

**RESOLUTION #26-2344**

**BOND ORDER AUTHORIZING THE ISSUANCE OF ENTERPRISE SYSTEMS REVENUE AND REVENUE REFUNDING BONDS OF THE TOWN OF CAROLINA BEACH, NORTH CAROLINA.**

**WHEREAS**, the Town of Carolina Beach, North Carolina (the “*Town*”) is authorized by The State and Local Government Revenue Bond Act, General Statutes of North Carolina, Section 159-80 et seq. (the “*Act*”), to issue, subject to the approval of the Local Government Commission of North Carolina (the “*Commission*”), at one time or from time to time revenue bonds of the Town for the purposes as specified in the Act; and

**WHEREAS**, the Town Council (the “*Town Council*”) of the Town previously adopted a resolution at a meeting held on December 9, 2025 making certain findings of fact, which findings are incorporated herein by reference, and directing the application to the Commission for approval of Town of Carolina Beach Enterprise Systems Revenue and Revenue Refunding Bonds, Series 2026 (the “*2026 Bonds*”) and hereby further determines to issue the 2026 Bonds in an amount not to exceed \$35,000,000 to:

(1) finance the costs of improving and expanding the Town’s water, sewer, and stormwater facilities (collectively, the “*2026 Projects*”), including, but not limited to, (a) replacement of the Town’s Automated Meter Integration (AMI) System, (b) addition of a water supply well and expansion of water treatment along Alabama Avenue, (c) installation of a new stormwater force main and associated stormwater infrastructure, (d) replacement and rehabilitation of aging water and sewer lines, (e) acquisition of a street sweeper, (f) planning, design, and construction of upgraded headworks facilities at the Town’s wastewater treatment plant, and (g) planning, design, and construction of a new water tank;

(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 will issue the 2026 Bonds under the General Trust Indenture dated as of June 1, 2016 (the “*General Indenture*”) between the Town and U.S. Bank National Association, the successor to which is U.S. Bank Trust Company, National Association, as trustee (the “*Trustee*”), and Series Indenture, Number 2 (the “*Series Indenture*”), between the Town and the Trustee; and

**WHEREAS**, the Town and the Local Government Commission of North Carolina (the “*Commission*”) have arranged for the sale of the 2026 Bonds to Truist Securities, Inc., as underwriter for the 2026 Bonds (the “*Underwriter*”) under the terms of a Bond Purchase Agreement (the “*Purchase Agreement*”) among the Commission, the Town, and the Underwriter;

**WHEREAS**, an application has been filed with the Secretary of the Commission requesting Commission approval of the 2026 Bonds as required by the Act and, included in such application, the Finance Director of the Town has requested that the Commission approve the negotiation of the sale of the 2026 Bonds to the Underwriter; and

**WHEREAS**, copies of the forms of the following documents relating to the transaction described above have been filed with the Town (collectively, the “*Transaction Documents*”):

1. Series Indenture;
2. the Purchase Agreement;
3. an Escrow Agreement, to be dated as of March 4, 2026, between the Town and U.S. Bank Trust Company, National Association, as escrow agent; and
4. a Preliminary Official Statement (the “*Preliminary Official Statement*”) with respect to the 2026 Bonds.

**NOW THEREFORE, BE IT ORDERED BY THE TOWN COUNCIL OF THE TOWN OF CAROLINA BEACH, NORTH CAROLINA:**

*Section 1.* The 2026 Bonds are authorized to be issued pursuant to the Act to finance the 2026 Projects, refund the Refunded 2016 Bonds, and pay the costs of issuing the 2026 Bonds.

*Section 2.* The aggregate principal amount of the 2026 Bonds authorized by this Bond Order shall not exceed \$35,000,000. The 2026 Bonds hereby authorized will be special obligations of the Town, secured by and paid solely from the proceeds thereof or from revenues, income, receipts and other money received or accrued by or on behalf of the Town from or in connection with the operation of the Town’s Enterprise Systems (as defined in the General Indenture).

*Section 3.* The Town’s issuance of the 2026 Bonds, in substantially the form to be set forth in the Series Indenture, is approved and confirmed, and the provisions of the General Indenture and the Series Indenture with respect to the 2026 Bonds are approved and confirmed and are incorporated herein by reference. The proceeds from the sale of the 2026 Bonds will be deposited in accordance with the Series Indenture.

The principal of, premium, if any, and interest on the 2026 Bonds will not be payable from the general funds of the Town, nor will the 2026 Bonds constitute a legal or equitable pledge, charge, lien or encumbrance on any of the Town’s property or on any of its income, receipts or revenues except the funds which are pledged under the General Indenture. Neither the credit nor the taxing power of the State of North Carolina or the Town is pledged for the payment of the principal of, premium, if any, or interest on the 2026 Bonds, and no holder of the 2026 Bonds has the right to compel the exercise of the taxing power by the State of North Carolina or the Town or the forfeiture of any of its property in connection with any default thereon.

