

OFFICIAL COPY

SELLER DOCKET NO.
PURCHASER DOCKET NO.
FILING FEE RECEIVED

W-1230, Sub 1
W-1300, Sub 10-9
\$100.00

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION
APPLICATION FOR TRANSFER OF PUBLIC UTILITY FRANCHISE
AND FOR APPROVAL OF RATES

INSTRUCTIONS

Notes or explanations placed in the margins of the application are acceptable. If additional space is needed, supplementary sheets may be attached. If any section does not apply, write "not applicable" or cross out the section.

SELLER

- 1. Trade name used for utility business Briar Chapel Utilities, LLC
- 2. Mailing address 16 Windy Knoll Circle, Chapel Hill, NC 27516
- 3. Business telephone number 919-361-7000

PURCHASER

- 4. Trade name used for utility business Old North State Water Company, LLC
- 5. Name of owner (if different from trade name) N/A
- 6. Business mailing address 1620 Chalk Road
City and state Wake Forest, North Carolina Zip code 27587
- 7. Business street address (if different from mailing address)
- 8. Business telephone number 919-971-3469
- 9. If corporation, list the following:
President Vice President
Secretary Treasurer
Three (3) largest stockholders and percent of voting shares held by each
- 10. If partnership, list the owners and percent of ownership held by each
John L. McDonald, Manager – 95%; Michael J. Myers, Member – 5%
- 11. Is the purchaser acquiring the utility assets or stock?
(No filing fee required if stock transfer only.) Assets

PROPOSED AND PRESENT RATES

	Proposed Rates	Present Rates
12. Metered Residential Service:		
Water:	N/A	N/A
Sewer:	N/A	N/A
13. Flat Rate Residential Service:		
Water:	N/A	N/A
Sewer:	\$45.00/REU	\$45.00/REU
14. Nonresidential Service (explain):		
Water:	N/A	N/A
Sewer:	\$45.00/REU	\$45.00/REU
15. Tap-on fees:		
Water:	N/A	N/A
Sewer:	\$1,500/REU	\$1,500/REU

OTHER PROPOSED RATES

- 16. Finance charge for late payment: 1%
(NCUC Rule R12-9) specifies not more than one percent (1.0%) per month will be applied to the unpaid balance of all bills still past due 25 days after billing date.)
- 17. Reconnection charge if water service cut off by utility as specified in NCUC Rule R7-20: N/A
- 18. Reconnection charge if water service discontinued at customer's request: N/A
- 19. Reconnection charge if sewer service cut off by utility as specified in NCUC Rule R10-16: \$15.00
- 20. Other charges: New Customer Account Fee: \$20.00
- 21. What date are the proposed rates to become effective: Upon approval of transfer and closing
- 22. How long have the present rates been in effect? Since August 27, 2009 (TOA); December 24, 2009 (Final)

PURCHASER'S PROPOSED BILLING

1. Frequency of billing shall be (monthly, quarterly, etc.) Monthly
2. Billing shall be for service (in advance or arrears) Arrears
3. Bills past due 15 days after billing dates: (NCUC Rule R12-9 specifies that bills shall not be past due less than fifteen (15) days after billing date).
4. Will regular billing be by written statement? (yes or no) Yes
5. Will the billing statement contain the following? (Indicate yes or no for each item)

(a) Meter reading at beginning and end of billing period	<u>N/A</u>
(b) Date of meter readings	<u>N/A</u>
(c) Gallons used, based on meter readings	<u>N/A</u>
(d) Amount due for current billing period listed as a separate amount	<u>Yes</u>
(e) Amount due from previous billing period listed as a separate amount	<u>Yes</u>
(f) Amount due for each special charge (i.e., deposits, tap fees, etc.) listed as a separate amount ..	<u>Yes</u>
6. Show how the following will appear on the billing statement:
 - (a) Mailing address of Company: P.O. Box 670, Bailey, NC 27807
 - (b) Address where bill can be paid in person: N/A
 - (c) Name and phone number of alternative persons to contact for emergency service after business hours:
1-888-754-9878
7. Is service already metered? (yes or no) N/A
8. Does the Purchaser understand the provisions for establishing credit and collecting customer deposits set forth in NCUC Rules and Regulations, Chapter 12? (yes or no) Yes
(Customer deposits must be refunded to customers having not more than two (2) bills overdue during a 12-month period and who are not then delinquent on the payment of their bills, per NCUC Rule R12-5.)
9. List the amount of customer deposits still held by Seller:
Water: None Sewer: None

PURCHASER'S SERVICE ORGANIZATION

	<u>NAME</u>	<u>ADDRESS</u>	<u>TELEPHONE</u>
10. General Manager	<u>Michael Myers</u>	<u>1620 Chalk Road</u> <u>Wake Forest, NC 27587</u>	<u>919-971-3469</u>
11. Complaints or Billing	<u>Deborah Massey</u>	<u>PO Box 670</u> <u>Bailey, NC 27807</u>	<u>888-754-9878</u>
12. Engineering Operations	<u>Michael Myers</u>	<u>1620 Chalk Road</u> <u>Wake Forest, NC 27587</u>	<u>919-971-3469</u>
13. Emergency Service	<u>EnviroLink</u>	<u>PO Box 670</u> <u>Bailey, NC 27807</u>	<u>252-235-4900</u>
14. Accounting	<u>Heather Sexton</u>	<u>PO Box 10127</u> <u>Birmingham, AL 35202</u>	<u>877-511-2911</u>

15. Are the names and phone numbers shown above listed in the phone book by each of the proposed service areas? (yes or no) No
16. Will customers be able to make telephone calls for service without being charged for a long distance phone call? (yes or no) Yes
17. Will persons designated to receive phone calls for emergency service, after regular business hours, have authority to provide the needed repairs without first contacting owner? (yes or no) Yes
18. List the qualifications of the person in charge of the utility system:
On file with NCUC
19. List the date(s) and describe any DENR violation(s) since the last application for franchise, transfer, or rate increase: None

SERVICE AREA

Fill in one column for each Subdivision or Service Area.

	(1)	(2)	(3)
1. Name of Subdivision(s) or Service Area(s)	Briar Chapel		
2. County (or Counties)	Chatham		
3. Type of service (water, sewer, etc.)	Sewer		
4. If water is purchased, list from whom	Chatham County		
5. Source of water supply (wells, etc.)	N/A		
6. Number of wells in service	N/A		
7. Pumping capacity of each pump in service	N/A		
8. Elevated storage tank capacity (gals.)	N/A		
9. Pressure tank capacity (gals.)	N/A		
10. Types of water treatment (chlorine, etc.)	N/A		
11. Number of fire hydrants installed	N/A		
12. Is sewage disposal by septic tank or by sewer system?	Sewer System		
13. If disposal is by sewer system, is sewage treated by utility company or by others?	Utility Company		
14. Capacity of Company's sewage treatment plant (gallons per day)	250,000		
15. Is service metered? (yes or no)	No		
16. Number of water meters in use	N/A		
17. Number of service taps in use (list number of each size)	Water N/A		
	Sewer 669@4"		
	3@6"		
18. Number of customers at the end of test year	Water N/A		
	Sewer 514		
19. Number of customers that can be served by mains already installed (including present customers, vacant lots, etc.)	Water N/A		
	Sewer 883		
20. Number of customers that can be served by pumping capacity	Water N/A		
21. Number of customers that can be served by storage tank capacity	Water N/A		
22. Number of customers that can be served by treatment plant capacity	Sewer 1337		
23. Name nearest water/sewer utility system	Fearrington Village		
24. Distance to nearest water/sewer utility system	<3 miles		
25. Does any other person or utility seek to furnish the service(s) proposed herein? (yes or no)	No		
26. Has the system been offered for sale to the customers, county, or municipality? (yes or no)	No		
If not, why not?	No; no interest shown		
27. a. DENR System I.D. No.	Water N/A		
b. NPDES or Nondischarge Permit No.	Sewer WQ0028552		

FINANCIAL STATEMENT

1. Will a separate set of books be maintained for the utility business?
Yes
2. Will a separate bank account be maintained for the utility business?
Yes
3. Are the revenues and expenses listed below based on past operations or are they estimated for future operations?
(actual or estimated) Actual

REVENUES AND EXPENSES

For 12 Months Ended 12/2013 (Date)

	<u>Revenues</u>	<u>Water</u>	<u>Sewer</u>
4.	Residential service (flat rate)	\$ <u>N/A</u>	\$ <u></u>
5.	Residential service (metered rate)	\$ <u>N/A</u>	\$ <u></u>
6.	Nonresidential service (flat rate)	\$ <u>N/A</u>	\$ <u></u>
7.	Nonresidential service (metered rate)	\$ <u>N/A</u>	\$ <u></u>
8.	Other revenues (describe in remarks below)	\$ <u>N/A</u>	\$ <u></u>
9.	Total Revenues (Lines 4 thru 8)	\$ <u>N/A</u>	\$ <u></u>
10.	Total salaries (except owner)	\$ <u>N/A</u>	\$ <u></u>
11.	Salaries paid to owner	\$ <u>N/A</u>	\$ <u></u>
12.	Administrative and office expense (except salaries)	\$ <u>N/A</u>	\$ <u></u>
13.	Maintenance and repair expense (except salaries)	\$ <u>N/A</u>	\$ <u></u>
14.	Transportation expenses	\$ <u>N/A</u>	\$ <u></u>
15.	Electric power for pumping	\$ <u>N/A</u>	\$ <u></u>
16.	Chemicals for treatment	\$ <u>N/A</u>	\$ <u></u>
17.	Testing fees	\$ <u>N/A</u>	\$ <u></u>
18.	Permit fees	\$ <u>N/A</u>	\$ <u></u>
19.	Purchased water/sewer treatment	\$ <u>N/A</u>	\$ <u></u>
20.	Annual depreciation	\$ <u>N/A</u>	\$ <u></u>
21.	Taxes: State income taxes	\$ <u>N/A</u>	\$ <u></u>
22.	Federal income taxes	\$ <u>N/A</u>	\$ <u></u>
23.	Gross receipts (or franchise tax)	\$ <u>N/A</u>	\$ <u></u>
24.	Property taxes	\$ <u>N/A</u>	\$ <u></u>
25.	Payroll taxes	\$ <u>N/A</u>	\$ <u></u>
26.	Other taxes	\$ <u>N/A</u>	\$ <u></u>
27.	Interest on debt during year	\$ <u>N/A</u>	\$ <u></u>
28.	Other expenses (describe in remarks below)	\$ <u>N/A</u>	\$ <u></u>
29.	Total Expenses (Lines 10 thru 28)	\$ <u>N/A</u>	\$ <u></u>
30.	Net Income (Line 9 minus Line 29)	\$ <u>N/A</u>	\$ <u></u>

See Attachment A

Remarks

31.
32.
33.
34.
35.

NUMBER OF CUSTOMERS SERVED

	<u>Water</u>		<u>Sewer</u>	
	<u>Flat Rate</u>	<u>Metered</u>	<u>Flat Rate</u>	<u>Metered</u>
36.	Customers at beginning of year	<u>N/A</u>	<u>346</u>	<u>N/A</u>
37.	Customers at end of year	<u>N/A</u>	<u>514</u>	<u>N/A</u>
38.	Average gallons used per customer	<u></u>	<u></u>	per month

- Water: N/A

Sewer: See Asset Purchase Agreement filed with this application

As of Year Ended

(Date)

10-2014

Utility Property in Service

Balance at End of YearWaterSewer

- | | | | | | |
|-----|---|----|-------------------|----|--------------------------|
| 2. | Land and rights-of-way | \$ | <u>N/A</u> | \$ | <u>400,320</u> |
| 3. | Structures and site improvement | \$ | <u>N/A</u> | \$ | <u>201,510</u> |
| 4. | Wells | \$ | <u>N/A</u> | \$ | <u>0</u> |
| 5. | Pumping equipment | \$ | <u>N/A</u> | \$ | <u>884,479</u> |
| 6. | Treatment equipment | \$ | <u>N/A</u> | \$ | <u>11,828,647</u> |
| 7. | Storage tanks | \$ | <u>N/A</u> | \$ | <u>0</u> |
| 8. | Mains (excluding service connections) | \$ | <u>N/A</u> | \$ | <u>5,902,905</u> |
| 9. | Service connections | \$ | <u>N/A</u> | \$ | <u>514,800</u> |
| 10. | Meters (including spare meters) | \$ | <u>N/A</u> | \$ | <u>0</u> |
| 11. | Office furniture and equipment | \$ | <u>N/A</u> | \$ | <u>0</u> |
| 12. | Transportation equipment | \$ | <u>N/A</u> | \$ | <u>0</u> |
| 13. | Other utility property in service (describe in remarks below) | \$ | <u>N/A</u> | \$ | <u>0</u> |
| 14. | Total utility property in service (Lines 2 thru 13) | \$ | <u><u>N/A</u></u> | \$ | <u><u>19,731,151</u></u> |
| 15. | Less: acquisition adjustments (difference between original cost above and cost to Seller) | \$ | <u>N/A</u> | \$ | <u>15,784,921</u> |
| 16. | Less: Seller's accumulated depreciation | \$ | <u>N/A</u> | \$ | <u>643,656</u> |
| 17. | Less: Seller's accumulated tap fees and other contributions in aid of construction | \$ | <u>N/A</u> | \$ | <u>1,064,505</u> |
| 18. | Seller's net investment in utility property
(Line 14 minus 15, 16, & 17) | \$ | <u>N/A</u> | \$ | <u>2,238,069</u> |

Balance at End of YearWaterSewer

- | | | | | | |
|-----|-----------------------------------|----|--------------------------------|----|---|
| 19. | Construction work in progress | \$ | <u> N/A </u> | \$ | <u> </u> |
| 20. | Property held for future use | \$ | <u> N/A </u> | \$ | <u> </u> |
| 21. | Other (describe in remarks below) | \$ | <u> N/A </u> | \$ | <u> </u> |

Remarks

22. _____
23. _____
24. _____
25. _____

ANNUAL DEPRECIATION

26. If annual depreciation is claimed using a composite rate for the entire system, show rate of depreciation used:

Water: N/A

Sewer:

27. If annual depreciation is claimed using individual rates for each type of equipment, show rates of depreciation used: On file with NCUC

used: On file with NCUC

OTHER FINANCIAL INFORMATION

1. Please provide the following capital structure information for the Purchaser prior to the purchase of the new water and/or sewer system(s):

a. Capital structure as of _____

b. Capital structure balances:

	<u>Amount</u>	<u>Percent Of Total Capital</u>
Long-term debt/loans	\$ <u>217,250</u>	<u>51.18%</u>
Preferred stock (if any)	\$ _____	_____
Common equity:		
Common stock	\$ _____	_____
Retained earnings	\$ <u>207,213</u>	<u>48.82%</u>
Total common equity	\$ _____	_____
Total capital	\$ <u><u>424,463</u></u>	<u><u>100%</u></u>

2. The purchase price of the system will be financed as follows:

a.	Long-term debt	\$ _____
b.	Short-term debt	\$ _____
c.	Common stock	\$ _____
d.	Retained earnings	\$ _____
e.	Other (please describe below on Line g)	\$ _____
f.	Total purchase price	\$ <u><u>See APA</u></u>

g. Description of other: There is no purchase price up front. ONSWC will make its investment in future years through investment the expansions of the wastewater treatment plant to 0.6 MGD.

