



The Village of Bald Head Island

March 22, 2021

The Local Government Commission
North Carolina Department of State Treasurer
Attention: Dale R. Folwell, CPA
Chairman
3200 Atlantic Avenue
Raleigh, North Carolina 27604

Re: Bald Head Island Transportation Authority ("Authority")
Application for Approval of Bald Head Island Transportation Authority
Transportation System Revenue Bond Findings ("Application")

Dear Mr. Folwell:

The Village of Bald Head Island ("Village") appreciates the Authority's work, its conducting a public informational meeting concerning the proposed purchase transaction on February 17, 2021 and its making diligence and transaction documents publicly available. However, after much consideration and public input, the Village Council is unanimously committed to pursuing the Village's acquisition of the Transportation System, as defined in the proposed transaction, to include all ferry, barge and parking operations. The Village will work closely with the Seller, the Authority and The Local Government Commission to close the transaction quickly.

Factors compelling the Village's conclusion include:

- The Transportation System exists to serve the property owners, visitors, non-profits and businesses that compose the unique community of Bald Head Island;
- Village ownership is expected to achieve significant economic advantage for the Transportation System, BHI homeowners, and users of the System;
- Lower debt level provides the Village the flexibility to prioritize and implement rate/fee changes and capital improvements in order to meet public needs;
- Council has fiduciary responsibility to pursue the economic benefits and public oversight with purchasing the System; and
- Council acts as stewards of the Island and is in the best position to develop short-term and long-term initiatives for the successful operation of the Transportation System.

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The Village has a history of successfully acquiring and operating assets, including its acquisition of the Island's water and sewer plant from Bald Head Island Limited, LLC and Bald Head Island Utilities, Inc. The Village Council is prepared to negotiate, finance and close the acquisition of the Transportation System in the public interest.

Thank you for your consideration.

Respectfully,

Village of Bald Head Island Council

/s/ J. Andrew Sayre

Mayor

/s/ Michael Brown

Mayor Pro Tempore

/s/ Scott Gardner

Councilor

/s/ Emily Hill

Councilor

/s/ Peter Quinn

Councilor

pc: Sharon Edmundson, Deputy Treasurer
Tim Romocki, Director, Debt Management
Anna Yount, Executive Assistant to the Treasurer
K. Christopher McCall, Village Manager
Susan Rabon, Chair, Bald Head Island Transportation Authority
Chad Paul, CEO, Bald Head Island Limited, LLC