

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

Docket No. A-41, Sub 22

In the Matter of)	
Joint Application of Bald Head Island	)	SHARPVUE CAPITAL, LLC'S
Transportation, Inc., and Bald Head	)	RESPONSE TO VILLAGE OF
Island Ferry Transportation, LLC, for	)	BALD HEAD ISLAND'S
Approval of Transfer of Common Carrier	)	MOTION TO COMPEL
Certificate to Bald Head Island Ferry	)	RESPONSES TO SECOND
Transportation, LLC, and Permission to	)	DATA REQUESTS
Pledge Assets)	

SharpVue Capital, LLC (“SharpVue”), by and through its undersigned counsel, and with agreement of counsel for the Village as to the date of service of the response, hereby responds in opposition to the Village of Bald Head Island (“the Village”)’s Motion to Compel Responses related to its Second Data Requests to SharpVue (“the Motion”).

INTRODUCTION

SharpVue provided responses to the Village’s Second Data Requests on September 12, 2022. The Village filed its Motion to Compel on September 14, 2022.

The Village cites and relies on the Rules of Civil Procedure in support of its Motion to Compel. Rule 37(a)(2) of the Rules of Civil Procedure requires: “The motion must include a certification that the movant has in good faith conferred or attempted to confer with the person or party failing to make the discovery in an effort to secure the information or material without court action.” The Commission’s Order Scheduling Hearing, Establishing Procedural Deadlines, and Requiring Public Notice states that the

“parties ... shall work in a cooperative manner as to discovery” (August 24, 2022 Order, p.4, ¶7).

The Village’s September 14, 2022 Motion does not include the Rule 37(a)(2)-required certification. Of the data requests listed in the Village’s Motion, counsel for the Village emailed counsel for SharpVue about Data Requests 2-18, 2-21 and 2-28 prior to filing the Motion – but did not communicate or raise any issues regarding the other Data Requests listed in its Motion, to include Data Requests 2-3, 2-4, 2-11, 2-16, 2-17, 2-19, 2-22, 2-23, 2-24, 2-25, and 2-27. As such, the Village only “met and conferred” under Rule 37(a)(2) with SharpVue on its responses to Data Requests 2-18, 2-21 and 2-28 and did not “meet and confer” regarding the other Data Requests in its Motion as required by Rule 37(a)(2). The Village’s Motion violates Rule 37(a)(2) and the Commission could dismiss the Motion as to Data Requests 2-3, 2-4, 2-11, 2-16, 2-17, 2-19, 2-22, 2-23, 2-24, 2-25, and 2-27 on this ground – even if it is without prejudice to refile as to the data requests that are still in dispute after the parties “meet and confer.”

Regardless of the Village’s failure to “meet and confer” before filing the Motion, SharpVue intends to work in a cooperative manner as to discovery. SharpVue has clarified and/or supplemented its responses to most of the data requests at issue in the Motion (See Exhibit A attached hereto and incorporated herein by reference, specifically supplemental responses to Data Requests 2-3, 2-4, 2-11, 2-16, 2-17, 2-18, 2-19, 2-21, 2-22, 2-23, 2-24, 2-25, 2-27, and 2-28). SharpVue would have been glad to discuss and provide clarifying and supplemental information without the need for a motion. For the most part, SharpVue’s supplement responses provide additional clarification to the original response, restates that certain information does not exist yet and if/when it does

SharpVue will provide it to the Village, or otherwise provides information that upon further investigation, is responsive to a data request.

Data Requests 2-21, 2-24, 2-25, and 2-27 request information that is irrelevant and/or not likely to lead to admissible evidence, and SharpVue maintains its objection to these requests. The basis for this continuing objection is contained in its responses to data requests and is further outlined below.

SharpVue respectfully requests the Commission deny the Village's Motion to Compel. Alternatively, if the Commission is not inclined at initial consideration to deny the Motion regarding Data Requests 2-21, 2-24, 2-25, and 2-27, SharpVue respectfully requests an in-person hearing on the Motion regarding Data Requests 2-21, 2-24, 2-25, and 2-27.

**SPECIFIC RESPONSES TO SECOND DATA REQUESTS AT ISSUE - AS
ARRANGED BY THE VILLAGE**

Data Requests 2-3, 2-11, 2-19, 2-22, and 2-23

Data Requests 2-3, 2-11, 2-19, 2-22, and 2-23, for the most part, request information and details that are not currently available. SharpVue has supplemented these responses and agreed to provide the information requested when it becomes available.

Regarding Data Request 2-3, SharpVue has informed the Village that as provided in the APA, the financial resources described in Exhibit F will be allocated to the various affiliate LLCs and assets outlined in Exhibit B to the Application and the APA closer to or at the time of closing. It is also anticipated that SharpVue would have \$2.0 million cash on hand at closing, and a \$2.0 million line of credit available for the benefit of the ferry and tram which SharpVue expects to be undrawn at closing. SharpVue also agreed to

supplement its response to 2-3 to produce such details at such time as the information is available and/or documents are completed showing the requested allocation.

Data Requests 2-11 and 2-19 seek specific details about future hypothetical projects or expenses that would not be available or determined until a specific future project or expense presents itself. The source of funds would depend on each specific project or expense, timing of any project or expense, cost of any project or expense, and other factors to be determined at the time of a particular project undertaken or expense experienced.

Regarding Data Requests 2-22 and 2-23, SharpVue requested permission from the North Carolina Utilities Commission in its Application to issue debt and pledge assets as may be necessary, and SharpVue provided the Village Exhibit F to the Application which showed debt as a part of the financing of the transaction. So although SharpVue believes it sufficiently responded to the data requests, SharpVue has provided further clarification to its responses. SharpVue may pledge ferry and tram assets if the Application is approved or in the future. SharpVue is still in discussions with its lender regarding what assets described in the APA would secure the debt described in Exhibit F. SharpVue agreed to supplement its responses at which time a final decision is made regarding the assets to be pledged to secure any portion of the debt described in Exhibit F.