3. Please provide the following for improvements/additions to be made in the first year:

a. Brief description: Bar Screen Upgrade (estimated at \$15,000),
Reliability Inventory, as per NC DENR Permit, including Spare Lift Station Pumps (\$8,000),
Spare Caustic Pump (\$920), Spare CI Pump(\$920), Spare Dialer (\$3,600)

b. Financing:

(1)	Long-term debt	\$ _____
(2)	Short-term debt	\$ _____
(3)	Common stock	\$ _____
(4)	Retained earnings	\$ <u>28,440.00</u>
(5)	Other (please describe below on Line (7))	\$ _____
(6)	Total improvements/additions	\$ <u><u> </u></u>

(7) Description of other: _____

1. Are there any major improvements/additions required in the next five years and the next ten years? Indicate the estimated cost of each improvement/addition, the year it will be made, and how it will be financed (long-term debt, short-term debt, common stock, retained earnings, and other (please explain)).

Upon WWTP flows exceeding 200,000 gpd, expansion of the wastewater treatment plant will be required.
ONSWC will expand the WWTP to 600,000 gpd at an estimated cost of \$2.45 million. This will be funded through a combination of Long Term Debt, Retained Earnings and Owner Equity.

2. Are there any major replacements required in the next five years and the next ten years? Indicate the estimated cost of each replacement, the year it will be made, and how it will be financed (long-term debt, short-term debt, common stock, retained earnings, and other (please explain)).

Two Floating Aerators estimated at \$10,000, for the wastewater treatment plant.

3. Please fill out the attached addendum showing the projected cash flows and income statement for the first five years of operation of this system. This addendum should be for the utility system for which the subject application is being submitted, exclusively. Instructions are included on page 3 of the addendum. The following information may be provided instead of filing the addendum:

- (1) Audited financial statements for the Purchaser and/or parent company.
- (2) Budgets, capital and operating, for the Purchaser's North Carolina utility operations for the next five years.
- (3) The most recent fiscal year budgets, capital and operating, and the actual amounts for that year for the Purchaser's and/or parent company's North Carolina utility operations.

EXHIBITS

THE FOLLOWING EXHIBITS SHALL BE ATTACHED TO THE APPLICATION:

1. If the Purchaser is a corporation, enclose a copy of the Articles of Incorporation on file with the North Carolina Secretary of State. (Not required if previously filed with the Commission.)
2. If the Purchasers are doing business as a partnership, enclose a copy of the partnership agreement. (Not required if previously filed with the Commission.)
3. If the Purchaser is conducting business under a trade name or d/b/a, enclose a copy of the certificate filed with the register of deeds in each county where the Applicant will be conducting business as required by G.S. 66-68.
4. Enclose a copy of (1) exhibits showing that the Seller has ownership of all property necessary to operate the utility and (2) a purchase agreement reduced to writing. Any changes in the purchase agreement should be filed immediately with the Commission.
5. If the application is for a stock transfer, enclose a copy of the most recent financial statements, including a balance sheet, for the Seller.
6. Enclose a copy of contracts or agreements, including all attachments, exhibits, and appendices, between the utility and any other party (land developers, customers, etc.) regarding the proposed utility services, including contracts regarding tap fees, construction costs, easements, and rights-of-way, etc. (If none, write "none"). _____
7. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the Purchaser.
8. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the parent company of the Purchaser.
9. If the information requested in Exhibits 7 and 8 is not available, enclose a copy of the most recent fiscal year financial statements or statement of net worth for the principals of the Purchaser and/or parent company.

FILING INSTRUCTIONS

10. Eight (8) copies of the application and exhibits shall be filed with the **North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325. Twenty-five (25) copies of an application to acquire a Class A or B utility company should be filed.** One of these copies must have original signatures. (Applicants must also provide any copies to be returned to them.)
11. Enclose a filing fee as required by G. S. §62-300. A Class A company (annual revenues of \$1,000,000 or more) requires a \$250 filing fee. A Class B company (annual revenues between \$200,000 and \$1,000,000) requires a \$100 filing fee. A Class C company (annual revenues less than \$200,000) requires a \$25 filing fee. **MAKE CHECK PAYABLE TO THE N.C. DEPARTMENT OF COMMERCE/UTILITIES COMMISSION.** (No filing fee required if stock transfer only.)

SIGNATURES

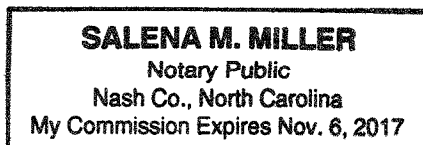
12. Application shall be signed and verified by the Applicants.

Signature *Michael J Myers*
Purchaser
Date November 6, 2014

Signature _____
Seller
Date _____

13. (Typed or Printed Name) Michael J Myers
personally appearing before me and, being first duly sworn, says that the information contained in this application and in the exhibits attached hereto are true to the best of his/her knowledge and belief.

This the 6 day of November 2014 .



Notary Public *Salena M Miller*
Address 6314 Deans ST
Bailey NC 27807
My Commission Expires: NOV 6, 2017
Date

EXHIBITS

THE FOLLOWING EXHIBITS SHALL BE ATTACHED TO THE APPLICATION:

1. If the Purchaser is a corporation, enclose a copy of the Articles of Incorporation on file with the North Carolina Secretary of State. (Not required if previously filed with the Commission.)
2. If the Purchasers are doing business as a partnership, enclose a copy of the partnership agreement (Not required if previously filed with the Commission.)
3. If the Purchaser is conducting business under a trade name or d/b/a, enclose a copy of the certificate filed with the register of deeds in each county where the Applicant will be conducting business as required by G.S. 66-68.
4. Enclose a copy of (1) exhibits showing that the Seller has ownership of all property necessary to operate the utility and (2) a purchase agreement reduced to writing. Any changes in the purchase agreement should be filed immediately with the Commission.
5. If the application is for a stock transfer, enclose a copy of the most recent financial statements, including a balance sheet, for the Seller.
6. Enclose a copy of contracts or agreements, including all attachments, exhibits, and appendices, between the utility and any other party (land developers, customers, etc.) regarding the proposed utility services, including contracts regarding tap fees, construction costs, easements, and rights-of-way, etc. (If none, write "none"). _____
7. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the Purchaser.
8. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the parent company of the Purchaser.
9. If the information requested in Exhibits 7 and 8 is not available, enclose a copy of the most recent fiscal year financial statements or statement of net worth for the principals of the Purchaser and/or parent company.

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SIGNATURES

12. Application shall be signed and verified by the Applicants.

Signature *Michael J. Myers*
Purchaser

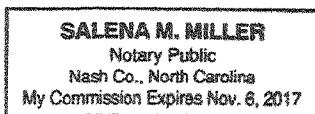
Date November 6, 2014

Signature *[Signature]*
Seller

Date 11/6/2014

13. (Typed or Printed Name) Michael J. Myers
personally appearing before me and, being first duly sworn, says that the information contained in this application and in the exhibits attached hereto are true to the best of his/her knowledge and belief.

This the 6 day of November 2014 .



Notary Public *Saleena M. Miller*
Address 6314 Deans ST
Bayley NC 27807
My Commission Expires: NOV 6, 2017
Date

ADDENDUM TO APPLICATION FOR TRANSFER OF PUBLIC UTILITY FRANCHISE AND FOR APPROVAL OF RATES

Projected Income Statement

Line No.	Item	Year 1	Year 2	Year 3	Year 4	Year 5
<u>Operating revenue</u>						
1.	Metered service revenue					
2.	Flat rate service revenue	\$ 383,222	\$ 437,222	\$ 491,222	\$ 545,222	\$ 599,222
3.	EPA testing surcharge					
4.	Re-connect fees (1% of Service Revenue)	\$ 3,832	\$ 4,372	\$ 4,912	\$ 5,452	\$ 5,992
5.	Returned check charge (0.5% of Service Revenue)	\$ 1,916	\$ 2,186	\$ 2,456	\$ 2,726	\$ 2,996
6.	Late payment charge (0.5% of Service Revenue)	\$ 1,916	\$ 2,186	\$ 2,456	\$ 2,726	\$ 2,996
7.	Other operating revenue					
8.	Total operating revenue (Sum of Line 1 thru Line 7)	\$ 390,886	\$ 445,966	\$ 501,046	\$ 556,126	\$ 611,206
<u>Operating expenses</u>						
9.	Total salaries and wages (employees only)	\$ 19,947	\$ 20,745	\$ 21,575	\$ 22,437	\$ 23,335
10.	Outside labor expenses (non-employees)	\$ 122,429	\$ 127,326	\$ 132,419	\$ 137,716	\$ 143,225
11.	Administrative and office expense (See Explanation)	\$ 86,385	\$ 89,840	\$ 93,434	\$ 97,171	\$ 101,058
12.	Maintenance and repair expense	\$ 104,656	\$ 108,842	\$ 113,195	\$ 117,723	\$ 122,432
13.	Purchased water	\$ 945	\$ 983	\$ 1,022	\$ 1,063	\$ 1,106
14.	Purchased sewage treatment					
15.	Electric power expense (exclude office)	\$ 61,060	\$ 63,502	\$ 66,042	\$ 68,684	\$ 71,432
16.	Chemicals expense	\$ 15,656	\$ 16,282	\$ 16,934	\$ 17,611	\$ 18,315
17.	Testing fees	\$ 136	\$ 141	\$ 147	\$ 153	\$ 159
18.	Transportation expense	\$ 2,806	\$ 2,918	\$ 3,035	\$ 3,156	\$ 3,283
19.	Other operating expense	\$ 89,529	\$ 93,110	\$ 96,835	\$ 100,708	\$ 104,736
20.	Total operation and maintenance expenses (Sum of Line 9 thru Line 19)	\$ 503,549	\$ 523,691	\$ 544,639	\$ 566,424	\$ 589,081
21.	Annual depreciation expense	\$ 201,252	\$ 201,252	\$ 209,301	\$ 217,674	\$ 226,381
22.	Property taxes paid on utility property	\$ 2,338	\$ 2,338	\$ 2,338	\$ 2,338	\$ 2,338
23.	Payroll taxes					
24.	Franchise (gross receipts) tax					
25.	Annual NCUC regulatory fee	\$ 849	\$ 849	\$ 849	\$ 849	\$ 849
26.	Total operating expenses (Sum of Line 20 thru Line 25)	\$ 707,987	\$ 728,129	\$ 757,127	\$ 787,285	\$ 818,649
<u>Income Taxes</u>						
27.	State income taxes					
28.	Federal income taxes					
29.	Total income taxes (Line 27 + Line 28)					
30.	Net operating income (loss) (Line 8 - Line 26 - Line 29)	\$ (317,101)	\$ (282,163)	\$ (256,080)	\$ (231,158)	\$ (207,442)
31.	Interest expense					\$ 185,625
32.	Net income (loss) (Line 30 - Line 31)	\$ (317,101)	\$ (282,163)	\$ (256,080)	\$ (231,158)	\$ (383,067)

ADDENDUM TO APPLICATION FOR TRANSFER OF PUBLIC UTILITY FRANCHISE AND FOR APPROVAL OF RATES

Statement of Cash Flows

Line No	Item	Year 1	Year 2	Year 3	Year 4	Year 5
1	Pre-tax operating income (loss)					
2	Total operating revenue	\$ 390,886	\$ 445,966	\$ 501,046	\$ 556,126	\$ 611,206
3	Less Operation and maintenance expenses	\$ 503,549	\$ 523,691	\$ 544,639	\$ 566,424	\$ 589,081
4	Less Taxes other than income	\$ 3,186	\$ 3,186	\$ 3,186	\$ 3,186	\$ 3,186
5	Pre-tax operating income (loss)	\$ (115,849)	\$ (80,911)	\$ (46,779)	\$ (13,484)	\$ 18,938
6	Income tax calculation					
7	Pre-tax operating income (loss)	\$ (115,849)	\$ (80,911)	\$ (46,779)	\$ (13,484)	\$ 18,938
8	Plus Contributions in aid of construction					
9	Less Tax depreciation	\$ 201,252	\$ 201,251	\$ 209,302	\$ 217,674	\$ 226,381
10	Less Interest expense					\$ 185,625
11	Taxable income (loss)	\$ (317,101)	\$ (282,163)	\$ (256,081)	\$ (231,158)	\$ (393,067)
12	State income tax					
13	Federal income tax					
14	Total income taxes to be paid					
15	Net cash provided by (used in) operating activities	\$ (115,849)	\$ (80,911)	\$ (46,779)	\$ (13,484)	\$ 18,938
	<u>Cash Flows From Investing Activities</u>					
16	Purchases of utility plant	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 2,600,000
17	Plus Cash bonds posted					
18	Less Contributions in aid of construction	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
19	Less Proceeds from disposal of utility plant					
20	Net cash used (provided) by investing activities					\$ 2,450,000
	<u>Cash Flows From Financing Activities</u>					
21	Proceeds from issuing short term debt					
22	Less Principal repayment of short term debt					
23	Plus Proceeds from issuing long term debt					\$ 1,250,000
24	Less Principal repayment of long term debt					
25	Less Interest payment for short and long term debt					
26	Plus Proceeds from issuing stock					
27	Less Dividends paid					
28	Plus Funds provided by owner					\$ 1,200,000
29	Net cash provided (used) by financing activities					\$ 2,450,000
30	Net increase (decrease) in cash	\$ (115,849)	\$ (80,911)	\$ (46,779)	\$ (13,484)	\$ 18,938
31	Cash balance at beginning of year		\$ (115,849)	\$ (196,760)	\$ (243,539)	\$ (257,024)
32	Cash balance at end of year		\$ (196,760)	\$ (243,539)	\$ (257,024)	\$ (238,085)

ADDENDUM TO APPLICATION FOR TRANSFER OF PUBLIC UTILITY FRANCHISE AND FOR APPROVAL OF RATES

Instructions

-
- 1 These schedules should reflect all revenues, costs, investment, etc. associated with or to be associated with the utility system for which the subject franchise application is being submitted, exclusively.
- 2 For purposes of forecasting future expenses, as a simplifying assumption, it may be assumed that increases in such costs due to increases in general price levels, (i.e., inflation) will on average be offset by concurrent rate increases. Thus, no provision(s) for such offsetting changes will need to be made in forecasting costs.
- 3 A written detailed narrative explanation of all assumptions underlying the information and data contained in this addendum and five (5) copies of all workpapers developed in completing the addendum are to be filed with the Commission's Chief Clerk concurrent with the filing of the franchise application.
- 4 Computations for Statement of Cash Flows (Page 2 of Addendum)
- (a) Line 2 should agree with Addendum Page 1 - Projected Income Statement, Line 8
 - (b) Line 3 should agree with Addendum Page 1 - Projected Income Statement, Line 20
 - (c) Line 4 should agree with Addendum Page 1 - Projected Income Statement, Sum of Line 22 thru Line 25
 - (d) Line 14 should equal Line 12 plus Line 13
 - (e) Line 15 should equal Line 5 less Line 14
 - (f) Line 30 should equal Line 15 less Line 20 plus Line 29
 - (g) Line 31 should equal the cash balance at the end of the prior year, except for the beginning balance for Year 1, which should be zero
 - (h) Line 32 should equal Line 30 plus Line 31

