

**BOND ORDER AUTHORIZING THE ISSUANCE OF A SPECIAL OBLIGATION BOND OF THE
TOWN OF NORTH TOPSAIL BEACH, NORTH CAROLINA (FEMA GRANTS PROJECT)**

WHEREAS, the Board of Aldermen (the “*Board*”) of the Town of North Topsail Beach, North Carolina (the “*Town*”) previously determined that it was in the best interest of the Town to approve the issuance of special obligation bonds through the adoption of a bond order on February 3, 2022 (the “*2022A Bond Order*”) and issue its Variable Rate Special Obligation Bond (FEMA Grants Project), Series 2022A (the “*2022A Bond*”) pursuant to Article 7A of Chapter 159 of the General Statutes of North Carolina (the “*Authorizing Statute*”) and the 2022A Bond Order;

WHEREAS, the proceeds of the 2022A Bond were used to finance the costs of the first segment of Phase 5 of certain beach erosion control and flood and hurricane protection works to be constructed in a municipal service district in the Town related to the repair of damage from Hurricanes Florence and Dorian, which includes the excavation, transport, placement, and grading of approximately 289,000 cubic yards of beach quality sand along approximately 12,175 feet of the Town’s shoreline (the “*2022A Project*”);

WHEREAS, the Board has determined there is a present need to issue an additional Variable Rate Special Obligation Bond (FEMA Grants Project), Series 2022C (the “*2022C Bond*”) pursuant to the Authorizing Statute to finance the costs of the second segment of Phase 5 of beach erosion control and flood and hurricane protection works related to the repair of damage from Hurricanes Florence and Dorian, which includes the excavation, transport, placement, and grading of approximately 290,000 cubic yards of beach quality sand along approximately 6,800 feet of the Town’s shoreline (the “*2022C Project*”);

WHEREAS, the 2022C Project will be funded by grants on a reimbursement basis to the Town from the Federal Emergency Management Agency;

WHEREAS, an application has been filed with the Secretary (the “*Secretary*”) of the Local Government Commission of North Carolina (the “*Commission*”) requesting Commission approval of the 2022C Bond in an amount not to exceed \$8,300,000 to be used for the 2022C Project as required by the Authorizing Statute, and the Secretary has notified the Board that the application has been accepted for submission to the Commission.

***NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF ALDERMEN OF THE TOWN
OF NORTH TOPSAIL BEACH, NORTH CAROLINA, AS FOLLOWS:***

Section 1. The Board has determined that it is in the best interest of the Town to construct the 2022C Project.

Section 2. To raise the money required to pay the costs of the 2022C Project as set forth above, the 2022C Bond is hereby authorized and shall be issued pursuant to the Authorizing Statute in an aggregate principal amount not to exceed \$8,300,000.

Section 3. The 2022C Bond shall be a special obligation of the Town and the principal of, and interest and premium on, such 2022C Bond shall be secured solely by the following sources:

- (a) amounts received by the Town from the State of North Carolina as approved pursuant to U.S. Department of Homeland Security's Federal Emergency Management Agency (FEMA) Federal grants for the State of North Carolina associated with Hurricane Florence - FEMA-DR-4393-NC (Hurricane Florence), including the amounts received by the Town from the State of North Carolina as the State of North Carolina’s matching portion of the Federal grants, for which the Town requested reimbursement for expenses related to the 2022C Project;

(b) amounts received by the Town from the State of North Carolina as approved pursuant to U.S. Department of Homeland Security's Federal Emergency Management Agency (FEMA) Federal grants for the State of North Carolina associated with Hurricane Dorian - FEMA-DR-4465-NC (Hurricane Dorian), including the amounts received by the Town from the State of North Carolina as the State of North Carolina's matching portion of the Federal grants, for which the Town requested reimbursement for expenses related to the 2022C Project;

(c) amounts on deposit in the North Topsail Beach FEMA Beach Nourishment 2022C Loan Fund and North Topsail Beach FEMA Beach Nourishment 2022C Sinking Fund created in accordance with an issuance resolution adopted by the Board on October 5, 2022 and effective on the date of its adoption;

(d) one or more additional sources of funds identified by the Board in future proceedings of the Board, so long as (i) the pledge of such sources does not constitute a pledge of the taxing power of the Town and (ii) the pledge of such sources is first approved by the Commission as set forth in the Authorizing Statute.

Section 4. The sources of payment identified in Section 3 so pledged and then held or hereafter received by the Town or any fiduciary thereof shall immediately be subject to the lien of the pledge without any physical delivery of the sources or further act.

Section 5. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE TOWN ARE PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF, OR INTEREST OR ANY PREMIUM ON, THE 2022C BOND, AND NO OWNER OF SUCH 2022C BOND HAS THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE TOWN IN CONNECTION WITH ANY DEFAULT THEREON. The uses of the sources set forth in Section 3 do not constitute a pledge of the Town's taxing power and the Town is not obligated to pay the principal of, or interest or any premium on, the 2022C Bond except from the sources set forth in Section 3.

Section 6. The issuance and details of the 2022C Bond shall be set forth in one or more separate proceedings of the Board.

Section 7. This bond order shall take effect on its adoption.

STATE OF NORTH CAROLINA)
)
COUNTY OF ONSLOW) SS:

I, MELINDA MIER, Town Clerk of the Town of North Topsail Beach, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of a bond order entitled “**BOND ORDER AUTHORIZING THE ISSUANCE OF A SPECIAL OBLIGATION BOND OF THE TOWN OF NORTH TOPSAIL BEACH, NORTH CAROLINA (FEMA GRANTS PROJECT)**” adopted by the Board of Aldermen of the Town of North Topsail Beach, North Carolina, at a meeting held on the 5th day of October, 2022.

WITNESS my hand and the corporate seal of the Town of North Topsail Beach, North Carolina, this the _____ day of October, 2022.

[SEAL]

Melinda Mier
Town Clerk
Town of North Topsail Beach, North Carolina