

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
BALD HEAD ISLAND TRANSPORTATION AUTHORITY G.S. 159; Article 5 Transportation System Revenue Bonds, Series 2021A Taxable Transportation System Revenue Series 2021B (TAXABLE) Public Offering Amount not to exceed (in aggregate):	Necessary and expedient to enable the Authority to provide long-term, reliable and safe transportation for passengers and freight to and from the Island and ensures public ownership and local management of this essential infrastructure. The transaction will be in accordance with the terms of the Ferry Transportation Act, General Statutes of North Carolina Section 160A-680 et seq. (The "Enabling Act").	Purchase agreement between seller and Bald Head Island Transportation Authority in hand. Verification of asset costs performed by independent appraisals.	Feasibility study by the Authority's feasibility consultants, Mercator International, Inc., demonstrates required coverages of debt service by income available for debt service as defined in the Bond Covenants of at least 1.48X on total system debt and at least 1.71X on Parity Bonds thru 2050. A ferry rate increase for Class 1 general tickets (from \$23 to \$27) is planned for July 2021, and will be the first rate increase for ferry tickets since 2011.	No major deficiencies. No defaults noted.	Public Sale. Sale is scheduled on May 27, 2021 so as to not conflict with any other revenue bonds. Bonds are currently rated by S&P: BBB-	Term: Series 2021 Not to exceed 30 fiscal years Interest Rate: Fixed Structure: The debt service related to the new project will be approximate effective interest amortization resulting in level payments across the term of the bonds. Series 2021A Expected Rate: Effective Interest Cost: 4.25% Expected Underwriters Discount: \$14.595/\$1,000 APPROVALS Final Maturity: Not beyond 2051 (calendar year) Interest Rate not to exceed: Effective Interest Cost: 5.25% Amount not to exceed: \$56,200,000 Series 2021B (TAXABLE) Expected Rate: Effective Interest Cost: 4.49% Expected Underwriters Discount: \$14.54/\$1,000 APPROVALS Final Maturity: Not beyond 2051 Interest Rate not to exceed: Effective Interest Cost: 5.65% Amount not to exceed: \$4,000,000 Aggregate Amount not to exceed: \$59,000,000 FINANCING TEAM Bond Counsel: McGuire Woods, LLP Financial Advisor: Davenport & Company, LLC Underwriter: UBS Financial Services, Inc. (Sr. Manager); PNC Capital Markets (Co - Manager) Underwriters Counsel: Parker Poe Adams & Bernstein, LLP Feasibility Consultant: Mercator International, LLC Seller: Bald Head Island Limited, LLC Seller's Counsel: Murchison, Taylor & Gibson PLLC Trustee/Registrar: US Bank, N.A. (DTC)

Acquisition of Ferry, Tram, Barge and Parking Enterprise Capital assets from existing owner, reserves, working capital and capitalized interest required for initial operations, debt service reserve fund and costs of issuance.

Expected Sources and Uses of Funds:

	Senior Series 2021A (Tax-Exempt)	Senior Series 2021B (Taxable)	Total
Sources:			
Revenue Bond at par:	\$ 45,985,000	\$ 3,185,000	\$ 49,170,000
Premium	\$ 7,440,634		\$ 7,440,634
Total Sources	<u>\$ 53,425,634</u>	<u>\$ 3,185,000</u>	<u>\$ 56,610,634</u>
Uses:			
Cash Due at Closing for Acquisition	\$ 47,252,835	\$ 497,165	\$ 47,750,000
Working Capital		\$ 1,000,000	\$ 1,000,000
Debt Service Reserve Fund	\$ 3,248,250		\$ 3,248,250
Operating and Capital Reserve Fund		\$ 1,641,296	\$ 1,641,296
Cost of Issuance & Acquisition Costs	\$ 2,250,000		\$ 2,250,000
Underwriter's Discount	\$ 671,169	\$ 46,486	\$ 717,655
Additional Proceeds	\$ 3,380	\$ 53	\$ 3,434
Total Uses	<u>\$ 53,425,634</u>	<u>\$ 3,185,000</u>	<u>\$ 56,610,635</u>