Narrative Explanation of Assumptions

ADDENDUM TO APPLICATION FOR TRANSFER OF PUBLIC UTILITY FRANCHISE AND FOR APPROVAL OF RATES

Projected Income Statement

Line	
1	N/A
2	Projection based on \$45 per month flat rate x proforma of REUs (See attached Projected Customer Count Proforma)
3	N/A
4	Estimated based on 1% of Service Revenue
5	Estimated based on 0.5% of Service Revenue
6	Estimated based on 0.5% of Service Revenue
7	N/A
8	Sum of Lines 1 thru 7
9	See Attachment A & BCU 2013 Annual Report. This is based on BCU 2013 Annual Report.
10	See Attachment A & BCU 2013 Annual Report. This is based on BCU 2013 Annual Report and includes outside service for legal (\$5,773) and management of wastewater system (\$53,700). The amount for management of the wastewater system was adjusted upward \$63,860 based on new fee structure to include additional services.
11	Includes: \$3,711 for communications (based on BCU 2013 Annual Report), \$29,066 for other based on BCU 2013 Annual Report, \$15,895 for insurance based on BCU 2013 Annual Report, \$2,120 for NC DENR permits (based on BCU 2013 Annual Report) and \$29,820 adjustment for billing& customer services and lockbox
12	Based on BCU 2013 Annual Report
13	Based on BCU 2013 Annual Report
14	N/A
15	Based on BCU 2013 Annual Report
16	Based on BCU 2013 Annual Report
17	Based on BCU 2013 Annual Report
18	Based on BCU 2013 Annual Report
19	\$74,949 Based on BCU 2013 Annual Report and \$14,580 added for sludge disposal (based on an estimate of 243,000 gallons of sludge in year 1). Note 2014 was the first year BCU experienced sludge disposal cost.
20	Sum of lines 9 thru 19
21	See Depreciation Calculation. Depreciation Calculation assumes 80% of original cost is contributed by developer as stipulated in W-1230 sub 1
22	Based on BCU 2013 Annual Report
23	N/A
24	N/A
25	Based on 0.12% of Operating Expenses.
26	Sum of Lines 20 thru 25
27	N/A
28	N/A
29	Line 27 + Line 28
30	Line 8 – Line 26 – Line 29
31	See Cost of Capital Calculation below for estimate of interest expense in Year 5.
32	Line 30 – Line 31

ADDENDUM TO APPLICATION FOR TRANSFER OF PUBLIC UTILITY FRANCHISE AND FOR APPROVAL OF RATES

Statement of Cash Flows

1	N/A
2	From Line 8 of Projected Income Statement
3	From Line 20 of Projected Income Statement
4	From the sum of lines 22 thru 25 on the Projected Income Statement
5	Line 2 – Line 3 – Line 4
6	N/A
7	From Line 5 of Statement of Cash Flows
8	N/A
9	From Line 21 of Projected Income Statement
10	From Line 31 of Projected Income Statement
11	Line 7 + Line 8 – Line 9 – Line 10
12	N/A
13	N/A
14	Line 12 + Line 13
15	Line 5 – Line 14
16	Connection Fees collected = \$1,500 x REUs added per Projected Customer Count Proforma. In Year 5, \$2,450,000 toward expansion of 0.25 MGD WWTP to 0.6 MGD
17	N/A
18	Developer Rebate of \$1,500 per REUs added per Projected Customer Count Proforma
19	N/A
20	Line 16 + Line 17 – Line 18 – Line 19
21	N/A
22	N/A
23	\$1,250,000 of \$2,45,000 plant expansion financed thru long term debt.
24	N/A
25	N/A
26	N/A
27	N/A
28	\$1,200,000 of \$2,450,000 plant expansion financed thru funds provided by owners and retained earnings
29	Line 21 – Line 22 + Line 23 – Line 24 – Line 25 + Line 26 – Line 27 + Line 28
30	Line 15 – Line 20 + Line 29
31	Cash balance at the end of the previous year
32	Line 30 + Line 31

COST OF CAPITAL FOR RATE MAKING PURPOSES

Line No.		CAPITAL	COST	WEIGHTED	RETURN ON
		RATIO	RATE	RATE	RATE BASE
1	Long-term debt	51.02%	5.25%	2.68%	\$ 65,625.00
2	Equity	40.82%	10.00%	4.08%	\$ 100,000.00
3	Retained Earnings	8.16%	10.00%	0.82%	\$ 20,000.00
4	Total	100.00%		7.58%	\$ 185,625.00

Attachment A

Name: Briar Chapel Utilities
Test Yr 2013

COST OF SERVICE

Line No. Operating Expenses		Sewer Per Books	Sewer Pro Forma Adjustments	Sewer Forma Cost of Service	Forma Total Cost of Service	Income Statement Line	Basis for Budget
1	Salaries and wages - Employees	\$ 19,947 00	\$ -	\$ 19,947.00	\$ 19,947.00	4%	From BCU 2013 Annual Report
2	Salaries and wages - Bonus	\$ -	\$ -	\$ -	\$ -	0%	
3	Employee benefits	\$ -	\$ -	\$ -	\$ -	0%	
4	Intercompany Expense	\$ -	\$ -	\$ -	\$ -	0%	
5	Primary Sludge Disposal	\$ -	\$ -	\$ -	\$ -	0%	
6	Biosolids Disposal	\$ -	\$ 14,580 00	\$ 14,580.00	\$ 14,580.00	3%	Adjustment for sludge disposal
7	Purchased Water and Sewer	\$ 945 00	\$ -	\$ 945.00	\$ 945.00	0%	From BCU 2013 Annual Report
8	Purchased Communication - Phone line	\$ 3,711 00	\$ -	\$ 3,711.00	\$ 3,711.00	1%	From BCU 2013 Annual Report
9	Purchased Power - Plant & Collection	\$ 61,060 00	\$ -	\$ 61,060.00	\$ 61,060.00	12%	From BCU 2013 Annual Report
10	Purchased Chemicals	\$ 15,656 00	\$ -	\$ 15,656.00	\$ 15,656.00	3%	From BCU 2013 Annual Report
11	Contractual Services - other	\$ 29,066 00	\$ -	\$ 29,066.00	\$ 29,066.00	6%	From BCU 2013 Annual Report
12	Contractual Services - Accounting	\$ 4,869 00	\$ -	\$ 4,869.00	\$ 4,869.00	1%	From BCU 2013 Annual Report
13	Contractual Services - Legal	\$ 5,773 00	\$ -	\$ 5,773.00	\$ 5,773.00	1%	From BCU 2013 Annual Report
14	Contractual Services - ORC	\$ 53,700 00	\$ 63,860 00	\$ 117,560.00	\$ 117,560.00	23%	From BCU 2013 Annual Report with adjustment for new fee structure for additional services
15	Contractual Services - Lab Testing	\$ 136 00	\$ -	\$ 136.00	\$ 136.00	0%	From BCU 2013 Annual Report
16	Billing	\$ -	\$ 29,820 00	\$ 29,820.00	\$ 29,820.00	6%	From fee structure in agreement & Lockbox charge
17	Supplies	\$ -	\$ -	\$ -	\$ -	0%	
18	Maintenance	\$ 104,656 00	\$ -	\$ 104,656.00	\$ 104,656.00	21%	From BCU 2013 Annual Report
19	Maintenance - Collection/Distribution	\$ -	\$ -	\$ -	\$ -	0%	
11	Leases	\$ -	\$ -	\$ -	\$ -	0%	
19	Transportation expense	\$ 2,806 00	\$ -	\$ 2,806.00	\$ 2,806.00	1%	From BCU 2013 Annual Report
20	Insurance	\$ 15,895 00	\$ -	\$ 15,895.00	\$ 15,895.00	3%	From BCU 2013 Annual Report
21	Closing Cost & Franchising Expense (amortized over 5 years)	\$ -	\$ -	\$ -	\$ -	0%	
22	Other Misc Expense	\$ 74,949 00	\$ -	\$ 74,949.00	\$ 74,949.00	15%	Administrative and Office = \$65,860 and \$2195 for bond (From BCU 2013 Annual Report)
23	Permits	\$ 2,120 00	\$ -	\$ 2,120.00	\$ 2,120.00	0%	From BCU 2013 Annual Report
24	Total O & M Expenses	\$ 395,289.00	\$ 108,260.00	\$ 503,549.00	\$ 503,549.00	71%	
25	Depreciation expenses	\$ -	\$ 201,251 80	\$ 201,251.80	\$ 201,251.80	28%	See Depreciation Calculation
26	Amortization of CIAC	\$ -	\$ -	\$ -	\$ -	0%	
27	Amortization of acquisition adjustment	\$ -	\$ -	\$ -	\$ -	0%	
28	Taxes Other	\$ 2,338 00	\$ -	\$ 2,338.00	\$ 2,338.00	0%	From BCU 2013 Annual Report
29	Total Deprecation, Amort & Taxes Other	\$2,338	\$201,252	\$203,590	\$203,590	29%	
30	Total Operating Expenses	\$397,627	\$309,512	\$707,139	\$707,139	100%	
31	Cost of Service	\$397,627	\$309,512	\$707,139	\$707,139	100%	
32	NCUC Regulatory Fee	\$849	\$0	\$849	\$849	0%	0.12%
33	Total Cost of Service	\$398,476	\$309,512	\$707,987	\$707,987	100%	

Attachment B

Briar Chapel Utility Depreciation Calculation

Useful Life of Wastewater Assets		NCUC Balance Sheet Category	Original Cost	NCUC Asset Description	Original Cost Allocated	Weighing Factor	Straight Line Depreciation	CIAC Percentage	Utility Basis	Straight Line Depreciation
ONSWC Asset Descriptions	Expected Useful Life (years)									
Wastewater System										
Pipes	50	Mains (excl service connections)	\$5,902,905.36	Mains	\$ 2,951,452.68	0.5	\$ 59,029.05	80.0%	\$ 590,290.54	\$ 11,805.81
Manholes	50			Mains	\$ 2,951,452.68	0.5	\$ 59,029.05	80.0%	\$ 590,290.54	\$ 11,805.81
Cleanouts	50	Service Connections	\$514,800.00	Service Connections	\$ 514,800.00	1	\$ 10,296.00	80.0%	\$ 102,960.00	\$ 2,059.20
Lift Stations - Structural	60	Pumping equipment	\$884,479.25	Pumping Equipment	\$ 442,239.63	0.5	\$ 7,370.66	80.0%	\$ 88,447.93	\$ 1,474.13
Lift Station - Mechanical/Electrical	20			Pumping Equipment	\$ 442,239.63	0.5	\$ 22,111.98	80.0%	\$ 88,447.93	\$ 4,422.40
Disposal - Piping	50	Other utility property in service	\$ 9,155,879.80	Other	\$ 4,577,939.90	0.5	\$ 91,558.80	80.0%	\$ 915,587.98	\$ 18,311.76
Disposal - Sprayheads	5			Other	\$ 2,746,763.94	0.3	\$ 549,352.79	80.0%	\$ 549,352.79	\$ 109,870.56
Disposal - Controllers	15			Other	\$ 1,739,617.16	0.19	\$ 115,974.48	80.0%	\$ 347,923.43	\$ 23,194.90
Disposal - Software	5			Other	\$ 91,558.80	0.01	\$ 18,311.76	80.0%	\$ 18,311.76	\$ 3,662.35
Treatment - Structural	60	Land and right-of-way	\$400,320.00	Land & ROW	\$ 400,320.00	1	\$ 6,672.00	80.0%	\$ 80,064.00	\$ 1,334.40
Treatment - Mechanical/Electrical	20	Structures and site improvement	\$2,872,767.00	Structures & Site Improvement	\$ 287,276.70	0.1	\$ 4,787.95	80.0%	\$ 57,455.34	\$ 957.59
Individual Grinder Stations - Structural	60	Wells		Wells	\$ 14,363.84	0.005	\$ 239.40	80.0%	\$ 2,872.77	\$ 47.88
Individual Grinder Stations - Mechanical Electrical	10	Treatment equipment		Treatment Equipment	\$ 2,010,936.90	0.7	\$ 33,515.62	80.0%	\$ 402,187.38	\$ 6,703.12
				Treatment Equipment	\$ 560,189.57	0.195	\$ 28,009.48	80.0%	\$ 112,037.91	\$ 5,601.90
				Service Connections	\$0.00	0	\$ -	0.0%	\$ -	\$ -
				Service Connections	\$0.00	0	\$ -	0.0%	\$ -	\$ -
			<u>\$ 19,731,151.41</u>		<u>\$ 19,731,151.41</u>		<u>\$ 1,006,259.01</u>		<u>\$ 3,946,230.28</u>	<u>\$ 201,251.80</u>

SLUDGE GENERATION CALCULATION

Facility Name: Briar Chapel

Permit Number:

Date of Calculation: 11/6/2014

Required Information For Calculation

Average Daily Flow (mgd): 0.065

Digester Capacity (gal): 25000

Influent BOD (mg/l): 200

%Solids of Outgoing Sludge: 2

Effluent BOD (mg/l): 5

Monitoring Period (days): 365

Wastewater Treatment Processes

Place an "X" in the box beside the corresponding treatment process. Select a maximum of Primary Clarification and one other treatment process.

Primary Clarification ☐

Contact Stabilization ☐

RBC ☐

Conventional Activated Sludge ☒

SBR ☐

ABF ☐

Extended Aeration ☒

Trickling Filter ☐

Small Plant with low SOR ☐

(<500 gpd/sq ft)

Operational Information

BOD Removed (lbs/day): 106

TSS Removed (lbs/day): 159

Digester Information

Type of Digester

Place an "X" in the box beside the corresponding treatment process.

Aerobic Digestion ☒

Anaerobic Digestion ☐

None ☐

Sludge Feed Rate to Digesters (gpd): 1408.33333

Digester Hydraulic Detention Time (days): 18

Estimated Total Solids Reduction (%): 0.3

Sludge Generation

dry lbs/day 111

wet lbs/day 5550

dry tons/monitoring period 20

wet tons/monitoring period 1013

gal/day 665

gal/monitoring period 242885

Amount of Sludge Reported as Being Generated by the Facility

wet tons/monitoring period 0

OR

dry tons/monitoring period 0

Enter only one of the above values. The remaining value should be "0".

Is the amount reported by the generator within 15% of the calculated value? NO

NO explanation: LESS THAN 15% RANGE
LESS THAN 15% RANGE

What type of information was used to calculate the above information:

Dates used: TO

Name of person performing the calculation:

WATER / SEWER COMPANY WITH
REVENUES OF \$200,000 OR MORE
(REVISED 1/12)

ANNUAL REPORT

OF

Briar Chapel Utilities, LLC / W- **1230 sub 0**
Company Name (as franchised by NCUC) NCUC Certificate No.

