

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, March 4, 2025, with Mr. Arnold Williams, Chairman, presiding. This open meeting was held at 401 East Pratt Street (World Trade Center) in a conference room on the 26th Floor. This meeting was open to the public and available to the public remotely via an open conference and video line.

Present:

- Arnold Williams, Chairman
- Jonathan Martin, Chief Deputy Treasurer, Designee of Treasurer
- Dr. Bisma Beg, Member
- Frederick W. Meier, Jr., Member
- Arthur S. Varnado, Member
- W. Daniel White, Member
- Bart Savidge, Executive Director
- Lynn Gorman-Lepson, Chief Financial Officer
- David Gregory, Bond Counsel
- William Taylor, Bond Counsel
- Brian Carter, Financial Advisor
- Lorraine McClaren, Financial Advisor

Absent:

- Mamie Johns Perkins, Member
- John Phelps, Member

Special Guests: See attached.

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

APPROVAL OF MINUTES

The minutes of the December 3, 2024 regular meeting of the Authority were unanimously approved.

LIFEBRIDGE HEALTH

LifeBridge Health submitted an application in June 2021 to advance refund certain maturities of the Authority's Revenue Bonds, LifeBridge Health Issue, Series 2015 utilizing a taxable note/tax-exempt bond structure ("Cinderella Structure"). The taxable notes were issued by TD Bank to lock in the refunding debt service savings. This current transaction will refund the taxable note, on or after July 1, 2025, with a tax-exempt bond with a fixed rate of 1.43% and will generate additional annual debt service savings for LifeBridge Health.

Mr. Steve Witman, Vice President, Finance/Payor Contracting, Business Development and Cost Containment for LifeBridge Health, provided a brief update on operations. Mr. Whitman reported that LifeBridge has invested in a large process improvement project to generate cost savings and increase efficiencies within the organization. Some of the improvements being made include consolidating human resource policies and renegotiating supply chains.

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 \$68,800,000 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. Varnado, adopted the following resolution (Affirmative – Williams, Beg, Martin, Meier, Varnado and White; Negative – none; Abstain – none):

**LIFEBRIDGE HEALTH, 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 \$68,800,000 IN ORDER TO LEND THE PROCEEDS THEREOF TO ONE OR MORE OF LIFEBRIDGE HEALTH, INC. AND CERTAIN OF ITS AFFILIATES FOR THE PURPOSE OF FINANCING AND REFINANCING CERTAIN CAPITAL PROJECTS; 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 in June 2021 an application from LifeBridge Health, Inc., a nonprofit corporation formed under the laws of the State of Maryland ("LifeBridge Health"), for the financing and refinancing by the Authority of the cost of the Project (as defined herein) pursuant to the Maryland Health and Higher Educational Facilities Authority Act, Sections 10-301 through 10-356, inclusive, of the Economic Development Article of the Annotated Code of Maryland (the "Act").

The Project consists of the facilities financed and refinanced with the proceeds of the Authority's Revenue Bonds, LifeBridge Health Issue, Series 2015 (the "2015 Bonds"), which 2015 Bonds were refunded by taxable notes issued by the Obligated Group Members in favor of TD Bank, N.A. (collectively, the "Taxable Note"). At the request of the Institution, the Authority has determined to authorize the issuance of revenue bonds under the Act for the purpose of refunding the Taxable Note (collectively, the "Project").

At the request of LifeBridge Health, the Authority has determined to issue revenue bonds under the Act for the purpose of financing and refinancing the Project.

NOW, THEREFORE, BE IT RESOLVED BY MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY THAT:

SECTION 1. The Authority is hereby authorized to issue, sell and deliver its revenue bonds (the "2025 Bonds") in an aggregate principal amount not to exceed \$68,800,000. The 2025 Bonds shall be issued and the proceeds thereof loaned to LifeBridge Health and certain of its affiliates (the "Obligated Group Members") pursuant to a financing agreement (the "Financing Agreement") among the Authority, the Obligated Group Members, TD Bank, N.A. (the "Purchaser") and a trustee for the public purpose of financing and refinancing the Project in order to enable the Obligated Group Members to provide, and to finance and refinance at the least cost to the users thereof, the Project, for the benefit of the people of the State of Maryland, the increase of their commerce, welfare and prosperity and the improvement of their health and living conditions. It is hereby found and determined that the financing and refinancing of the Project for LifeBridge Health serves the public purposes of LifeBridge Health and certain of its affiliates.

SECTION 2. As permitted by the Act, one or more series of the 2025 Bonds 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 2025 Bonds, including (without limitation):

- (a) the principal amount of the 2025 Bonds;
- (b) the purchase price to be paid to the Authority for the 2025 Bonds;
- (c) the rate or rates of interest payable on the 2025 Bonds, or the method of determining the same;
- (d) the date or dates of maturity of the 2025 Bonds, the payment provisions therefor, the optional and mandatory redemption provisions thereof, including (without limitation) the mandatory sinking fund installments (if any) for the 2025 Bonds, the designation or designations of the 2025 Bonds, the conditions precedent to the issuance of the 2025 Bonds and the date of issuance thereof;
- (e) the form, tenor, terms and conditions of the 2025 Bonds, and provisions for the registration and transfer of the 2025 Bonds;
- (f) the form and contents of, and provisions for the execution and delivery of, such documents as the Authorized Member shall deem necessary or desirable to evidence, secure or effectuate the issuance, sale and delivery of the 2025 Bonds issued at any one time or from time to time, the loan of the proceeds

of such 2025 Bonds to the Obligated Group Members, 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 2025 Bonds, financing agreements and other similar agreements;

