

**CITY OF LAUREL
OFFICE OF THE MAYOR**



**CRAIG A. MOE
MAYOR**

Executive Order No. 2023-02

**Subject: *2001 City of Laurel Economic Development
Revenue Bond for Pallotti High School***

Effective Date: March 27, 2023

Pursuant to the powers granted to the Mayor by Section 353 of the Laurel City Charter, an Executive Order specifying, prescribing, determining, providing for, and approving certain matters in connection with the amendment by the Mayor and City Council of Laurel (the "City"), of its economic development revenue bond designated "City of Laurel Economic Development Revenue Bond (Pallotti High School Facility), 2001 Issue" (the "Bond") pursuant to the provisions of (i) the Maryland Economic Development Revenue Bond Act, being Sections 14-101 through 14-109, inclusive, of Article 41 of the Annotated Code of Maryland (1997 Replacement Volume and 2001 Supplement) (the "Act") and (ii) Resolution No. 13-01 adopted by the City Council of the City on December 12, 2001 and approved by the Mayor of the City on December 12, 2001 (the "Resolution") originally issued to lend the proceeds to St. Vincent Pallotti High School, Inc., a Maryland nonprofit corporation (the "Borrower"), for the purpose of financing a portion of the costs of the acquisition (as defined in the Act) of a gymnasium (the "Facility"); approving the amendment of the Loan and Financing Agreement, by and among the City, the Borrower, and PNC Bank National Association, as successor in interest to Citizens National Bank (the "Bank"), as amended (the "Financing Agreement"); authorizing and empowering the officials of the City to do all such acts and things and to execute, acknowledge, seal and deliver such documents and certificates as may be necessary to consummate the transactions contemplated by this Executive Order; and generally providing for and determining various matters in connection with the Bond and the Financing Agreement in order to accomplish the legislative policy of the Act and the public purposes of the Resolution, subject to the limitations set forth in the Act and any limitations prescribed by the Resolution and this Executive Order.

RECITALS

On December 10, 2001, the City adopted the Resolution, which established the intent for and authorized the issuance and sale by the City of the Bond in an aggregate principal amount not to exceed \$6,500,000 in order to lend the proceeds thereof to the Borrower, for the purpose of financing a portion of the costs of the acquisition (as defined in the Act) of the Facility, in order to create jobs and preserve employment opportunities, to encourage economic development, to

assist in the retention of existing industry and commerce and to promote the health, welfare and safety of the citizens of the State and the City and to enhance the ability of the Borrower to provide educational services to the public.

On December 21, 2001, the City issued the Bond, in the aggregate principal amount of \$6,500,000 and loaned the proceeds to the Borrower pursuant to the Financing Agreement.

On December 1, 2009, the Borrower and the Bank entered into a First Amendment to Loan Documents (the "First Amendment") whereby the Bank and Borrower agreed to additional conditions associated with the repayment of the Bond.

On November 5, 2012, the City, the Borrower, and the Bank entered into a Second Amendment to Loan and Financing Agreement (the "Second Amendment") whereby the parties agreed to extend the maturity date of the Bond to December 31, 2031, to amend the mandatory redemption provisions, and to include a Debt Service Coverage Ratio covenant.

The Borrower and the Bank have agreed to enter into one or more amendments to the Financing Agreement, by and among the City, the Borrower, and the Bank (the "New Amendment"), which shall transition the Bond's LIBOR based interest rate to a SOFR based interest rate, require the Borrower to provide an annual compliance certificate, and modify the Debt Service Coverage Ratio covenant at Section 5.2(k) of the Financing Agreement.

The Resolution and the Act are referred to herein collectively as the "Enabling Legislation."

Now, therefore,

BE IT ORDERED BY THE MAYOR AND MEMBERS OF THE CITY COUNCIL OF THE CITY, THAT:

Section 1: Pursuant to the Enabling Legislation, the findings and determinations of the City set forth in the Resolution are hereby confirmed and incorporated herein by reference.

Section 2: Pursuant to and in accordance with the Enabling Legislation, the City hereby approves the New Amendment as well as any and all documentation associated with the New Amendment.

Section 3: The New Amendment shall be executed by the Mayor, sealed and attested by the City Administrator and the execution of the New Amendment and other documents and certificates in connection with the Bond by me as Mayor shall be conclusive evidence of my approval of the final terms, provisions, form, content and substance thereof.

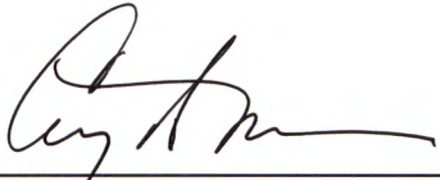
Section 4: THE ACT PROVIDES THAT THE BOND AND THE INTEREST THEREON SHALL BE THE LIMITED OBLIGATIONS OF THE CITY, THE PRINCIPAL OF AND INTEREST ON WHICH ARE PAYABLE SOLELY FROM REVENUES RECEIVED IN CONNECTION WITH THE FINANCING OF THE FACILITY OR FROM ANY OTHER MONEYS MADE AVAILABLE TO THE CITY FOR SUCH PURPOSE. NEITHER THE BOND NOR THE INTEREST THEREON SHALL EVER CONSTITUTE AN INDEBTEDNESS OF THE CITY OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR CHARTER PROVISION OR STATUTORY LIMITATION AND NEITHER SHALL EVER CONSTITUTE OR GIVE RISE TO ANY PECUNIARY LIABILITY OF THE CITY.

Section 5: The Mayor, the City Administrator and such other officers and officials of the City as may be appropriate are hereby authorized to execute and deliver, for and on behalf of the City, the New Amendment and to execute any and all additional certificates and documents or other papers and to do any and all things necessary or appropriate in order to consummate the transactions contemplated by the Enabling Legislation and this Executive Order, provided that no such actions and no such documents shall require the City or any of its officials, officers, employees or agents to incur any pecuniary liability.

Section 6: The provisions of this Executive Order are severable and if any provision, sentence, clause, section, or part hereof is held illegal, invalid, unconstitutional, or inapplicable to a person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, sections, or parts of this Executive Order or their application to other persons or circumstances. It is hereby declared that this Executive Order would have been adopted if such illegal, invalid, unconstitutional, or inapplicable provision, sentence, clause, section, or part had not been included herein and as if the person or circumstances to which this Executive Order or any part hereof is inapplicable had been specifically exempted therefrom.

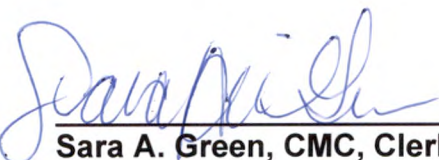
Section 7: I hereby designate Miles & Stockbridge P.C., as Bond Counsel, as my authorized agent to complete any blanks remaining in the New Amendment and the other documents executed by the City in connection with the New Amendment and to attach all necessary exhibits which may require completion or attachment after the signing thereof or after the date of this Executive Order, and to make and/or approve any and all other necessary changes, additions or modifications to the Bond, the Financing Agreement, and such other documents, so long as the substance of the Bond, the Financing Agreement and such other documents is not materially altered.

Section 8: This Executive Order shall take effect immediately upon its execution.



Craig A. Moe
Mayor

Received and filed March 27, 2023:



Sara A. Green, CMC, Clerk to the City Council