Resolution #26-2357

Resolution Approving Financing Terms

WHEREAS, the Town of Carolina Beach, North Carolina (the "Town") has determined to finance the acquisition of nine properties in the downtown boardwalk area of the Town to improve the area for the benefit of residents and visitors (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 Town hereby determines to finance the Project through Truist Bank or an affiliate thereof ("Truist") in accordance with the proposal dated July 28, 2026, or as such proposal may be supplemented or amended by Truist and the Town verbally or in writing. The amount financed shall not exceed $10,000,000, the annual interest rate (in the absence of default or change in tax status) shall not exceed 4.53%, and the financing term shall not exceed 15 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 Town 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 Truist may request. Pursuant to the Financing Agreement and Deed of Trust, (a) Truist will advance moneys to the Town to pay the costs of the Project and the financing costs related thereto, and the Town will repay such advance in installments, and (b) the Town will grant a lien on the site of the Project, or portions thereof, together with all fixtures and improvements located thereon, to Truist 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 Town 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 Town 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.

5. The Town intends that the adoption of this resolution will be a declaration of the Town's official intent to reimburse expenditures for the Project that are to be financed from the proceeds of the Truist financing described above. The Town intends that funds that have been advanced, or that may be advanced, from the Town's general fund, or any other Town fund related to the Project, for costs of the Project may be reimbursed from the financing proceeds.

6. All prior actions of Town 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 ________, 2026.

By: ________________________________ By:___________________________________

Title:_______________________________ Title:__________________________________

SEAL