(g) provision for the administration of the 2025 Bonds, including (without limitation) the appointment of a trustee under the Financing Agreement and any remarketing agents, paying agents, registrars, escrow agents or other agents as the Authorized Member shall deem necessary or desirable to effectuate the transactions authorized hereby;

(h) the form and contents of, and provisions for the execution and delivery of, a contract or contracts for the purchase and sale of the 2025 Bonds;

(i) the creation of security for the 2025 Bonds, which may include (without limitation) provisions for securing any indebtedness or other obligations incurred in connection with the issuance of the 2025 Bonds, 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 2025 Bonds and the security for the 2025 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 2025 Bonds to take any action required or permitted to be taken by or on behalf of the Authority under the Act, the Financing Agreement or other document or instrument executed and delivered in connection therewith, including (without limitation) providing any consent, approval or direction required or permitted thereunder, entering into any amendment of or supplement to any of the foregoing and entering into any agreement providing for the replacement of, substitution for or addition of (as the case may be) any credit or liquidity facility, remarketing agent, trustee or other agent, subject to the requirements of the Act and any other agreement by which the Authority is bound.

SECTION 5. This resolution shall take effect immediately.

AUDIT COMMITTEE UPDATE

Mr. Fred Meier provided an update on the Audit Committee meeting that was held on January 24, 2025. Mr. Meier reported that after an extensive RFP process, the Audit Committee unanimously voted to procure PFM Asset Management as the Investment Advisor for the Authority.

Mr. Meier also reported that the Audit Committee reviewed the various insurance policies and coverage levels of the Authority. He highlighted that the Authority recently added cyber insurance and a crime policy.

ANNUAL INSTITUTION RATING UPDATES AND CREDIT REVIEW

As a component of the Authority's due diligence practices, Mr. Savidge presented Institutions' rating profiles, rating agency sector outlooks and commentary and financial covenant waiver updates.

In reviewing the rating profile of the Authority's institutions, Mr. Savidge highlighted that Frederick Health and Loyola University had their ratings downgraded. Frederick Health experienced a cyber event and Loyola University had increases in debt service and its tuition discounting in order to maintain enrollment levels. In the higher educational sector, St. John's College's rating was upgraded due to a successful capital campaign and a strong balance sheet.

Mr. Savidge reported that both S&P and Fitch revised their outlook for the healthcare sector to stable due to the easing of extreme operating pressures of recent years and improvements in liquidity. The rating agencies had mixed outlooks for the higher education sector. Mr. Savidge stated that there is uncertainty in the charter school sector relating to the future of federal funding and the impact this will have on operating performance.

Mr. Savidge provided updates on several institutions that were granted financial covenant waivers by MHHEFA and the lenders holding the bonds including Trinity School, Mt. Saint Joseph's High School and Imagine Andrews Public Charter School. He highlighted how the Authority works with these institutions to help facilitate consents.

FINANCIAL ADVISOR'S REPORT

Ms. Lorraine McClaren reported on the current overall economic condition in the United States, highlighting the recent executive order that has been issued to freeze NIH funding and the challenges that this will cause for the higher education and healthcare sectors. Ms. McClaren also reported that with Republicans holding a majority in Congress, there are some concerns that tax-exemption could be at risk for private activity bonds.

Mr. Brian Carter reported that indicators relating to pricing and inflation are beginning to mitigate while national indicators remain mixed. He provided details on the overall impact these conditions have on interest rates and the municipal bond market.

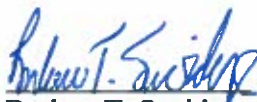
Mr. Carter provided a detailed bond sales report on the Loyola University Maryland, Series 2025 transaction and the University of Maryland Medical System (UMMS) Series 2025A, Series 2025B, Series 2025C-1 and Series 2025C-2 transactions. Mr. Carter provided details and commentary on the marketing and pricing of these transactions as well as comparative data with similar recent transactions in the market.

EXECUTIVE DIRECTOR'S REPORT

Mr. Savidge provided an update on recent closings. Mr. Savidge reported that Charles County Nursing & Rehabilitation Center received a favorable court ruling in January which should allow for the sale of its facility to another buyer. Mr. Savidge also stated that the Authority engaged a management consultant, Building Hope, to work with Imagine Andrews Public Charter School on its FY2024 debt service covenant violation. Mr. Savidge reported on recent outreach activities, highlighting meetings with representatives from Maryland Institute College of Art and the Department of Commerce.

With no further business, on motion by Mr. Meier, seconded by Mr. Varnado, the meeting was adjourned at approximately 11:30 a.m. (Affirmative – Williams, Beg, Martin, Meier, Varnado and White; Negative – none; Abstain – none).

The next meeting of the Authority is scheduled for May 6, 2025.


Barlow T. Savidge
Executive Director

Approved:


Arnold Williams
Chairman

May 6, 2025

**Authority Meeting
March 4, 2025
Guest List**

LifeBridge Health System

Steve Witman, Vice President, Finance/Payor Contracting, Business Development and
Cost Containment