13777 Ballantyne Corporate Place, Suite 550
Mailing Address

Charlotte **NC** **28277**
City State Zip

Area Code (**704**) **887-5942**
Telephone Number (including area code)

Area Code (**704**) **887-5955**
Fax Number (including area code)

kduschel@newlandco.com
Email Address

TO THE

NORTH CAROLINA UTILITIES COMMISSION

For The Year Ended

December 31, **2013**

RETURN TO: Public Staff - Accounting Division
North Carolina Utilities Commission
4326 Mail Service Center
Raleigh, NC 27699-4326

FILING INSTRUCTIONS

WHEN TO FILE:

This form, consisting of twenty-nine pages, must be filed with this Commission no later than **April 30th** following the end of the calendar year covered by this report. Failure to file your Annual Report on or before the due date will result in Commission action, which may result in the assessment of financial penalties (North Carolina General Statute GS 62-310).

WHERE TO FILE:

Send the original and two (2) copies to:

PUBLIC STAFF - ACCOUNTING DIVISION
NORTH CAROLINA UTILITIES COMMISSION
4326 MAIL SERVICE CENTER
RALEIGH, NORTH CAROLINA 27699-4326

NUMBER OF COPIES REQUIRED:

The original and two (2) copies of this report legibly completed (including NCUC certificate number) and signed and notarized, are required to be filed in order to satisfy the Annual Report filing requirements established by this Commission. One copy of this report should be maintained in your files.

VERIFICATION UNDER OATH REGARDING ACCURACY OF REPORT:

Both the original and the required copies of this report must be verified under oath by the chief executive officer, a senior level financial officer, or the responsible accounting officer of the utility.

QUESTIONS:

If you have any questions or need assistance in completing this report or questions concerning this Commission's Annual Report filing requirements, call or write the Public Staff - Accounting Division, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326, Telephone Number 919-733-4279. This report is available in Microsoft Excel on the Public Staff's web site at:

<http://www.pubstaff.commerce.state.nc.us/psacctg/report.htm>.

ADDENDUM TO APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AND FOR APPROVAL OF RATES

Projected Customer Counts

Line No.	Item	Year 1	Year 2	Year 3	Year 4	Year 5
<u>Water</u>						
1	Metered Residential Water	0	0	0	0	0
2	Metered Commercial Water (REU Equivalents)	0	0	0	0	0
3	Metered Industrial Water (REU Equivalents)	0	0	0	0	0
	<i>Subtotal - Metered Water</i>	0	0	0	0	0
4	Flat Rate Residential Water	0				
5	Flat Rate Commercial Water (REU Equivalents)	0				
6	Flat Rate Industrial Water (REU Equivalents)	0				
	<i>Subtotal Flat Rate Water</i>	0	0	0	0	0
	Total Water	0	0	0	0	0
<u>Sewer</u>						
7	Metered Residential Sewer	0	0	0	0	0
8	Metered Commercial Sewer (REU Equivalents)	0	0	0	0	0
9	Metered Industrial Sewer (REU Equivalents)	0	0	0	0	0
	<i>Subtotal Metered Sewer</i>	0	0	0	0	0
10	Flat Rate Residential Sewer	669	769	869	969	1069
11	Flat Rate Commercial Sewer (REU Equivalents)	40.67	40.67	40.67	40.67	40.67
12	Flat Rate Industrial Sewer (REU Equivalents)	0	0	0	0	0
	<i>Subtotal Flat Rate Sewer</i>	709.67	809.67	909.67	1009.67	1109.67
	Total Sewer	709.67	809.67	909.67	1009.67	1109.67
<u>Reclaimed Water</u>						
13	Metered Residential Reclaimed					
14	Metered Commercial Reclaimed (REU Equivalents)					
15	Metered Industrial Reclaimed (REU Equivalents)					
	<i>Total Metered Reclaimed Water</i>	0	0	0	0	0
16	Flat Rate Residential Reclaimed					
17	Flat Rate Commercial Reclaimed (REU Equivalents)					
18	Flat Rate Industrial Reclaimed (REU Equivalents)					
	<i>Subtotal Flat Rate Reclaimed</i>	0	0	0	0	0
	Total Reclaimed	0	0	0	0	0
<u>Stormwater</u>						
19	Flat Rate Residential Stormwater					
20	Flat Rate Commercial Stormwater (REU Equivalents)					
21	Flat Rate Industrial Stormwater (REU Equivalents)					
	Total Stormwater	0	0	0	0	0

COMPANY INFORMATION

1. Trade name used for utility business Briar Chapel Utilities, LLC
2. Name of owner (if different from trade name) N/A
3. Business street address (if different from mailing address) 640 Boulder Point Drive
City and state Pittsboro, NC Zip 27312
4. If corporation, list the following:
President Richard L. Croteau Vice-President Vicki R. Mullins
Secretary Dolores A. Valle Treasurer Daryl-Lynn Burke
Other officers See Attached
- List three (3) largest stockholders and percent of voting shares held by each:
NNP-Briar Chapel, LLC (100% ownership), 9820 Towne Centre Drive, Suite 100, San Diego CA 92121
- In what state is firm incorporated? Delaware What year? 2008
5. If partnership, list the owners and percent of ownership held by each:
N/A
6. Year Company first began utility service: 2009
7. Filing status (check one only)
☐ Corporation ☐ Partnership ☐ Sole Proprietorship
☐ Subchapter S Corp. ☒ Limited Liability Co. ☐ Other (Describe: _____)

PERSONS TO CONTACT

	<u>Name</u>	<u>Address</u>	<u>Telephone</u>
General Manager	<u>Bill Mumford</u>	<u>13777 Ballantyne Corp Place, Suite 550, Charlotte, NC 28277</u>	<u>(704) 887-5950</u>
Complaints or Billing	<u>EnviroLink</u>	<u>P.O. Box 670, Bailey NC 27807</u>	<u>(252) 235-4900</u>
Engineering Operations	<u>EnviroLink</u>	<u>"</u>	<u>"</u>
Emergency Service	<u>EnviroLink</u>	<u>"</u>	<u>"</u>
Accounting	<u>Kelly Duschel</u>	<u>13777 Ballantyne Corp Place, Suite 550, Charlotte, NC 28277</u>	<u>(704) 887-5950</u>
Outside Accountant	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

OPERATING STATISTICS**Employees**

Number of full-time employees at end of year	<u>N/A</u>
Number of part-time employees at end of year	<u>7</u>
Total <u>months</u> worked by each full-time employee during year	<u>N/A</u>
Total <u>days</u> worked by each part-time employee during year	<u>34</u>
Total salaries and wages paid during year	<u>\$19,947</u>

Reconnections (not including initial connections)

	<u>Water</u>	<u>Sewer</u>
Number of service reconnections during year (See Rule R7-20 and R10-16)	<u>N/A</u>	<u>2</u>
Number of different customers who had service reconnected during year	<u>N/A</u>	<u>2</u>

Customer Deposits

Amount of customer deposits received during year	<u>N/A</u>
Amount of customer deposits refunded during year	<u>N/A</u>
Balance of customer deposits held at end of year	<u>N/A</u>
Amount of customer deposits held for more than 12 months	<u>N/A</u>

Other Information

	<u>WATER</u>	<u>SEWER</u>	<u>COMBINED</u>
Annual operating revenues	<u>0</u>	<u>232,485</u>	<u>232,485</u>
Utility plant in service at year end	<u>0</u>	<u>15,482,718</u>	<u>15,482,718</u>
End-of-period customers	<u>0</u>	<u>514</u>	<u>514</u>

COMPANY INFORMATION cont.

4. Other Officers: Continued from Page 3.

Name	Title
Douglas L. Hageman	Executive VP and General Counsel
Keith Hurand	Sr. Vice President
Laurie Ford	Vice President
Noel C. Webb	Vice President
Danielle Bergener	Vice President
Sharon W. Koplan	Assistant Secretary
Bill Mumford	Assistant Secretary
Nicole Pierce	Assistant Corporate Secretary

SERVICE AREAS

For each subdivision or service area, list the following in alphabetical order

[illegible]

WATER AND SEWER COMBINED BALANCE SHEET
ASSETS AND OTHER DEBITS

Line No.	Title of Account (a)	Balance at Beginning of Year (b)	Balance at End of Year (c)
	<u>Utility plant</u>		
1.	Utility plant (must agree with Page 12, Line 108, Columns (c) & (f))	15,482,718	15,482,718
2.	Accumulated provision for depreciation and amortization of utility plant	(2,602,253)	(3,281,641)
3.	Net utility plant (Line 1 minus Line 2)	12,880,465	12,201,077
4.	Utility plant acquisition adjustment	0	0
5.	Accumulated provision for amortization of acquisition adjustment	0	0
6.	Net utility plant acquisition adjustment (Line 4 minus Line 5)	0	0
7.	Total utility plant (Line 3 plus Line 6)	12,880,465	12,201,077
	<u>Other Property and Investments</u>		
8.	Nonutility property	57,705	57,705
9.	Accumulated provision for depreciation and amortization of nonutility property	(11,646)	(17,971)
10.	Other investments	0	0
11.	Special funds	0	0
12.	Total other property and investments	46,059	39,734
	<u>Current Assets and Other Debits</u>		
13.	Cash and working funds	64,998	75,380
14.	Temporary cash investments	0	0
15.	Notes receivable	0	0
16.	Customer accounts receivable	5,573	9,164
17.	Other accounts receivable	0	0
18.	Accumulated provisions for uncollectible accounts - Cr.	0	0
19.	Notes receivable from associated companies	0	0
20.	Accounts receivable from associated companies	0	0
21.	Materials and supplies	0	0
22.	Prepayments	6,600	0
23.	Other current and accrued assets	0	0
24.	Total current and accrued assets	77,171	84,544
	<u>Deferred Debits</u>		
25.	Unamortized debt discount and expense	0	0
26.	Extraordinary property losses	0	0
27.	Accumulated deferred income taxes	0	0
28.	Other deferred debits	0	0
29.	Total deferred debits	0	0
30.	Total assets and other debits (L7 + L12 + L24 + L29)	13,003,695	12,325,355

Remarks: _____

WATER AND SEWER COMBINED BALANCE SHEET
CAPITAL, LIABILITIES, AND OTHER CREDITS

Line No.	Title of Account (a)	Balance at Beginning of Year (b)	Balance at End of Year (c)
	<u>Stockholders' Equity (if Corporation)</u>		
1.	Common stock shares	0	0
2.	Paid-in capital	0	0
3.	Retained earnings	0	0
4.	Other	0	0
5.	Total common equity (Line 1 thru Line 4)	0	0
6.	Preferred stock	0	0
7.	Total stockholders' equity (Line 5 + Line 6)	0	0
	<u>OR</u>		
	<u>Proprietary Capital (if Partnership/Proprietorship)</u>		
8.	Total proprietary capital	1,588,510	1,876,053
	<u>Long-Term Debt</u>		
9.	Bonds	0	0
10.	Advances from associated companies	0	0
11.	Other long-term debt	0	0
12.	Total long-term debt	0	0
	<u>Current and Accrued Liabilities</u>		
13.	Notes payable	0	0
14.	Accounts payable	12,655	26,855
15.	Customer deposits	0	0
16.	Taxes accrued	6,750	0
17.	Interest accrued	0	0
18.	Other current and accrued liabilities	744,908	24,085
19.	Total current and accrued liabilities	764,313	50,940
	<u>Deferred Credits</u>		
20.	Unamortized premium on debt	0	0
21.	Customer advances for construction	0	0
22.	Other deferred credits	0	0
23.	Total deferred credits	0	0
	<u>Operating Reserves</u>		
24.	Property insurance reserve	0	0
25.	Miscellaneous operating reserves	0	0
26.	Total operating reserves	0	0
	<u>Contributions in Aid of Construction</u>		
27.	Contributions in aid of construction	12,732,675	13,023,675
28.	Accumulated amortization of contributions in aid of construction	(2,081,803)	(2,625,313)
29.	Total contributions in aid of construction	10,650,872	10,398,362
30.	Total liabilities and other credits (L12 + L19 + L23 + L26 + L29)	11,415,185	10,449,302
31.	Total capital, liabilities, & other credits (L7 + L8 + L30)	13,003,695	12,325,355

STATEMENT OF CASH FLOWS

Line No.	Item	Water and Sewer Combined Operations
	<u>Cash Flows from Operating Activities</u>	
1.	Net income (must agree with Page 14, Line 30, Column (d))	(339,121)
2.	Adjustments to reconcile net income to net cash provided by (used in) operating activities: Depreciation and amortization	142,203
3.	Increase (decrease) in deferred taxes and investment tax credits - net	0
4.	Allowance for funds used during construction (AFUDC)	0
5.	Decrease (increase) in accounts receivable - net	(3,591)
6.	Decrease (increase) in materials and supplies	0
7.	Decrease (increase) in prepayments and other current and accrued assets	6,600
8.	Decrease (increase) in other deferred debits	0
9.	Increase (decrease) in accrued expenses and accounts payable	7,450
10.	Increase (decrease) in other current and accrued liabilities	(720,823)
11.	Increase (decrease) in other deferred credits	0
12.	Other	0
13.	Total adjustments (Sum of Lines 2 through 12)	(568,161)
14.	Net cash provided by (used in) operating activities (Line 1 plus Line 13)	(907,282)
	<u>Cash Flows From Investing Activities</u>	
15.	Purchases of utility plant	0
16.	Proceeds from disposal of utility plant	0
17.	Investments in and advances to affiliates	0
18.	Repayments of advances by affiliates	0
19.	Receipts of contributions in aid of construction (CIAC)	291,000
20.	Other investing activities	0
21.	Net cash provided by investing activities (Sum of Lines 15 through 20)	291,000
	<u>Cash Flows from Financing Activities</u>	
22.	Decrease (increase) in short-term debt	0
23.	Advances from affiliates	1,318,000
24.	Repayment of advances from affiliates	(691,336)
25.	Proceeds from issuing long-term debt	0
26.	Repayment of long-term debt	0
27.	Proceeds from issuing stock	0
28.	Dividend paid	0
29.	Other financing activities	0
30.	Net cash provided by financing activities (Sum of Lines 22 through 29)	626,664
31.	Net increase (decrease) in cash and cash equivalents (Line 14 + Line 21 + Line 30)	10,382
32.	Cash and cash equivalents at beginning of year	64,998
33.	Cash and cash equivalents at end of year (Line 31 + Line 32)	75,380

WATER PLANT IN SERVICE (ACCOUNT 101)

