



**RESOLUTION OF THE TOWN OF NAGS HEAD, NORTH CAROLINA, DIRECTING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF SPECIAL OBLIGATION BONDS; REQUESTING LOCAL GOVERNMENT COMMISSION APPROVAL OF THE TOWN'S SPECIAL OBLIGATION BONDS; AND CERTAIN RELATED MATTERS**

**WHEREAS**, the Board of Commissioners (the "*Board*") of the Town of Nags Head, North Carolina (the "*Town*") hereby determines that it is necessary to provide beach nourishment for the purpose of beach erosion control and flood and hurricane protection works (the "*Project*");

**WHEREAS**, there are two separate funding sources for the Project, with approximately 2.3 million cubic yards of sand for the Project ultimately being funded by the Town and Dare County (the "*Town Portion*") and approximately 1.4 million cubic yards of sand for the Project ultimately being funded by a grant from the Federal Emergency Management Agency (the "*FEMA Portion*");

**WHEREAS**, the Town has created a Municipal Service District (the "*MSD*"), in accordance with Article 23 of Chapter 160A of the North Carolina General Statutes, in which the Project will be located;

**WHEREAS**, the Board is considering the issuance of two series of special obligation bonds, a series of special obligation bonds to finance the Town Portion of the Project and related costs of issuance (the "*2018A Bond*") in an aggregate principal amount not to exceed \$12,000,000 and a series of special obligation bonds to finance the FEMA Portion of the Project and related costs of issuance (the "*2018B Bond*") and collectively with the 2018A Bond, the "*2018 Bonds*") in an aggregate principal amount not to exceed \$17,000,000;

**WHEREAS**, the Town has retained (A) Parker Poe Adams & Bernstein LLP, as bond counsel for the 2018 Bond and (B) DEC Associates Inc., as financial advisor for the 2018 Bonds;

**WHEREAS**, the Board wants the Town Finance Director (1) to file with the North Carolina Local Government Commission (the "*Commission*") an application for its approval of the 2018 Bonds, on a form prescribed by the Commission, (2) to request in such application that the Commission approve (a) the negotiation of the sale of the 2018 Bonds to a financial institution (the "*Purchaser*") to be determined by the Authorized Officers, as defined herein, through a private placement and (b) the financing team for the 2018 Bonds, (3) to state in such application such facts and to attach thereto such exhibits in regard to the 2018 Bonds and to the Town and its financial condition, as may be required by the Commission, and (4) to take all other action necessary for the issuance of the 2018 Bonds; and

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

**Section 1.** That the 2018 Bonds are to be issued by the Town for the purpose of providing funds (1) to finance the costs of the Project and (2) to pay the costs of issuing the 2018 Bonds, as set out fully in the documents attached to the Town's application to the Commission. The use of the proceeds of the 2018 Bonds, as described, is necessary in order to provide for beach erosion control and flood and hurricane protection works in the MSD.

**Section 2.** That the Finance Director, or her designee, is hereby authorized directed and designated to file an application with the Commission for its approval of the issuance of the 2018 Bonds and are hereby authorized to request bids from financial institutions for the purchase of the 2018 Bonds.

**Section 3.** In addition to the bond counsel and the financial advisor, the Authorized Officers are each hereby authorized to retain the services of other professionals as they deem necessary and appropriate to complete the transactions contemplated by this Resolution.

**Section 4.** The Board finds and determines and asks the Commission to find and determine from the Town's application and supporting documentation:

- (1) that the issuance of the 2018 Bonds is necessary or expedient;

