

Sean W. Glynn, Partner

Community Outreach Consultant

Annette Anselmi