

Resolution No. 22.2275

Resolution Approving Financing Terms

WHEREAS, the Town of Carolina Beach (“Borrower”) has previously determined to finance the installment financing agreement for land (the “Project”), and the Finance Director has now presented a proposal for the financing of such Project.

BE IT THEREFORE RESOLVED, as follows:

1. The Borrower hereby determines to finance the Project through Truist Bank (“Lender”) in accordance with the proposal dated February 27, 2023, or as such proposal may be supplemented or amended by Lender and the Borrower verbally or in writing. The amount financed shall not exceed \$2,000,000.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 3.98% and the financing term shall not exceed ten (10) years from the date of closing.

2. 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 a Financing Agreement and Deed of Trust and such other documents as Lender may request. Pursuant to the Financing Agreement 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 on the site of the Project, or portions thereof, together with all fixtures and improvements located thereon, to Lender as security for such advance.

3. The Finance Director 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 Director’s satisfaction. The Finance Director 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 Director shall approve, with the Finance Director’s release of any Financing Document for delivery constituting conclusive evidence of such officer’s final approval of the Document’s final form.

4. The Borrower shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The Borrower hereby designates its obligations to make principal and interest payments under the Financing Documents as “qualified tax-exempt obligations” for the purpose of Internal Revenue Code Section 265(b)(3).

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.

Approved this ___ day of _____, 2023

By: _____

By: _____

Title: _____

Title: _____

SEAL



Charles R. Mattox
101 N. Third Street, Fl 3
Wilmington, North Carolina 28401
Phone (910) 815-2715

February 27, 2023

Ms. Debbie Hall
Town of Carolina Beach, NC
1121 N Lake Park Blvd
Carolina Beach, NC 28428
Via email: debbie.hall@carolinabeach.org

Dear Ms. Hall:

Truist Bank (“Lender”) is pleased to offer this proposal for the financing requested by the Town of Carolina Beach, NC (“Borrower”).

PROJECT: Installation Financing Agreement for Land

AMOUNT: \$2,000,000.00

TERM: 10 years

INTEREST RATE: 3.98%

TAX STATUS: Tax Exempt – Bank Qualified

PAYMENTS: Interest: Annual
Principal: Annual

INTEREST RATE CALCULATION: 30/360

SECURITY: First lien security interest on the real property purchased, financed, constructed, or renovated with financing proceeds

PREPAYMENT TERMS: None

RATE EXPIRATION: April 28, 2023

DOCUMENTATION/ LEGAL REVIEW FEE: None

FUNDING: Proceeds will be deposited into an account held at Lender at closing pending disbursement for project costs.

DOCUMENTATION: Lender and its counsel shall prepare the deed of trust and all documentation for the Borrower. We shall provide a sample of all required documentation to you and your counsel if Lender is the successful proposer. Lender will not require a survey or title insurance. Evidence of LGC approval is required when applicable. At a minimum, Lender shall require flood insurance, if applicable.

The financing documents shall include provisions that will outline appropriate changes to be implemented in the event this transaction is determined to be taxable or non-bank qualified in accordance with state statutes or the Internal Revenue Service Code. All documentation must be deemed appropriate by Lender before closing.

REPORTING REQUIREMENTS: Lender will require financial statements to be delivered within 270 days after the conclusion of each fiscal year-end throughout the term of the financing.

Should we become the successful proposer, we have attached the form of a resolution that your governing board can use to award the financing to Lender. If your board adopts this resolution, then Lender shall not require any further board action prior to closing the transaction.

Lender shall have the right to cancel this offer by notifying the Borrower of its election to do so (whether this offer has previously been accepted by the Borrower) if at any time prior to the closing there is a material adverse change in the Borrower's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the Borrower or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to Lender.

Costs of counsel for the Borrower and any other costs will be the responsibility of the Borrower.

The stated interest rate assumes that the Borrower expects to borrow no more than \$10,000,000 in the current calendar year and that the financing will qualify as qualified tax-exempt financing under the Internal Revenue Code. Lender reserves the right to terminate this bid or to negotiate a mutually acceptable interest rate if the financing is not qualified tax-exempt financing.

We appreciate the opportunity to offer this financing proposal. Please call me at (910) 815-2715 with your questions and comments. We look forward to hearing from you.

Sincerely,

Truist Bank



Charles R. Mattox
Senior Vice President

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Bond Debt Service

Town of Carolina Beach, NC Customer # 9933000645 NAICS 921140
Draft Real Property Purchase - Expansion of Muni Complex Note No. TBD

Dated Date 2/22/2023
 Delivery Date 2/22/2023

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>	<i>Bond Balance</i>	<i>Total Bond Value</i>
2/22/2023						2,000,000.00	2,000,000.00
2/22/2024	200,000.00	3.980%	79,600.00	279,600.00	279,600.00	1,800,000.00	1,800,000.00
2/22/2025	200,000.00	3.980%	71,640.00	271,640.00	271,640.00	1,600,000.00	1,600,000.00
2/22/2026	200,000.00	3.980%	63,680.00	263,680.00	263,680.00	1,400,000.00	1,400,000.00
2/22/2027	200,000.00	3.980%	55,720.00	255,720.00	255,720.00	1,200,000.00	1,200,000.00
2/22/2028	200,000.00	3.980%	47,760.00	247,760.00	247,760.00	1,000,000.00	1,000,000.00
2/22/2029	200,000.00	3.980%	39,800.00	239,800.00	239,800.00	800,000.00	800,000.00
2/22/2030	200,000.00	3.980%	31,840.00	231,840.00	231,840.00	600,000.00	600,000.00
2/22/2031	200,000.00	3.980%	23,880.00	223,880.00	223,880.00	400,000.00	400,000.00
2/22/2032	200,000.00	3.980%	15,920.00	215,920.00	215,920.00	200,000.00	200,000.00
2/22/2033	200,000.00	3.980%	7,960.00	207,960.00	207,960.00		
	2,000,000.00		437,800.00	2,437,800.00	2,437,800.00		