



Resolution Approving Financing Terms

WHEREAS, the Town of Nags Head, NC ("Borrower") has previously determined to finance, including through reimbursement, the acquisition, via Reimbursement Resolution, of 4222 S. Croatan Hwy., Nags Head, NC, 27959, (the "Land" Project); and

WHEREAS, the Borrower desires to finance, including through reimbursement, the construction and equipping of workforce housing at 425 W. Health Center Dr., Nags Head, NC, 27959, (the "Housing Project" and, together with the Land Project, the "Projects"); and

WHEREAS, the Finance Officer has now presented a proposal for the financing of the Projects.

BE IT THEREFORE RESOLVED, as follows:

1. The Borrower hereby determines to finance the Projects through PNC Bank ("Lender") in accordance with the proposal dated February 18, 2025, or as such proposal may be supplemented or amended by Lender and the Borrower verbally or in writing. The amount financed for the land acquisition, 4222 S. Croatan Hwy., Nags Head, NC, shall not exceed \$1,541,604, the annual interest rate shall not exceed 4.32%, and the financing term shall not exceed ten (10) years from the date of closing. The amount financed for the housing construction, 425 W. Health Center Dr., Nags Head, NC, shall not exceed \$1,402,192, the annual interest rate shall not exceed 5.48%, and the financing term shall not exceed nine (9) years from the date of closing.

2. To the extent that interest on the obligations of the Borrower under the Financing Contract (as hereinafter defined) will be exempt from federal income tax, the Borrower hereby designates such obligations as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

3. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of the Borrower are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The "Financing Documents" shall include an Installment Financing Contract (the "Financing Contract") and Deed of Trust and such other documents as Lender may request. Pursuant to the Financing Contract and Deed of Trust, (a) Lender will advance moneys to the Borrower to pay the costs of the Project and the financing costs related thereto, and the Borrower will repay such advance in installments, and (b) the Borrower will grant a lien all or a portion of the sites of the Projects, or portions thereof, together with all fixtures and improvements located thereon, to Lender as security for such advance.

4. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to the Finance Officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by Borrower officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

5. The Borrower intends that the adoption of this resolution will be a declaration of the Borrower's official intent to reimburse expenditures for the Project that are to be financed from the proceeds of the Lender financing described above. The Borrower intends that funds that have been advanced, or that may be advanced, from the Borrower's general fund or any other Borrower fund related to the Project, for costs of the Project may be reimbursed from the financing proceeds.

6. All prior actions of Borrower officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

ADOPTED this 5th day of March 2025.

ATTEST: Brittany A Phillips
Brittany A Phillips, Town Clerk

