



RESOLUTION APPROVING AND RATIFYING CONTRACTS

WHEREAS, In its meeting dated February 5, 2014, the Nags Head Board of Commissioners approved financing terms and the execution of one (1) contract between the Town of Nags Head and Southern Bank for the purchase of certain vehicles. Southern Bank separated that approved contract into two (2) contracts, each with terms no less favorable than those proposed in the approved contract, as follows:

1) One contract dated March 27, 2014 for the purchase of a backhoe, which has: an interest rate of 1.18%; five (5) annual payments, each of which will include accrued interest and a principal payment of \$62,248.20 (the first being due when the contract is executed and/or ratified and the last being due four (4) years following the execution of the contract); total principal payments of \$311,241.00; and total payments, inclusive of interest, of \$318,592.32 (See Exhibit 1 attached hereto).

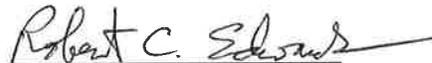
2) One contract dated March 27, 2014 for the purchase of a nine (9) vehicles, which has: an interest rate of 1.04%; three (3) annual payments, each of which will include accrued interest and a principal payment of \$93,947.00 (the first being due when the contract is executed and/or ratified and the last being due two (2) years following the execution of the contract); total principal payments of \$281,841.00; and total payments, inclusive of interest, of \$284,774.83 (See Exhibit 2 attached hereto).

WHEREAS, the Town of Nags Head through its Manager, in lieu of the one (1) approved contract, has entered into the two (2) contracts dated March 27, 2014 with Southern Bank; AND

WHEREAS, the two (2) contracts dated March 27, 2014, qualify as a tax-exempt obligations of the Town, pursuant to the Internal Revenue Code of 1986.

NOW, THEREFORE BE IT RESOLVED, that the Nags Head Board of Commissioners ratifies the execution of and performance of the obligations under the said two (2) contracts dated March 27, 2014 attached hereto as Exhibits 1 and 2 and authorizes that the said contracts be and the same are hereby designated as qualified tax-exempt obligations of the Town for purposes of Section 265 (b) (3) of the Internal Revenue Code of 1986.

This the 2nd day of April 2014.


Robert C. Edwards, Mayor
Town of Nags Head

ATTEST


Carolyn F. Morris, Town Clerk

