

**From:** [Franklin Klaine](#)  
**To:** [Beth\\_wood@ncauditor.net](mailto:Beth_wood@ncauditor.net); [Dale Folwell](#); [Tim Romocki](#); [ronald.penny@ncdor.gov](mailto:ronald.penny@ncdor.gov); [Cindy Aiken](#); [emum@carolina.rr.com](mailto:emum@carolina.rr.com); [scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com); [violaharris39@yahoo.com](mailto:violaharris39@yahoo.com); [andy@wwpbaldhead.com](mailto:andy@wwpbaldhead.com); [SharonEdmundson@nctreasurer.com](mailto:SharonEdmundson@nctreasurer.com)  
**Subject:** Bond Issuance Bald Head Island  
**Date:** Monday, May 3, 2021 11:56:20 AM

---

Dear Ms. Wood and Mr. Folwell

The purpose of this letter is to express my strong opposition to the issuance of the bonds by the BHITA to purchase the Bald Head Island ferry system.

My wife and I have been owners of property on Bald Head Island since 1997. We have watched the Island grow as well as watched the transportation system struggle to meet the needs of the Island, its residents, visitors, contractors and their employees.

I am a retired attorney who for over 30 years represented municipalities and school districts in Cincinnati Ohio as well as maintaining a substantial practice representing property owners and school districts in tax assessment valuation matters involving appraisals before the local county Boards of Review, Courts of Common Pleas, as well as before the Supreme Court of Ohio. such representation required the review and analysis of competing appraisals and administrative hearings and litigation of major and substantial million dollar office complexes, hotels, shopping centers, industrial properties, and other types of properties.

I have reviewed the Worsley cost approach appraisal. A cost approach appraisal is seldom if ever used in the valuation of older operating properties, and is use primarily in the valuation of newly constructed buildings where actual cost figures are available for land and building values.

A cost analysis of older operating facilities such as the Bald Head Island transportation system requires too many assumptions as to construction, age, depreciation, and obsolescence to create a reliable valuation. A facility such as the transportation system would not be bought or sold on the basis of a cost appraisal.

The most frequently used methods of appraisal for an operating facility are a sales comparison approach and an income and expense analysis and utilization of a cap rate to the then determined net operating income.

In additions in the existing Worsely valuation there appears to be no adjustment for functional obsolescence which clearly should have addressed the inadequacies of both the parking facility and most critically the baggage delivery operation both at Deep Point and on the Island.

It is also my understanding that Mr. Worsley was only directed to do a cost analysis. The BHITA should have requested that Mr. Worsley use all three methods of appraising the property. It is a mystery to me why his appraisal was limited. Accordingly, Mr. Worsely's appraisal

should carry little if any weight and should be disregarded, In addition consideration should be given to the fact that the Worsley appraisal was paid for by the Seller of the property.

In reviewing the Mercator income analysis it appears that the actual historical operating income and expense statements usage was restricted for some reason. Was it because such figures were unfavorable to the seller. Certainly at this late date in BHITA's analysis all financial records of the seller as to the transportation system should have been made available for review. Such figures would normally be used in appraising and valuing an operating property.

Instead it appears that Mercator, again paid by the seller, was directed to create a cash flow projection that would justify the sale of the bonds. Did it take into account the age of the vessels and their needs for repair and replacement, the acquisition of additional land for parking and the revamping of the baggage delivery system.

the lack of transparency in this process is very concerning as is the closed door negotiations, the requirement of confidentiality as to seller's financial information all leading up to BHITA's decision on bonding.

Generally, when a buyer and seller' in an arm's length transaction are negotiating a sale both the buyer and seller rely on appraisals that they have required so they can make the best decision as to value with complete disclosure of financial information. In the given situation, which should be viewed as an arm's length transaction only the one set of appraisals and valuations were utilized to the ultimate detriment of the Island which so depends on this transportation system now and into the future.

The Bald Head Island transportation system is a key element to the operation of Bald Head Island. It is critical to us as property owners, to our visitors and to all the contractors and their employees who depend on the ferry system.

As home owners we ask that the bond sale not be approved and a truly independent and transparent analysis be made to arrive at an arm's length sale so that the Island not be saddled with an unreasonable financial commitment that will burden the Island and all its benefits.

This is a matter of such importance and demands a judicious, independent review. Time is not an issue when so much is at stake for so many and not just the wealthy seller pushing for, by its own designed structure, for a sale for its benefit and not the benefit of those who are dependent on a financially stable transportation system.

Respectfully submitted. Karen and Frank Klaine

**From:** [Robert Mayer](#)  
**To:** [Beth\\_wood@ncauditor.net](mailto:Beth_wood@ncauditor.net); [Dale Folwell](#); [Tim Romocki](#); [ronald.penny@ncdor.gov](mailto:ronald.penny@ncdor.gov); [Cindy Aiken](#); [emum@carolina.rr.com](mailto:emum@carolina.rr.com); [scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com); [violaharris39@yahoo.com](mailto:violaharris39@yahoo.com); [Andy Sayre](#); [SharonEdmundson@nctreasurer.com](mailto:SharonEdmundson@nctreasurer.com)  
**Subject:** BHI Ferry System  
**Date:** Tuesday, May 4, 2021 12:23:28 PM

---

We are a large land holder on Bald Head Island for the last 20 years and we agree wholeheartedly with the email Frank Klaine sent to your attention with regard to the Bald Head Island Ferry bond issue. We also think there should be an independent analysis of the situation so that the land owners on Bald Head Island are not saddled with an unreasonable amount of debt that becomes a burden the Island cannot afford.

Robert C. Mayer, Jr.  
Managing Director  
Larkspur Capital Corporation  
155 East 44<sup>th</sup> Street  
Suite 1005  
New York, NY 10017  
646-747-1420 (Direct)  
212-376-5790 (Tel)  
917-892-2447 (Cell)  
[bmayer@larkspur.com](mailto:bmayer@larkspur.com)

Investment Banking Services and Securities offered  
through Independent Investment Bankers Corp.,  
a broker-dealer, Member FINRA/SIPC. Larkspur  
Capital is not affiliated with Independent Investment Bankers Corp.

