

**SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION**

TOPIC: University System of Maryland: Resolution Regarding Designation of Signatories in Connection with Auxiliary Facility and Tuition Revenue Bonds

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: November 17, 2016

SUMMARY: The Board of Regents of the University System of Maryland authorizes, by Resolution, the issuance of Auxiliary Facility and Tuition Revenue bonds. As part of issuing Bonds a number of documents are required. They include An Official Statement, a Continuing Disclosure Agreement, System orders, certificates, agreements, instruments and other documents.

These documents, which are prepared by outside Bond Counsel and the Office of the Attorney General, require certain signatures as assigned by their preparers. All bond documents are then reviewed by the USM's Bond Group which includes the Financial Advisor, System Bond Counsel, lawyers from the Office of the Attorney General, Trustee and Underwriters Bond Counsel and System Office staff.

On occasion, timing of a bond issue is in conflict with the Chancellor's calendar which may make it difficult to acquire the necessary signatures during a brief window of time. This resolution is designed to provide for additional flexibility with acquiring signatures when issuing bonds under the Indenture thereby streamlining some of the processes.

The USM Board of Regents desires to designate certain officers of the University System to make determinations with respect to the sale of Auxiliary Facility and Tuition Revenue bonds and to execute documents, certificates, instruments and agreements on behalf of the System in connection with these bonds.

BOND COUNSEL: Miles & Stockbridge P.C.

ALTERNATIVE(S): The Board of Regents could decide to continue with the current practices and signature requirements.

FISCAL IMPACT: There is no known fiscal impact associated with this resolution.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the resolution to streamline administrative steps to permit additional flexibility with respect to obtaining signatures when issuing bonds.

COMMITTEE RECOMMENDATION: RECOMMEND APPROVAL

DATE: 11/17/16

BOARD ACTION:

DATE:

SUBMITTED BY: Joseph F. Vivona (301) 445-1923

**RESOLUTION
OF THE BOARD OF REGENTS OF THE
UNIVERSITY SYSTEM OF MARYLAND
REGARDING THE DESIGNATION OF SIGNATORIES
FOR THE UNIVERSITY SYSTEM OF MARYLAND
IN CONNECTION WITH ITS AUXILIARY FACILITY AND TUITION REVENUE
BONDS**

RECITALS

WHEREAS, pursuant to Title 19 of the Education Article of the Annotated Code of Maryland (as the same may be amended or supplemented from time to time, "Title 19"), the University System of Maryland (the "System") is authorized to issue bonds for the purpose of financing or refinancing all or any part of the costs of the acquisition, construction, reconstruction, equipment, maintenance, repair, renovation and operation of one or more "projects," as such term is defined in Title 19, of the System;

WHEREAS, pursuant to the authority provided in Title 19, and pursuant to a Resolution of the System adopted May 3, 1989, the System approved entering into that certain Indenture of Trust dated as of May 1, 1989 (the "Original Indenture"), by and between the System and Manufacturers and Traders Trust Company (formerly known as Allfirst Bank and The First National Bank of Maryland), as trustee (the "Trustee"), providing for the issuance of one or more series of bonds from time to time for the purposes described in Title 19;

WHEREAS, pursuant to the authority provided in Title 19, and pursuant to a Resolution of the System adopted June 14, 1995, the System approved entering into that certain First Supplemental Indenture of Trust dated June 14, 1995 (the "Supplemental Indenture," and together with the Original Indenture, as the same may be further amended, restated, supplemented and modified from time to time, the "Indenture"), by and between the System and the Trustee, which Supplemental Indenture supplements and amends the Original Indenture in furtherance of the purposes described in Title 19; and

WHEREAS, in order to provide for additional flexibility for the issuance of bonds under the Indenture without undue administrative burden placed on the System, the Board of Regents of the System (the "Board of Regents") desires to designate certain officers of the System to make determinations with respect to the sale of bonds issued pursuant to Title 19 and the Indenture and to execute documents, certificates, instruments and agreements on behalf of the System in connection with bonds issued pursuant to Title 19 and the Indenture.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND THAT:

