



**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE TOWN OF NAGS HEAD,
NORTH CAROLINA, APPROVING A CONTRACT AND A DEED OF TRUST AND THE
DELIVERY THEREOF AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS**

WHEREAS, the Town of Nags Head, North Carolina (the "*Town*") is a validly existing municipal corporation of the State of North Carolina (the "*State*"), existing as such under and by virtue of the Constitution, statutes and laws of the State;

WHEREAS, the Town has the power, pursuant to the General Statutes of North Carolina to (1) enter into installment contracts in order to purchase, or finance or refinance the purchase of, real or personal property and to finance or refinance the construction or repair of fixtures or improvements on real property and (2) create a security interest in some or all of the property financed or refinanced to secure repayment of the purchase price of such property;

WHEREAS, the Board of Commissioners of the Town (the "*Board*") has previously determined that it is in the best interest of the Town to enter into an Installment Financing Contract (the "*Contract*") with the Nags Head Leasing Corporation, a North Carolina nonprofit corporation (the "*Corporation*"), to finance (a) the construction, equipping, and furnishing of public services facilities, (b) the conversion of the Town's residential and commercial water meters to an Advanced Metering Infrastructure (AMI) system (collectively, the "*2023 Projects*"), and (c) the costs related to the execution and delivery of the Contract;

WHEREAS, in order to secure the Town's obligations under the Contract, the Town will enter into a Deed of Trust, Security Agreement and Fixture Filing (the "*Deed of Trust*") granting a lien on the real property on which all or a portion of the 2023 Projects will be located and the improvements thereon that may be necessary to effectuate the proposed financing;

WHEREAS, the Corporation will execute and deliver its Limited Obligation Bonds (Town of Nags Head, North Carolina), Series 2023 (the "*Bonds*") in an aggregate principal amount not to exceed \$19,900,000, evidencing proportionate undivided interests in rights to receive certain Revenues (as defined in the Contract) pursuant to the Contract;

WHEREAS, in connection with the sale of the Bonds to PNC Capital Markets LLC (the "*Underwriter*"), the Corporation will enter into a Contract of Purchase (the "*Purchase Contract*") between the Corporation and the Underwriter relating to the Bonds, and the Town will execute a Letter of Representation to the Underwriter (the "*Letter of Representation*");

WHEREAS, there have been described to the Board the forms of the following documents (collectively, the "*Instruments*"), copies of which have been made available to the Board, which the Board proposes to approve, enter into, and deliver, as applicable, to effectuate the proposed installment financing:

- (1) the Contract;
- (2) the Deed of Trust;
- (3) an Indenture of Trust dated as of March 1, 2023 (the "*Indenture*") between the Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee, including the form of the Bonds; and
- (4) the Purchase Contract and the Letter of Representation.

WHEREAS, to make an offering and sale of the Bonds, there will be prepared a Preliminary Official Statement with respect to the Bonds (the "*Preliminary Official Statement*"), a draft thereof having been made available to the Board, and a final Official Statement relating to

the Bonds (together with the Preliminary Official Statement, the "*Official Statement*"), which Official Statement will contain certain information regarding the Town and the Bonds;

WHEREAS, it appears that each of the Instruments and the Preliminary Official Statement is in an appropriate form and is an appropriate instrument for the purposes intended;

WHEREAS, the Board conducted a public hearing on January 4, 2023 to receive public comment on the proposed Contract, the Deed of Trust, and the 2023 Projects; and

WHEREAS, the Town has filed an application to the Local Government Commission of North Carolina (the "*LGC*") for approval of the Contract and will receive the approval of the LGC before executing and delivering the Contract;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF NAGS HEAD, NORTH CAROLINA, AS FOLLOWS:

Section 1. **Ratification of Instruments.** All actions of the Town, the Mayor, the Town Clerk, the Town Manager, the Finance Director, the Town Attorney and their respective designees (individually and collectively, the "*Authorized Officers*"), whether previously or hereinafter taken, in effectuating the proposed financing are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the Instruments.

Section 2. **Authorization of the Official Statement.** The form, terms and content of the Preliminary Official Statement are in all respects authorized, approved and confirmed, and the Underwriter's use of the Preliminary Official Statement and the final Official Statement in connection with the offering and sale of the Bonds is hereby in all respects authorized, approved and confirmed. The Authorized Officers are hereby authorized and directed to deliver, on behalf of the Town, the Official Statement in substantially such form, with such changes, insertions and omissions as they may approve.

