

STATE TREASURER OF NORTH CAROLINA DALE R. FOLWELL, CPA

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STATE AND LOCAL GOVERNMENT FINANCE DIVISION AND THE LOCAL GOVERNMENT COMMISSION

SHARON EDMUNDSON DEPUTY TREASURER

April 20, 2021

The Honorable J. Andrew Sayre, Mayor Members of the Town Council Village of Bald Head Island PO Box 3009 Bald Head Island, North Carolina 28461

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

Dear Mayor Sayre, Mayor Pro Tempore Brown and Councilors Gardner, Hill, and Quinn:

Thank you for your letter dated March 22, 2021 expressing the Village of Bald Head Island's ("Village") interest in acquiring, owning and operating all assets of the Transportation System (the "Proposed Acquisition").

The Local Government Commission staff would like answers to some legal issues in order to properly consider the Village's request. At your earliest convenience, please provide the Local Government Commission with a legal opinion addressing the following:

- 1. The legal authority under which the Village may acquire, own and operate each specific operation of the Transportation System (in particular the barge operation)
- 2. The legal authority under which the Village may acquire, own and operate each asset (real property, fixtures or personal property) of the Transportation System that lies outside the Village corporate limits
- 3. Whether Session Law 2017-120 allows the Proposed Acquisition, or whether it prohibits the same
- 4. Whether approvals of any governmental body are required prior to the Proposed Acquisition
- 5. Whether any legislative action by the N.C. General Assembly is needed to enable the Proposed Acquisition

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Please let us know if you have any questions, and we look forward to receiving the legal opinion.

Sincerely,

Sharon Elmundson

Sharon G. Edmundson, MPA, CPA Secretary, Local Government Commission

The Honorable Dale Folwell, Treasurer CC: The Honorable Beth Wood, State Auditor The Honorable Elaine Marshall, Secretary of State The Honorable Ronald Penny, Secretary of Revenue The Honorable Scott Padgett, Mayor, City of Concord The Honorable Viola Harris, Commissioner, Edgecombe County Mr. Edward Munn, member, Local Government Commission Mr. Joshua Bass, member, Local Government Commission Mr. Mike Philbeck, member, Local Government Commission Cindy Aiken, Attorney, Department of State Treasurer Tim Romocki, Director, Debt Management Michael Brown, Mayor Pro Tem, Village of Bald Head Island Scott Gardner, Councilor, Village of Bald Head Island Emily Hill, Councilor, Village of Bald Head Island Peter Quinn, Councilor, Village of Bald Head Island K. Christopher McCall, Manager, Village of Bald Head Island Susan Rabon, Chair, Bald Head Island Transportation Authority Chad Paul, CEO, Bald Head Island Limited, LLC