Bald Head Island Limited, LLC

c/o Charles A. Paul, III, CEO
1979 Eastwood Road, Suite 101, Wilmington, NC 28403
Email: cpaul@bhisland.com

September 6, 2022

VIA HAND DELIVERY & U.S. CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Village of Bald Head Island
c/o Peter Quinn, Mayor
106 Lighthouse Wynd
Bald Head Island, NC 28461

Village of Bald Head Island
Attn: Manager
P. O. Box 3009
Bald Head Island, NC 28461

RE: Right of First Refusal dated August 21, 1999 (the "1999 Agreement")

Dear Mayor Quinn:

On behalf of Bald Head Island Limited, LLC and Bald Head Island Transportation, Inc. (collectively "Sellers"), and subject to the terms of that certain Confidentiality and Non-Disclosure Agreement among the Village of Bald Head Island (the "Village"), Sellers and SharpVue Capital, LLC ("SharpVue") dated June 7, 2022 (the "Confidentiality Agreement")[1], I am delivering to you a fully executed copy of the Asset Purchase Agreement dated May 17, 2022 (the "APA"), among Sellers, SharpVue and its affiliated entities, together with the related Schedules and Disclosure Schedules. Capitalized terms used but not otherwise defined in this letter shall have the meanings ascribed to such terms in the APA.

Sellers deliver the APA in satisfaction of the notice and other requirements set forth in the 1999 Agreement and hereby extend to the Village an opportunity to exercise the right of first refusal granted by the 1999 Agreement on the same terms and conditions as in the enclosed APA; provided, however, the Village may exercise its right of first refusal only with respect to the businesses and assets covered by the APA that relate to the Transportation System (as defined in the 1999 Agreement), which consist of the Regulated Business, the Non-Regulated Business and the Assets relating to those businesses, but excludes the Supplemental Businesses and the Supplemental Assets, for a purchase price of $56,000,000 and at a closing to occur within 180 days following timely and proper exercise of the right of first refusal.[2]

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[1] The Confidentiality Agreement applies to and protects the confidential nature of the provisions of the APA for the benefit of Sellers and SharpVue. Should the Village believe public disclosure is necessary at some point, please advise Sellers so that the parties can agree, in advance, on when and what provisions of the APA require disclosure.

[2] In the alternative, the Village may exercise its right of first refusal with respect to all of the businesses and assets covered by the APA, consisting of the Regulated Business, the Non-Regulated Business, the Supplemental Businesses and the Supplemental Assets for a purchase price of $67,200,000. Should the Village wish to do so, please promptly let me know and we can modify the Notice and Acceptance accordingly.

The 60-day period (the "Option Period") relating to the right of first refusal granted by the 1999 Agreement will expire at 5:00 P.M. on the date that is sixty (60) days following the Village's receipt of this notice. Sellers have signed the attached Notice of Right of First Refusal, Exercise and Acceptance form ("Notice and Acceptance"). To properly exercise the right of first refusal to "match the offer" of SharpVue as set forth in the APA relating to the Transportation System (as defined in the 1999 Agreement), the Village should countersign the Notice and Acceptance and return it to Sellers prior to expiration of the Option Period via hand delivery and email at the above address of Sellers. It is important to note that, as stated in the Notice and Acceptance, Section 8.7 of the APA requires the Village Litigation to be resolved to the satisfaction of the Sellers. In order to fulfill that requirement, the Village must dismiss the Village Litigation at a time and in a format acceptable to Sellers, in their sole discretion.

In spite of the express purpose of the 1999 Agreement[3], the Village initiated regulatory litigation regarding the Transportation System (as defined in the 1999 Agreement). Sellers provide this letter, not as an acknowledgement of the validity or enforceability of the 1999 Agreement, but in an effort to avoid doubt and further litigation over this matter. Sellers respectfully request that the Village act in good faith and timely as to the exercise or non-exercise of its rights under the 1999 Agreement. Consequently, Sellers reserve their objections and defenses to the legality and enforceability of the 1999 Agreement[4] unless the Village, prior to expiration of the Option Period, either (1) terminates the 1999 Agreement on the public record, or (2) executes and delivers the Notice and Acceptance to Sellers.

In the alternative, should the Village be willing to terminate the 1999 Agreement and the right of first refusal granted thereunder, Sellers are prepared to pay a convenience fee of $100,000 to the Village if a termination, in form and substance acceptable to Sellers, is executed by the parties and recorded in the Brunswick County Registry no later than September 15, 2022.

Your prompt attention and response to this letter would be greatly appreciated.

Sincerely,

Bald Head Island Limited, LLC

By: _____
Charles A. Paul, III, CEO

Bald Head Island Transportation, Inc.

