

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF CAROLINA BEACH, NORTH CAROLINA DIRECTING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF THE TOWN'S ENTERPRISE SYSTEMS REVENUE AND REVENUE REFUNDING BONDS, SERIES 2026; REQUESTING LOCAL GOVERNMENT COMMISSION APPROVAL OF THE 2026 BONDS; DECLARING THE INTENT OF THE TOWN TO REIMBURSE ITSELF FOR CAPITAL EXPENDITURES FROM PROCEEDS THEREOF; AND CERTAIN RELATED MATTERS

WHEREAS, the Town Council (the "*Town Council*") of the Town of Carolina Beach, North Carolina (the "*Town*") hereby determines that it is necessary to improve its water, sewer, and stormwater systems (collectively, the "*Enterprise Systems*"); and

WHEREAS, the Town Council is considering the issuance of not to exceed \$35,000,000 Town of Carolina Beach, North Carolina Enterprise Systems Revenue and Revenue Refunding Bonds, Series 2026 (the "*2026 Bonds*"), to (1) finance the costs of improving and expanding the Town's water, sewer, and stormwater facilities (collectively, the "*2026 Projects*"), (2) refund in advance of their maturities all or a portion of the Town's Enterprise Systems Revenue Bonds, Series 2016 (the "*Refunded 2016 Bonds*"), and (3) pay the costs of issuing the 2026 Bonds; and

WHEREAS, the Town Council wishes to (1) retain Parker Poe Adams & Bernstein LLP, as bond counsel ("*Bond Counsel*"); (2) retain First Tryon Advisors as municipal advisor; (3) retain Truist Securities, Inc., as underwriter for the 2026 Bonds (the "*Underwriter*"); (4) retain U.S. Bank Trust Company, National Association, as trustee and escrow agent for the 2026 Bonds; (5) approve the selection by the Underwriter of Womble Bond Dickinson (US) LLP as underwriter's counsel; and (6) retain Willdan Financial Services as feasibility consultant (collectively, the "*Financing Team*"); and

WHEREAS, the Town Council desires that the Finance Director of the Town file with the Local Government Commission of North Carolina (the "*Commission*") an application for its approval of the 2026 Bonds on a form prescribed by the Commission, requesting that the Commission approve the negotiation of the sale of the 2026 Bonds to the Underwriter and the Town's use of the Financing Team; and

WHEREAS, in connection with such application, the Town Council authorizes the Finance Director (1) to provide the Commission with such facts and information in regard to the 2026 Bonds and to the Town and its financial condition as the Commission may require and (2) to take all other action necessary for the issuance of the 2026 Bonds;

WHEREAS, the Town will incur and pay certain expenditures (the "*Original Expenditures*") in connection with the 2026 Projects prior to the date of issuance of the 2026 Bonds, such Original Expenditures to be paid for originally from a source other than the proceeds of the 2026 Bonds, and the Town intends, and reasonably expects, to be reimbursed for such Original Expenditures from a portion of the proceeds of the 2026 Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CAROLINA BEACH, NORTH CAROLINA, AS FOLLOWS:

Section 1. The Town is authorized to issue the 2026 Bonds to finance the 2026 Projects, refund the Refunded 2016 Bonds, and pay the costs of issuing the 2026 Bonds.

Section 2. The use of the Financing Team in connection with the issuance of the 2026 Bonds is approved. In addition, to the extent necessary, the Finance Director is authorized to engage any other third parties that may be necessary to execute the transactions contemplated by this Resolution.

Section 3. The Finance Director, with advice from the Town Manager, the Town Attorney Bond Counsel, and Municipal Advisor, is authorized, directed and designated to file an application with the Commission for its approval of the issuance of the 2026 Bonds.

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

- (a) the issuance of the 2026 Bonds is necessary or expedient;
- (b) the maximum stated principal amount of the 2026 Bonds will be adequate but is not excessive, when added to other money available for such purpose, to finance the 2026 Projects and refund the Refunded 2016 Bonds;
- (c) the proposed 2026 Projects are feasible;
- (d) the Town's debt management procedure and policies are good; and
- (e) the 2026 Bonds can be marketed at a reasonable interest cost to the Town.

Section 5. The Mayor, the Town Manager, and the Finance Director, and their respective designees, are authorized to do any and all other things necessary to complete the steps necessary for the issuance of the 2026 Bonds.

Section 6. The Town Council requests that the Commission sell the 2026 Bonds through negotiation to the Underwriter on such terms as may be agreed on.

Section 7. The Town presently intends, and reasonably expects, to reimburse itself for Original Expenditures in an amount not to exceed \$35,000,000 on or after the date occurring 60 days prior to the date of adoption of this Resolution from a portion of the proceeds of the 2026 Bonds. The Town adopts this Resolution as a declaration of official intent under Section 1.150-2 of the Treasury Regulations promulgated under Section 103 of the Internal Revenue Code of 1986, as amended, to evidence the Town's intent to reimburse itself for the Original Expenditures from proceeds of the 2026 Bonds. The Finance Director, with advice from Bond Counsel, is authorized, directed and designated to act on behalf of the Town in determining and itemizing all of the Original Expenditures incurred and paid by the Town in connection with the 2026 Projects during the period commencing on the date occurring 60 days prior to the date of adoption of this Resolution and ending on the date of issuance of the 2026 Bonds.

Section 8. This Resolution is effective on the date of its adoption.

ADOPTED THIS, the 9th day of December, 2025.

Lynn Barbee, Mayor

ATTEST:

Kim Ward, Town Clerk