



Joann M. McDermon, Mayor
Mike Benson, Mayor Pro Tem

Alice Derian, ICMA-CM
Town Manager

Aldermen:
Richard Grant
Tom Leonard
Connie Pletl
Laura Olszewski

Nancy Avery
Interim Town Clerk

RESOLUTION R2024-01 OF THE BOARD OF ALDERMEN OF THE TOWN OF NORTH TOPSAIL BEACH, NORTH CAROLINA, APPROVING AN INSTALLMENT FINANCING CONTRACT AND DELIVERY THEREOF AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS

WHEREAS, the Town of North Topsail Beach, North Carolina (the “Town”) is a municipal corporation of the State of North Carolina (the “State”), validly existing under the Constitution, statutes and laws of the State;

WHEREAS, the Town has the power, pursuant to the General Statutes of North Carolina to (1) enter into installment contracts in order to purchase, or finance or refinance the purchase of, real or personal property and to finance or refinance the construction or repair of fixtures or improvements on real property and (2) create a security interest in some or all of the property financed or refinanced to secure repayment of the purchase price;

WHEREAS, the Board of Aldermen of the Town (the “Board”) has previously determined that it is in the best interest of the Town to enter into an installment financing contract to finance the demolition of the existing Fire Station No. 2 and the construction of a new fire station on the same property (the “Project”);

WHEREAS, the Town has received the bids and selected the contractor for the Project and has received proposals from lenders for the installment financing for the Project;

WHEREAS, based on the bids for the Project and total expected costs of the Project and the proposals received from lenders, the Board has determined that it is in the best interest of the Town to receive an advance of funds in an aggregate principal amount not to exceed \$5,600,000 under an installment financing contract (the “Contract”) with JPMorgan Chase Bank, N.A. (the “Lender”) in order to pay (1) the costs of the Project and (2) the costs related to execution and delivery of the Contract;

WHEREAS, the obligation of the Town to make Installment Payments under the Contract is a limited obligation of the Town payable solely from currently budgeted appropriations of the Town and does not constitute a pledge of the faith and credit of the Town within the meaning of any constitutional debt limitation;

WHEREAS, in order to provide security for the Town’s obligations under the Contract, the Town will grant to the Lender a security interest under a deed of trust, security agreement and fixture filing (the “Deed of Trust”) in the Town’s fee simple interest in the site of the Project,

together with all improvements and fixtures located thereon (collectively, the “*Mortgaged Property*”);

WHEREAS, the Board has previously held a public hearing on December 6, 2023 regarding the Town’s approval of the execution and delivery of the Contract, financing of the Project, and the granting of a security interest in the Mortgaged Property;

WHEREAS, the Town has submitted an application to the Local Government Commission of North Carolina (the “*LGC*”) to consider and approve the Contract as described above and expects to be on the LGC’s agenda at its January 9, 2024 meeting;

WHEREAS, there has been made available to the Board the form of the Contract and the Deed of Trust, which the Town proposes to approve, enter into and deliver, as applicable, to effectuate the proposed financing;

WHEREAS, it appears that each of the Contract and the Deed of Trust (collectively, the “*Instruments*”) is in appropriate form and is an appropriate instrument for the purposes intended;

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

Section 1. Approval, Authorization and Execution of Instruments. The Board hereby approves the financing of the Project in accordance with the terms of the Instruments, which will be valid, legal and binding obligations of the Town in accordance with their respective terms. The Board hereby approves the amount to be advanced by the Lender to the Town pursuant to the Contract in an aggregate principal amount not to exceed \$5,600,000, such amount to be repaid by the Town to the Lender as provided in the Contract. The form, terms and content of the Instruments are in all respects authorized, approved and confirmed, and the Mayor, the Town Manager, the Finance Director, and the Town Clerk, including anyone serving as such in an interim capacity, and their respective designees (the “*Authorized Officers*”) are authorized, empowered and directed to execute and deliver the Instruments for and on behalf of the Town, including necessary counterparts, in substantially the forms presented to the Board, but with such changes, modifications, additions or deletions therein as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions, and that from and after the execution and delivery of the Instruments, each of the Authorized Officers is hereby authorized, empowered and directed 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 Instruments as executed.

Section 2. Further Actions. Each of the Authorized Officers is hereby designated as the Town’s representatives to act on behalf of the Town in connection with the transactions contemplated by the Instruments, and each of the Authorized Officers are authorized and directed to proceed with the financing of the Project in accordance with the terms of the Instruments and to seek opinions on matters of law from the Town Attorney, which the Town Attorney is authorized to furnish on behalf of the Town, and opinions of law from such other attorneys for all documents contemplated hereby as required by law. Each of the Authorized Officers is hereby authorized to designate one or more employees of the Town to take all actions which each of the Authorized Officers is authorized to perform under this Resolution, and each of the Authorized Officers, including their designees, is in all respects authorized on behalf of the Town to supply all

information pertaining to the transactions contemplated by the Instruments. Each of the Authorized Officers are authorized to execute and deliver for and on behalf of the Town any and all additional certificates, documents, opinions or other papers and perform all other acts as may be required by the Instruments or as they may deem necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution. Any and all acts of the Authorized Officers may be done individually or collectively.

Section 3. Related Actions. All acts and doings of officers, employees and agents of the Town, whether taken prior to, on, or after the date of this Resolution, that are in conformity with and in furtherance of the purposes and intents of this Resolution as described above shall be, and the same hereby are, in all respects ratified, approved and confirmed.

Section 4. Repealer. All motions, orders, resolutions, ordinances and parts thereof, in conflict herewith are hereby repealed.

Section 5. Severability. If any section, phrase or provision of this Resolution is for any reason declared to be invalid, such declaration will not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

Section 6. Effective Date. This Resolution is effective on the date of its adoption of January 3, 2024..

Joann McDermon, Mayor

ATTEST: _____
Nancy Avery, Interim Town Clerk