

**RESOLUTION AUTHORIZING FINANCE OFFICER TO FILE APPLICATION FOR
APPROVAL OF BEACH NOURISHMENT BONDS WITH LGC**

WHEREAS, the Board of Commissioners (the "Board") of the Town of Nags Head has made the following factual findings:

Description of the project: Bonds in the maximum principal amount of \$24,000,000 are proposed to be issued for the following project:

All costs associated with the nourishment of the beach strand in Nags Head, including planning, design, legal, environmental studies, surveys, and construction

Facts regarding necessity of proposed project: The proposed project is necessary to maintain a functional recreational beach, maintain the stability of the Town's tourism industry, protect oceanfront structures, and protect valuable tax base located on the oceanfront.

Facts supporting the amount of bonds proposed: The amount of bonds proposed is adequate and not excessive for the proposed purposes based on present estimates.

Past debt management policies: The Town has in the past always appropriated funds in accordance with North Carolina law during each fiscal year in an amount sufficient to retire all principal and interest on indebtedness.

Past budgetary and fiscal management policies: The Town has always adopted its budget in a timely manner in accordance with North Carolina statutory requirements and has obtained an unqualified opinion from a certified public accountant in connection with each annual audit.

Retirement of Debt: Any increase in the Town's property tax rate resulting from issuance of the proposed bonds is not excessive.

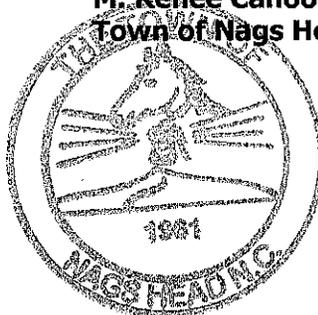
NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Town of Nags Head, North Carolina as follows:

The Finance Officer is directed to file application for approval of the bonds with the Local Government Commission as required by North Carolina General Statute §159-51, and is designated the representative of the Town for that purpose.

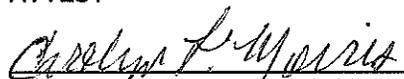
This the 6th day of December 2006.



**M. Renée Cahoon, Mayor
Town of Nags Head**



ATTEST


Carolyn F. Morris, Town Clerk