<u>Line No.</u>	<u>Acct. No.</u>	<u>Account</u> (a)	<u>Depr. Rates</u> (b)	<u>Balance at Beginning of Year</u> (c)	<u>Plant Added</u> (d)	<u>Plant Retired</u> (e)	<u>Balance at End of Year</u> (f)
1.	301.1	<u>INTANGIBLE PLANT</u> Organization					
2.	302.1	Franchises					
3.	339.1	Other plant and miscellaneous equipment					
4.		Total intangible plant					
5.	303.2	<u>SOURCE OF SUPPLY AND PUMPING PLANT</u> Land and land rights					
6.	304.2	Structures and improvements					
7.	305.2	Collecting and impounding reservoirs					
8.	306.2	Lake, river, and other intakes					
9.	307.2	Wells and springs					
10.	308.2	Infiltration galleries and tunnels					
11.	309.2	Supply mains					
12.	310.2	Power generation equipment					
13.	311.2	Pumping equipment					
14.	339.2	Other plant and miscellaneous equipment					
15.		Total source of supply and pumping plant					
16.	303.3	<u>WATER TREATMENT PLANT</u> Land and land rights					
17.	304.3	Structures and improvements					
18.	311.3	Pumping equipment					
19.	320.3	Water treatment equipment					
20.	339.3	Other plant and miscellaneous equipment					
21.		Total water treatment plant					

WATER PLANT IN SERVICE (ACCOUNT 101)

<u>Line No.</u>	<u>Acct. No.</u>	<u>Account</u> (a)	<u>Depr. Rates</u> (b)	<u>Balance at Beginning of Year</u> (c)	<u>Plant Added</u> (d)	<u>Plant Retired</u> (e)	<u>Balance at End of Year</u> (f)
		<u>TRANSMISSION AND DISTRIBUTION PLANT</u>					
22.	303.4	Land and land rights					
23.	304.4	Structures and improvements					
24.	311.4	Pumping equipment					
25.	330.4	Distribution reservoirs and standpipes					
26.	331.4	Transmission and distribution mains					
27.	333.4	Services					
28.	334.4	Meters and meter installations					
29.	335.4	Hydrants					
30.	336.4	Backflow prevention devices					
31.	339.4	Other plant and miscellaneous equipment					
32.		Total transmission and distribution plant					
		<u>GENERAL PLANT</u>					
33.	303.5	Land and land rights					
34.	304.5	Structures and improvements					
35.	340.5	Office furniture and equipment					
36.	341.5	Transportation equipment					
37.	342.5	Stores equipment					
38.	343.5	Tools, shop, and garage equipment					
39.	344.5	Laboratory equipment					
40.	345.5	Power operated equipment					
41.	346.5	Communication equipment					
42.	347.5	Miscellaneous equipment					
43.	348.5	Other tangible plant					
44.		Total general plant					
45.		Total water plant in service					

SEWER PLANT IN SERVICE (ACCOUNT 101)

<u>Line No.</u>	<u>Acct. No.</u>	<u>Account</u> (a)	<u>Depr. Rates</u> (b)	<u>Balance at Beginning of Year</u> (c)	<u>Plant Added</u> (d)	<u>Plant Retired</u> (e)	<u>Balance at End of Year</u> (f)
		<u>INTANGIBLE PLANT</u>					
46.	351.1	Organization	0.00%	0	0	0	0
47.	352.1	Franchises	0.00%	0	0	0	0
48.	389.1	Other plant and miscellaneous equipment	0.00%	0	0	0	0
49.		Total intangible plant	0.00%	0	0	0	0
		<u>COLLECTION PLANT</u>					
50.	353.2	Land and land rights	0.00%	0	0	0	0
51.	354.2	Structures and improvements	0.00%	0	0	0	0
52.	355.2	Power generation equipment	0.00%	0	0	0	0
53.	360.2	Collection sewers - force	0.28%	2,705,312	0	0	2,705,312
54.	361.2	Collection sewers - gravity	0.28%	2,299,574	0	0	2,299,574
55.	362.2	Special collecting structures	0.00%	0	0	0	0
56.	363.2	Services to customers	0.00%	0	0	0	0
57.	364.2	Flow measuring devices	0.00%	0	0	0	0
58.	365.2	Flow measuring installations	0.00%	0	0	0	0
59.	389.2	Other plant and miscellaneous equipment					0
60.		Total collection plant	0.28%	5,004,886	0	0	5,004,886
		<u>SYSTEM PUMPING PLANT</u>					
61.	353.3	Land and land rights	0.00%	0	0	0	0
62.	354.3	Structures and improvements	0.00%	0	0	0	0
63.	355.3	Power generation equipment	0.00%	0	0	0	0
64.	370.3	Receiving wells	0.00%	0	0	0	0
65.	371.3	Pumping equipment	0.00%	0	0	0	0
66.	389.3	Other plant and miscellaneous equipment	0.00%	0	0	0	0
67.		Total system pumping plant	0.00%	0	0	0	0

SEWER PLANT IN SERVICE (ACCOUNT 101)

Line No.	Acct. No.	Account (a)	Depr. Rates (b)	Balance at Beginning of Year (c)	Plant Added (d)	Plant Retired (e)	Balance at End of Year (f)
		<u>TREATMENT AND DISPOSAL PLANT</u>					
68.	353.4	Land and land rights	0.00%	0	0	0	0
69.	354.4	Structures and improvements	0.00%	0	0	0	0
70.	355.4	Power generation equipment	0.00%	0	0	0	0
71.	380.4	Treatment and disposal equipment	0.00%	0	0	0	0
72.	381.4	Plant sewers	0.00%	0	0	0	0
73.	382.4	Outfall sewer lines	0.00%	0	0	0	0
74.	389.4	Other plant and miscellaneous equipment	0.00%	0	0	0	0
75.		Total treatment and disposal plant	0.00%	0	0	0	0
		<u>RECLAIMED WATER TREATMENT PLANT</u>					
76.	353.5	Land and land rights	0.00%	400,320	0	0	400,320
77.	354.5	Structures and improvements	0.28%	2,764,494	0	0	2,764,494
78.	355.5	Power generation equipment	0.00%	0	0	0	0
79.	371.5	Pumping equipment	0.36%	4,330,641	0	0	4,330,641
80.	374.5	Reuse distribution reservoirs	0.28%	2,616,575	0	0	2,616,575
81.	380.5	Treatment and disposal equipment	1.19%	201,510	0	0	201,510
82.	381.5	Plant sewers	0.00%	0	0	0	0
83.	389.5	Other plant and miscellaneous equipment	0.33%	164,292	0	0	164,292
84.		Total reclaimed water treatment plant	0.32%	10,477,832	0	0	10,477,832

SEWER PLANT IN SERVICE (ACCOUNT 101)

<u>Line No.</u>	<u>Acct. No.</u>	<u>Account</u> (a)	<u>Depr. Rates</u> (b)	<u>Balance at Beginning of Year</u> (c)	<u>Plant Added</u> (d)	<u>Plant Retired</u> (e)	<u>Balance at End of Year</u> (f)
		<u>RECLAIMED WATER DISTRIBUTION PLANT</u>					
85.	352.6	Franchises	0.00%	0	0	0	0
86.	353.6	Land and land rights	0.00%	0	0	0	0
87.	354.6	Structures and improvements	0.00%	0	0	0	0
88.	355.6	Power generation equipment	0.00%	0	0	0	0
89.	366.6	Reuse services	0.00%	0	0	0	0
90.	367.6	Reuse meters and meter installations	0.00%	0	0	0	0
91.	371.6	Pumping equipment	0.00%	0	0	0	0
92.	375.6	Reuse transmission and distribution system	0.00%	0	0	0	0
93.	389.6	Other plant and miscellaneous equipment	0.00%	0	0	0	0
94.		Total reclaimed water distribution plant	0.00%	0	0	0	0
		<u>GENERAL PLANT</u>					
95.	353.7	Land and land rights	0.00%	0	0	0	0
96.	354.7	Structures and improvements	0.00%	0	0	0	0
97.	390.7	Office furniture and equipment	0.00%	0	0	0	0
98.	391.7	Transportation equipment	0.00%	0	0	0	0
99.	392.7	Stores equipment	0.00%	0	0	0	0
100.	393.7	Tools, shop, and garage equipment	0.00%	0	0	0	0
101.	394.7	Laboratory equipment	0.00%	0	0	0	0
102.	395.7	Power operated equipment	0.00%	0	0	0	0
103.	396.7	Communication equipment	0.00%	0	0	0	0
104.	397.7	Miscellaneous equipment	0.00%	0	0	0	0
105.	398.7	Other tangible plant	0.00%	0	0	0	0
106.		Total general plant	0.00%	0	0	0	0
107.		Total sewer plant in service					
108.		Total water and sewer plant in service	0.31%	15,482,718	0	0	15,482,718

SCHEDULE OF DEBT OF UTILITY

(Use additional pages if needed to report all loans)

[illegible]

1/ Indicate purpose of loan and whether the loan is a first mortgage, notes payable to banks, etc.

2/ Indicate whether loan is personally endorsed, and if so, by whom.

3/ If interest rate is variable, please describe terms of rate changes (example: prime rate + 1.0%).

WATER AND SEWER COMBINED INCOME STATEMENT AND RETAINED EARNINGS STATEMENT

Line No.	Item (a)	Water (b)	Sewer (c)	Combined (d)
	Utility Operating Income			
1.	Operating revenues ^{1/}	0	232,485	232,485
	Operating expenses:			
2.	Operation and maintenance expense ^{2/}	0	395,289	395,289
3.	Depreciation expense	0	685,713	685,713
4.	Amortization expense	0	(543,510)	(543,510)
5.	Taxes other than income and franchise ^{3/}	0	2,338	2,338
6.	Operating revenue deductions (Add Lines 2 - 5)	0	539,830	539,830
7.	NCUC regulatory fee	0	628	628
8.	Franchise (gross receipts) tax	0	31,426	31,426
9.	Income taxes - State	0	0	0
10.	Federal	0	0	0
11.	Investment tax credit - net	0	0	0
12.	Total operating expenses (Add Lines 6 - 11)	0	571,884	571,884
13.	Income from utility plant leased to others	0	0	0
14.	Utility operating income (Line 1 - Line 12 + Line 13)	0	(339,399)	(339,399)
	Other Income			
15.	Income from merchandise, job., & contract work - net			0
16.	Nonoperating rental income			0
17.	Interest and dividend income			0
18.	Miscellaneous operating income			0
19.	Total other income (Add Lines 15 - 18)			278
20.	Total income (Line 14 + Line 19)			(339,121)
	Income Deductions			
21.	Other income deductions			0
22.	Interest on long-term debt			0
23.	Amortization of debt discount and expense			0
24.	Amortization of premium on debt - Credit			0
25.	Interest on debt to associated companies			0
26.	Other interest expense			0
27.	Interest charged to construction - Credit			0
28.	Other (describe) -			0
29.	Total income deductions (Add Lines 21 - 28)			0
30.	Net income (Line 20 minus Line 29)			(339,121)
	Retained Earnings			
31.	Unappropriated retained earnings at beginning of year			(1,588,510)
	Credits:			
32.	Balance transferred from income			339,121
33.	Miscellaneous credits to retained earnings			(1,318,000)
	Debits:			
34.	Miscellaneous debits to retained earnings			691,336
35.	Appropriations of retained earnings			0
36.	Dividends declared - preferred			0
37.	Dividends declared - common			0
38.	Unappropriated retained earnings at end of year (Sum of Lines 31 through 37)			(1,876,053)

1/ Reference to Page 15, Line 22 for water operations and Page 17, Line 26 for sewer operations.

2/ Reference to Page 16, Line 28 for water operations and Page 18, Line 28 for sewer operations.

3/ Reference to Page 15, Line 5, Columns (b), (c), and (d).

SCHEDULE OF TAXES OTHER THAN INCOME AND FRANCHISE

<u>Line No.</u>	<u>Item</u> (a)	<u>Water</u> (b)	<u>Sewer</u> (c)	<u>Total</u> (d)
1	Property	0	2,338	2,338
2	Payroll	0	0	0
3	Intangibles	0	0	0
4	Other (explain) -	0	0	0
5	Totals	0	2,338	2,338

WATER OPERATING REVENUES (ACCOUNT 400)

<u>Line No.</u>	<u>Acct. No.</u>	<u>Account</u> (a)	<u>Amount For Current Year</u> (b)	<u>Number of Customers</u>		<u>Gallons of Water Sold (in Thousands)</u> (e)
				<u>Beginning of Year</u> (c)	<u>End of Year</u> (d)	
1.	460	<u>Sales of Water</u>				
2.	461.1	Unmetered water revenues				
3.	461.2	Residential - metered				
4.	461.3	Commercial - metered				
5.	461.4	Industrial - metered				
6.	461.5	Public authorities - metered				
7.		Multiple family dwellings - metered				
8.		Total sales to general customers				
9.	462.1	Public fire protection				
10.	462.2	Private fire protection				
11.	464	Other sales to public authorities				
12.	465	Sales to irrigation customers				
13.	466	Sales for resale				
14.	467	Interdepartmental sales				
15.		Total sales of water				
16.		<u>Other Operating Revenues</u>				
17.	469	Guaranteed revenues (including revenues from availability rates)				
18.	470	Forfeited discounts				
19.	471	Miscellaneous service revenues				
20.	472	Rents from water property				
21.	473	Interdepartmental rents				
22.	474	Other water revenues (Itemize on Page 19)				
23.		Total other operating revenues				
24.	400	Total operating revenues				

WATER OPERATION AND MAINTENANCE EXPENSES

Line No.	Acct. No.	Account	Amount
1.	601	Salaries and wages - employees	
2.	603	Salaries and wages - officers, directors, and majority stockholders	
3.	604	Employee pensions and benefits	
4.	610	Purchased water	
5.	615	Purchased power	
6.	616	Fuel for power production	
7.	618	Chemicals	
8.	620	Materials and supplies	
9.	631	Contractual services - engineering	
10.	632	Contractual services - accounting	
11.	633	Contractual services - legal	
12.	634	Contractual services - management fees	
13.	635	Contractual services - testing	
14.	636	Contractual services - other	
15.	641	Rental of building / real property	
16.	642	Rental of equipment	
17.	650	Transportation equipment	
18.	656	Insurance - vehicle	
19.	657	Insurance - general liability	
20.	658	Insurance - worker's compensation	
21.	659	Insurance - other	
22.	660	Advertising expense	
23.	666	Regulatory commission expenses - amortization of rate case expense	
24.	667	Regulatory commission expenses - other	
25.	668	Water resource conservation expense	
26.	670	Bad debt expense	
27.	675	Miscellaneous expense (Itemize on Page 19)	
28.		Total water operation and maintenance expenses	

WATER PRODUCTION

	<u>Total During Year</u>	<u>During Peak Month of Year</u>
1. Total gallons pumped from own wells	_____	_____
2. Total gallons purchased from others	_____	_____
3. If water purchased, list from whom	_____	_____
4. Name of peak month of water production	_____	_____