*Section 4.* The Town Council requests that the Commission sell the 2026 Bonds to the Underwriter pursuant to the terms of the Purchase Agreement.

*Section 5.* The form and content of the Transaction Documents, including the exhibits thereto, are approved and confirmed, and the Mayor of the Town, the Town Manager, the Finance Director, and the Town Clerk (collectively, the “*Authorized Officers*”), or their respective designees, as applicable, are authorized, empowered and directed, individually and collectively, to execute and deliver, as applicable, the Transaction Documents for and on behalf of the Town, including necessary counterparts, in substantially the forms and content presented to the Town Council, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or

deletions therein. From and after the execution and delivery of the Transaction Documents, as applicable, the Authorized Officers are authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Transaction Documents, as executed. The Trustee is appointed as Registrar and Paying Agent under the Series Indenture.

*Section 6.* The form and content of the Preliminary Official Statement are in all respects authorized, approved and confirmed, and the Underwriter's use of the Preliminary Official Statement and the Official Statement (the "*Official Statement*") in connection with the sale of the 2026 Bonds is authorized, approved and confirmed. The Town Council authorizes the preparation of the Official Statement, in substantially the form of the Preliminary Official Statement, together with such changes as are necessary to reflect the final terms of the 2026 Bonds. The Authorized Officers are authorized to deliver the Official Statement.

*Section 7.* The Town Manager or Finance Director of the Town are authorized to execute a tax certificate to comply with Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder.

*Section 8.* If any one or more of the covenants, agreements or provisions contained in this Bond Order is held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or is for any reason whatsoever held invalid, then such covenants, agreements or provisions will be null and void and will be deemed separable from the remaining agreements and provisions and will in no way affect the validity of any of the other agreements and provisions of this Bond Order or of the 2026 Bonds authorized hereunder.

*Section 9.* No stipulation, obligation or agreement contained in this Bond Order or in the 2026 Bonds, the General Indenture, the Transaction Documents or any other instrument related to the issuance of the 2026 Bonds is a stipulation, obligation or agreement of any officer, agent or employee of the Town in his or her individual capacity, and no such officer, agent or employee is personally liable on the 2026 Bonds or subject to personal liability or accountability by reason of the issuance thereof.

*Section 10.* The Authorized Officers are authorized, empowered and directed, individually and collectively, to do any and all other acts and to execute any and all other documents which they, in their discretion, deem necessary and appropriate to consummate the transactions contemplated by this Bond Order and the Transaction Documents, except that none of the above is authorized or empowered to do anything or execute any document which is in contravention, in any way, of (a) the specific provisions of this Bond Order, (b) the specific provisions of the General Indenture or the Series Indenture, (c) any agreement to which the Town is bound, (d) any rule or regulation of the Town, or (e) any applicable law, statute, ordinance, rule or regulation of the United States of America or the State of North Carolina.

*Section 11.* The Authorized Officers are authorized and directed, individually and collectively, to prepare and furnish, when the 2026 Bonds are issued, certified copies of all the proceedings and records of the Town Council relating to the 2026 Bonds, and such other affidavits, certificates and documents as may be required to show the facts relating to the legality and marketability of the 2026 Bonds as such facts appear on the books and records in such party's custody and control or as otherwise known to them; and all such certified copies, certificates, affidavits and documents, including any heretofore furnished, constitute representations of the Town as to the truth of all statements contained therein.

*Section 12.* All acts and doings of the Authorized Officers that are in conformity with the purposes and intents of this Bond Order and in the furtherance of the issuance of the 2026 Bonds and the

execution, where appropriate, delivery and performance of the General Indenture and the Transaction Documents are approved and confirmed.

*Section 13.* If any one or more of the agreements or provisions herein contained are held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or for any reason whatsoever are held invalid, then such agreements or provisions are null and void and are to be deemed separable from the remaining agreements and provisions and shall in no way affect the validity of any of the other agreements and provisions hereof or of the 2026 Bonds authorized hereunder.

*Section 14.* All resolutions or parts thereof of the Town Council in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

*Section 15.* This Bond Order shall take effect immediately on its adoption and pursuant to §159-88 of the General Statutes of North Carolina, as amended, need not be published or subjected to any procedural requirements governing the adoption of ordinances or resolutions by the Town Council other than the procedures set out in the Act.

***ADOPTED THIS***, the 13th day of January, 2026.

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Albert L. Barbee, Mayor

**ATTEST:**

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Kim Ward, Town Clerk