

**From:** [Ronald Unger](#)  
**To:** [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](#); [SharonEdmundson@nctreasurer.com](#)  
**Subject:** Bond Sale for BHI Ferry System  
**Date:** Tuesday, May 4, 2021 2:49:49 PM

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**My name is Ron Unger. We own 14 Keepers Landing and have been an island owner since November 2017. If what Frank Klaine is purporting in his letter dated May 3, 2021 is true, then I support Frank Klaine's letter requesting the rejection or postponement of bond sale and that a true independent and transparent analysis be made.**

**From:** [hbendoroff@gmail.com](mailto:hbendoroff@gmail.com)  
**To:** [Cindy Aiken](#); [violaharris39@yahoo.com](mailto:violaharris39@yahoo.com); [Andy Sayre](#); [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); [emum@carolina.rr.com](mailto:emum@carolina.rr.com); [scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com)  
**Cc:** [melanie robbins](#); [Wendy Wilmot](#)  
**Subject:** Bald Head Island Ferry hearing  
**Date:** Tuesday, May 4, 2021 2:50:49 PM

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Dear All,

My name is Holly Bendoroff and I have been a property owner on Bald Head since 2016. I am writing to express my concern about the ferry situation and to add my voice in support of Mr Klain's letter to the committee.

Thank you for your consideration

Sincerely

Holly Bendoroff  
17 Sandspur Trail  
Bald Head Island, NC

Sent from my iPhone

**From:** [Bob and Merry Vaughan](#)  
**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 Transportation Bond Issuance  
**Date:** Tuesday, May 4, 2021 2:52:13 PM

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Our names are Robert and Meredith Vaughan. We own 28 Mourning Warbler Trail and have been an island owner since 1988. We 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,  
Robert and Meredith Vaughan

**From:** [Scott Mueller](#)  
**To:** [Cindy Aiken](#)  
**Subject:** Please Postpone Bond Sale  
**Date:** Tuesday, May 4, 2021 2:52:21 PM

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**My name is Scott Mueller. I own 6 Keepers Landing and have been an island owner since 2016. 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.**

**From:** [Sallie Shuping Russell](#)  
**To:** [Cindy Aiken](#); [ronald.penny@ncdor.gov](mailto:ronald.penny@ncdor.gov); [emum@carolina.rr.com](mailto:emum@carolina.rr.com); [scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com)  
**Subject:** Fwd: Bald Head Island Transportation  
**Date:** Tuesday, May 4, 2021 2:53:07 PM

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I had typos in my message below. Sorry

Begin forwarded message:

**From:** Sallie Shuping Russell <[blueheaven02@aol.com](mailto:blueheaven02@aol.com)>  
**Subject:** Bald Head Island Transportation  
**Date:** May 4, 2021 at 2:45:39 PM EDT  
**To:** [beth.wood@ncauditor.net](mailto:beth.wood@ncauditor.net), Dale Folwell <[Dale@Nctreasurer.com](mailto:Dale@Nctreasurer.com)>  
**Cc:** [tim.romocki@nctreasurer.com](mailto:tim.romocki@nctreasurer.com), [ronald.penny@ncddor.gov](mailto:ronald.penny@ncddor.gov),  
[cindy.aiken@nctreasurer.com](mailto:cindy.aiken@nctreasurer.com), [emem@carolina.rr.com](mailto:emem@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)

Dear Beth, Dale et al.

I hope you both are doing well. I have meant to write you about this topic but didn't realize it was coming forward today so I apologize for the haste.

I am writing about the Bald Head Island bond issue, which will be voted on later today. I want to add my support to the letter below by Frank Klaine. The property owners at BHI and other interested parties did not have detailed information about the valuation of assets that would underlie the proposed bond. When it was finally revealed a few weeks ago ppl were very surprised.

I support Frank's letter below so that there can be a good assessment of value for these assets that will back the bonds.

I have two properties on Bald Head Island — at 4 Ballantrae Court and 6 Ballantrae Court. I have a property owner on Bald Head since 2000 and have seen many changes. It is important that this transaction be assessed correctly, but also in a way that prevents the current owner from simply walking away from this deal and selling it to private investors who care nothing about BHI. There is no other way to get to BHI other than by ferry so its operations really should be part of the town's operations and not that of private investors.

One final point, I know you both care about the citizens of Brunswick County and surrounding areas that work on BHI. They have to take the ferry every day for work. If the ferry system is not in the right hands these people's livelihoods will be affected. So this issue is not only about the property owners of BHI; it is also about supporting the workers of Brunswick and New Hanover Counties.

