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**Bald Head Island Transportation Authority Board of Trustees Approves Purchase Agreement to Acquire Bald Head Island's Privately-Owned Ferry System**

Southport, NC (December 8, 2020) - At a special meeting of the Bald Head Island Transportation Authority (BHITA) Board of Trustees held earlier today, the Board voted to approve an Asset Purchase Agreement with Bald Head Island Limited, LLC to acquire the privately-owned ferry and barge systems, which include mainland and island ferry terminals, mainland parking, vessels and vehicles for a total amount of \$47,750,000.

Additionally, the Board approved a resolution authorizing application to the Local Government Commission for approval of Bald Head Island Transportation Authority transportation system revenue bonds.

Closing on the system purchase is expected to occur in early February 2021, at which time operations will continue to be managed by Bald Head Island Transportation, Inc. on an interim basis through a management transition services agreement, also approved in today's BHITA meeting.

"The Transportation Authority purchase agreement consolidates ferry, barge, tram and parking services for Bald Head Island under a single public entity, providing 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," said Susan Rabon, BHITA Board of Trustees Chair.

By law, the BHITA is required to purchase the ferry system assets at or below their appraised value. "The Asset Purchase Agreement has been heavily negotiated and vetted, utilizing the expertise of third-party counsel, financial advisers, feasibility consultants, vessel and marina surveyors, real estate appraisers and accounting auditors," said Rabon.

Revenue bonds, which are expected to be issued in connection with the closing, will be secured by future revenues BHITA generates through passenger ferry ticket sales, barge and parking charges and other fees.

"The transition from a privately-owned transportation system to a publicly-owned system addresses Bald Head Island's critical need for long-term governance and stewardship of ferry service and related logistics operations, while allowing seamless integration and interoperability between the various companies and departments that support transportation," said Chad Paul, CEO for Bald Head Island Limited, LLC.

Currently, the island's ferry and on-island tram service are operated by Bald Head Island Transportation, Inc., which is owned by Bald Head Island Limited, LLC and is regulated by the North Carolina Utilities Commission. Bald Head Island Limited, LLC also owns and operates the island's non-regulated barge service and mainland parking facilities, which will also be transferred to BHITA ownership.

In 2017, the North Carolina General Assembly enacted the "Ferry Transportation Authority Act," to add Article 29 to Chapter 160A of the General Statutes with its stated purpose to "authorize creation of an Authority to provide reliable and safe public ferry transportation services in its service area." The Authority created under the Act is a public body governed by an 11-member Board of Trustees appointed by local governments and the State of North Carolina with the necessary authorities to own and manage any qualifying ferry in its service area.

In 2019 Bald Head Island Transportation, Inc. transported more than 350,000 passengers to and from Bald Head Island from its Deep Point Ferry Terminal on the mainland in Southport, while Bald Head Island Limited, LLC's tugboat and freight barge operations made more than 1,100 round trips to and from the island.

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