**From:** [MELANIE ROBBINS](#)  
**To:** [Beth\\_wood@ncauditor.net](mailto:Beth_wood@ncauditor.net); [Dale Folwell](#); [Tim Romocki](#); [ronald.penny@ncdor.gov](mailto:ronald.penny@ncdor.gov); [Cindy Aiken](#); [emum@carolina.rr.com](mailto:emum@carolina.rr.com); [scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com); [violaharris39@yahoo.com](mailto:violaharris39@yahoo.com); [Andy Sayre](#); [SharonEdmundson@nctreasurer.com](mailto:SharonEdmundson@nctreasurer.com)  
**Subject:** Fwd: Bond Issuance Bald Head Island  
**Date:** Tuesday, May 4, 2021 1:09:13 PM  
**Attachments:** small business card.png

---

I am in full agreement with Frank Klaine's letter. Thank you, Melanie Robbins Full-time resident of BHI



Begin forwarded message:

**From:** Franklin Klaine <[faklaine@gmail.com](mailto:faklaine@gmail.com)>  
**Date:** May 3, 2021 at 11:56:16 AM EDT  
**To:** [Beth\\_wood@ncauditor.net](mailto:Beth_wood@ncauditor.net), [Dale@nctreasurer.com](mailto:Dale@nctreasurer.com), [Tim.romocki@nctreasurer.com](mailto:Tim.romocki@nctreasurer.com), [ronald.penny@ncdor.gov](mailto:ronald.penny@ncdor.gov), [Cindy.Aiken@nctreasurer.com](mailto:Cindy.Aiken@nctreasurer.com), [emum@carolina.rr.com](mailto:emum@carolina.rr.com), [scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com), [violaharris39@yahoo.com](mailto:violaharris39@yahoo.com),

[Andy Sayre <andy@wwpbaldhead.com>](mailto:andy@wwpbaldhead.com),  
[SharonEdmundson@nctreasurer.com](mailto:SharonEdmundson@nctreasurer.com)  
**Subject: Bond Issuance Bald Head Island**

Dear Ms. Wood and Mr. Folwell

The purpose of this letter is to express my strong opposition to the issuance of the bonds by the BHITA to purchase the Bald Head Island ferry system.

My wife and I have been owners of property on Bald

Head Island since 1997. We have watched the Island grow as well as watched the transportation system struggle to meet the needs of the Island, its residents, visitors, contractors and their employees.

I am a retired attorney who for over 30 years represented municipalities and school districts in Cincinnati Ohio as well as maintaining a substantial practice representing property owners and school districts in tax assessment valuation matters involving appraisals before the local county Boards of Review, Courts of Common Pleas, as well as before the Supreme Court of Ohio. such representation required the review and analysis of competing appraisals and administrative hearings and litigation of major and substantial million dollar office complexes, hotels, shopping centers, industrial properties, and other types of properties.

I have reviewed the Worsley cost approach appraisal. A cost approach appraisal is seldom if ever used in the valuation of older operating properties, and is use primarily in the valuation of newly constructed buildings where actual cost figures are available for land and building values.

A cost analysis of older operating facilities such as the Bald Head

Island transportation system requires too many assumptions as to construction, age, depreciation, and obsolescence to create a reliable valuation. A facility such as the transportation system would not be bought or sold on the basis of a cost appraisal.

The most frequently used methods of appraisal for an operating facility are a sales comparison approach and an income and expense analysis and utilization of a cap rate to the then determined net operating income.

In additions in the existing Worsely valuation there appears to be no adjustment for functional obsolescence which clearly should have addressed the inadequacies of both the parking facility and most critically the baggage delivery operation both at Deep Point and on the Island.

It is also my understanding that Mr. Worsley was only directed to do a cost analysis. The BHITA should have requested that Mr. Worsley use all three methods of appraising the property. It is a mystery to me why his appraisal was limited. Accordingly, Mr. Worsely's appraisal should carry little if any weight and should be disregarded, In addition consideration should be given to the fact that the Worsley appraisal was paid for by the Seller of the property.

In reviewing the Mercator income analysis it appears that the actual historical operating income and expense statements usage was restricted for some reason. Was it because such figures were unfavorable to the seller. Certainly at this late date in BHITA's analysis all financial records of the seller as to the transportation system should have been made available for review. Such figures would normally be used in appraising and valuing an operating property.

Instead it appears that Mercator, again paid by the seller, was directed to create a cash flow projection that would justify the sale of the bonds. Did it take into account the age of the vessels and their needs for repair and replacement, the acquisition of additional land for parking and the revamping of the baggage delivery system.

the lack of transparency in this process is very concerning as is the closed door negotiations, the requirement of confidentiality as to seller's financial information all leading up to BHITA's decision on bonding.

Generally, when a buyer and seller' in an arm's length transaction are negotiating a sale both the buyer and seller rely on appraisals that they have required so they can make the best decision

as to value with complete disclosure of financial information. In the given situation, which should be viewed as an arm's length transaction only the one set of appraisals and valuations were utilized to the ultimate detriment of the Island which so depends on this transportation system now and into the future.

The Bald Head Island transportation system is a key element to the operation of Bald Head Island. It is critical to us as property owners, to our visitors and to all the contractors and their employees who depend on the ferry system.

As home owners we ask that the bond sale not be approved and a truly independent and transparent analysis be made to arrive at an arm's length sale so that the Island not be saddled with an unreasonable financial commitment that will burden the Island and all its benefits.

This is a matter of such importance and demands a judicious, independent review. Time is not an issue when so much is at stake for so many and not just the wealthy seller pushing for, by its own designed structure, for a sale for its benefit and not the benefit of those who are dependent on a financially stable transportation system.