SharpVue supplemented their prior responses, and there is nothing more to provide at this time under Data Requests 2-3, 2-11, 2-19, 2-22, and 2-23. As such, the Village's Motion as to Data Requests 2-3, 2-11, 2-19, 2-22, and 2-23 should be denied.

Data Requests 2-4

SharpVue has provided the Village the additional detail the Village requests in its Motion regarding Data Request 2-4. Much in the same way the Mitchell Estate heirs rely on the experience of the current management team of Chad Paul, Shirley Mayfield, and

Captain Bion Stewart, and current employees almost all of which would be hired by BHI Ferry Transportation, LLC, SharpVue will rely on these well qualified individuals to continue to operate the ferry and tram. Further, financing these transactions brings with it a developed knowledge of the businesses being financed. This knowledge and experience does not replace, but supplements, the experience of those that have operated and managed these businesses being acquired – namely Chad Paul, Shirley Mayfield, and Captain Bion Stewart, and the current employees. The local expertise will come from the SharpVue team and current management team (Chad Paul, Shirley Mayfield, and Captain Bion Stewart) and employees that are being retained – not necessarily from the investors. In addition, SharpVue has provided the nature of the two projects in the project list (that were also included in its original response to Data Request No. 18) that are projects undertaken by Mr. Roberts while at SharpVue. SharpVue’s waste service company investment was made as a minority equity investor, and after owning the investment for approximately five years, SharpVue’s shares were acquired and SharpVue no longer owns this minority interest. The waste water treatment investment was made in 2020 as a lender and SharpVue still holds this loan.

SharpVue has supplemented its prior response, and as such, the Village’s Motion as to Data Request 2-4 should be denied.

Data Requests 2-18

Although SharpVue believes its original response to Data Request 2-18 was sufficient, SharpVue is glad to provide additional detail - and has done so in its supplemental response to the Village. The information is substantially similar to the information provided in response to Data Request 2-4 discussed above. As such, the Village’s Motion as to Data Request 2-18 should be denied.

Data Requests 2-21

Data Request 2-21 has two parts – the first part requests information that is not yet available – and the second part requests irrelevant, confidential research, development and commercial information from SharpVue that the Village is not entitled to receive.

The first part of the Data Request 2-21 requests how the purchase price for the assets described in the APA is allocated among the assets. SharpVue supplemented its response to state that it has not allocated the purchase price among all the assets to be purchased in the Transaction. SharpVue has agreed to supplement its response at such time as the purchase price is allocated to the assets and/or documents are completed showing said allocation.

The second part of the Data Request 2-21 requests how SharpVue has valued the individual components of the transaction and to provide all documents relating to the valuation of these components. SharpVue objects to the Village's request for internal valuation information that led to SharpVue's offers, negotiations and ultimately to the purchase price for the assets in the APA. It is a matter of public record that the Village wants to buy various transportation assets from BHIT and BHIL, but has not been able to do so. The Village is not entitled to SharpVue's confidential research, analysis, development and commercial information regarding the individual components of the transaction or other strategic information about how it arrived at its offers to buy the assets or the purchase price for the assets in the APA. The Village is searching for information that may help its failed attempt to buy these assets. Such internal proprietary information is not relevant to the issues raised in the Application and is not likely to lead to the discovery of admissible evidence.

In addition, the Application is not a rate case and does seek to raise the rates for the ferry and tram. In fact, SharpVue has agreed in its Application not to seek a rate case for at least one year. How SharpVue may have analyzed offers, negotiations or the final agreed upon purchase price has no impact to the ferry and tram ratepayers, nor on the transaction. Village is not entitled to this internal proprietary work product.

Notwithstanding this objection, SharpVue has agreed in its supplemental response to further supplement at such time as the purchase price is allocated to the assets and/or documents are completed showing said allocation.

Rule 37(a)(2) of the Rules of Civil Procedure provides that “if the court denies the motion in whole or in part, it may make such protective order as it would have been empowered to make on a motion made pursuant to Rule 26(c) [of the Rules of Civil Procedure].” Rule 26(c) specifically recognizes that confidential research, development, or commercial information is the type of information that may be ordered not to be disclosed, where justice so requires (See subparagraph (vii)). SharpVue requests that the Motion as to Data Request 2-21 be denied and the Commission’s order be treated as a protective order regarding this confidential research, development, or commercial information. Alternatively, if the Commission is not inclined at initial consideration to deny the Motion regarding Data Request 2-21, SharpVue respectfully requests an in-person hearing on the Motion regarding Data Request 2-21.

Data Requests 2-24, 2-25 and 2-27

Data Requests 2-24, 2-25 and 2-27 request information regarding the individual investors in the various SharpVue affiliate entities. SharpVue has supplemented its responses to these data requests with information that is relevant to the issues raised in the Application, and has agreed to supplement the responses as the information that is not yet

available becomes available. However, SharpVue objects to providing the names and street addresses of its investors to the Village and requests that the Motion as to Data Requests 2-24, 2-25 and 2-27 be denied.

SharpVue clarifies for the Village its initial response to these data requests, that the equity investment will be allocated to the various affiliate LLCs and assets outlined in Exhibit B to the Application and the APA closer to or at the time of closing. SharpVue agreed to supplement these responses at such time as the equity is allocated and/or documents are created showing said allocation.

Regarding the list of investors, SharpVue has produced to the Village a list of the number of investors, their city and state of residence, and the amount they have committed towards the equity described on Exhibit F to the Application. This document is marked as SHARPVUE No. 0883 and was provided to the Village as “CONFIDENTIAL – ATTORNEYS’ EYES ONLY” pursuant to the parties’ Confidentiality Agreement, and therefore is not attached hereto. The Village is not entitled to receive, nor should SharpVue have to provide, the names and street addresses for the investors.