By: _____
Charles A. Paul, III, President

cc: Charles Baldwin, Esq. (e/encl.)

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[3] The third recital of 1999 Agreement expressly stated that the parties entered into the 1999 Agreement "rather than engaging in lengthy and costly litigation regarding those issues."

[4] Including, that the Village's failure to obtain NCUC approval renders the 1999 Agreement ineffective.

NOTICE OF RIGHT OF FIRST REFUSAL, EXERCISE AND ACCEPTANCE

THIS NOTICE OF RIGHT OF FIRST REFUSAL, EXERCISE AND ACCEPTANCE (this "Notice and Acceptance") is made to be effective as of September 6, 2022 (the "Effective Date"), by and among Bald Head Island Limited, LLC and Bald Head Island Transportation, Inc. (collectively "Sellers"), and the Village of Bald Head Island (the "Village").

1. Pursuant to a letter from Sellers to the Village of even date herewith, the Village hereby acknowledges receipt of a fully executed copy of that certain Asset Purchase Agreement dated May 17, 2022 (the "APA"), among Sellers, SharpVue Capital, LLC ("SharpVue") and its affiliated entities, together with the related Schedules and Disclosure Schedules. Capitalized terms used but not otherwise defined or modified in this Notice and Acceptance shall have the meanings ascribed to such terms in the APA.

2. Sellers hereby extend a right of first refusal to the Village, in accordance with and pursuant to that certain Right of First Refusal dated August 21, 1999 between Sellers and the Village and recorded in Book 1329 at Page 932 of the Brunswick County Registry (the "1999 Agreement"), to acquire the businesses and assets described in the APA that relate to the Transportation System (as defined in the 1999 Agreement), which consist of the Regulated Business, the Non-Regulated Business and the Assets relating to those businesses (collectively, the "Transportation System Assets"), excluding the Supplemental Businesses and the Supplemental Assets, for a purchase price of $56,000,000.

3. The Village hereby acknowledges receipt of proper notice of its right of first refusal from Sellers as required by the 1999 Agreement. The Village hereby exercises its right of first refusal under the 1999 Agreement and agrees to be bound by all of the terms and conditions of the APA with Sellers upon the following terms and conditions:

A. The Village is hereby substituted as the "Buyer", in place of SharpVue and its affiliated entities, with respect to the Transportation System Assets.

B. The purchase price for the Transportation System Assets shall be $56,000,000, with $1,000,000 of Operating Cash to be delivered by the Sellers to the Village at the Closing.

C. The Excluded Assets and the Excluded Liabilities shall include, in addition to those identified in the APA, all assets and liabilities relating to the Supplemental Businesses and the Supplemental Assets.

D. A closing condition for the benefit of both the Village and Sellers, in addition to those set forth in the APA, shall be approval of the Local Government Commission ("LGC") of any financing required by the Village to close the acquisition of the Transportation System Assets. For the avoidance of doubt, approval of both the LGC and the NCUC of the transactions contemplated by the APA between the Village and Sellers are required closing conditions for the benefit of all parties.

E The Earnest Money Deposit required of the Village shall be $560,000, instead of $672,000, to be delivered by the Village to Sellers as required by Section 2.7 of the APA within two (2) Business Days of the Village's execution and delivery of this Notice and Acceptance.

F. As between the Village and the Sellers, the Effective Date of the APA shall be the Effective Date of this Notice and Acceptance. The Inspection Period shall expire sixty (60) days after the Effective Date. The Village has been notified by Sellers that, in order to satisfy the condition set forth in Section 8.7 for the benefit of Sellers, Sellers shall require that the Village, prior to expiration of the Inspection Period, terminate the Village ROFR on the public record and cause the NCUC to dismiss the Village Litigation on terms and conditions acceptable to Sellers, in their sole discretion, as expressly required by the APA.

G. The parties agree that the Outside Date set forth in the APA shall be the date which is 180 days following the date this Notice and Acceptance has been signed by the Village and timely and properly delivered to Sellers.

H. This Notice and Acceptance does not impact or restrict the disposition of the remaining Assets described in the APA that are not Transportation System Assets. Accordingly, the APA shall remain in full force and effect with SharpVue and its affiliated entities as to the Supplemental Businesses and Supplemental Assets.

IN WITNESS WHEREOF, the parties hereto have caused this Notice and Acceptance to be executed and delivered by their duly authorized representatives, to be effective as of the Effective Date.

Sellers: BALD HEAD ISLAND LIMITED, LLC

By:_____
Name: Charles A. Paul, III
Title: CEO and Manager

BALD HEAD ISLAND TRANSPORTATION, INC.

By:_____
Name: Charles A. Paul, III
Title: President

Village: THE VILLAGE OF BALD HEAD ISLAND

By:_____
Name: _____
Title: _____