

NOTICE OF ADOPTION OF BOND ORDER

“BOND ORDER AUTHORIZING THE ISSUANCE OF \$4,500,000 BEACH IMPROVEMENT BONDS OF THE VILLAGE OF BALD HEAD ISLAND

WHEREAS, the Village Council of the Village of Bald Head Island deems it advisable to make the improvements hereinafter described; and

WHEREAS, the Village Council has caused to be filed with the Secretary of the Local Government Commission of North Carolina an application for Commission approval of the bonds hereinafter described as required by The Local Government Finance Act, and the Secretary of the Commission has notified the Village Council that the application has been filed and accepted for submission to the Commission;

NOW, THEREFORE, BE IT ORDERED by the Village Council as follows:

Section 1. The Village Council determines that it is necessary to provide beach improvements, including replacement of a groin field and transporting and providing additional sand and sand dunes, all for the control of beach erosion and flood and hurricane protection, and to pay capital costs of such improvements.

Section 2. To raise the money required to pay capital costs of providing the improvements described above, in addition to any funds which may be made available for that purpose from any other sources, bonds of the Village are hereby authorized and shall be issued pursuant to The Local Government Finance Act. The maximum aggregate principal amount of bonds authorized by this bond order shall be \$4,500,000.

Section 3. Taxes (including, if legally authorized, taxes within the Village’s Integrated Shoreline Municipal Service District (Zones A and B)) sufficient to pay the principal of and interest on those bonds when due shall be annually levied and collected.

Section 4. A sworn statement of the Village’s debt has been filed with the Village Clerk and is open to public inspection.

Section 5. A statement of disclosures concerning the estimated amount of interest to be paid on the proposed bonds, the estimated increase in the property tax rate necessary to service the proposed bonds and the amount of two-thirds bond capacity the Village has available for the current fiscal year has been filed with the Village Clerk, as well as posted online, and is open to public inspection.

Section 6. This bond order shall take effect when approved by the voters of the Village and by the voters of the Village’s Integrated Shoreline Municipal Service District (Zones A and B) at a referendum.”

The foregoing bond order was adopted on the 15th day of December 2023 and is hereby published this 20th day of December, 2023. Any action or proceeding questioning the validity of the order must be begun within 30 days after the date of publication of this notice.

The finance officer of the Village has filed a statement estimating that the total amount of interest that will be paid on the proposed bonds over the expected term of the proposed bonds, if issued, is \$845,000. A tax is authorized to be levied to pay the principal of and interest on the bonds if they are issued. The finance officer of the Village has filed a statement estimating that existing projected revenues are expected to be sufficient to pay debt service on the proposed bonds and no property tax increase would be necessary. However, a property tax increase of \$0.0550 per \$100 of assessed valuation for the entire Village, as well as an increase in the property tax rate within the Village’s Integrated Shoreline Municipal Service District A of \$0.0183 per \$100 of assessed valuation and an increase in the property tax rate within the Village’s Integrated Shoreline Municipal Service District B of \$0.0183 per \$100 of assessed valuation, will be required to provide

sufficient funds to pay the principal and interest on the proposed bonds assuming that, in addition to the proposed bonds, the Village issues \$13,500,000 of general obligation bonds pursuant to a referendum conducted simultaneously with this proposed referendum and \$2,200,000 of general obligation bonds previously authorized by the Village's May 2018 general obligation bond referendum. These estimates are preliminary, are for general informational purposes only, and may differ from the actual interest paid on the bonds or the actual property tax increases required to provide sufficient funds to pay the principal and interest on the bonds.

There is no assurance that the assumptions upon which the estimates are based will occur. The occurrence of certain of the assumptions is beyond the control of the Village. Differences between the actual circumstances at the time the bonds are issued from the assumptions included in the estimate could result in significant differences between the estimated interest and the actual interest on the bonds or the actual property tax increases required to provide sufficient funds to pay the principal and interest on the bonds.

Darcy Sperry
Village Clerk
Village of Bald Head Island, North Carolina