First, the investors’ names and addresses are not relevant to whether SharpVue has the resources to operate, support and enhance the ferry and tram assets. As has been previously stated, the committed amount of equity will be delivered to SharpVue before the transfer of the certificate and closing on the ferry and tram, and be available to SharpVue at closing. Further, Exhibit F shows the amount of debt that will be brought to the project by SharpVue. It is also anticipated that SharpVue would have \$2.0 million cash on hand at closing, and a \$2.0 million line of credit available for the benefit of the ferry and tram which SharpVue expects to be undrawn at closing.

Second, the information provided in SHARPVUE No. 0883 – namely the investors city and state of residence – provides the needed evidence that the investors are primarily local. The local nature of the investors is not where SharpVue will get the experience to operate the ferry and tram. The local expertise will come from the SharpVue team and current management team (Chad Paul, Shirley Mayfield, and Captain Bion Stewart) and employees that are being retained – not necessarily from the investors. SharpVue’s qualifications to serve as the owner of this utility does not turn on the specific identity of an investor. SharpVue has provided available information and/or agreed to supplement as additional information is developed regarding ownership structure, capitalization, managerial qualifications, and resources available. The names and addresses of its investors are not relevant to these issues.

Third, the information provided in SHARPVUE No. 0883 – namely the investors city and state of residence – provides the needed evidence that the investors are primarily local.

Finally, it is a matter of public record that the Village wants to buy various transportation assets from BHIT and BHIL, but has not been able to do so. This makes the Village a competitor of SharpVue’s for proposes of the assets at issue in the Application proceeding – Sub 22. The identity of the investors is sensitive commercial information to SharpVue. Rule 37(a)(2) of the Rules of Civil Procedure provides that “if the court denies the motion in whole or in part, it may make such protective order as it would have been empowered to make on a motion made pursuant to Rule 26(c) [of the Rules of Civil Procedure].” Rule 26(c) specifically recognizes that confidential commercial information is the type of information that may be ordered not to be disclosed, where justice so requires (See subparagraph (vii)).

For the reasons stated herein, SharpVue requests that the Motion as to Data Requests 2-24, 2-25 and 2-27 be denied and the Commission's order be treated as a protective order regarding the name and street address of the investors. Alternatively, if the Commission is not inclined at initial consideration to deny the Motion regarding Data Requests 2-24, 2-25 and 2-27, SharpVue respectfully requests an in-person hearing on the Motion regarding Data Requests 2-24, 2-25 and 2-27.

Data Requests 2-16 and 2-17

The Village misstates and misrepresents SharpVue's Application and SharpVue's response to Data Requests 2-16 and 2-17 in its Motion. SharpVue states in its Application, Paragraph 37, that it "is not seeking to recover any transaction costs or *acquisition premiums* related to this transaction from passengers and will not request any rate change as a result of the transaction." SharpVue did not say it had calculated an "acquisition premium" or that it was paying BHIT an acquisition premium – but just made a general statement that it would not attempt to collect the costs of this transaction or acquisition premiums from passengers. In other words, SharpVue would not file a rate case based on transaction costs or acquisition premiums. How the Commission may or may not establish the rate base for the ferry and tram in a future rate case is yet to be determined. The Application filed in Sub 22 is not a rate case. Further, SharpVue has agreed in its Application not to seek a rate case for at least one year.

Regarding parking and barge, SharpVue responded that it intends to continue the parking and barge operations without significant or immediate change – which would include parking and barge rates.

Although believed to be unnecessary, SharpVue was glad to supplement their prior responses to further explain this. As such, the Village's Motion as to Data Requests 2-16 and 21-17 should be denied.

Data Requests 2-28

Prior to the filing of the Motion, SharpVue told the Village it would check on the request for correspondence beyond the details provided in the initial response. SharpVue checked, located, and has produced the correspondence responsive to the request. As such, the Village's Motion as to Data Requests 2-28 should be denied.

WHEREFORE, for the reasons stated herein, SharpVue respectfully requests the Commission deny the Village's Motion to Compel. Alternatively, if the Commission is not inclined at initial consideration to deny the Motion regarding Data Requests 2-21, 2-24, 2-25, and 2-27, SharpVue respectfully requests an in-person hearing on the Motion regarding Data Requests 2-21, 2-24, 2-25, and 2-27.

This the 19th day of September, 2022.

NEXSEN PRUET PLLC

By: /s/ David P. Ferrell
David P. Ferrell
NC Bar No. 23097
dferrell@nexsenpruet.com
4141 Parklake Avenue, Suite 200
Raleigh, North Carolina 27612
Tel.: (919) 755-1800
Fax: (919) 890-4540
Attorneys for SharpVue Capital, LLC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing SHARPVUE CAPITAL, LLC'S RESPONSE TO VILLAGE OF BALD HEAD ISLAND'S MOTION TO COMPEL RESPONSES TO SECOND DATA REQUESTS has been served this day upon all parties of record in this proceeding, or their legal counsel, by electronic mail or by delivery to the United States Post Office, first-class postage pre-paid.

This the 19th day of September, 2022.

By: /s/ David P. Ferrell

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

Docket No. A-41, Sub 22

In the Matter of)	
Joint Application of Bald Head Island	)	SHARPVUE CAPITAL, LLC'S
Transportation, Inc., and Bald Head	)	<u>SUPPLEMENTAL</u>
Island Ferry Transportation, LLC, for	)	RESPONSES TO VILLAGE
Approval of Transfer of Common Carrier	)	OF BALD HEAD ISLAND'S
Certificate to Bald Head Island Ferry	)	SECOND DATA REQUESTS
Transportation, LLC, and Permission to)	
Pledge Assets)	

SharpVue Capital, LLC (“SharpVue”), by and through its undersigned counsel, hereby provides this supplemental response to the Village of Bald Head Island’s Second Data Request to SharpVue Capital, LLC in the above-captioned docket.