SEWER OPERATING REVENUES

Line No.	Acct. No.	Account (a)	Number of Customers		Revenue Amounts (d)
			Beginning of Year (b)	End of Year (c)	
		<u>Sewer Service Revenues</u>			
1.	521.1	Residential - flat rate	344	512	215,385
2.	521.2	Commercial - flat rate	2	2	17,100
3.	521.3	Industrial - flat rate	0	0	0
4.	521.4	Public authorities - flat rate	0	0	0
5.	521.5	Multiple family dwellings - flat rate	0	0	0
6.	521.6	Other revenues - flat rate	0	0	0
7.	522.1	Residential - measured	0	0	0
8.	522.2	Commercial - measured	0	0	0
9.	522.3	Industrial - measured	0	0	0
10.	522.4	Public authorities - measured	0	0	0
11.	522.5	Multiple family dwellings - measured	0	0	0
12.	523	Revenues from public authorities	0	0	0
13.	524	Revenues from other systems	0	0	0
14.	525	Interdepartmental rents	0	0	0
15.		Total sewer service revenues	346	514	232,485
		<u>Other Operating Revenues</u>			
16.	530	Guaranteed revenues (including revenues from availability rates)	0	0	0
17.	531	Sale of sludge			0
18.	532	Forfeited discounts			0
19.	534	Rents from wastewater property			0
20.	535	Interdepartmental rents			0
21.	536	Other water revenues (Itemize on Page 20)			0
22.	540	Flat rate reuse revenues			0
23.	541	Measured reuse revenues			0
24.	544	Reuse revenues from other systems			0
25.		Total other operating revenues			0
26.		Total sewer operating revenues (Line 15 plus Line 25)			232,485

SEWER OPERATION AND MAINTENANCE EXPENSES

Line No.	Acct. No.	Account	Amount
1.	701	Salaries and wages - employees	19,947
2.	703	Salaries and wages - officers, directors, and majority stockholders	0
3.	704	Employee pensions and benefits	0
4.	710	Purchased wastewater treatment	0
5.	711	Sludge removal expense	0
6.	715	Purchased power	61,060
7.	716	Fuel for power production	0
8.	718	Chemicals	15,656
9.	720	Materials and supplies	0
10.	731	Contractual services - engineering	0
11.	732	Contractual services - accounting	4,869
12.	733	Contractual services - legal	5,773
13.	734	Contractual services - management fees	53,700
14.	735	Contractual services - testing	136
15.	736	Contractual services - other	29,066
16.	741	Rental of building / real property	0
17.	742	Rental of equipment	0
18.	750	Transportation equipment	0
19.	756	Insurance - vehicle	0
20.	757	Insurance - general liability	0
21.	758	Insurance - worker's compensation	0
22.	759	Insurance - other	15,895
23.	760	Advertising expense	0
24.	766	Regulatory commission expenses - amortization of rate case expense	0
25.	767	Regulatory commission expenses - other	0
26.	770	Bad debt expense	0
27.	775	Miscellaneous expense (Itemize on Page 20)	189,187
28.		Total sewer operation and maintenance expenses	395,289

DETAIL OF CERTAIN WATER ACCOUNTS**Account 474 - Other Water Revenues**

For each category greater than \$500, provide a description of the category and the amount. For each category that is \$500 or less, provide a listing of such categories on one line and provide one aggregate amount for all such categories.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.	Total other water revenues (Account 474)	1/

Account 675 - Miscellaneous Expenses

For each category greater than \$500, provide a description of the category and the amount. For each category that is \$500 or less, provide a listing of such categories on one line and provide one aggregate amount for all such categories.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.	Total miscellaneous expenses (Account 675)	2/

1/ Reference to Page 15, Line 20.

2/ Reference to Page 16, Line 27.

DETAIL OF CERTAIN SEWER ACCOUNTS**Account 536 - Other Sewer Revenues**

For each category greater than \$500, provide a description of the category and the amount. For each category that is \$500 or less, provide a listing of such categories on one line and provide one aggregate amount for all such categories.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.	Total other sewer revenues (Account 536)	0 1/

Account 775 - Miscellaneous Expenses

For each category greater than \$500, provide a description of the category and the amount. For each category that is \$500 or less, provide a listing of such categories on one line and provide one aggregate amount for all such categories.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1.	General & Administrative Expenses	65,860
2.	Bank Charges	6,894
3.	Internet/Cable	3,711
4.	Ground Transportation	2,806
5.	Permit Renewal	2,120
6.	Utilities: Water	945
7.	Bond Premiums	2,195
8.	Repairs and Maintenance	104,656
9.		
10.		
11.	Total miscellaneous expenses (Account 775)	189,187 2/

1/ Reference to Page 17, Line 21.

2/ Reference to Page 18, Line 27.

MONTHLY BILLING DATA

Line No.	Month (a)	<u>Water Operations</u>			<u>Sewer Operations</u>		
		<u>Flat Rate Customers</u> (b)	<u>Metered Customers</u> (c)	<u>Gallons Sold To Metered Customers</u> (d)	<u>Flat Rate Customers</u> (e)	<u>Metered Customers</u> (f)	<u>Gallons Sold To Metered Customers</u> (g)
1.	January	n/a	n/a	n/a	346	n/a	n/a
2.	February	n/a	n/a	n/a	352	n/a	n/a
3.	March	n/a	n/a	n/a	354	n/a	n/a
4.	April	n/a	n/a	n/a	359	n/a	n/a
5.	May	n/a	n/a	n/a	368	n/a	n/a
6.	June	n/a	n/a	n/a	381	n/a	n/a
7.	July	n/a	n/a	n/a	392	n/a	n/a
8.	August	n/a	n/a	n/a	409	n/a	n/a
9.	September	n/a	n/a	n/a	418	n/a	n/a
10.	October	n/a	n/a	n/a	474	n/a	n/a
11.	November	n/a	n/a	n/a	507	n/a	n/a
12.	December	n/a	n/a	n/a	514	n/a	n/a
13.	Totals for the year	n/a	n/a	n/a	4874	n/a	n/a

INVESTMENT IN WATER/SEWER UTILITY SYSTEM

Line No.	Item (a)	Water (b)	Sewer (c)	Combined (d)
1.	Utility plant in service at year end	0	15,482,718	15,482,718
2.	Accumulated depreciation and amortization at year end	0	3,281,641	3,281,641
3.	Net utility plant (Line 1 minus Line 2)	0	12,201,077	12,201,077
4.	Utility plant acquisition adjustment at year end	0	0	0
5.	Accumulated amortization of acq. adj. at year end	0	0	0
6.	Contributions in aid of construction (CIAC) received during this 12-month reporting period	0	291,000	291,000
7.	Cumulative CIAC received at year end (excluding gross up)	0	0	0
8.	Accumulated amortization of CIAC at year end	0	2,625,313	2,625,313

IMPORTANT: Contributions in aid of construction (CIAC) are generally defined in the National Association of Regulatory Commissioners (NARUC) Uniform System of Accounts as money, services, or property received by the utility company from customers, developers, or any other source at no cost to the utility company which offsets the acquisition, improvement, or construction costs of the utility's property, facilities, or equipment to be used to provide utility service. Tap-on fees and meter installation fees are forms of CIAC.

REGULATORY FEE RECONCILIATION

Line No.	Item	Amount
	<u>Regulatory Fee Reports</u>	
9.	Regulatory fee report for quarter ended March 31, Line 1	50,108
10.	Regulatory fee report for quarter ended June 30, Line 1	52,512
11.	Regulatory fee report for quarter ended September 30, Line 1	56,853
12.	Regulatory fee report for quarter ended December 31, Line 1	73,012
13.	Total NC jurisdictional revenues for the year reported on regulatory fee reports (Sum of Lines 9 through 12)	232,485
14.	Total operating revenues [Page 14, Line 1, Column (d)]	232,485
15.	Difference between regulatory fee reports and Annual Report (Line 13 minus Line 14)	0
	<u>Explanation of Difference(s)</u> (Include a brief written description of each difference)	
16.	N/A	0
17.	N/A	0
18.	N/A	0
19.	N/A	0
20.	Total difference(s) (Sum of Lines 16 through 19 - Should be equal to Line 15)	0

BOND INFORMATION

(Note: If more lines are needed for additional bonds, attach supplementary sheets.)

For each bond (certificate of deposit, letter of credit, etc.) posted, list the following:

Line No.	Form of Bond (CD, Letter of Credit, or Surety)	Issuer of Surety	Amount of Bond	Is the Bond Still in Effect?	Date of Next Renewal
1.	Surety Bond No	ARCH Ins. Company	50,000	Yes	2/20/2015
2.	SU 1100854				
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					
16.					
17.					
18.					

Signature and Title: Ally Ryan Burke, Treasurer Date: 4/28/14

NOTARIZATION

Sworn to and subscribed to me
this the 29th day of April

Christine Dayfield, Notary Public
Notary Public

My Commission expires May 24, 2015



[Signature]

IMPORTANT: Rule R7-37(g) and Rule R10-24(g) require water and sewer companies to attach a separate notarized statement to its Annual Report stating the amount of each bond, whether the bond is still in effect, and the date of next renewal. Completion of the above meets this requirement.

SYSTEM AND OPERATOR STATUS (WATER)

[illegible]

* Check if more than 50 miles from residence of Operator in Responsible Charge (ORC).

WATER OPERATIONS

SEWER OPERATIONS

[illegible]

DESCRIPTION OF SEWER TREATMENT AND DISPOSAL PROPERTY IN SERVICE BY SYSTEM

Provide the following information for each sewer system listed in alphabetical order by system name. Please repeat the system name on each line, as needed.

[illegible]

[illegible]

VERIFICATION UNDER OATH REGARDING ACCURACY OF REPORT

(NOTE: THIS VERIFICATION SHALL BE COMPLETED BY EITHER THE CHIEF EXECUTIVE OFFICER, A SENIOR LEVEL FINANCIAL OFFICER, OR THE RESPONSIBLE ACCOUNTING OFFICER.)

I, Danielle E. Bergener, state and attest that the attached Annual Report to the North Carolina Utilities Commission is filed on behalf of Briar Chapel Utilities, LLC (Name of Water and/or Sewer Company) as required by the North Carolina Utilities Commission; that I have reviewed said Report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information provided therein; and that, to the best of my knowledge, information, and belief, all of the information contained therein is accurate and true, no material information or fact has been knowingly omitted or misstated therein, and all of the information contained in said Report has been prepared and presented in accordance with all applicable North Carolina General Statutes, Commission Rules, and Commission Orders.

Danielle E. Bergener
Signature of Person Making Verification

Vice President, Accounting
Job Title

April 28, 2014
Date

NOTARIZATION

Sworn to and subscribed to me
this the 29th day of April
Christine Dayfield, Notary Public
Notary Public

My Commission expires: May 24, 2015



Christine Dayfield

Exhibit 1 – Articles of Incorporation

Articles of Incorporation are on file with the NCUC under Docket W-1300 Sub 0.

ASSET PURCHASE AGREEMENT

between

BRIAR CHAPEL UTILITIES, LLC,

NNP-BRIAR CHAPEL, LLC

and

OLD NORTH STATE WATER COMPANY, LLC.

for the Purchase, Installation, Conveyance, and Operation of the

WASTEWATER UTILITY SYSTEM

providing wastewater utility service to

BRIAR CHAPEL DEVELOPMENT

AND THE EXTENDED SERVICE AREA

Chatham County, North Carolina

October 31, 2014

Table of Schedules

Schedules

1. Wastewater Utility System, Number of Active Customers, DWQ I.D. Nos. and Commission Docket Nos.
2. Effluent Easement and Irrigation Agreement
3. Briar Chapel Master Development Plan
4. Pump Station Lots, WWTP Lot, and Other Real Estate
5. Wastewater Collection System, Reclaimed Water Spray Irrigation System Map, and Reuse Water Spray Irrigation System Map
6. Wastewater Customer Records
7. Developer Agreements
8. Invoices for Wastewater System Plant Additions Subsequent to Initial Application
9. Easements and Rights of Way
10. North Carolina DWQ Approvals
11. Agreements Which Are Encumbrances
12. Prepaid Tap Fees and Cash CIAC
13. Highway Department and Public Road Encroachment Agreements
14. Notices of Termination, Defaults or Claims
15. Wastewater Covenants and Restrictions
 - a. General
 - b. Individual Grinder Pump Related
16. Spray Areas to be Irrigated in Accordance with Agreement Between Buyer and Developer
17. Commitment for Title Insurance

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("Agreement") is made this the 31st day of October, 2014 ("Effective Date"), by and between Briar Chapel Utilities, LLC, a Delaware Limited Liability Company authorized to do business in North Carolina, (hereinafter referred to as "Seller"), NNP-Briar Chapel, LLC, a Delaware Limited Liability Company authorized to do business in North Carolina (hereinafter referred to as "Developer") and Old North State Water Company, LLC, a North Carolina limited liability company (hereinafter referred to as "Buyer") (individually the Seller, the Developer, and the Buyer may be referred to as a "Party" and collectively referred to as the "the Parties").

WITNESSETH:

WHEREAS, Seller owns and operates a wastewater utility system (hereinafter referred to as "Wastewater Utility System") which serves a service area, located within Chatham County, North Carolina, that currently includes Briar Chapel Subdivision, Briar Chapel Community Center, Herndon Woods Subdivision, Woods Charter School, Margaret B Pollard Middle School, Chatham County Parks and Recreation Center, the US Steel property, and certain other areas. This service area shall collectively be referred to as the "Briar Chapel Development" or "Development"; and

WHEREAS, the Briar Chapel Development is currently owned by Developer, which constructed and installed the existing Wastewater Utility System, and conveyed the Wastewater Utility System to Seller as of December 22, 2009; and

WHEREAS, Developer contemplates constructing and installing future additional phases and expansions to the Wastewater Utility System in the Development and in areas outside, but in the general vicinity, of the Development (hereinafter referred to as the "ESA"); and

WHEREAS, Seller has obtained a Certificate of Public Convenience and Necessity (hereinafter referred to as "Certificate" or "CPCN") from the North Carolina Utilities Commission (hereinafter referred to as the "Commission") to provide wastewater utility service to the Briar Chapel Development and approvals from the North Carolina Department of Environment and Natural Resources-Division of Water Resources (hereinafter referred to as "DWQ" or "DWR") to provide wastewater utility service to the Development as follows:

Name		DWQ I.D. No.	U.C. Docket No.
Briar	Chapel	WQ0029867	W-1230, Sub 0
Briar	Chapel	WQCS00372	
Briar	Chapel	WQ0028552	

and

WHEREAS, Buyer is engaged in the business of owning and operating wastewater utility assets and furnishing wastewater utility operation and management services in the State of North Carolina; and

WHEREAS, Envirolink, Inc. has operated the Wastewater Utility System at the Briar Chapel Development since August 2008, pursuant to a separate Agreement for Operations, Maintenance and Management Services dated August 1, 2008, as amended, by and among Developer, Seller, and Envirolink, Inc.; and

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, all assets of the Wastewater Utility System serving the Development and the ESA as specifically hereinafter described and identified; and

WHEREAS, Developer and/or Buyer intend to install future expansions to the Wastewater Utility System to provide wastewater utility service to all sections of the Development, said Wastewater Utility System may be installed in phases; and

WHEREAS, the Parties have agreed that: (i) Seller will transfer the existing Wastewater Utility System Assets to Buyer, and Buyer will accept such existing Wastewater Utility System Assets; (ii) Buyer will expand the capacity of the existing Wastewater Treatment Plant; (iii) Developer will construct and transfer certain additional components of the Wastewater Utility System serving the Development and the ESA to Buyer, and Buyer will accept such future Wastewater Utility System Assets; and (iv) Buyer will operate the existing Wastewater Utility System and future expansions of the Wastewater Utility System, all in accordance with this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, conditions, warranties, representations, stipulations and agreements hereinafter contained, the Parties hereto mutually agree and covenant as follows:

Section 1

1. DEFINITIONS

1.1. "Agreement" shall mean this Asset Purchase Agreement for the purchase, conveyance and operation of the existing wastewater assets and the installation, conveyance, and operation of future expansions to the Wastewater Utility System serving the Development and surrounding areas, including all exhibits and schedules hereto, and amendments thereto.