Many thanks for your consideration.  
Sallie

Sallie Shuping-Russell  
919-210-3010

**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:** [Rebecca Rogers](#)  
**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:** May 4 BHI bond meeting  
**Date:** Tuesday, May 4, 2021 2:54:54 PM

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Dear Ladies and Gentlemen:

Our names are Mark and Rebecca Chilton and we became Bald Head Island property owners this year, in February 2021. We support Frank Klaine's letter requesting the rejection or postponement of BHI ferry bond sale and that an objective and transparent analysis of this financial transaction be made by a truly independent and experienced professional before proceeding further.

Best regards,

Mark and Rebecca Chilton  
Bald Head Island

**From:** [lizzieliv@yahoo.com](mailto:lizzieliv@yahoo.com)  
**To:** [SharonEdmundson@nctreasurer.com](mailto:SharonEdmundson@nctreasurer.com)  
**Cc:** [andy@wwpbaldhead.com](mailto:andy@wwpbaldhead.com); [violaharris39@yahoo.com](mailto:violaharris39@yahoo.com); [scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com); [emum@carolina.rr.com](mailto:emum@carolina.rr.com); [Cindy Aiken](#); [ronald.penny@ncdor.gov](mailto:ronald.penny@ncdor.gov); [Tim Romocki](#); [Dale Folwell](#); [Beth\\_wood@ncauditor.net](mailto:Beth_wood@ncauditor.net)  
**Subject:** BHI Ferry system  
**Date:** Tuesday, May 4, 2021 2:56:08 PM

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**My name is Renee Liverman and I own 4 Bufflehead Ct and have been coming to Bald Head Island for years. 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,  
Renee Liverman  
252-619-2598**

Sent from my iPhone

**From:** [Larsen, Katie D - SEWICKLEY PA](#)  
**To:** [beth\\_wood@ncauditor.net](mailto:beth_wood@ncauditor.net); [dale@nctresurer.com](mailto:dale@nctresurer.com); [Tim Romocki](#); [ronald.penny@cndor.gov](mailto:ronald.penny@cndor.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@wwphaldhead.com](mailto:andy@wwphaldhead.com); [sharonedumundson@nctreasurer.com](mailto:sharonedumundson@nctreasurer.com)  
**Subject:** Bald head island transportation/ Larsen family - 28 East Beach  
**Date:** Tuesday, May 4, 2021 2:56:30 PM  
**Attachments:** image001.png

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Dear Sir/Madam-

My name is Katherine Larsen and my family owns property at 28 East Beach, BHI, NC 28461. We have been property owners since 2011. I support Mr. Klaine's letter requesting the postponement of the Bond sale until a truly independent and transparent analysis can be conducted. For heaven's sake – let's get this right, please.

Best,  
Katie

Katherine Darragh Larsen, CRPC®, CEPA®  
Managing Director  
Wealth Management Advisor  
NMLS | 534228

Merrill Lynch Wealth Management  
[The Larsen Group](#)  
Merrill Lynch, Pierce, Fenner & Smith Inc.  
417 Thorn Street | Sewickley, Pennsylvania 15143  
(412)749.7908 | Fax (412)567.0041  
[katie\\_larsen@ml.com](mailto:katie_larsen@ml.com)

Visit our website: [www.fa.ml.com/katie\\_larsen](http://www.fa.ml.com/katie_larsen)



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Named to Forbes' "America's Top Women Wealth Advisors" list, March 2021 for the 5<sup>th</sup> consecutive year.\*<sup>2</sup>  
Named to Working Mother / SHOOK Research's Top Wealth Advisor Moms list in 2017, 2018, 2019 and 2020\*<sup>3</sup>.  
Named to Forbes' America's Top 250 Wealth Advisors list in 2019\*<sup>4</sup>

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\*<sup>4</sup> Source: Forbes "America's Top Women Wealth Advisors" list, April 30, 2019. For more information about the selection criteria, go to <http://details-heresui2gX>. Forbes is a trademark of Forbes Media LLC. All rights reserved. These rankings and ratings are not representative nor indicative of any one client's experience, future performance, or investment outcome and such

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**From:** [Bill Young](#)  
**To:** [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](#); [SharonEdmundson@nctreasurer.com](#)  
**Cc:** [Karen Young](#)  
**Subject:** BHI Transportation Bond Issuance  
**Date:** Tuesday, May 4, 2021 2:56:42 PM

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My name is Bill and Karen Young we own 603 Kinnakeet Way and have been an island owner since 2020 and renting on island since 2004. I support Frank Klaine's letter requesting the rejection or postponement of bond sale and that a true independent and transparent analysis be made.