GENERAL OBJECTIONS – RAISED IN ORIGINAL RESPONSE

SharpVue objects to the Data Requests to the extent they seek information, documents, materials, support, and/or things protected from disclosure by the attorney-client privilege, the work-product doctrine, consulting expert privilege, the common-interest privilege, and/or seek information beyond the regulated assets at issue herein. Inadvertent disclosure of any such information, documents materials, support, and/or things shall not operate as a waiver of any applicable privilege or immunity. SharpVue’s production of documents or information does not waive any SharpVue’s right to object to this request as not reasonably calculated to lead to the discovery of admissible evidence in this docket.

Certain SharpVue information provided herein are produced on the condition that they are held as confidential pursuant to the parties’ confidentiality agreement. SharpVue

reserves the right to object to the admissibility of any of these responses, in whole or in part, at any further proceeding of this matter, on any grounds, including but not limited to timeliness, materiality, relevance, and privilege.

SUPPLEMENTAL RESPONSE TO DATA REQUESTS

1. Please produce any and all documents identified, referred to, or relied upon in preparing your response to the Village's Second Set of Data Requests.

RESPONSE: See SHARPVUE NOS. 0831 to 0882.

2. Provide a complete summary of the existing business operations, if any, of BHI Ferry Transportation, LLC, Pelican Legacy Holdings, LLC, and SVC Pelican Partners, LLC.

RESPONSE: BHI Ferry Transportation, LLC, Pelican Legacy Holdings, LLC, and SVC Pelican Partners, LLC are all affiliates of and managed by SharpVue Capital, LLC. These entities were established to own and operate the assets purchased pursuant to the Asset Purchase Agreement ("APA") attached as Exhibit E to the Joint Application filed herein. BHI Ferry Transportation, LLC will own the regulated assets, and Pelican Legacy Holdings, LLC will own the non-regulated assets – much in the same way the existing owner holds the assets. SVC Pelican Partners, LLC will be the manager of Pelican Legacy Holdings, LLC.

3. Provide state the current capitalization of BHI Ferry Transportation, LLC, Pelican Legacy Holdings, LLC, and SVC Pelican Partners, LLC and identify all documents showing such capitalization.

RESPONSE: See Exhibit F to the Joint Application filed herein. This document has been previously provided to the Village in a previous data request, and was provided as **CONFIDENTIAL – ATTORNEYS' EYES ONLY**.

SUPPLEMENTAL RESPONSE: As provided in the APA, the financial resources described in Exhibit F will be allocated to the various affiliate LLCs and assets outlined in Exhibit B to the Application and the APA closer to or at the time of closing. It is also anticipated that SharpVue would have \$2.0 million cash on hand at closing, and a \$2.0 million line of credit available for the benefit of the ferry and tram which we expect to

be undrawn at closing. SharpVue will supplement this response at such time as the financial resources are allocated and/or documents are completed showing said allocation.

4. Provide a complete summary of SharpVue's experience providing utility services, broken down by SharpVue entity. If SharpVue's experience consists solely of acquiring ownership interests entities providing utility services, please (a) identify the entity providing utility services, (b) state the percentage ownership interest held and the type and nature of the interest, and (c) state the dates that SharpVue Capital acquired and sold such interests.

RESPONSE: SharpVue plans to hire the operations' current management to continue in their current roles and duties, to include (but not limited to): Charles A. "Chad" Paul, III, President of Bald Head Island Transportation, Inc. and Chief Executive Officer and a Manager of Bald Head Island Limited LLC; Shirley Mayfield, Chief Financial Officer of Bald Head Island Limited LLC; and Captain Bion Stewart, the current Chief Operating Officer of Bald Head Island Transportation, Inc. Further, SharpVue has committed to hire almost all of the current employees.

SharpVue objects to Data Request No. 4 in that it requests irrelevant information that is not likely to lead to discoverable information about separate and distinct investments that are not related to its purchase of the assets described in the APA. SharpVue has raised capital specifically for this opportunity from a group of primarily local investors with the understanding that this collection of assets can be held for the long term. In other words, and importantly, this investment will not be held in a limited life fund, but in an LLC with a perpetual life.

SUPPLEMENTAL RESPONSE: Much in the same way the Mitchell Estate heirs rely on the experience of the current management team of Chad Paul, Shirley Mayfield, and Captain Bion Stewart, and current employees almost all of which would be hired by BHI Ferry Transportation, LLC, SharpVue will rely on these well qualified individuals to continue to operate the ferry and tram. Further, Lee H. Roberts, managing partner of SharpVue, has been involved with the following selected infrastructure transactions, among others:

- Financing of the \$1.6 billion Africa ONE fiber network encircling the African continent;
- Financing of the \$2.2 billion Mumbai Trans Harbour Link, India's longest bridge;
- Establishment of the Triangle Transit Authority's master developer program for "Transit-Oriented Development" around light rail;

- The \$5 billion redevelopment of the World Trade Center site in lower Manhattan;
- The \$300 million IPO and recapitalization of Golar LNG, the world's largest maritime shipper of liquefied natural gas;
- Acquisition of one of the largest privately owned waste services companies in the United States;
- Financing to support the wastewater treatment infrastructure for one of the largest master-planned communities in the Southeast.

Financing these transactions brings with it a developed knowledge of the businesses being financed. This knowledge and experience does not replace, but supplements, the experience of those that have operated and managed these businesses being acquired – namely Chad Paul, Shirley Mayfield, and Captain Bion Stewart, and the current employees. In addition, the last two projects described above were projects undertaken by Mr. Roberts while at SharpVue. SharpVue's waste service company investment was made as a minority equity investor, and after owning the investment for approximately five years, SharpVue's shares were acquired and SharpVue no longer owns this minority interest. The waste water treatment investment was made in 2020 as a lender and SharpVue still holds this loan.

5. What is the average length of SharpVue Capital's pre percentage ownership interest held and the type and nature of the interest, and (c) state the dates that SharpVue Capital acquired and sold such interests.