1.2. "Briar Chapel Development" or "Development" shall mean the property already developed and to be developed by Developer, known as Briar Chapel Subdivision, Briar Chapel Community Center, Herdon Woods Subdivision, Woods Charter School, Margaret B Pollard Middle School, Chatham County Parks and Recreation Center, Village Center, Village Market, Commercial Center, Sandra Tripp property (1 REU), Crutchfield property (18 REUs), Daniel/Fearrington property (4 REUs), the Arrington property (1 Acre Commercial), and the US Steel property consisting of approximately 2,000 acres located in northern Chatham County, North Carolina.

1.3. "Certificate" shall mean the Certificate of Public Convenience and Necessity for providing wastewater utility service in the Development issued by the North Carolina Utilities

Commission in Docket W-1230, Sub 0, and any other certificates which might be issued for service in the Development.

1.4. “Certificate Extension” shall mean any extension(s) to the Certificate(s).

1.5. “Closing” shall mean each instance upon which Wastewater Utility System Assets are transferred from either Seller or Developer to Buyer. The initial Closing shall be between Seller and Buyer. Subsequent Closings are envisioned to be between Developer and Buyer.

1.6. “Closing Date” shall mean the date of the applicable Closing, as the context requires.

1.7. “Collection System Permit(s)” shall mean the individual permit(s) for the construction of each phase of the Wastewater Collection System in the Development. The permit(s) may have been issued as multiple individual permits or may have been issued as modifications to the initial Wastewater Collection System Permit.

1.8. “Commission” shall mean the North Carolina Utilities Commission.

1.9. “Commitments” shall mean those commitments for wastewater service that are included in the service area, are not being developed by Developer, and are included in the definition of “Development”. These commitments include 28 REUs for Herndon Woods, one (1) REU for the Sandra Tripp property, 18 REUs for the Crutchfield property, 4 REUs for the Daniel/Fearrington property, for one acre of commercial development for the Arrington property, and for the US Steel property.

1.10. “Deeded Property(ies)” shall mean the following real property being conveyed to Buyer by special warranty deed: That certain tract of land containing 21.24 total acres, located in Baldwin Township, Chatham County, North Carolina, and shown as Reclamation Facility Tract A (North) and Reclamation Facility Tract A (South), Exempt Plat, on Plat Book 2008, Pages 131-132, Chatham County Registry, to which reference is hereby made for a more particular description.

1.11. “Developer Agreement(s)” shall mean the Agreement(s) between Developer and Seller for the installation, conveyance, and operation of a wastewater utility system necessary to provide wastewater utility service to the Development and any subsequent amendments thereto.

1.12. “DWQ” or “DWR” shall mean the former Division of Water Quality of the North Carolina Department of Environment and Natural Resources now the Water Quality Permitting Section within the Division of Water Resources (DWR). DWQ shall have the same meaning as DWR and DWR shall have the same meaning as DWQ.

1.13. “Effluent Easement” shall mean, collectively, those certain Effluent Easement and Irrigation Agreements attached hereto as Schedule 2, executed by Seller and Developer, including all exhibits and schedules thereto, if any, and any subsequent amendments thereto.

1.14. “Effluent Storage Pond” shall mean the 21.3 million gallon storage pond constructed within the Development in which the Reuse Effluent is stored after treatment at the WWTP and from which the Reuse Effluent is then pumped and sprayed on the Spray Areas.

1.15. “ESA” shall mean any extended service areas acquired by Developer and located outside but in the general vicinity of the Development to be served by the Wastewater Utility System.

1.16. “ESA Effluent Easement” shall mean an ESA Effluent Easement and Irrigation Agreement in substantially the form as Schedule 2 (as revised to apply to ESA Spray Areas), to be executed by Developer and Buyer upon certification of the ESA Spray Irrigation Facilities, including all exhibits and schedules thereto, if any, and any subsequent amendments thereto.

1.17. “ESA Spray Areas” shall mean all areas in the ESA that have been or may in the future be permitted by DWQ for spray irrigation of Reuse Effluent.

1.18. “ESA Spray Irrigation Facilities” shall mean all the Reuse Effluent irrigation lines relating to the ESA Spray Areas, pumps, booster pumps, irrigation and spray devices, software, controls and other devices used in the application of Reuse Effluent from either the Effluent Storage Pond or any additional effluent storage ponds upon the ESA Spray Areas, together with all appurtenant easements.

1.19. “ESA Wastewater Collection System” shall mean the wastewater service lines, gravity collection lines, if any, force mains, lift stations, if any, and all appurtenant equipment that will bring the wastewater from the customers located in the ESA to the WWTP.

1.20. “Gravity Service Line” shall mean the line, which conveys wastewater via gravity flow, from the individual household or commercial establishment to the Wastewater Collection System. The portion of the individual household sewer line for which Buyer assumes maintenance responsibility shall include only that portion of the individual household sewer line that extends from, and includes, the wastewater cleanout at or near the property line to the Buyer’s wastewater main at or near the street, unless a cleanout is not located at or near the property line in which case Buyer shall assume maintenance responsibility up to the property line.

1.21. “GPD” shall mean gallons per day.

1.22. “Grinder Pump Station” shall mean the wastewater grinder pump, tank and controls, if any, located on each customer’s property near the dwelling or commercial building into which the customer’s wastewater enters and is then pumped into the Wastewater Collection System or ESA Wastewater Collection System.

1.23. “Low Pressure Service Line” or “Service Line” shall mean the portion of the individual household wastewater line for which Buyer will assume maintenance responsibility. The Service Line shall include only that portion of the line that extends from the Grinder Pump Station near the home to Buyer’s wastewater main at or near the street. The portion of the line extending from the home to the Grinder Pump Station shall not be included in the term “Service Line.”

1.24. “Non-Discharge Permit” shall mean the 0.75 MGD permit for the ultimate construction of a 0.75 MGD wastewater treatment plant and construction and operation of the existing 0.25 MGD Wastewater Treatment Plant issued by DWQ as Permit No. WQ0029867, including all modifications thereto.

1.25. “Reclaimed Effluent” shall mean the wastewater that has been treated to the point that it meets the quality standards required by DWR for disposal on individual residential and non-residential lots.

1.26. “Reclaimed Irrigation Facilities” shall mean all Reclaimed Effluent irrigation lines installed in defined areas that are not located on individual lots for the purpose of irrigating designated open areas on individual residential lots or non-residential lots. These areas are commonly referred to as “conjunctive” areas and are currently not credited toward the Wastewater Utility System’s permitted irrigation disposal capacity.

1.27. “Residential Equivalent Unit” or “REU” shall mean a unit of wastewater treatment capacity equal to the presumed average daily wastewater flow of a single-family unit in the Development (250 GPD). For purposes of this Agreement, the number of REUs represented by a non-residential user shall be determined as follows:

(a) If there is no water or wastewater meter for the non-residential facility, by dividing the design flow of the facility in question, (in GPD) by 250 GPD; or

(b) If there is a water and/or a wastewater meter for the non-residential facility, in accordance with the following chart:

<u>Meter Size</u>	<u>REU</u>
<u>less than 1”</u>	<u>1</u>
<u>1”</u>	<u>2.5</u>
<u>1.5”</u>	<u>5.0</u>
<u>2”</u>	<u>8.0</u>
<u>3”</u>	<u>15.0</u>
<u>4”</u>	<u>25.0</u>
<u>6”</u>	<u>50.0</u>

1.28. “Reuse Effluent” shall mean the wastewater that has been treated to the point that it meets the quality standards required by the Non-Discharge Permit.

1.29. “Reuse Effluent Pumping Station” shall mean that certain pump house, pumps and controls to be located near the Effluent Storage Pond that shall be used to pump Reuse Effluent to and through the Spray Irrigation Facilities at the Development.

1.30. “Reuse Irrigation Facilities” shall mean all Reuse Effluent irrigation lines, pumps, booster pumps, irrigation and spray devices, software, controls and other devices used in the application of Reuse Effluent from the Effluent Storage Pond upon the Spray Areas located within Development which shall be owned and operated by Buyer.

1.31. “Spray Areas” shall mean all areas at the Development that have been or may in the future be permitted by DWQ for spray irrigation of Reuse Effluent.

1.32. “Spray Irrigation Facilities” shall mean all Reuse Effluent irrigation lines, pumps, booster pumps, irrigation and spray devices, software, controls and other devices used in the application of Reuse Effluent from the Effluent Storage Pond upon the Spray Areas located within Development which shall be owned and operated by Buyer.

1.33. “System-wide Collection System Permit” shall mean the permit for the operation of the Wastewater Collection System for the Development issued by DWQ (WQCS00372).

1.34. “Upset Storage Pond” shall mean the 3.5 million gallon five-day retention pond that is located near the WWTP for the retention of wastewater during WWTP upsets.

1.35. “Wastewater Collection System” shall mean the wastewater service lines (gravity and low pressure), gravity collection lines, if any, force mains, lift stations, if any, and all appurtenant equipment that will deliver wastewater from the customers within the Development to the WWTP.

1.36. “Wastewater Plans” are all plans and specifications for the Wastewater Utility System approved by DWQ, Buyer, and Chatham County (if required), and engineered by Seller’s or Developer’s engineer.

1.37. “Wastewater Utility System” shall mean the WWTP, the Wastewater Collection System, the Effluent Storage Pond, the Upset Storage Pond, the Reuse Irrigation Facilities, the Reuse Effluent Pumping Station, the Reclaimed Irrigation Facilities, the Spray Irrigation Facilities, all lift stations, if any, and other facilities used in the collection, treatment, holding and discharge of the wastewater, and, if constructed, any additional components of the Wastewater Utility System necessary to service the Development and the ESA, including, but not limited to, additional components to the WWTP, additional effluent storage pond(s), upset storage pond capacity, spray irrigation facilities, and additional components of the Wastewater Collection System.

1.38. “Wastewater Utility System Assets” shall mean the WWTP, the WWTP site of adequate size for the current WWTP and future expansions of the WWTP including adequate buffer, the Effluent Storage Pond site, the Upset Storage Pond site, the Wastewater Collection System, the Reuse Irrigation Facilities, the Reuse Effluent Pumping Station, the Reclaimed Irrigation Facilities, the Spray Irrigation Facilities, and, if constructed, any additional components of the Wastewater Utility System necessary to service the Development and the ESA, including, but not limited to, additional components to the WWTP, additional capacity for the Effluent Storage Pond and Upset Storage Pond, and additional components of the Wastewater Collection System, the ESA Collection System, and the ESA Spray Irrigation Facilities. Attached as Schedule 4 is a map of the WWTP site with adequate buffers, the Effluent Storage Pond site and the Upset Storage Pond site.

1.39. “Wastewater Utility System Phase” shall mean any discrete phase of development of the Wastewater Utility System, including any modifications to the Wastewater Utility System

necessary to permit wastewater service to the Development or to the ESA, which Developer will convey to Buyer upon its completion.

1.40. "WWTP" or "Wastewater Treatment Plant" shall mean the already constructed 250,000 GPD wastewater treatment plant located within the Development and any additions thereto.

Section 2

2. REPRESENTATIONS AND WARRANTIES

2.1. Seller hereby represents and warrants as follows:

(a) Organization; Good Standing; Power. Seller is a Limited Liability Company duly organized, validly existing and in good standing under the laws of the state of Delaware and authorized to do business in the state of North Carolina and has all requisite power and authority to own, lease and operate its properties, to carry on its business as now being conducted and to enter into this Agreement and perform its obligations hereunder.

(b) Title to Properties. Seller is the legal owner of and has fee simple marketable title to all the assets in the Wastewater Utility System Assets and all existing assets being purchased by Buyer in this Agreement.

(c) Authority Relative to Agreement. Seller has taken all requisite action necessary to enter into this Agreement. The execution, delivery and performance of this Agreement by Seller and the consummation of the transactions contemplated hereby will not (i) require the consent, approval or authorization of any other person, corporation, partnership, joint venture or other business association or public authority (other than the Commission or DWQ); (ii) violate, with or without the giving of notice or the passage of time, or both, any provisions of law now applicable to Seller; or (iii) result in a violation of Seller's charter or by laws.

(d) Notices of Terminations or Defaults. Seller is not aware of nor has Seller received any notice of termination or notice of default or claim with respect to any agreement or commitment in effect with respect to any said Wastewater Utility System Assets except for those notices of default set forth on Schedule 14.

(e) Encumbrances. To Seller's knowledge, there are no liens, claims or encumbrances of whatever type or nature upon or against the Wastewater Utility System, including but not limited to mortgages, deeds of trust, financing statements or security instruments filed under the Uniform Commercial Code, either in the county where the Wastewater Utility System is located or with the Secretary of State. In the event that there are any liens or encumbrances, Seller shall pay off or cause to be released at or prior to Closing all mortgages, deeds of trust, liens, and encumbrances and obtain all necessary releases so Buyer will receive fee simple marketable title to the Wastewater Utility System.

(f) Location of Properties. To the best of Seller's knowledge, the Wastewater Utility System is located on the Deeded Properties being conveyed to Buyer by special warranty deed or in the Effluent Easements, which easements shall be conveyed hereunder to Buyer.

(g) Litigation. Except as may otherwise be disclosed on Schedule 14, Seller, to its best knowledge, represents that there are no actions, suits, proceedings or investigations pending or affecting or which would with the passage of time affect the Wastewater Utility System, at law, under regulations or in equity, before any federal or state court, department, commission, board, bureau, agency or instrumentality, which would be a lien or encumbrance on any of the Wastewater Utility System or revenues generated by the Wastewater Utility System or would materially adversely affect Buyer's use of the Wastewater Utility System.

(h) Permits and Approvals. Except as may otherwise be disclosed on Schedule 10, Seller has all the required permits and approvals from DWQ to operate the Wastewater Utility System.