Respectfully submitted. Karen and Frank Klaine

**From:** [MELANIE ROBBINS](#)  
**To:** [Beth\\_wood@ncauditor.net](mailto:Beth_wood@ncauditor.net); [Dale Folwell](#); [Tim Romocki](#); [ronald.penny@ncdor.gov](mailto:ronald.penny@ncdor.gov); [Cindy Aiken](#); [emum@carolina.rr.com](mailto:emum@carolina.rr.com); [scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com); [violaharris39@yahoo.com](mailto:violaharris39@yahoo.com); [Andy Sayre](#); [SharonEdmundson@nctreasurer.com](mailto:SharonEdmundson@nctreasurer.com)  
**Subject:** Re: Bond Issuance Bald Head Island  
**Date:** Tuesday, May 4, 2021 1:10:49 PM  
**Attachments:** small business card.png

---

please see below



On May 4, 2021, at 1:08 PM, MELANIE ROBBINS <[mwg.robbins@gmail.com](mailto:mwg.robbins@gmail.com)> wrote:

I am in full agreement with Frank Klaine's letter. Thank you, Melanie Robbins  
Full-time resident of BHI



Begin forwarded message:

**From:** Franklin Klaine <[faklaine@gmail.com](mailto:faklaine@gmail.com)>  
**Date:** May 3, 2021 at 11:56:16 AM EDT  
**To:** [Beth\\_wood@ncauditor.net](mailto:Beth_wood@ncauditor.net),  
[Dale@nctreasurer.com](mailto:Dale@nctreasurer.com),  
[Tim.romocki@nctreasurer.com](mailto:Tim.romocki@nctreasurer.com),  
[ronald.penny@ncdor.gov](mailto:ronald.penny@ncdor.gov),  
[Cindy.Aiken@nctreasurer.com](mailto:Cindy.Aiken@nctreasurer.com),  
[emum@carolina.rr.com](mailto:emum@carolina.rr.com),  
[scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com),  
[violaharris39@yahoo.com](mailto:violaharris39@yahoo.com),

[Andy Sayre <andy@wwpbaldhead.com>](mailto:andy@wwpbaldhead.com),  
[SharonEdmundson@nctreasurer.com](mailto:SharonEdmundson@nctreasurer.com)  
**Subject: Bond Issuance Bald Head Island**

Dear Ms. Wood and Mr. Folwell

The purpose of this letter is to express my strong opposition to the issuance of the bonds by the BHITA to purchase the Bald Head Island ferry system.

My wife and I have been owners of property on Bald Head Island since 1997. We have watched the Island grow as well as watched the transportation system struggle to meet the needs of the Island, its residents, visitors, contractors and their employees.

I am a retired attorney who for over 30 years represented municipalities and school districts in Cincinnati Ohio as well as maintaining a substantial practice representing property owners and school districts in tax assessment valuation matters involving appraisals before the local county Boards of Review, Courts of Common Pleas, as well as before the Supreme Court of Ohio. such representation required the review and analysis of competing appraisals and administrative hearings and litigation of major and substantial million dollar office complexes, hotels, shopping centers, industrial properties, and other types of properties.

I have reviewed the Worsley cost approach appraisal. A cost approach appraisal is seldom if ever used in the valuation of older operating properties, and is use primarily in the valuation of newly constructed buildings where actual cost figures are available for land and building values.

A cost analysis of older operating facilities such as the Bald Head Island transportation system requires too many assumptions as to construction, age, depreciation, and obsolescence to create a reliable valuation. A facility such as the transportation system would not be bought or sold on the basis of a cost appraisal.

The most frequently used methods of appraisal for an operating facility are a sales comparison approach and an income and expense analysis and utilization of a cap rate to the then determined net operating income.

In additions in the existing Worsely valuation there appears to be no adjustment for functional obsolescence which clearly should have addressed the inadequacies of both the parking facility and most critically the baggage delivery operation both at Deep Point and on the Island.

It is also my understanding that Mr. Worsley was only directed to do a cost analysis. The BHITA should have requested that Mr. Worsley use all three methods of appraising the property. It is a mystery to me why his appraisal was limited. Accordingly, Mr. Worsley's appraisal should carry little if any weight and should be disregarded. In addition consideration should be given to the fact that the Worsley appraisal was paid for by the Seller of the property.

In reviewing the Mercator income analysis it appears that the actual historical operating income and expense statements usage was restricted for some reason. Was it because such figures were unfavorable to the seller. Certainly at this late date in BHITA's analysis all financial records of the seller as to the transportation system should have been made available for review. Such figures would normally be used in appraising and valuing an operating property.

Instead it appears that Mercator, again paid by the seller, was directed to create a cash flow projection that would justify the sale of the bonds. Did it take into account the age of the vessels and their needs for repair and replacement, the acquisition of additional land for parking and the revamping of the

baggage delivery system.

the lack of transparency in this process is very concerning as is the closed door negotiations, the requirement of confidentiality as to seller's financial information all leading up to BHITA's decision on bonding.

Generally, when a buyer and seller' in an arm's length transaction are negotiating a sale both the buyer and seller rely on appraisals that they have required so they can make the best decision as to value with complete disclosure of financial information. In the given situation, which should be viewed as an arm's length transaction only the one set of appraisals and valuations were utilized to the ultimate detriment of the Island which so depends on this transportation system now and into the future.

The Bald Head Island transportation system is a key element to the operation of Bald Head Island. It is critical to us as property owners, to our visitors and to all the contractors and their employees who depend on the ferry system.

As home owners we ask that the bond sale not be approved and a truly independent and transparent analysis be made to arrive at an arm's length sale so that the Island not be saddled

with an unreasonable financial commitment that will burden the Island and all its benefits.

This is a matter of such importance and demands a judicious, independent review. Time is not an issue when so much is at stake for so many and not just the wealthy seller pushing for, by its own designed structure, for a sale for its benefit and not the benefit of those who are dependent on a financially stable transportation system.