RESPONSE: SharpVue objects to Data Request No. 5 in that it requests irrelevant information that is not likely to lead to discoverable information about separate and distinct investments that are not related to its purchase of the assets described in the APA. SharpVue has raised capital specifically for this opportunity from a group of primarily local investors with the understanding that this collection of assets can be held for the long term. In other words, and importantly, this investment will not be held in a limited life fund, but in an LLC with a perpetual life.

6. Explain all ways in which SharpVue will maintain a strong local community presence and constructive relationships on the island.

RESPONSE: SharpVue intends to step into the Seller's shoes, and maintain the same level of strong local community presence and constructive relationships on the island, to include employing the same personnel who have been representing the Sellers on the island in the past.

7. Explain all ways in which SharpVue will be a committed partner to the continued success, prosperity, and conservation mission of Bald Head Island.

RESPONSE: The success of SharpVue's investment depends fully on Bald Head Island's continued success and prosperity, and therefore the interests of SharpVue and island stakeholders are fully aligned.

8. Specify the capital improvements that SharpVue commits to undertake as owner of the transportation facilities, including (a) the projected date of completion of the improvement, and (b) the project cost of the improvement.

RESPONSE: After closing the transaction, SharpVue intends to continue the ferry and tram operations without significant or immediate change. SharpVue plans to analyze the business more fully while operating it and make strategic decisions, including related to capital improvements, in due course.

9. Does SharpVue intend to exercise operational control of the ferry and tram assets? In your response, state whether SharpVue's intention is to transfer operational control of the assets to a third party while retaining ownership the underlying real estate assets and the timeframe for this restructuring.

RESPONSE: BHI Ferry Transportation, LLC is an affiliate of and will be managed by SharpVue Capital, LLC – not an unrelated third party entity. SharpVue plans to hire the operations' current management to continue in their current roles and duties, to include (but not limited to): Charles A. "Chad" Paul, III, President of Bald Head Island Transportation, Inc. and Chief Executive Officer and a Manager of Bald Head Island Limited LLC; Shirley Mayfield, Chief Financial Officer of Bald Head Island Limited LLC; and Captain Bion Stewart, the current Chief Operating Officer of Bald Head Island Transportation, Inc.

10. What is SharpVue's timeframe for divesting 100% of the initial investments in this project?

RESPONSE: SharpVue has no divestment timeframe. SharpVue intends to continue the ferry and tram operations without significant or immediate change. SharpVue plans to analyze the business more fully while operating it and make strategic decisions in due course.

11. Identify the source of funds for the capital improvements specified in response to data request 8 and state whether such funds are currently committed or otherwise secured. If not committed or otherwise secured, state SharpVue's plans for obtaining the necessary funds.

RESPONSE: After closing the transaction, SharpVue intends to continue the ferry and tram operations without significant or immediate change. SharpVue plans to analyze the business more fully while operating it and make strategic decisions, including related to capital improvements, in due course. Regarding funding, see Exhibit F to the Joint Application filed herein.

SUPPLEMENTAL RESPONSE: The source of funds for any capital improvements could be a combination of equity, debt, and/or revenues generated from the ferry and tram services. The source of funds would depend on each specific capital improvement project, timing of any project, cost of any project, and other factors to be determined at the time of a particular capital improvement project.

12. Provide an estimate (in dollars) of the public benefits that SharpVue contends will accrue from the Transaction, if any. Provide all backup and workpapers substantiating and supporting this calculation in native format.

RESPONSE: SharpVue has not undertaken such an analysis.

13. Provide a complete description of the public benefits that SharpVue contends will accrue from the Transaction.

RESPONSE: SharpVue will ensure that the ferry and tram services continue uninterrupted in the same professional, safe, and reliable manner that the public has come to expect. Going forward, SharpVue is willing and able to provide the operations with the capital they need to accommodate growth and enhance the passenger experience while maintaining efficient operations.

14. Does SharpVue commit to implementing electronic ticketing? If so, specify when electric ticketing will be implemented.

RESPONSE: After closing the transaction, SharpVue intends to continue the ferry and tram operations without significant or immediate change.

SharpVue plans to analyze the business more fully while operating it, and make strategic decisions, which could include electronic ticketing, in due course.

15. Will SharpVue commit to improving baggage handling operations? If “yes,” explain how SharpVue plans to improve baggage handling operations, the estimated cost associated with such improvements, and when SharpVue commits to completing the improvements.

RESPONSE: After closing the transaction, SharpVue intends to continue the ferry and tram operations without significant or immediate change. SharpVue plans to analyze the business more fully while operating it, and make strategic decisions, which could include changes or improvements to the baggage handling operation, in due course.

16. State the acquisition premium associated with the ferry assets, and provide a spreadsheet (in native form) showing the calculation of the premium, including any workpapers associated with or supporting the calculation.

RESPONSE: SharpVue does not believe the term “acquisition premium” applies in this context.

SUPPLEMENTAL RESPONSE: SharpVue said in its Application, Paragraph 37, that it “is not seeking to recover any transaction costs or *acquisition premiums* related to this transaction from passengers and will not request any rate change as a result of the transaction.” SharpVue did not say it had calculated an “acquisition premium” or that it was paying an acquisition premium – but just made a general statement that it would not attempt to collect the costs of this transaction or acquisition premiums from passengers. In other words, it would not file a rate case based on transaction costs or acquisition premiums. How the Commission may or may not establish the rate base for the ferry and tram in a future rate case is yet to be determined. Further, SharpVue has agreed not to seek a rate case for at least one year.

17. Does SharpVue commit that it will not seek to recover any portion of the acquisition premium described in the preceding data request from barge and/or parking customers (either directly or indirectly) if those services remain unregulated?

RESPONSE: SharpVue does not believe the term “acquisition premium” applies in this context. SharpVue does not intend to raise prices as a result of any acquisition fees or expenses. After closing the transaction, SharpVue intends to continue the parking and barge operations without significant or immediate change. SharpVue plans to analyze the business more fully while operating it and make strategic decisions in due course.