**ORIGINAL LETTER:**

**"From:** Franklin Klaine <faklaine@gmail.com>

**Date:** May 3, 2021 at 11:56:16 AM EDT

**To:** Beth\_wood@ncauditor.net, Dale@nctreasurer.com,  
Tim.romocki@nctreasurer.com, ronald.penny@ncdor.gov,  
Cindy.Aiken@nctreasurer.com, emum@carolina.rr.com,  
scottpaggett693@gmail.com, violaharris39@yahoo.com, Andy Sayre  
<andy@wwpbaldhead.com>, 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 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 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:** [georgelwhiteside@aol.com](mailto:georgelwhiteside@aol.com)  
**To:** [Tim Romocki](#); [Beth\\_wood@ncauditor.net](mailto:Beth_wood@ncauditor.net); [Dale Folwell](#); [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 2:58:21 PM

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I am George L Whiteside. I have owned a house at 656 Wash Woods Way on Bald Head Island with my daughter and son in law Hap and Brooke Pollard since Jan 2010. I support Frank Klaine's letter requesting the rejection or postponement of bond sale and that a true independent and transparent analysis be made.

**From:** [Alan Sader](#)  
**To:** [Cindy Aiken](#)  
**Subject:** Bald Head Island transportation system  
**Date:** Tuesday, May 4, 2021 2:59:24 PM

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"My name is Alan Sader. I am considering purchasing property on Bald Head Island in the near future . I support Frank Klaine's letter requesting the rejection or postponement of bond sale and that a true independent and transparent analysis be made.

**Alan Sader**  
Sent from my iPhone

**From:** [Sandler, Dale \(NIH/NIEHS\) \[E\]](#)  
**To:** [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](#); [SharonEdmundson@nctreasurer.com](#)  
**Subject:** FW: Immediate Attention Requested: BHI Transportation Bond Issuance  
**Date:** Tuesday, May 4, 2021 3:00:36 PM

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My name Dale Sandler. I co-own own 845A Killegray Ridge, BHI and have been an island owner since 1999. I support Frank Klaine's letter requesting the rejection or postponement of bond sale and that a true independent and transparent analysis be made.

Dale P. Sandler  
[sandler@niehs.nih.gov](mailto:sandler@niehs.nih.gov)

---

**From:** Wendy Wilmot Properties <[crista@wwpbaldhead.com](mailto:crista@wwpbaldhead.com)>  
**Sent:** Tuesday, May 4, 2021 2:39 PM  
**To:** Sandler, Dale (NIH/NIEHS) [E] <[sandler@niehs.nih.gov](mailto:sandler@niehs.nih.gov)>  
**Subject:** Immediate Attention Requested: BHI Transportation Bond Issuance



BHI Property Owner,

There is an important and time-sensitive meeting happening today at approximately 3:00PM EST concerning the BHI ferry system.

The decisions and actions taken today, will impact island property owners and workers in the near future.

We understand that this is not much notice to give, but if you are in agreement with Frank Klaine's letter below, please express that in an email to the parties listed.

It could be as short as:

**"My name is (YOUR NAME). I own (YOUR PROPERTY(IES)) and have been an island owner since (WHEN YOU FIRST PURCHASED). I support Frank Klaine's letter requesting the rejection or postponement of bond sale and that a true independent and transparent analysis be made."**

When sending your forwarded response, please make sure to send to the following recipients:

,  
,  
,  
,  
,

Thank you for helping!

---

**ORIGINAL LETTER:**

**"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@wvpbaldhead.com](mailto:andy@wvpbaldhead.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"



Phone: 910.470.0000 Email: [agent@wwpbaldhead.com](mailto:agent@wwpbaldhead.com)

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Wendy Wilmot Properties  
6E Merchants Row  
PO Box 3259  
Bald Head Island, NC 28461

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**From:** [D'Antonio, Tom](#)  
**To:** "[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](#)"; "[SharonEdmundson@nctreasurer.com](#)"  
**Cc:** "[Kathleen Dantonio](#)"  
**Subject:** Bald Head Island Transportation Bond Issuance  
**Date:** Tuesday, May 4, 2021 3:02:32 PM  
**Importance:** High