Respectfully submitted. Karen and Frank Klaine

**From:** [Ritch Allison](#)  
**To:** [Beth\\_wood@ncauditor.net](mailto:Beth_wood@ncauditor.net); [Dale Folwell](#); [Tim Romocki](#); [ronald.penny@ncdor.gov](mailto:ronald.penny@ncdor.gov); [Cindy Aiken](#); [emum@carolina.rr.com](mailto:emum@carolina.rr.com); [scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com); [violaharris39@yahoo.com](mailto:violaharris39@yahoo.com); [andy@wwpbaldhead.com](mailto:andy@wwpbaldhead.com); [SharonEdmundson@nctreasurer.com](mailto:SharonEdmundson@nctreasurer.com)  
**Cc:** [faklaine@gmail.com](mailto:faklaine@gmail.com)  
**Subject:** Bald Head Island Ferry  
**Date:** Tuesday, May 4, 2021 1:44:50 PM  
**Attachments:** image001.png  
image002.png

---

Dear Ms. Wood and Mr. Folwell,

I am writing in support of Frank Klaine's letter (copied below).

My wife and I are native North Carolinians and have been frequent BHI visitors for over 30 years. Five years ago we bought a lot there and then built our home at 1003 South Bald Head Wynd.

I have been watching this process around the sale of the ferry and have also been troubled by how it seems to be unfolding. As Mr. Klaine lays out below, it would be rare to have a transaction of this size occur without a proper and transparent valuation process where both buyer and seller have their interests adequately represented. We run the risk of burdening the homeowners on BHI with an outdated set of assets and a bloated debt burden that could compromise ferry service to the island for years to come. We will end up with two choices – a) paying significantly more for service to fund the debt service and needed asset/service upgrades; or b) permanently living with bad service. Neither feels very good.

I serve as the CEO of Domino's Pizza and have been involved in many real estate transactions over the years. I can honestly tell you that I would never buy an asset based on the process that has been run to date for this ferry system.

I humbly ask that we take a transparent and financially sound approach to this, where the residents and homeowners on BHI can trust the integrity of the process.

Best regards,  
Ritch Allison



**Ritch Allison**  
Chief Executive Officer

**Domino's World Resource Center**  
30 Frank Lloyd Wright Drive, Ann Arbor, MI 48106

Email: [richard.allison@dominos.com](mailto:richard.allison@dominos.com)  
Phone: (734) 930-3213 | Time Zone: EST





=====

Dear Ms. Wood and Mr. Folwell

The purpose of this letter is to express my strong opposition to the issuance of the bonds by the BHITA to purchase the Bald Head Island ferry system.

My wife and I have been owners of property on Bald Head Island since 1997. We have watched the Island grow as well as watched the transportation system struggle to meet the needs of the Island, its residents, visitors, contractors and their employees.

I am a retired attorney who for over 30 years represented municipalities and school districts in Cincinnati Ohio as well as maintaining a substantial practice representing property owners and school districts in tax assessment valuation matters involving appraisals before the local county Boards of Review, Courts of Common Pleas, as well as before the Supreme Court of Ohio. such representation required the review and analysis of competing appraisals and administrative hearings and litigation of major and substantial million dollar office complexes, hotels, shopping centers, industrial properties, and other types of properties.

I have reviewed the Worsley cost approach appraisal. A cost approach appraisal is seldom if ever used in the valuation of older operating properties, and is use primarily in the valuation of newly constructed buildings where actual cost figures are available for land and building values.

A cost analysis of older operating facilities such as the Bald Head Island transportation system requires too many assumptions as to construction, age, depreciation, and obsolescence to create a reliable valuation. A facility such as the transportation system would not be bought or sold on the basis of a cost appraisal.

The most frequently used methods of appraisal for an operating facility are a sales comparison approach and an income and expense analysis and utilization of a cap rate to the then determined net operating income.

In additions in the existing Worsely valuation there appears to be no adjustment for functional obsolescence which clearly should have

addressed the inadequacies of both the parking facility and most critically the baggage delivery operation both at Deep Point and on the Island.

It is also my understanding that Mr. Worsley was only directed to do a cost analysis. The BHITA should have requested that Mr. Worsley use all three methods of appraising the property. It is a mystery to me why his appraisal was limited. Accordingly, Mr. Worsley's appraisal should carry little if any weight and should be disregarded. In addition consideration should be given to the fact that the Worsley appraisal was paid for by the Seller of the property.

In reviewing the Mercator income analysis it appears that the actual historical operating income and expense statements usage was restricted for some reason. Was it because such figures were unfavorable to the seller. Certainly at this late date in BHITA's analysis all financial records of the seller as to the transportation system should have been made available for review. Such figures would normally be used in appraising and valuing an operating property.

Instead it appears that Mercator, again paid by the seller, was directed to create a cash flow projection that would justify the sale of the bonds. Did it take into account the age of the vessels and their needs for repair and replacement, the acquisition of additional land for parking and the revamping of the baggage delivery system.

the lack of transparency in this process is very concerning as is the closed door negotiations, the requirement of confidentiality as to seller's financial information all leading up to BHITA's decision on bonding.

Generally, when a buyer and seller' in an arm's length transaction are negotiating a sale both the buyer and seller rely on appraisals that they have required so they can make the best decision as to value with complete disclosure of financial information. In the given situation, which should be viewed as an arm's length transaction only the one set of appraisals and valuations were utilized to the ultimate detriment of the Island which so depends on this transportation system now and into the future.

The Bald Head Island transportation system is a key element to the operation of Bald Head Island. It is critical to us as property owners, to our visitors and to all the contractors and their employees who depend on the ferry system.

As home owners we ask that the bond sale not be approved and a truly independent and transparent analysis be made to arrive at an arm's length sale so that the Island not be saddled with an unreasonable financial commitment that will burden the Island and all its benefits.

