

MINUTES

MARYLAND INDUSTRIAL DEVELOPMENT FINANCING AUTHORITY MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY

A conference call meeting of the Authority was held on **Thursday, May 26, 2016** at the Department of Commerce's office at The World Trade Center, 401 E. Pratt Street, Suite 1760, Baltimore, Maryland 21202. The meeting was convened at 10:00 am. The following participated in the meeting:

Authority Members

Deborah Morgan, Chairman
Louna Primm, Vice Chairman
Carla Nealy
Brian Sweeney
Jerry Klasmeier
Greg Cole

Staff Members

Joel McCrea
Tim Doyle

Legal

Barbara Kountz

I. Minutes

1. The Authority Meeting Minutes for Thursday, February 25, 2016 were approved as presented.

II. Presentation(s)

1. It's My Amphitheatre, Inc.-Modification

Presenter: Joel McCrea
Borrower: It's My Amphitheatre, Inc. (IMA)
Lender: Howard Bank
Jurisdiction: Howard County, Maryland
Business: Concert Venue
Request: \$16,000,000 MIDFA Taxable Bond Financing
(\$7,000,000- 43.75% Issued and Insured Bond)

This request is for a modification of the Authority approval of February 25, 2016 to increase MIDFA's taxable bonds from \$14,000,000 to \$16,000,000 and change the lender to Howard Bank. The dollar amount of the guarantee remains at \$7,000,000 and now represents 43.75% of the total loan amount. The bonds will be issued as a Series A Bond in the amount of \$9,500,000 and a Series B Bond in the amount of \$6,500,000.

Howard Bank (the "Bank") is requesting a \$7,000,000 guarantee (43.75%) on \$16,000,000 of MIDFA issued taxable bonds for the benefit of IMA. The Series A Bond in the amount of \$9,500,000 to be issued when the Merriweather facility is transferred to the Downtown Columbia Arts & Cultural Commission, Inc. ("DCACC"). The Series A funds will be used to reimburse the Howard Hughes Corporation for expenses incurred to date for improvements to the property. There will be a Series B Bond in the amount of \$6,500,000 to be used to complete Phase II construction on the Merriweather Post Pavilion Project.

The dollar amount of the guarantee and credit profile of the credit have not changed, however the loan has increased and will now be funded in two tranches better matching the structure of the funding to the project. The bank has been made aware that the MIDFA insurance does not become effective until construction is complete.

Based on the above, MIDFA staff recommends approval of the modifications.

Following discussion, after appropriate motion and second, the Authority unanimously approved the modification of \$16,000,000 MIDFA Issued Taxable Bond with \$7,000,000 of insurance to Howard Bank for the benefit of It's My Amphitheatre, Inc.

2. Novavax, Inc.

Presenter: Joel McCrea
Borrower: Novavax, Inc.
Jurisdiction: Montgomery County, Maryland
Business: Vaccine Company
Request: \$5,000,000 MEDAF Conditional Loan (Three Phases)

This request is for approval of a total of \$5,000,000 of MEDAF conditional loans to assist with costs associated with retaining Novavax, Inc.'s corporate headquarters, and expanding the Company's R&D, and manufacturing operations in Montgomery County. The Company's expansion will be done in three phases with each phase being a separate location. The MEDAF Loans will consist of a Phase I Loan of \$1,000,000, a Phase II Loan of \$2,000,000 and a Phase III Loan of \$2,000,000. Upon completion of the final phase, the Company will have retained their headquarters in Montgomery County, spent \$150 million in capital expenditures, occupy at least 490,000 square feet of space, and employ at least 1,250 full time permanent employees.

Due to the uncertainty of future profitability, there will be a 100% collateral requirement of the MEDAF loans by either a Standby Letter of Credit or cash.

Phase I includes retention of Novavax's corporate headquarters in Montgomery County and invest at least \$15 million to increase the company's R&D equipment and retain its existing 400 jobs.

Phase II includes the lease of an additional 147,000 square feet of manufacturing, R&D office space in Gaithersburg and an investment of at least \$30 million to fit out and equip the facility and an additional 425 new employees.

Phase III includes the construction of 159,000 square feet of new space at a to-be-determined site in Montgomery County, and an investment of at least \$75 million and an additional

Authority Meeting Minutes
May 26, 2016

425 new employees and the remaining \$30,000,000 of capital expenditures (total commitment of \$150,000,000) must be expended at the Phase I, II or III Project sites by December 31, 2025.

Novavax, Inc was incorporated in 1987 as a wholly-owned Swedish subsidiary, Novavax AB, as a clinical-stage vaccine company focused on the discovery, development and commercialization of recombinant nanoparticle vaccines and adjuvants.

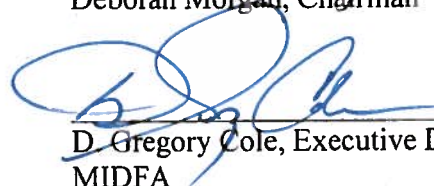
This project will retain the corporate headquarters of a growing biotechnology company in Maryland along with its existing 400 full-time permanent jobs. Going forward, there is the potential to add 850 full time permanent jobs at newly established sites in Montgomery County, Maryland.

Following discussion, after appropriate motion and second, the Authority unanimously approved the financing of a \$5,000,000 MEDAF Conditional Loan for the benefit of Novavax, Inc.

There being no further business to come before the Authority, after appropriate motion and second, the meeting was adjourned at 11:50 am.



Deborah Morgan, Chairman



D. Gregory Cole, Executive Director
MIDFA