SUPPLEMENTAL RESPONSE: SharpVue said in its Application, Paragraph 37, that it “is not seeking to recover any transaction costs or *acquisition premiums* related to this transaction from passengers and will not request any rate change as a result of the transaction.” SharpVue did not say it had calculated an “acquisition premium” or that it was paying an acquisition premium – but just made a general statement that it would not attempt to collect the costs of this transaction or acquisition premiums from passengers. In other words, it would not file a rate case based on transaction costs or acquisition premiums. Regarding parking and barge, SharpVue intends to continue the parking and barge operations without significant or immediate change – which would include parking and barge rates. How the Commission may or may not establish the rate base for the ferry and tram in a future rate case is yet to be determined. Further, SharpVue has agreed not to seek a rate case for at least one year.

18. In paragraph 34 of the Application, the applicants state that SharpVue “has experience with infrastructure projects which will be valuable in assuming operations.” Please identify all such projects, specify SharpVue’s role in such project, identify the extent of any ownership interest in such projects, and the dates SharpVue acquired and disposed of any interest in such projects.

RESPONSE: Lee H. Roberts, managing partner of SharpVue, has been involved with the following selected infrastructure transactions, among others:

- Financing of the \$1.6 billion Africa ONE fiber network encircling the African continent;
- Financing of the \$2.2 billion Mumbai Trans Harbour Link, India’s longest bridge;
- Establishment of the Triangle Transit Authority's master developer program for "Transit-Oriented Development" around light rail;
- The \$5 billion redevelopment of the World Trade Center site in lower Manhattan;

- The \$300 million IPO and recapitalization of Golar LNG, the world's largest maritime shipper of liquefied natural gas;
- Acquisition of one of the largest privately owned waste services companies in the United States;
- Financing to support the wastewater treatment infrastructure for one of the largest master-planned communities in the Southeast.

Moreover, with regard to this transaction, SharpVue has reached agreement with the operations' current management to continue in their current roles and duties, to include (but not limited to): Charles A. "Chad" Paul, III, President of Bald Head Island Transportation, Inc. and Chief Executive Officer and a Manager of Bald Head Island Limited LLC; Shirley Mayfield, Chief Financial Officer of Bald Head Island Limited LLC; and Captain Bion Stewart, the current Chief Operating Officer of Bald Head Island Transportation, Inc. Further, SharpVue has committed to hire almost all of the current employees.

SUPPLEMENTAL RESPONSE: Financing these transactions brings with it a developed knowledge of the businesses being financed. This knowledge and experience does not replace, but supplements, the experience of those that have operated and managed these businesses being acquired – namely Chad Paul, Shirley Mayfield, and Captain Bion Stewart, and the current employees. In addition, the last two projects described above were projects undertaken by Mr. Roberts while at SharpVue. SharpVue's waste service company investment was made as a minority equity investor, and after owning the investment for approximately five years, SharpVue's shares were acquired and SharpVue no longer owns this minority interest. The waste water treatment investment was made in 2020 as a lender and SharpVue still holds this loan.

19. Identify all facts in support of the allegations of paragraph 27 of the Application.

RESPONSE: See Exhibit F to the Joint Application filed herein.

SUPPLEMENTAL RESPONSE: The financial resources available to SharpVue would be a combination of equity, debt, and/or revenues generated from the ferry and tram services. It is also anticipated that SharpVue would have \$2.0 million cash on hand at closing, and a \$2.0 million line of credit available for the benefit of the ferry and tram which we expect to be undrawn at closing. The source of funds to support or enhance the ferry and tram operations would depend on the specific expense or cost and other factors to be determined at the time of a particular expense or cost.

20. Identify all facts in support of the allegations of paragraph 28 of the Application.

RESPONSE: In addition to the business, finance, and management experience of the SharpVue team, SharpVue has a history of participating in infrastructure projects, as described above. Further, SharpVue has reached agreement with the operations' current management to continue in their current roles and duties, to include (but not limited to): Charles A. "Chad" Paul, III, President of Bald Head Island Transportation, Inc. and Chief Executive Officer and a Manager of Bald Head Island Limited LLC; Shirley Mayfield, Chief Financial Officer of Bald Head Island Limited LLC; and Captain Bion Stewart, the current Chief Operating Officer of Bald Head Island Transportation, Inc. Further, SharpVue has committed to hire almost all of the current employees.

21. Specify how SharpVue allocates the purchase price among the assets to be purchased in the Transaction and how it proposes to allocate the purchase price among the acquired assets at closing. If SharpVue contends that it has not allocated the purchase price among the assets, explain how SharpVue has valued the individual components of the transaction and provide all documents relating to the valuation of these components.

RESPONSE: Of the \$67.7M purchase price, \$56M is allocated to ferry, tram, parking, and barge. Otherwise, SharpVue has not completed such an analysis but will do so at the time of closing under the APA.

SUPPLEMENTAL RESPONSE: SharpVue incorporates its general objection as stated in its original response. SharpVue has not allocated the purchase price among all the assets to be purchased in the Transaction. Without waiving this objection, SharpVue will supplement this response at such time as the purchase price is allocated to the assets and/or documents are completed showing said allocation.

SharpVue objects to the Village's request for internal valuation information that led to SharpVue's offers, negotiations and ultimately to the purchase price for the assets in the APA. It is a matter of public record that the Village wants to buy various transportation assets from BHIT and BHIL, but has not been able to do so. The Village is not entitled to SharpVue's internal analysis of the individual components of the transaction or other strategic information about how it arrived at its offers to buy the assets or the purchase price for the assets in the APA. The Village is searching for information that may help its failed attempt

to buy these assets. Notwithstanding this objection, SharpVue will supplement this response at such time as the purchase price is allocated to the assets and/or documents are completed showing said allocation.

22. Does SharpVue intend – either as a component of the Transaction or as a component of a planned future transaction – to pledge the assets comprising the ferry and tram operations as collateral or security? If SharpVue does not presently intend to pledge these assets, might SharpVue consider pledging those assets in the future?