This is a matter of such importance and demands a judicious, independent review. Time is not an issue when so much is at stake for so many and not just the wealthy seller pushing for, by its own designed structure, for a sale for its benefit and not the benefit of those who are dependent on a financially stable transportation system.

Respectfully submitted. Karen and Frank Klaine

**From:** [Victoria Wiles](#)  
**To:** [Beth\\_wood@ncauditor.net](mailto:Beth_wood@ncauditor.net); [Dale Folwell](#); [Tim Romocki](#); [ronald.penny@ncdor.gov](mailto:ronald.penny@ncdor.gov); [Cindy Aiken](#); [emum@carolina.rr.com](mailto:emum@carolina.rr.com); [scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com); [violaharris39@yahoo.com](mailto:violaharris39@yahoo.com); [Andy Sayre](#); [SharonEdmundson@nctreasurer.com](mailto:SharonEdmundson@nctreasurer.com)  
**Subject:** Bond Issuance Bald Head Island  
**Date:** Tuesday, May 4, 2021 1:45:17 PM  
**Attachments:** Outlook-ttkhnyvz.png  
**Importance:** High

---

Good afternoon,

I am writing in full support of the letter Franklin Klaine sent yesterday afternoon. I grew up on Bald Head Island where my family owned property for over two decades. I live in Washington DC now but am deeply committed to the island and wanted to express my strong opposition to the issuance of bonds to purchase the ferry system.

All the best,

Victoria Wiles



Victoria Wiles, Esq. | Director of Client Support | HLP Integration  
1900 K Street, N.W. Suite 725 Washington D.C. 20006  
Direct: 202.365.3643

## CREATIVITY | COLLABORATION | COMMITMENT

[victoria.wiles@hlpintegration.com](mailto:victoria.wiles@hlpintegration.com) | [www.hlpintegration.com](http://www.hlpintegration.com)

Charlotte • Washington DC • New York • London • Seoul

NOTICE - This email message (including any attachments) may contain information that is PRIVILEGED and CONFIDENTIAL and/or ATTORNEY WORK PRODUCT and exempt from disclosure under applicable law. If you are not an intended recipient, you are hereby notified that any dissemination, distribution, printing or copying of this communication is strictly prohibited. If you have received this message in error, please do not read, copy, print or forward this message. Please permanently delete all copies and any attachments, digital and/or hard copy, and notify the sender immediately by telephone.

From: JOSEPH BARNARD  
To: Beth\_wood@cnaud.tor.net; Dale Folwell; Tim Romoeki; ronald.penny@ncdor.gov; Cindy Aiken; emum@carolina.rr.com; scottgaogett693@gmail.com; v.olaharris39@yahoo.com; Andy S. yre; SharonEdmundson@intreasurer.com  
Subject: Bond Issuance Bald Head Island  
Date: Tuesday, May 4, 2021 2:29:46 PM

---

Joe and I support Karen and Frank Klaine's letter. We have been going to BHI since 1982 and have owned a Light House Landing home and are now on Middle Island. We as everyone on the Island rely on the ferry and believe the bond sale not be approved and a truly independent and transparent analysis be made and a through study be done. This is absolutely critical!!!! Respectively submitted, Lynn & Joe Barnard  
\*\*\*\*\*

Dear Ms. Wood and Mr. Folwell  
The purpose of this letter is to express my strong opposition to the issuance of the bonds by the BHITA to purchase the Bald Head Island ferry system.

My wife and I have been owners of property on Bald Head Island since 1997. We have watched the Island grow as well as watched the transportation system struggle to meet the needs of the Island, its residents, visitors, contractors and their employees.

I am a retired attorney who for over 30 years represented municipalities and school districts in Cincinnati Ohio as well as maintaining a substantial practice representing property owners and school districts in tax assessment valuation matters involving appraisals before the local county Boards of Review, Courts of Common Pleas, as well as before the Supreme Court of Ohio. Such representation required the review and analysis of competing appraisals and administrative hearings and litigation of major and substantial million dollar office complexes, hotels, shopping centers, industrial properties, and other types of properties.

I have reviewed the Worsley cost approach appraisal. A cost approach appraisal is seldom if ever used in the valuation of older operating properties, and is used primarily in the valuation of newly constructed buildings where actual cost figures are available for land and building values.

A cost analysis of older operating facilities such as the Bald Head Island transportation system requires too many assumptions as to construction, age, depreciation, and obsolescence to create a reliable valuation. A facility such as the transportation system would not be bought or sold on the basis of a cost appraisal.

The most frequently used methods of appraisal for an operating facility are a sales comparison approach and an income and expense analysis and utilization of a cap rate to the then determined net operating income.

In addition in the existing Worsley valuation there appears to be no adjustment for functional obsolescence which clearly should have addressed the inadequacies of both the parking facility and most critically the baggage delivery operation both at Deep Point and on the Island.

It is also my understanding that Mr. Worsley was only directed to do a cost analysis. The BHITA should have requested that Mr. Worsley use all three methods of appraising the property. It is a mystery to me why his appraisal was limited. Accordingly, Mr. Worsley's appraisal should carry little if any weight and should be disregarded. In addition consideration should be given to the fact that the Worsley appraisal was paid for by the Seller of the property.

In reviewing the Mercator income analysis it appears that the actual historical operating income and expense statements usage was restricted for some reason. Was it because such figures were unfavorable to the seller. Certainly at this late date in BHITA's analysis all financial records of the seller as to the transportation system should have been made available for review. Such figures would normally be used in appraising and valuing an operating property.

Instead it appears that Mercator, again paid by the seller, was directed to create a cash flow projection that would justify the sale of the bonds. Did it take into account the age of the vessels and their needs for repair and replacement, the acquisition of additional land for parking and the revamping of the baggage delivery system.

The lack of transparency in this process is very concerning as is the closed door negotiations, the requirement of confidentiality as to seller's financial information all leading up to BHITA's decision on bonding.

