

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, December 7, 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
Mamie Johns Perkins, Member
John Phelps, Member
Bonnie Phipps, Member
W. Daniel White, Member
Bernadette Benik, Chief Deputy Treasurer, Designee of Treasurer
Bart Savidge, Executive Director
Lynn Gorman-Lepson, Chief Financial Officer
Elizabeth A. McKennon, 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 November 2, 2021 regular meeting of the Authority were unanimously approved.

IMAGINE ANDREWS PRINCE GEORGE'S COUNTY, LLC

Mr. Savidge asked the Members to consider an application from Imagine Andrews Prince George's County, LLC, D/B/A Imagine Andrews Public Charter School for the acquisition of the School facility and related ground lease and for the funding of some minor capital improvements. Mr. Savidge stated that this was a non-rated financing and will be structured as a limited public offering sold in \$100,000 denominations to qualified institutional investors.

Mr. Donald Bowman, Director of Finance for Imagine Andrews Prince George's County, LLC, provided a brief background of the School and the plan of finance. Mr. Bowman stated that Imagine Andrews Prince George's County, LLC operates 4 public charter schools in Prince George's County. Mr. Bowman reported that the School was awarded approximately \$1.6 million

in COVID relief funding which is required to be spent by 6/30/24. The current plan of finance is projected to generate \$200,000 in savings per year over its current lease arrangements. The plan of finance includes funding for certain School capital improvements. Mr. Bowman concluded his remarks by requesting the appointment of RBC Capital Markets as underwriter of the proposed Imagine Andrews Public Charter School bond issue

Mr. Howard Rice, Principal of Imagine Andrews Public Charter School, provided an overview of the School's mission, enrollment and academic performance. Mr. Rice stated that the mission of the School is to serve the nation by providing the community with a well-rounded education and character development, while meeting the needs of civilian and military families. The vision of the School is to create a school culture that prepares students for academic success and to become leaders in a global community in which they live.

The School currently serves 409 students in grades K-8. The student population is comprised of approximately 65% military and 35% civilian children. The School follows the education standards for the State of Maryland and sets itself apart from its competitors with its strong curriculum focused on character development. Mr. Rice provided the results of academic assessments for 2019. Imagine Andrews consistently outperformed results from other public schools in Prince George's County.

Several questions were raised relating to the School's competitors and the certification of staff. Mr. Rice responded that Imagine Andrews is the only school on the base and the School does have a waitlist. Mr. Rice stated that all but 4 teachers were fully certified. The 4 teachers are conditionally certified and currently taking classes towards their full certification.

Additional questions were raised relating to how the lease termination fee was calculated and what services are provided to the School by Imagine Schools Non-Profit, Inc. ("ISNP"). Mr. Bowman responded that the lease termination fee was determined by discounting the value of the lease payments for the remainder of the lease term. He also stated that ISNP provides all of the financial services to the School, including reporting and auditing, as well as marketing and legal services, repairs and maintenance, cleaning and certain academic services, such as coaching and support staff.

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

**RESOLUTION
RECITALS**

Maryland Health and Higher Educational Facilities Authority (the "Authority") has received a request from Imagine Andrews Prince George's County, LLC (the "Institution") for the issuance of revenue bonds by the Authority to finance the acquisition of its school facility and a leasehold interest in the property and certain capital improvements (collectively, 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 by the Authority, the Authority does not guarantee such successful financing or in any way represent that funds for such financing are or will become available.

RETIREMENT OF TREASURER AND DEPUTY TREASURER

Mr. Williams took a few minutes to acknowledge the retirement of Treasurer Kopp and Deputy Treasurer Bernadette Benik, who served as the Treasurer's designee when the Treasurer was unable to attend meetings of the Authority. Mr. Williams commented on the exceptional service and partnership that they both provided to the MHHEFA Board. Ms. Riggs expressed her gratitude on behalf of the Board to Treasurer Kopp and Ms. Benik. She commented on the wisdom and commitment that they provided to the Board and stated that each of them has provided over 45 years of complementary public service to the State of Maryland.

FINANCIAL ADVISOR'S REPORT

Mr. Alford Evans reported on the current overall economic condition in the United States, highlighting the trends in jobless claims and COVID cases, the recent equity market volatility, and the continuing high trends in consumer inflation. He provided details on the overall impact these conditions have on interest rates and the bond market. He also provided an industry update on the issues facing large health care systems throughout the nation highlighting the implications of the nurse staffing crisis.

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 debt service coverage waiver that was executed for Annapolis Life Care (Ginger Cove) detailing the causes leading to this waiver and the performance outlook for 2022. Mr.

Savidge also provided an update on a conference call with Hilltop Securities Asset Management (HSAM), MHHEFA and McKennon, Shelton and Henn to discuss the transition of the arbitrage and rebate services to HSAM and the review all related responsibilities. Mr. Savidge stated that the coordination and tracking of arbitrage and rebate calculations is an important service that MHHEFA provides to its institutions.

Mr. Savidge spoke about his recent tour of Imagine Andrews Public Charter School and meeting with its management.

EXECUTIVE SESSION

Upon motion by Mr. White, seconded by Ms. Benik, 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, Meier, Perkins, Phelps, Phipps, White, and Benik; Negative – none; Abstain – none).

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

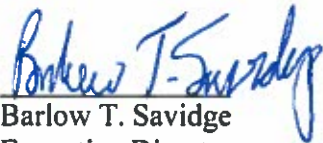
IMAGINE ANDREWS PUBLIC CHARTER SCHOOL -- APPOINTMENT OF UNDERWRITERS

Following discussion, the Authority, on motion by Ms. Benik, seconded by Ms. Phipps, appointed RBC Capital Markets as underwriter of the proposed Imagine Andrews Public Charter School bond issue (Affirmative – Williams, Riggs, Meier, Perkins, Phelps, Phipps, White, and Benik; Negative – none; Abstain – none).

Mr. Williams announced to the Board that Ms. Liz McKennon will be retiring at the end of the year and becoming senior counsel at McKennon Shelton & Henn. Treasurer Kopp commented that it was a pleasure to work with Ms. McKennon for so many years and she appreciated all the help and guidance that she provided to the Authority.

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

The next meeting of the Authority is scheduled for January 11, 2022.



Barlow T. Savidge
Executive Director

Approved:



Arnold Williams
Chairman
January 11, 2022

December 7, 2021 Authority Meeting
Guests participating remotely via conference line

Imagine Andrews Prince George's County, LLC

Donald Bowman, Director of Finance
David Miller, Regional Facilities Director

Imagine Andrews Public Charter School

Howard Douglas Rice II, Principal

Shiple and Horne - Imagine Andrews Prince George's County, LLC, Counsel

Arthur Horne, Esq.
Bradley Farrar, Esq.

RBC Capital Markets, LLC – Imagine Andrews Prince George's County, LLC, Underwriter

Paul Clancy

Building Hope Services - Imagine Andrews Prince George's County, LLC, Financial Advisor

Richard Moreno

Community Outreach Consultant

Annette Anselmi