1. Sale of Bonds. Notwithstanding anything to the contrary in any previous or future resolutions of the Board of Regents (collectively, the "Bond Resolutions") which have

authorized or will authorize the issuance of bonds of the System pursuant to Title 19 and the Indenture (collectively, the “Bonds”), as permitted by Title 19, the Board of Regents hereby finds and determines that the best interests of the System will be served by selling each issuance of Bonds at either a public competitive sale or a private (negotiated) sale as either the Chancellor of the System (the “Chancellor”) or the Chief Operating Officer and Vice Chancellor for Administration and Finance of the System (the “Vice Chancellor for Administration and Finance”) deem to be in the best interest of the System at such prices, which may be at, above or below par, as either the Chancellor or the Vice Chancellor for Administration and Finance deem to be in the best interest of the System. In the event that two bidders offer to purchase an issue of the Bonds at the same lowest true interest cost at a public competitive sale, either the Chancellor or the Vice Chancellor for Administration and Finance shall determine in his or her sole discretion to which of the bidders such issue of the Bonds will be awarded. In the event of a private (negotiated) sale either the Chancellor or the Vice Chancellor for Administration and Finance shall select the purchaser of such issue of the Bonds which either the Chancellor or the Vice Chancellor for Administration and Finance deem to be in the best interest of the System.

2. Official Statements. Notwithstanding anything to the contrary in the Bond Resolutions which have authorized or will authorize the issuance of the Bonds, the preliminary official statements and the final official statements (collectively, the “Official Statements”) prepared and distributed in conjunction with each issuance and sale of the Bonds shall be in the form approved by (a) the Chairperson of the Board of Regents and (b) either (i) the Chancellor or (ii) the Vice Chancellor for Administration and Finance, whose execution by them shall be conclusive evidence of the approval thereof. The Chairperson of the Board of Regents and either the Chancellor or the Vice Chancellor for Administration and Finance, acting jointly or individually, are hereby authorized to execute by their manual or facsimile signatures and to deliver in the name of and on behalf of the System the Official Statements regarding each issuance of the Bonds. Either the Chancellor or the Vice Chancellor for Administration and Finance is hereby authorized to deem the Official Statements as final for the purposes of Securities Exchange Act Rule 15c212, as amended or supplemented from time to time, or any successor law, rule or regulation (“Rule 15c2-12”).

3. Continuing Disclosure. Notwithstanding anything to the contrary in the Bond Resolutions which have authorized or will authorize the issuance of the Bonds, either the Chancellor or the Vice Chancellor for Administration and Finance is hereby authorized to enter into one or more continuing disclosure agreements with respect to information contained in, or matters relating to, the Official Statements for any Bonds. Any person designated as an “Authorized System’s Representative” under the Indenture is hereby authorized to prepare and file with the Municipal Securities Rulemaking Board such financial or other information as may be required to comply with the requirements of Rule 15c2-12, and to delegate the preparation and filing of any such information to any other officer or employee of the System. The System’s bond counsel is also hereby designated as an agent for the System for purposes of preparing and filing any such information.

4. Absence of Chairperson or Chancellor and Vice Chancellor. Notwithstanding anything to the contrary in the Bond Resolutions which have authorized or will authorize the issuance of the Bonds, if the Chairperson of the Board of Regents is unable to act or unavailable for any reason, or such position is vacant, the Chairperson of the Finance Committee of the

Board of Regents is hereby authorized and empowered to act in place of the Chairperson of the Board of Regents. In addition, if both the Chancellor and the Vice Chancellor for Administration and Finance are unable to act or unavailable for any reason, or both positions are vacant, the Associate Vice Chancellor for Financial Affairs for the System is hereby authorized and empowered to act in place of the Chancellor or the Vice Chancellor for Administration and Finance.

5. Further Actions. Notwithstanding anything to the contrary in the Bond Resolutions which have authorized or will authorize the issuance of the Bonds, the following officials of the System are hereby authorized and empowered to do all acts and things and execute such agreements, instruments, documents and certificates (including all necessary closing certificates) and otherwise take all action necessary, proper or expedient in connection with each issuance, sale and delivery of the Bonds: The Chairperson of the Board of Regents, the Chairperson of the Finance Committee of the Board of Regents, the Secretary of the Board of Regents, the Assistant Secretary of the Board of Regents, the Chancellor, the Vice Chancellor for Administration and Finance and the Associate Vice Chancellor for Financial Affairs for the System and all other officials of the System.

AND BE IT FURTHER RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND THAT this Resolution shall be effective on the date of its adoption by the Board of Regents.

ADOPTED, this 9 day of December, 2016.