Generally, when a buyer and seller in an arm's length transaction are negotiating a sale both the buyer and seller rely on appraisals that they have required so they can make the best decision as to value with complete disclosure of financial information. In the given situation, which should be viewed as an arm's length transaction only the one set of appraisals and valuations were utilized to the ultimate detriment of the Island which so depends on this transportation system now and into the future.

The Bald Head Island transportation system is a key element to the operation of Bald Head Island. It is critical to us as property owners, to our visitors and to all the contractors and their employees who depend on the ferry system.

As home owners we ask that the bond sale not be approved and a truly independent and transparent analysis be made to arrive at an arm's length sale so that the Island not be saddled with an unreasonable

financial commitment that will burden the Island and all its benefits.

This is a matter of such importance and demands a judicious, independent review. Time is not an issue when so much is at stake for so many and not just the wealthy seller pushing for, by its own designed structure, for a sale for its benefit and not the benefit of those who are dependent on a financially stable transportation system.

Respectfully submitted. Karen and Frank Klaine

**From:** [Julie Showalter](#)  
**To:** [Beth\\_wood@ncauditor.net](mailto:Beth_wood@ncauditor.net); [Dale Folwell](#); [Tim Romocki](#); [ronald.penny@ncdor.gov](mailto:ronald.penny@ncdor.gov); [Cindy Aiken](#); [emum@carolina.rr.com](mailto:emum@carolina.rr.com); [scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com); [violaharris39@yahoo.com](mailto:violaharris39@yahoo.com); [andy@wwpbaldhead.com](mailto:andy@wwpbaldhead.com); [SharonEdmundson@nctreasurer.com](mailto:SharonEdmundson@nctreasurer.com)  
**Subject:** BHI Ferry  
**Date:** Tuesday, May 4, 2021 2:32:17 PM

---

**My name is Julie Showalter. I own Jules' Salty Grub & Island Pub, 9 Leeward Court, 70 Keelson Row, and 3 unimproved lots on the Island and have been an island owner since 2000. I support Frank Klaine's letter requesting the rejection or postponement of bond sale and that a true independent and transparent analysis be made.**

Jules Showalter  
Owner/Vice President  
JULES' Salty Grub & Island Pub  
LuLu's BBQ  
Bald Head Island, NC  
[www.julesaltsygrubbhi.com](http://www.julesaltsygrubbhi.com)  
910-457-7217 (JULES')  
Cell 615-571-0872



**From:** [Mary Holloway](#)  
**To:** [Mary Holloway](#)  
**Subject:** BHI Transportation Bond Issuance  
**Date:** Tuesday, May 4, 2021 2:32:22 PM

---

To Whom it May Concern:

My name is Mary Holloway. I own 19 Ibis Roost and have been an island owner since 2018. I support Frank Klaine's letter requesting the rejection or postponement of bond sale and that a true independent and transparent analysis be made.

Thank you,  
Mary Holloway



**From:** [Julie Showalter](#)  
**To:** [Beth\\_wood@ncauditor.net](mailto:Beth_wood@ncauditor.net); [Dale Folwell](#); [Tim Romocki](#); [ronald.penny@ncdor.gov](mailto:ronald.penny@ncdor.gov)  
**Cc:** [Cindy Aiken](#); [emum@carolina.rr.com](mailto:emum@carolina.rr.com); [scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com); [violaharris39@yahoo.com](mailto:violaharris39@yahoo.com); [andy@wwpbaldhead.com](mailto:andy@wwpbaldhead.com); [SharonEdmundson@nctreasurer.com](mailto:SharonEdmundson@nctreasurer.com)  
**Subject:** BHI Ferry  
**Date:** Tuesday, May 4, 2021 2:35:26 PM

---

**My name is Julie Showalter. I own Jules' Salty Grub & Island Pub and 70 Keelson Row, 9 Leeward Court, and 3 unimproved lots. I have been an island owner since 2000. I support Frank Klaine's letter requesting the rejection or postponement of bond sale and that a true independent and transparent analysis be made.**

Julie Showalter  
Owner/Vice President  
JULES' Salty Grub & Island Pub  
LuLu's BBQ  
Bald Head Island, NC  
[www.julesaltsygrubbhi.com](http://www.julesaltsygrubbhi.com)  
910-457-7217 (JULES')  
Cell 615-571-0872



**From:** [Pamela S Douglas, M.D.](#)  
**To:** [SharonEdmundson@nctreasurer.com](#); [Beth\\_wood@ncauditor.net](#); [Dale Folwell](#); [Tim Romocki](#); [ronald.penny@ncdor.gov](#); [Cindy Aiken](#); [emum@carolina.rr.com](#); [scottpaggett693@gmail.com](#); [violaharris39@yahoo.com](#); [andy@wwpbaldhead.com](#)  
**Subject:** BHI ferry sale  
**Date:** Tuesday, May 4, 2021 2:37:48 PM

---

Good afternoon,

My name is Pamela S Douglas and I own 4 Coquina Trail on BHI. I have been an island owner since 2016 and came to island yearly before that, beginning in 2005. I request that the proposed ferry bond sale be rejected or postponed until a true independent and transparent analysis can be made and the issue fully and openly discussed among stakeholders.

