



# The Village of Bald Head Island

September 30, 2021

Bald Head Association Board of Directors  
PO Box 3030  
Bald Head Island, NC 28461

Ladies and Gentlemen:

We are in receipt of the BHA Board letter of September 24 and believe that a response by the Village is necessary and appropriate.

As the Village and I have stated, it would be unacceptable and risky were the ownership and governance of our transportation system to be vested in an outside Authority. Many of its board members may have never set foot on Bald Head Island nor viewed the actual workings of its transportation system. The Village, by contrast, necessarily would be responsive to the needs and concerns of the system's users. The Village is a major, daily user of the system and it is a small island.

The Mitchell Family chose not to meet with us at this time. However, in representing the Village, we merely asked for an opportunity to raise our concerns and discuss the Village's many advantages with them. You failed to mention that the Mitchell letter of September 15 went on to say, "All communications or negotiations related to the sale of the ferry transportation system .... should be coordinated and conducted, directly and only with our CEO and CFO, Chad Paul and Shirley Mayfield ....". We will continue open communications with Mr. Paul. We must strive, on behalf of the community we represent, for the best transportation opportunity possible.

You suggested if the LGC did not approve the sale to BHITA, it would be sold in parts to the highest bidder. That is far from certain and mischaracterizes the statements made in the Mitchell letter, which merely raised that as a possibility. If the GO Bond referendum passes, the Village becomes a legitimate potential buyer under the LGC process and for purposes of discussion with the Mitchell Family. The Village has pre-existing rights, government powers, and financing options that other buyers do not possess. The North Carolina Utilities Commission also may play a role.

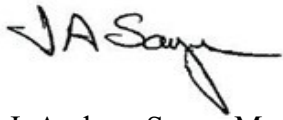
The Mitchell letter questioned the Village's withdrawal of its support for the acquisition of the system by the Authority several years into the process. However, the Village and public had no knowledge for those years of what the Authority was doing and no basis or opportunity to provide input or object until very recently. The Village acted promptly and in the public interest. Many members of the community have expressed appreciation for the information about the potential transaction made

available by the Village's efforts. These data came only after Village objections to the closed-door Authority purchase process. The Village obtained public hearings and written responses from the Authority pursuant to requests made in December 2020 and February 2021. The Authority responses and appraisals raised more questions, and the Village had no choice but to conclude that the BHITA proposal and model were not working as we had hoped.

Your survey results do not represent a valid representation of where BHA members stand. The Village proposal and financing advantages were not even mentioned. You declined to incorporate Village input in the survey. BHA's guiding principles include: "Contribution to a well-informed public" and "non-partisan advocacy on issues that affect the welfare and recreation of our members". It is questionable whether these guidelines have been followed here.

The Village represents the public that must use the transportation system and pay off the bonds. The Village's actions were proper in order for public input to be obtained. We request that you share this letter with the BHA membership.

Sincerely,

A handwritten signature in black ink, appearing to read "JASayre". The signature is written in a cursive style with a long, sweeping underline.

J. Andrew Sayre, Mayor