

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 12, 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
Granville Templeton III, Vice-Chairman
Jonathan Martin, Chief Deputy Treasurer, Designee of Treasurer
Dr. Bisma Beg, Member
James Dugan, Member
Frederick W. Meier, Jr., Member
Mamie Johns Perkins, Member
Arthur S. Varnado, 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: W. Daniel White, 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 May 6, 2025, regular meeting, of the Authority were unanimously approved.

TidalHealth

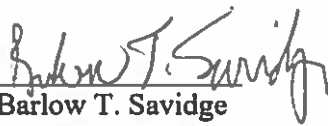
Mr. Savidge provided an update regarding the TidalHealth item listed on today's meeting agenda. At this time no authorization is being requested. It has been determined that it would be more beneficial to market the bonds with the inclusion of the audit for fiscal year ended June 30, 2025. TidalHealth will submit a revised application package and seek authorization at the October meeting.

EXECUTIVE DIRECTOR'S REPORT

Mr. Savidge provided an update on recent closings and conversions. Mr. Savidge provided an update regarding Imagine Andrews Public Charter School's debt service covenant violation and the hiring of Building Hope, a management consultant firm, to assist. Mr. Savidge also reported an update on Sandy Spring Friends School ("SSFS"), which previously announced its closure and subsequently reversed that decision and remains open. SSFS has hired an advisor to help navigate the current situation and support future growth. Mr. Savidge also discussed Park West Health System's planned expansion and renovation which could be an opportunity for MHHEFA's Community Outreach Program to facilitate the financing.

With no further business, on motion by Mr. Templeton, seconded by Mr. Meier, the meeting was adjourned at approximately 11:25 a.m. (Affirmative – Williams, Templeton, Martin, Beg, Dugan, Meier, Perkins and Varnado; Negative – none; Abstain – none).

The next meeting of the Authority is scheduled for Tuesday, October 7, 2025.


Barlow T. Savidge
Executive Director

Approved:


Arnold Williams
Chairman

October 7, 2025

**Authority Meeting
August 12, 2025
Guest List**

Severn School

Douglas Lagarde, Head of School

Chris Sapienza, Chief Financial Officer

Severn School

Severn School has submitted an application to finance the construction and renovation of its Lower School campus. The proposed financing includes the issuance of both fixed rate and variable rate bank direct placement bonds.

Mr. Douglas Lagarde, Head of School and Mr. Chris Sapienza, Chief Financial Officer presented an overview of the School. Their presentation covered Severn's origins and long-standing history, current market profile, strong financial performance, and a detailed description of the proposed project and the intended use of bond proceeds.

Questions regarding tuition accommodations during construction, allocation and status of the capital campaign, plans for future capital campaign projects, and the current size and strategy for the School's endowment were discussed.

Following the discussion, Mr. Arnold Williams asked the Members to entertain a motion for the acceptance of the application as well as the authorization to issue the Authority's revenue bonds in a principal amount of \$20 million, on motion by Mr. Meier, seconded by Mr. Varnado, adopted the following resolution (Affirmative – Williams, Templeton, Martin, Beg, Dugan, Meier, Perkins and Varnado; Negative – none; Abstain – none).

SEVERN SCHOOL BOND AUTHORIZING RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY BY MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY (THE "AUTHORITY") OF ITS REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT (DETERMINED AS PROVIDED HEREIN) NOT EXCEEDING \$20,000,000 IN ORDER TO LEND THE PROCEEDS THEREOF TO SEVERN SCHOOL, INCORPORATED (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 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 Severn School, Incorporated, a nonprofit corporation formed under the laws of the State of Maryland (the "Institution"), for the financing and refinancing of the acquisition, construction, renovation and equipping of non-collegiate educational facilities, including (without limitation): the acquisition, construction, renovation and equipping of a two-story, approximately 65,000 square foot facility to serve as the lower school building of the Institution (the "Project") pursuant to the Maryland Health and Higher Educational Facilities

Authority Act, Sections 10-301 through 10-356, inclusive, of the Economic Development Article of the Annotated Code of Maryland (the "Act").

At the request of the Institution, the Authority has determined to authorize the issuance of 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 (the "2025 Bonds") in a principal amount not to exceed \$20,000,000. The 2025 Bonds shall be issued and the proceeds thereof loaned to the Institution pursuant to a financing agreement (the "Financing Agreement") among the Authority, the Institution, Atlantic Union Public Finance, Inc. (the "Purchaser") and a trustee, which shall contain such terms, provisions and conditions as shall be approved by the Authorized Member (defined herein).

The proceeds of the 2025 Bonds shall be loaned to the Institution pursuant the Financing Agreement 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 facilities financed and refinanced with the proceeds of 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 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 or prices 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 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 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 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) procedures for the approval of change orders and substitutions for the construction, renovation, equipping and other improvements included within the Project by an authorized officer on behalf of the Authority;

(j) 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 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 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.

APPROVAL OF ADMINISTRATIVE FEE WAIVER FOR FY 2026 AND APPROVAL OF FY 2026 BUDGET

Ms. Gorman-Lepson reported on the Audit Committee Meeting that was held on May 6, 2025. She stated that a draft of the FY 2026 Operating Budget was reviewed in detail and was approved with a refined increase in the salaries expense line item. The Audit Committee also authorized the approval of the administrative fee waiver. Ms. Gorman-Lepson provided an overview of the major revenue and expense line items, including administrative fees, investment income, salaries and benefits, insurance, and professional fees.

Following discussion, the Authority, on motion by Mr. Meier, seconded by Mr. Varnado, approved the administrative fee waiver for FY 2026 and the proposed budget as approved by the Audit Committee. (Affirmative – Williams, Templeton, Martin, Beg, Dugan, Meier, Perkins and Varnado; Negative – none; Abstain – none).

FINANCIAL ADVISOR'S REPORT

Mr. Brian Carter provided an overview on the current economic condition in the United States, noting market reaction to weakness in the labor market, the continued impact of widespread tariffs, and the changing expectations regarding the accelerated timing of Federal Reserve interest rate cuts. Mr. Carter also noted the resurgence in the use of bond insurance, particularly on the long end of tax-exempt issuances.

Ms. Lorraine McClaren provided a post pricing follow-up on the Meritus Health bond transaction which priced the end May. Ms. McClaren discussed the market timing strategy utilized to ensure favorable pricing conditions and investor focus, the effectiveness of pricing diligence conducted, the summary of orders received and allocated, and a comparative pricing analysis to similar rated transactions demonstrating the success of the transaction that achieved the financing objectives. In addition, PFM provided materials relating to recent federal legislation impacting the healthcare and higher education sectors.