Pamela S Douglas

**From:** [dennis.carwile](mailto:dennis.carwile)  
**To:** [Beth\\_wood@ncauditor.net](mailto:Beth_wood@ncauditor.net); [Dale Folwell](mailto:Dale.Folwell); [Tim Romocki](mailto:Tim.Romocki); [ronald.penny@ncdor.gov](mailto:ronald.penny@ncdor.gov); [Cindy Aiken](mailto:Cindy.Aiken); [emum@carolina.rr.com](mailto:emum@carolina.rr.com); [scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com); [violaharris39@yahoo.com](mailto:violaharris39@yahoo.com); [andy@wwpbaldhead.com](mailto:andy@wwpbaldhead.com); [SharonEdmundson@nctreasurer.com](mailto:SharonEdmundson@nctreasurer.com)  
**Subject:** BHI Transportation Bond Issuance  
**Date:** Tuesday, May 4, 2021 2:38:21 PM

---

**My name is Dennis Carwile. I own 2033 Palmetto Cove Ct and have been an island owner since 2017. I support Frank Klaine's letter requesting the rejection or postponement of bond sale and that a true independent and transparent analysis be made.**

**Sincerely,**

**Dennis Carwile**

**From:** [Geoffrey S. Ginsburg, M.D., Ph.D.](#)  
**To:** [Pamela S Douglas, M.D.](#); [SharonEdmundson@nctreasurer.com](mailto:SharonEdmundson@nctreasurer.com); [Beth\\_wood@ncauditor.net](mailto:Beth_wood@ncauditor.net); [Dale Folwell](#); [Tim Romocki](#); [ronald.penny@ncdor.gov](mailto:ronald.penny@ncdor.gov); [Cindy.Aiken@nctreasurer.com](mailto:Cindy.Aiken@nctreasurer.com); [emum@carolina.rr.com](mailto:emum@carolina.rr.com); [scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com); [violaharris39@yahoo.com](mailto:violaharris39@yahoo.com); [andy@wwpbaldhead.com](mailto:andy@wwpbaldhead.com)  
**Subject:** Re: BHI ferry sale  
**Date:** Tuesday, May 4, 2021 2:39:02 PM

---

I am Pamela's husband and also make this same request. Thank you.

---

**From:** Pamela S Douglas, M.D. <pamela.douglas@duke.edu>  
**Date:** Tuesday, May 4, 2021 at 2:37 PM  
**To:** [SharonEdmundson@nctreasurer.com](mailto:SharonEdmundson@nctreasurer.com) <[SharonEdmundson@nctreasurer.com](mailto:SharonEdmundson@nctreasurer.com)>, [Beth\\_wood@ncauditor.net](mailto:Beth_wood@ncauditor.net) <[Beth\\_wood@ncauditor.net](mailto:Beth_wood@ncauditor.net)>, [Dale@nctreasurer.com](mailto:Dale@nctreasurer.com) <[Dale@nctreasurer.com](mailto:Dale@nctreasurer.com)>, [Tim.romocki@nctreasurer.com](mailto:Tim.romocki@nctreasurer.com) <[Tim.romocki@nctreasurer.com](mailto:Tim.romocki@nctreasurer.com)>, [ronald.penny@ncdor.gov](mailto:ronald.penny@ncdor.gov) <[ronald.penny@ncdor.gov](mailto:ronald.penny@ncdor.gov)>, [Cindy.Aiken@nctreasurer.com](mailto:Cindy.Aiken@nctreasurer.com) <[Cindy.Aiken@nctreasurer.com](mailto:Cindy.Aiken@nctreasurer.com)>, [emum@carolina.rr.com](mailto:emum@carolina.rr.com) <[emum@carolina.rr.com](mailto:emum@carolina.rr.com)>, [scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com) <[scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com)>, [violaharris39@yahoo.com](mailto:violaharris39@yahoo.com) <[violaharris39@yahoo.com](mailto:violaharris39@yahoo.com)>, [andy@wwpbaldhead.com](mailto:andy@wwpbaldhead.com) <[andy@wwpbaldhead.com](mailto:andy@wwpbaldhead.com)>  
**Subject:** BHI ferry sale

Good afternoon,

My name is Pamela S Douglas and I own 4 Coquina Trail on BHI. I have been an island owner since 2016 and came to island yearly before that, beginning in 2005. I request that the proposed ferry bond sale be rejected or postponed until a true independent and transparent analysis can be made and the issue fully and openly discussed among stakeholders.

Pamela S Douglas

**From:** [Ron Peele](#)  
**To:** [Beth\\_wood@ncauditor.net](mailto:Beth_wood@ncauditor.net); [Dale Folwell](#); [Tim Romocki](#); [ronald.penny@ncdor.gov](mailto:ronald.penny@ncdor.gov); [Cindy Aiken](#); [emum@carolina.rr.com](mailto:emum@carolina.rr.com); [scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com); [violaharris39@yahoo.com](mailto:violaharris39@yahoo.com); [andy@wwpbaldhead.com](mailto:andy@wwpbaldhead.com); [SharonEdmundson@nctreasurer.com](mailto:SharonEdmundson@nctreasurer.com)  
**Subject:** BHI ferry system  
**Date:** Tuesday, May 4, 2021 2:39:02 PM

---

**My name is Ron Peele. I own a lot on Shoals Watch purchased in February 2005. I support Frank Klaine's letter requesting the rejection or postponement of bond sale and that a true independent and transparent analysis be made. Thank you considering this request.**

**Ron Peele**

**From:** [Ty Easley](#)  
**To:** [Beth\\_wood@ncauditor.net](mailto:Beth_wood@ncauditor.net); [Dale@nctreasurer.co](mailto:Dale@nctreasurer.co); [Timromocki@nctreasurer.com](mailto:Timromocki@nctreasurer.com); [ronald.penny@ncdor.gov](mailto:ronald.penny@ncdor.gov); [Cindy Aiken](mailto:Cindy_Aiken); [emum@carolina.rr.com](mailto:emum@carolina.rr.com); [scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com); [violaharris39@yahoo.com](mailto:violaharris39@yahoo.com); [andy@wvpbaldhead.com](mailto:andy@wvpbaldhead.com); [SharonEdmundson@nctreasurer.com](mailto:SharonEdmundson@nctreasurer.com)  
**Subject:** Bald Head Island Ferry  
**Date:** Tuesday, May 4, 2021 2:39:53 PM

---

Hello Everyone,

My name is THYRA EASLEY. My husband Richard and I have owned a home we built on BHI since 1999. I support Frank Klaine's letter requesting the rejection, or at the very least the postponement, of a bond sale of the subject until a truly independent and transparent analysis can be made and made public in language that is understandable to all.