Section 3. **Authorization to Execute the Contract.** The Town hereby approves the financing in accordance with the terms of the Contract, which will be a valid, legal and binding obligation of the Town in accordance with its terms. The form and content of the Contract are hereby in all respects authorized, approved and confirmed, and the Authorized Officers are hereby authorized, empowered and directed to execute and deliver the Contract, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as they deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the Town's approval of any and all changes, modifications, additions or deletions therein from the form and content of the Contract presented to the Board. From and after the execution and delivery of the Contract, the Authorized Officers are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Contract as executed.

Section 4. **Authorization to Execute the Deed of Trust.** The Town approves the form and content of the Deed of Trust, and the Deed of Trust is in all respects authorized, approved and confirmed. The Authorized Officers are hereby authorized, empowered and directed to execute and deliver the Deed of Trust, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as they deem necessary, desirable or appropriate. Execution by the Authorized Officers constitutes conclusive evidence of the Town's approval of any and all such changes, modifications, additions or deletions therein from the form and content of the Deed of Trust presented to the Board, and from and after the execution and delivery of the Deed of Trust, the Authorized Officers are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Deed of Trust as executed.

Section 5. **Authorization to Execute the Purchase Contract and Letter of Representation.** The form and content of the Purchase Contract are hereby approved in all respects. The Mayor, the Town Manager and the Finance Director are authorized to execute the Letter of Representation for the purposes stated therein, including necessary counterparts, in substantially the form and content of the Letter of Representation presented to the Board, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the Town's

approval of any and all changes, modifications, additions or deletions therein from the form and content of the Letter of Representation presented to the Board. From and after the execution and delivery of the Letter of Representation, the Authorized Officers are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Letter of Representation as executed.

Section 6. **Town Representative.** The Authorized Officers are each hereby designated as the Town's representative to act on behalf of the Town in connection with the transactions contemplated by the Instruments and the Official Statement, and the Authorized Officers are authorized to proceed with the financing in accordance with the Instruments and to seek opinions as a matter of law from the Town Attorney, which the Town Attorney is authorized to furnish on behalf of the Town, and opinions of law from such other attorneys for all documents contemplated hereby as required by law. The Town's representative and/or designee or designees are in all respects authorized on behalf of the Town to supply all information pertaining to the Town for use in the Official Statement and the transactions contemplated by the Instruments or the Official Statement. The Town's representatives or their respective designees are hereby authorized, empowered and directed to do any and all other acts and to execute any and all other documents, which they, in their discretion, deem necessary and appropriate to consummate the transactions contemplated by the Instruments or the Official Statement or as they deem necessary or appropriate to implement and carry out the intent and purposes of this Resolution and the on-going administration of the Instruments. Any provision in this Resolution that authorizes more than one officer of the Town to take certain actions shall be read to permit such officers to take the authorized actions either individually or collectively and any action authorized may be taken by anyone designated to act on their behalf.

Section 7. **Severability.** If any section, phrase or provision of this Resolution is for any reason declared to be invalid, such declaration will not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

Section 8. **Repealer.** All motions, orders, resolutions and parts thereof, in conflict herewith are hereby repealed.

Section 9. **Effective Date.** This Resolution is effective on the date of its adoption.

Approved and adopted this 1st day of February, 2023.



Benjamin Cahoon, Mayor
Town of Nags Head, North Carolina

I, Carolyn F. Morris, Town Clerk of the Town of Nags Head, North Carolina, **DO HEREBY CERTIFY** that the foregoing is a true and exact copy of a resolution entitled "**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE TOWN OF NAGS HEAD, NORTH CAROLINA, APPROVING A CONTRACT AND A DEED OF TRUST AND THE DELIVERY THEREOF AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS**" duly adopted by the Board of Commissioners of the Town of Nags Head, North Carolina, at a meeting held on the 1st day of February, 2023.

WITNESS my hand and the corporate seal of the Town of Nags Head, North Carolina, this the 1st day of February, 2023.

(SEAL)



Carolyn F. Morris
Town Clerk
Town of Nags Head, North Carolina