



Town of Southern Shores

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RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF SOUTHERN SHORES, NORTH CAROLINA DESIGNATING A LITIGATION COMMITTEE FOR SPECIFIC LITIGATION

Resolution #2014-01-01

WHEREAS, the Town of Southern Shores (the "Town") pursuant to its inherent authority may create and appoint its members to committees and may delegate its duties, powers, authority and rights to such committees; and

WHEREAS, pursuant to N.C.G.S. § 160A-75 members of the Town Council should be excused from voting on matters considering the member's own financial interests; and

WHEREAS, the Town is a party defendant to a lawsuit entitled Sampson Contracting, Inc. v. Town of Southern Shores, et al. having Dare County file No. 13-CVS-25 (the "Lawsuit"); and

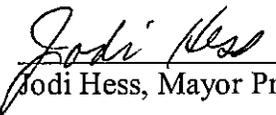
WHEREAS, prior to taking office, Mayor Thomas Bennett was named and now remains a named individual party defendant in the Lawsuit and the outcome of the Lawsuit has the potential to affect Mayor Bennett's personal financial interests; and

WHEREAS, the Town finds that it is in the best interest of the Town and Mayor Bennett and in the interest of the public's health, safety, morals and general welfare: (i) that the Town Council excuses Mayor Bennett from further consideration of the Lawsuit and any matters related thereto, arising therefrom or otherwise arising out of the operative facts and circumstances giving rise to the Lawsuit (collectively the "Litigation"); and (ii) that the Town Council creates a litigation committee for the Litigation having all of the powers, duties, authority and rights of the Town Council and made up of the members of the Town Council excluding Mayor Bennett.

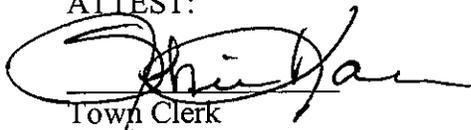
NOW, THEREFORE BE IT RESOLVED, that: (1) the Town Council hereby excuses Mayor Thomas Bennett from consideration of any and all matters related to the Litigation; and (2) the Town Council hereby creates a litigation committee for the Litigation (the "Sampson Litigation Committee"). The Sampson Litigation Committee shall be vested with all of the powers, duties, authority and rights of the entire Town Council with regard to the Litigation. Such powers shall include, but not be limited to the authority to manage the Litigation, the authority to enter closed sessions to consult with and give direction to the Town's attorneys regarding the Litigation, the authority to negotiate and enter into settlements or other agreements arising out of the Litigation and the authority to appropriate funds for the purposes of the Litigation. The members of the Sampson Litigation Committee shall be the existing Town Council members excluding

Mayor Thomas Bennett and any successors to their offices during the existence of the Litigation Committee. The Litigation Committee shall continue in perpetuity until a majority vote of the Town Council abolishes the Litigation Committee, until Mayor Bennett has been succeeded in office or until the Litigation has been completed including all appeals and the expiration of all statutes of limitation and repose.

Adopted this 7th day of January, 2014.


Jodi Hess, Mayor Pro Tem

ATTEST:


Town Clerk

APPROVED AS TO FORM:


Town Attorney

Date adopted:

1/7/2014

Motion to adopt by Councilmember Holland

Motion seconded by Councilmember Lawhon

Vote: 5 AYES 0 NAYS (Mayor Thomas Bennett excused)