Thank you for your attention to and understanding of, this request. Thyra Easley

**From:** [Ron Peele](#)  
**To:** [Beth\\_wood@ncauditor.net](mailto:Beth_wood@ncauditor.net); [Dale Folwell](#); [Tim Romocki](#); [ronald.penny@ncdor.gov](mailto:ronald.penny@ncdor.gov); [Cindy Aiken](#); [emum@carolina.rr.com](mailto:emum@carolina.rr.com); [scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com); [violaharris39@yahoo.com](mailto:violaharris39@yahoo.com); [andy@wwpbaldhead.com](mailto:andy@wwpbaldhead.com); [SharonEdmundson@nctreasurer.com](mailto:SharonEdmundson@nctreasurer.com)  
**Subject:** BHI ferry system  
**Date:** Tuesday, May 4, 2021 2:43:42 PM

---

**My name is Ron Peele. I own a lot on Shoals Watch purchased in February 2005. I support Frank Klaine's letter requesting the rejection or postponement of bond sale and that a true independent and transparent analysis be made. Thank you considering this request.**

**Ron Peele**

**From:** [Carrie Jose](#)  
**To:** [beth\\_wood@ncauditor.net](mailto:beth_wood@ncauditor.net); [Dale Folwell](#); [Tim Romocki](#); [Ronald.penny@ncdor.gov](mailto:Ronald.penny@ncdor.gov); [Cindy Aiken](#); [emum@carolina.rr.com](mailto:emum@carolina.rr.com); [scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com); [violaharris39@yahoo.com](mailto:violaharris39@yahoo.com)  
**Subject:** Immediate attention.  
**Date:** Tuesday, May 4, 2021 2:46:33 PM

---

**My name is Carrie Jose. I own 6 Sabal Palm Cottages, with my husband, Simon, and have been an island owner since 2005. I support Frank Klaine's letter requesting the rejection or postponement of bond sale and that a true independent and transparent analysis be made.**

**Carrie Jose**



**From:** [Claude Lawrence](#)  
**To:** [Beth\\_wood@ncauditor.net](mailto:Beth_wood@ncauditor.net); [Dale Folwell](#); [Tim Romocki](#); [ronald.penny@ncdor.gov](mailto:ronald.penny@ncdor.gov); [Cindy Aiken](#); [emum@carolina.rr.com](mailto:emum@carolina.rr.com); [scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com); [violaharris39@yahoo.com](mailto:violaharris39@yahoo.com); [andy@wwpbaldhead.com](mailto:andy@wwpbaldhead.com); [SharonEdmundson@nctreasurer.com](mailto:SharonEdmundson@nctreasurer.com)  
**Subject:** BHI ferry  
**Date:** Tuesday, May 4, 2021 2:48:11 PM

---

**"My name is Buddy and Betty Lawrence. We own 503 South Bald Head Wyndham and have been an island owner since 1998. I support Frank Klaine's letter requesting the rejection or postponement of bond sale and that a true independent and transparent analysis be made."**

Respectfully,  
Buddy and Betty Lawrence  
Sent from my iPad

**From:** [Mark King](#)  
**To:** [Beth\\_wood@ncauditor.net](mailto:Beth_wood@ncauditor.net); [Dale Folwell](#); [Tim Romocki](#); [ronald.penny@ncdor.gov](mailto:ronald.penny@ncdor.gov); [Cindy Aiken](#); [emum@carolina.rr.com](mailto:emum@carolina.rr.com); [scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com); [violaharris39@yahoo.com](mailto:violaharris39@yahoo.com); [andy@wwpbaldhead.com](mailto:andy@wwpbaldhead.com); [SharonEdmundson@nctreasurer.com](mailto:SharonEdmundson@nctreasurer.com)  
**Subject:** Bald Head Island Ferry  
**Date:** Tuesday, May 4, 2021 2:49:03 PM

---

All-

My name is Mark King. I own 46 Transom Row on Bald Head Island and have been an island owner since March 2020. I am a real estate professional with substantial real estate experience in both large commercial real estate transactions and related valuations. I support Frank Klaine's letter requesting the rejection or postponement of bond sale and that a true independent and transparent analysis be made with the appropriate valuation methods.

Mark

**MARK D. KING**

CFO/COO

[markking@tmgdc.com](mailto:markking@tmgdc.com)

o. 240.507.1164 m. 703.967.3625



3 Bethesda Metro Center, Suite 1400  
Bethesda, MD 20814  
[www.tmgdc.com](http://www.tmgdc.com)



**From:** [Janie Chai](#)  
**To:** [Beth\\_wood@ncauditor.net](mailto:Beth_wood@ncauditor.net); [Dale Folwell](#); [Tim Romocki](#); [ronald.penny@ncdor.gov](mailto:ronald.penny@ncdor.gov); [Cindy Aiken](#); [emum@carolina.rr.com](mailto:emum@carolina.rr.com); [scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com); [violaharris39@yahoo.com](mailto:violaharris39@yahoo.com); [andy@wwpbaldhead.com](mailto:andy@wwpbaldhead.com); [SharonEdmundson@nctreasurer.com](mailto:SharonEdmundson@nctreasurer.com)  
**Cc:** [S. Jean Chai](#)  
**Subject:** rejection of the bond sale  
**Date:** Tuesday, May 4, 2021 2:49:20 PM

---

**My name is Janie Chai. I own a house on Bald Head Island at 212 Portsmouth Way. I have been an island owner since 2014-2017 and again in 2020 with the current property. We have come to Bald Head since 2005. I support Frank Klaine's letter requesting the rejection or postponement of bond sale and that a true independent and transparent analysis be made.**

Sincerely,

**S. Jean and Janie Chai**