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Good afternoon. We own a home at 332 Stede Bonnet Wynd, and have been an island owner since 2014. I understand that you are reviewing the options related to a potential transaction related to the Bald Head Island ferry service. It appears to us that there has been limited review of the options, the cost and the potential long term impact on the Island and its homeowners. We also are concerned about the need for a truly transparent process that considers the best interest of all taxpayers and owners. We urge the postponement of any bond issuance pending a true independent and transparent analysis, which analysis is made available to all. Thank you for your consideration. Kathleen and Thomas D'Antonio

**Thomas S. D'Antonio** | WARD GREENBERG HELLER & REIDY LLP

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**From:** [georgelwhiteside@aol.com](mailto:georgelwhiteside@aol.com)  
**To:** [Tim Romocki](#); [Beth\\_wood@ncauditor.net](mailto:Beth_wood@ncauditor.net); [Dale Folwell](#); [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 3:04:07 PM

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I am George L Whiteside. I have owned a house at 656 Wash Woods Way on Bald Head Island with my daughter and son in law Hap and Brooke Pollard since Jan 2010. I support Frank Klaine's letter requesting the rejection or postponement of bond sale and that a true independent and transparent analysis be made.

**From:** [Claudia K. Jones, M.D.](#)  
**To:** [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](#); [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](#); [SharonEdmundson@nctreasurer.com](#)  
**Subject:** stop bond sale  
**Date:** Tuesday, May 4, 2021 3:05:47 PM

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**My name is Claudia Jones. I own 6 Killegray Ridge and have been an island owner for over 20 years.. I support Karen and Frank Klaine's letter requesting the rejection or postponement of bond sale and that a true independent and transparent analysis be made.**  
**Claudia Jones**

Claudia K. Jones, M.D.  
Associate Professor, Pathology  
Medical Director, Cytopathology  
Vice Chair for Faculty, Pathology  
919-684-3950 (phone)  
919-970-0068 (pager)

**From:** (null) (null)  
**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](#); [enum@carolina.rr.com](mailto:enum@carolina.rr.com); [scottpaggett693@gmail.com](mailto:scottpaggett693@gmail.com); [violaharris39@yahoo.com](mailto:violaharris39@yahoo.com); [andy@wwbaldhead.com](mailto:andy@wwbaldhead.com); [sharonEdmundson@nctreasurer.com](mailto:sharonEdmundson@nctreasurer.com)  
**Subject:** BHI ferry system  
**Date:** Tuesday, May 4, 2021 3:06:54 PM

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My name is Bonnie Keiger. My husband and I have been property owners on Bald Head Island since 1999. I support Frank Klaine's letter requesting a rejection or postponement of the bond sale regarding the BHI ferry system so that a true and fair independent and transparent analysis can be made.

Thank you for your consideration.

Bonnie Keiger

Sent from my iPad

**From:** [Jim Riff](#)  
**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:** [Jim Riff](#)  
**Subject:** Re; Frank Klaine's Leter of May 3 2021  
**Date:** Tuesday, May 4, 2021 3:08:05 PM

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**To Whom It May Concern;**

My name is James Riff. I own 27 Silversides Trail 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.

Regards,

Jim Riff



**CEO**

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**From:** [Decker](#)  
**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:** Appraisals for bond offerings  
**Date:** Tuesday, May 4, 2021 3:08:46 PM

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**My name is Mary Decker. My husband and I own property on Dogwood Trail and have been island owners since the 1990s. I support Frank Klaine's letter requesting the rejection or postponement of bond sale and that a true independent and transparent analysis be made.**

**Thanks**

**Tom and Mary DeCker**

**From:** [Bryan Hutton](#)  
**To:** [Cindy Aiken](#)  
**Subject:** BHITA  
**Date:** Tuesday, May 4, 2021 3:09:45 PM

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My name is Ralph Hutton. I own 8 Royal Tern and have been an island owner since 1995. I support Frank Klaine's letter requesting the rejection or postponement of bond sale and that a true independent and transparent analysis be made.

Ralph Hutton

Bryan Hutton



**From:** [kmurphybrown](#)  
**To:** [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); [Beth\\_wood@ncauditor.net](mailto:Beth_wood@ncauditor.net)  
**Subject:** REJECTION OF BOND  
**Date:** Tuesday, May 4, 2021 3:10:15 PM

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My name is Kay Brown. I own 319 Stede Bonnet Wynd. I have been an island owner since 2001. 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,

Kay Brown