RESPONSE: See Exhibit F to the Joint Application filed herein.

SUPPLEMENTAL RESPONSE: SharpVue has requested permission from the North Carolina Utilities Commission in the Application filed herein to issue debt and pledge assets as may be necessary – so SharpVue may pledge ferry and tram assets if the Application is approved or in the future. SharpVue is still in discussions with its lender regarding what assets described in the APA would secure the debt described in Exhibit F. SharpVue will supplement this response at which time a final decision is made regarding whether ferry and tram assets would be pledged to secure any portion of the debt described in Exhibit F.

23. Does SharpVue intend – either as a component of the Transaction or as a component of a planned future transaction – to pledge the parking facilities or barge assets as collateral or security? If SharpVue does not presently intend to pledge these assets, might SharpVue consider pledging those assets in the future?

RESPONSE: See Exhibit F to the Joint Application filed herein.

SUPPLEMENTAL RESPONSE: SharpVue incorporates its general objection as stated in its original response, since this request seeks information beyond the regulated assets at issue herein. Without waiving this objection, SharpVue is still in discussions with its lender regarding what assets described in the APA would secure the debt described in Exhibit F. It is anticipated that some or all of the real estate described in the APA would be used to secure some or all of the debt described in Exhibit F. SharpVue will supplement this response at which time a final decision is made regarding the assets to be pledged to secure the debt described in Exhibit F.

24. Identify the individual investors in Pelican Legacy Holdings, LLC and SVC Pelican Partners, LLC, including name, address and committed funding amount.

RESPONSE: SharpVue objects to this request because among other things it is beyond the scope of information relevant to the proceeding or likely to lead to discoverable information. Without waiving objections, see Exhibit F to the Joint Application filed herein for the committed funding amount. As is customary for such transactions, the committed amount will be in SharpVue's possession at closing under the APA.

SUPPLEMENTAL RESPONSE: SharpVue renews and incorporates its prior objection. Without waiving this objection, the equity investment will be allocated to the various affiliate LLCs and assets outlined in Exhibit B to the Application and the APA closer to or at the time of closing. SharpVue will supplement this response at such time as the equity is allocated and/or documents are created showing said allocation. Without waiving this objection, see SHARPVUE No. 0883 for a list of the number of investors, their city and state of residence, and the amount they have committed towards the equity described on Exhibit F. Given that the committed amount of equity will be delivered to SharpVue before the transfer of the certificate and closing on the ferry and tram, and be available to SharpVue at closing, the individual identities of the investors are not relevant or likely to lead to the discovery of admissible evidence. Further, the local expertise will come from the SharpVue team and current management team and employees that are being retained – not necessarily from the investors. This document is being provided to the Village as CONFIDENTIAL – ATTORNEYS' EYES ONLY.

25. Identify the "co-investors" in Pelican Legacy Holdings, LLC, including name and address.

RESPONSE: SharpVue objects to this request because among other things it is beyond the scope of information relevant to the proceeding or likely to lead to discoverable information. Without waiving objections, see Exhibit F to the Joint Application filed herein for the committed funding amount. As is customary for such transactions, the committed amount will be in SharpVue's possession at closing under the APA.

SUPPLEMENTAL RESPONSE: SharpVue renews and incorporates its prior objection. Without waiving this objection, the equity investment will be allocated to the various affiliate LLCs and assets outlined in Exhibit B to the Application and the APA closer to or at the time of closing. SharpVue will supplement this response at such time as the equity is allocated and/or documents are created showing said allocation.

Without waiving this objection, see SHARPVUE No. 0883 for a list of the number of investors, their city and state of residence, and the amount they have committed towards the equity described on Exhibit F. Given that the committed amount of equity will be delivered to SharpVue before the transfer of the certificate and closing on the ferry and tram, and be available to SharpVue at closing, the individual identities of the investors are not relevant or likely to lead to the discovery of admissible evidence. Further, the local expertise will come from the SharpVue team and current management team and employees that are being retained – not necessarily from the investors.

26. Provide the Operating Agreements for Pelican Legacy Holdings, LLC, and SVC Pelican Partners, LLC.

RESPONSE: See SHARPVUE NOS. 0831 to 0882.

27. State the ownership (by percentage of each owner) of each of BHI Ferry Transportation, LLC, Pelican Legacy Holdings, LLC, SVC Pelican Partners, LLC, and SharpVue Capital, LLC.

RESPONSE: SharpVue objects to this request because among other things it is beyond the scope of information relevant to the proceeding or likely to lead to discoverable information. Without waiving objections, see Exhibit F to the Joint Application filed herein for the committed funding amount. As is customary for such transactions, the committed amount will be in SharpVue's possession at closing under the APA.

SUPPLEMENTAL RESPONSE: SharpVue renews and incorporates its prior objection. Without waiving this objection, the equity investment will be allocated to the various affiliate LLCs and assets outlined in Exhibit B to the Application and the APA closer to or at the time of closing. SharpVue will supplement this response at such time as the equity is allocated and/or documents are created showing said allocation. Without waiving this objection, see SHARPVUE No. 0883 for a list of the number of investors, their city and state of residence, and the amount they have committed towards the equity described on Exhibit F. Given that the committed amount of equity will be delivered to SharpVue before the transfer of the certificate and closing on the ferry and tram, and be available to SharpVue at closing, the individual identities of the investors are not relevant or likely to lead to the discovery of admissible evidence. Further, the local expertise will come from the SharpVue team and current management team and employees that are being retained – not necessarily from the investors.

28. Identify all communications with the Bald Head Association staff, Officers, or Board of Directors members concerning the Transaction or related matters before the North Carolina Utilities Commission, including those in Docket No. A-41, Sub 21.

RESPONSE: Objection to questions about Docket No. A-41, Sub 21 in Docket No. A-41, Sub 22. Without waiving objections, on July 27, 2022, Lee Roberts was invited to and attended an informational meeting for the Bald Head Island Association staff, officers, Board of Directors, and members. The Village and the Authority were also represented at the meeting. The meeting was held in person on the island and by Zoom. Mr. Roberts, as well as the other invited guests, discussed the transaction and answered questions from Association members. Upon information and belief, over 400 Association members either participated in the meeting live or later viewed a recording of the meeting posted to the Association's website.

SUPPLEMENTAL RESPONSE: SharpVue renews and incorporates its prior objection. Without waiving objections, see SHARPVUE NOS. 0884 to 1010. These documents are being provided to the Village as CONFIDENTIAL.

29. Please identify all due diligence referenced at page 6, line 14 of the Testimony of Lee H. Roberts.

RESPONSE: SharpVue performed research and review of the operating costs, financial data, and related information of BHIT/BHIL, which has been previously provided to the Village by BHIT/BHIL. Further, SharpVue had the benefit of the fact that BHITA had spent four years evaluating the system in great depth in conjunction with their plans to purchase the ferry and tram services. SharpVue obtained and reviewed appraisals, evaluations, reports, and analyses on all of the assets included in the APA and reviewed the records related to these operations as a going concern – all of which we believe has been previously provided to the Village by BHIT/BHIL.

30. Refer to page 6, line 16 of the Testimony of Lee H. Roberts. Please describe what is meant by “changes to its regulatory status or to the rate base” and provide copies (in native format) of all analysis or due diligence conducted or reviewed relating to such changes and their potential impact on utility rates.

RESPONSE: A decision in Docket No. A-41, Sub 21 or any future docket to include the assets of the parking and barge businesses that SharpVue has contracted to purchase from Bald Head Island Limited, LLC (“Limited”) in the ferry/tram rate base or to otherwise regulate those assets. Notwithstanding the above, SharpVue agrees to assume responsibility for all rights and obligations of BHIT that flow from the Commission’s order approving a settlement of the 2010 Rate Case for the ferry and tram services in A-41, Sub 7. Specifically, this includes but is not limited to, the element of that order that \$523,725 of annual revenues (including regulatory fee impact) from the parking business that SharpVue seeks to acquire from BHIL will continue to be imputed to the revenue requirement of the utility with respect to the existing Commission-ordered ferry/tram rates until such time as the Commission may approve an adjustment to rates. SharpVue also affirms it will adhere to the 2012 and 2022 Commission orders regarding baggage entered in A-41, Sub 9 and 20, the current treatment of fuel surcharge as provided in the 2010 rate case, as well as abiding by the terms of the lease agreement between BHIT and BHIL to lease real property in Southport, North Carolina and on Bald Head Island (upon which services involving the assets at issue in this docket are performed).

31. Refer to page 6, lines 16-21 of the Testimony of Lee H. Roberts. Please provide copies (in native format) of all financial and operational analysis and due diligence conducted or reviewed showing that SharpVue can continue to operate the ferry and tram services at the approved rates for at least one year.

RESPONSE: See operating costs, financial data, and related information of BHIT/BHIL, which has been previously provided to the Village by BHIT/BHIL. See BHITA due diligence documents, including appraisals, evaluations, reports, analyses on all of the assets included in the APA, and records related to these operations as a going concern, all of which we believe has been previously provided to the Village by BHIT/BHIL.

32. Refer to page 2, line 18 of the Testimony of Lee H. Roberts. Please provide the basis for Mr. Robert’s statement of familiarity with Bald Head Island, including identification of any prior investments on the island, ownership of property, and other contacts with the island.

RESPONSE: Mr. Roberts has traveled to Bald Head Island multiple times over a twenty-year period. Additionally, Mr. Roberts served as the Budget Director for the State North Carolina at the time of the Bald Head Island Transportation Authority’s formation, and was aware of the related legislative process and thesis behind the Bald Head Island

Transportation Authority’s creation. Mr. Roberts does not and has not personally owned property or other investments on Bald Head Island.

- 33. Provide copies of the agreements referenced at page 4, lines 1-7 of the Testimony of Lee H. Roberts. If the agreements have not been reduced to writing, summarize their terms.

RESPONSE: The offers to the operations’ current management have not been reduced to writing, but the offers and expected agreements would be for them to continue in their current roles and duties. Again, SharpVue, on behalf of BHI Ferry Transportation, is simply stepping into the shoes of BHIT.

- 34. If SharpVue intends to hold the ferry assets “long term,” how does SharpVue define this term. Include in your response the specific number of years that would constitute “long term” ownership and state what assurances you will provide the Commission that you will retain ownership of this assets for this period of time?

RESPONSE: Other than the preliminary information included in investor presentations at SHARPVUE-0001 to SHARPVUE-0655 previously provided to the Village, SharpVue does not have a predefined definition of “long term” ownership. SharpVue plans to analyze the business more fully while operating it and make strategic decisions in due course.

- 35. Provide all documents produced to the Village or any other intervening party (including the Public Staff) in connection with Docket No. A-41, Sub 21.

RESPONSE: All such documents that have been requested to date have been provided to the Village.

This the 19th day of September, 2022.

NEXSEN PRUET PLLC

By: /s/ David P. Ferrell

David P. Ferrell
NC Bar No. 23097
dferrell@nexsenpruet.com
4141 Parklake Avenue, Suite 200
Raleigh, North Carolina 27612
Tel.: (919) 755-1800
Fax: (919) 890-4540
Attorneys for SharpVue Capital, LLC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing SHARPVUE CAPITAL, LLC'S SUPPLEMENTAL RESPONSES TO THE VILLAGE OF BALD HEAD ISLAND'S FIRST DATA REQUESTS has been served this day upon all parties of record in this proceeding, or their legal counsel, by electronic mail or by delivery to the United States Post Office, first-class postage pre-paid.

This the 19th day of September, 2022.

By: /s/ David P. Ferrell