(i) Environmental Matters. Seller has not during the period Seller owned the Deeded Property introduced to the Deeded Property any hazardous substances. Seller has no knowledge of any such hazardous substances being introduced to the real property prior to the time Seller acquired the Deeded Property. For purposes of this paragraph, the definition of the term "hazardous substance" shall be that set out in Section 101(4) of the Federal Comprehensive Environmental Response, Compensation and Liability Act, except that for purposes of this Asset Purchase Agreement, the term also shall include (i) petroleum (crude oil) and natural gas (whether existing as a gas or a liquid) and (ii) any substance defined as hazardous or toxic by any state or local regulatory agency having jurisdiction over the operations of Seller. The term hazardous substance shall not include the wastewater additives such as chlorine, caustic soda, or thiosulfate used in conjunction with the conveyance, treatment and disposal of wastewater.

(j) Prepaid Tap Fees, Advances for Construction. Except as otherwise disclosed on Schedule 12, Seller has not received any prepaid tap fees or advances for construction or cash contributions in aid of construction for which construction has not been completed.

(k) Property Tax Listings and Payments. Seller has filed in a timely manner (taking into account all extensions of due dates) all property tax listings, which are required to have been filed and has paid all property taxes on the Wastewater Treatment System.

2.2. Developer hereby represents and warrants as follows:

(a) Organization; Good Standing; Power. Developer is a Limited Liability Company duly organized, validly existing and in good standing under the laws of the state of Delaware and authorized to do business in the state of North Carolina and has all requisite power and authority to own, lease and operate its properties, to carry on its business as now being conducted and to enter into this Agreement and perform its obligations hereunder.

(b) Authority Relative to Agreement. Developer has taken all requisite action to enter into this Agreement. The execution, delivery and performance of this Agreement by Developer and the consummation of the transactions contemplated hereby will not (i) require the consent, approval or authorization of any other person, corporation, partnership, joint venture or other business association or public authority (other than the Commission or DWQ); (ii) violate, with or without the giving of notice or the passage of time, or both, any provisions of law now applicable to Developer; or (iii) result in a violation of Developer's charter or by laws.

(c) Subsequent Closing Representations. At each Closing, Seller or Developer, as appropriate, shall represent and warrant the following to Buyer:

- (i) the conveyance of all the Wastewater Utility System Assets at the Closing will not violate any judicial, governmental or administrative order, award, judgment, or decree applicable to Seller or Developer, as applicable, or the Wastewater Utility System Assets;
- (ii) there are no existing contracts or commitments whatsoever of any type or nature in effect with respect to the Wastewater Utility System Assets being transferred to Buyer, other than this Agreement, and Seller or Developer, as applicable, is not aware of any default by any Party to any such agreement; and
- (iii) except as described herein or in the title commitment described in Section 3.12 below, there are no liens, claims, or encumbrances whatsoever of any type or nature upon or against any of the Wastewater Utility System Assets being transferred to Buyer, including but not limited to deeds of trust, financing statements or security agreements filed under the Uniform Commercial Code either in Chatham County or with the North Carolina Secretary of State.

2.3. Buyer hereby represents and warrants as follows:

(a) Organization; Good Standing; Power. Buyer is a Limited Liability Company duly organized, validly existing and in good standing under the laws of the state of North Carolina, has a current certificate of authority to do business in North Carolina and has all requisite power and authority to own, lease and operate its properties, to carry on its business as now being conducted and to enter into this Agreement and perform its obligations hereunder.

(b) Authority Relative to Agreement. Buyer has taken all requisite action necessary to enter into this Agreement. The execution, delivery, and performance of this Agreement by Buyer and the consummation of the transactions contemplated hereby will not (i) require the consent, approval or authorization of any person, corporation, partnership, joint venture or other business association or public authority other than the Commission or DWQ; (ii) violate, with or without the giving of notice or the passage of time, or both, any provisions of law now applicable to Buyer; or (iii) result in a violation of Buyer's charter or by-laws.

(c) Buyer agrees to use good faith efforts to obtain approval of the

Commission or DWQ for the purchase and operation of the Wastewater Utility System Assets pursuant to this Agreement, and subsequent to Closing will maintain any and all licenses and permits required for the operation of the Wastewater Utility System Assets.

Section 3

3. CONVEYANCE OF EXISTING WASTEWATER UTILITY SYSTEM ASSETS

3.1. Conveyance of Existing Utility System Assets.

(a) Purchase of Assets. Seller agrees to sell and Buyer agrees to purchase on or before the Initial Closing Date (as hereinafter defined), for the consideration hereinafter set forth in Section 3.2, all the Wastewater Utility System Assets of Seller as set forth on Schedule 1 attached hereto and made a part of this Agreement. Schedule 1 also states the number of active customer connections on the Wastewater Utility System on the date Schedule 1 is prepared. The purchase by Buyer of the Wastewater Utility System shall include but not be limited to:

(i) The WWTP, the entire Wastewater Collection System, Reuse Irrigation Facilities, Reclaimed Irrigation Facilities, Effluent Storage Pond, Upset Storage Pond, including, but not limited to, the wastewater collection mains, wastewater service lines, the wastewater pump stations (if any), reuse and reclaimed distribution mains, reuse and reclaimed distribution pump stations, and all buildings, parts, and equipment that constitute part of the Wastewater Utility System.

(ii) The Deeded Property, as specifically set forth on Schedule 4 attached hereto.

(iii) All easements, rights of way and consents owned or used by Seller or Developer for the construction, operation, and maintenance of the Wastewater Utility System. All privileges, permits or approvals issued by DWQ, and all wastewater rights, flowage rights and riparian rights necessary to the operation and maintenance of said Wastewater Utility System. At Closing, Seller shall execute written assignments to Buyer of such rights.

(iv) All current wastewater customer records including service locations and mailing addresses which are necessary for Buyer to establish customer accounts and locations and collect the receivables purchased by Buyer. This schedule shall be substantially in the form shown in Schedule 6 and upon delivery Seller shall acknowledge receipt, which acknowledgement shall become a part of this Agreement. These shall also be delivered in electronic format, if available.

(v) Wastewater Utility System prints, plans, specifications, engineering reports, engineer certifications, wastewater reports, geographical information system, surveys, shop drawings, equipment manuals, wastewater analyses reports, copies of all DWQ reports, permits, approvals, correspondence and other information from DWQ or the Commission which are in the possession of Seller and its agents which are necessary for the operation of the Wastewater Utility System.

(vi) All rights of Seller under Developer Agreements for the Wastewater Utility System, including rights for future wastewater system expansion, any future connection charges and tap fees or impact fees which are to be paid by developers to Seller under the Developer Agreements, and future connection charges or tap fees paid by new customers after the date of closing hereof. "Developer Agreements" shall be set forth on Schedule 7, with a copy of each Developer Agreement attached thereto.

(vii) Seller's copies of all financial and Wastewater Utility System records, including copies of back up invoices relating to utility plant schedules and invoices for the Wastewater Utility System necessary for Buyer to establish the rate base, accumulated depreciation, CIAC, tap fees, etc.

(viii) All contract rights of Seller for non-developer contracts which relate to the Wastewater Utility System and are necessary for the continuing maintenance and operation of the Wastewater Utility System. Seller shall provide to Buyer a copy of each of these contracts prior to Closing and Seller and Buyer shall mutually agree upon which contract will be assigned to and assumed by Buyer.

(ix) All customer accounts receivable.

(x) All future tap fees, connection fees, meter installation fees and plant impact fees.

(xi) Assignment of Covenants and Restrictions related to wastewater service contained within customers deeds.

(b) Assignment of Warranties. Seller shall assign to Buyer any warranties on the Wastewater Utility System components that were provided to Seller or Developer by subcontractors or manufacturers of the Wastewater Utility System. Except for any such warranties, Buyer is acquiring the Wastewater Utility System Assets in an "as is" basis, "with all faults", and without any representation or warranty as to merchantability or fitness for a particular purpose.

(c) Items Not Purchased. Buyer is not purchasing Seller's cash, bank accounts, or certificates of deposit posted at the Commission for Commission required bonds.

(d) Buyer to Replace Seller's Commission Bonds. At Closing, Buyer shall replace all Seller's bonds posted with the Commission, and shall assist Seller in obtaining the expeditious release and return of Seller's certificates of deposit which secure the bonds.

3.2. Purchase Price. The Purchase Price paid to the Seller by Buyer is comprised of the following: One Thousand Five Hundred Dollars (\$1,500) per REU for each new residential and non-residential connection made to the Wastewater Utility System. Buyer will continue to collect the \$1,500 per REU Connection Fee approved in the franchise proceeding for the Seller in Docket No. W-1230, Sub 0, for each new connection made to the Wastewater Utility System and pay such fees to Developer. Briar Chapel Development is currently planned for 2,516 connections. Currently, 669 connections have been made, leaving 1,847 anticipated future connections. Payment for these

anticipated future connections shall be paid by Buyer to Developer quarterly based on the number of connections installed during the previous quarter. Payments shall be made on or about each January 15, April 15, July 15, and October 15.

3.3. Expansion of the WWTP. Buyer will be responsible for and shall pay all costs for the design, permitting and construction to expand the currently installed 250,000 GPD Wastewater Treatment Plant to 600,000 GPD. Buyer estimates that the cost to expand the WWTP from 250,000 GPD to 600,000 GPD will be \$7.00 per gallon or Two Million Four Hundred Fifty Thousand (\$2,450,000).

3.4. Tariff and Connection Fee. The Parties acknowledge and agree that Buyer will not submit an application for a rate increase or an increase in the connection fee to the Commission for a period of at least three (3) years after the Initial Closing Date. Once the three (3)-year period after the Initial Closing Date has passed, Buyer has the right to request an increase in rates and/or connection fee, within its discretion.

3.5. Buyer's Due Diligence Investigations of the Wastewater Utility System. It is recognized that Buyer or Buyer's agent is currently operating the Wastewater Utility System. Notwithstanding the forgoing, Buyer with full cooperation of Seller shall be able to perform extensive due diligence inspections of the Wastewater Utility System. Buyer is relying on Buyer's extensive on-site inspections to determine the operating condition of the system and the necessity for system capital improvement upgrades. Buyer is acquiring the Wastewater Utility System Assets in an "AS IS, WHERE IS" basis, "WITH ALL FAULTS", and without any representation or warranty as to merchantability or fitness for a particular purpose. It is expressly agreed that Seller shall have no liability to Buyer after Closing with respect to the Wastewater Utility System. After the Closing, Buyer will make repairs and upgrades to the Wastewater Utility System at Buyer's expense.

3.6. Documents to be Furnished within 10 Days. Seller shall deliver to Buyer within ten (10) days of the execution of this Agreement any of the following documents that have not already been provided to Buyer for Buyer's review. Buyer shall have ten (10) days from the date of its receipt of each document to review and approve or disapprove each of the documents and the contents therein. If Buyer disapproves any of the documents, then Buyer shall not be obligated to close this transaction. If Buyer shall fail to give notice of any disapproval of any document within said ten (10)-day period, then for all purposes hereof, Buyer shall be deemed to approve same.

(i) Schedule 1. The number of active customers of the Wastewater Utility System, the DWQ system I.D. number, and the Commission Docket number for the issuance of the Certificate to Seller.

(ii) Schedule 2. Existing Effluent Easement and Irrigation Agreement between Developer and Seller.

(iii) Schedule 3. Updated Briar Chapel Development Plan.

(iv) Schedule 4. All pump station lots, WWTP lots, and other real estate with copies attached of the deeds and easements and listing the recorded deed book and page together with copies of deeds to all other real estate which is a part of the Wastewater Utility System.

(v) Schedule 5. Wastewater Collection System map, Reclaimed Water Spray Irrigation System map, and Reuse Water Spray Irrigation System map.

(vi) Schedule 6. Format for confidential listing of all customers, physical addresses, mailing addresses, and lot numbers, if possible. This information shall be confidentially conveyed to Buyer. Upon receipt by Buyer, Buyer shall acknowledge receipt.

(vii) Schedule 7. List of "Developer Agreements" and wastewater utility service commitments entered into between Seller and owners or developers of property regarding wastewater service to be provided to the properties of such parties. This schedule shall list each agreement date, agreement parties and wastewater system name, with copies of each such agreement attached if available.

(viii) Schedule 8. List of all invoices for Wastewater Utility System plant additions or improvements subsequent to the initial application with copies attached.

(ix) Schedule 9. List of all private easements and rights of way owned or used by Seller for the construction, operation, maintenance, repair and replacement of the Wastewater Utility System with copies of these instruments attached.

(x) Schedule 10. List of all DWQ approvals or permits, with copies of the DWQ approvals and permits attached together with a description of any portion of the Wastewater Utility System that does not have a DWQ written approval.

(xi) Schedule 11. List of agreements entered into by or between Seller and other parties, which would or might be considered to be an encumbrance upon the Wastewater Utility System and related equipment, with copies of such agreements attached.

(xii) Schedule 12. List of all prepaid customer tap fees, and prepaid cash CIAC for which the wastewater system or a portion thereof has not been installed.

(xiii) Schedule 13. List of all Department of Transportation Encroachment Agreements with copies attached.

(xiv) Schedule 14. List of all Notices of Terminations, Defaults and Claims as required by Section 2.1 (d).

(xv) Schedule 15. List of Wastewater Covenants and Restrictions including specific restrictions related to individual residential grinder pumps, sewer use, and Fats, Oil & Grease with copies attached thereto.

3.7. Possession and Operations. Possession of the Wastewater Utility System Assets shall be delivered on the date of Closing. Buyer, at Closing, will immediately assume ownership and

operation of the Water Utility System and pay all costs of the operation and maintenance which arise after the Closing.

3.8. Fire or Other Casualty. The risk of loss or damage by fire or other casualty prior to Closing shall be upon Seller.

3.9. Customer Service Deposits. Seller represents and warrants to Buyer that Seller has not collected any customer service deposits. If Seller has collected any customer service deposits, it shall refund any customer service deposits immediately following the Closing.

3.10. Initial Closing Date. Upon receipt of the last item described in Section 3.6 and upon approval by the Commission of the transfer of the Certificate from Seller to Buyer, the Parties shall mutually agree upon a date for the transfer of the Deeded Properties, the WWTP, the Effluent Storage Pond, the Upset Storage Pond, the Reuse Effluent Pumping Station, the Reuse Irrigation Facilities, the Reclaimed Irrigation Facilities, the initial phase of the Wastewater Collection System, and the initial phase of the Spray Irrigation Facilities, which Initial Closing Date shall not be later than December 31, 2014.

3.11. Effluent Easement Agreement. All rights, duties and obligations of Seller and/or Developer under the Effluent Easement Agreement shall be transferred to and assigned to Buyer. At the Closing, Seller or Developer, as appropriate, and Buyer shall execute a written assignment of the Effluent Easement Agreement to Buyer.

3.12. Title Insurance.

(a) Title Insurance for Deeded Property. Seller, at Seller's cost, has provided to Buyer a title commitment to the Deeded Property for the Wastewater Utility System, showing title to be marketable fee simple title and to be free and clear of any and all liens and encumbrances, except as may be described in the title commitment and approved by Buyer. Seller shall procure a title commitment on behalf of Buyer with respect to each Deeded Property prior to Closing, and shall pay the attorney's fees incurred in connection therewith. Buyer shall pay the title insurance premiums in connection with the issuance of an owner's policy after each such Closing.

(b) Title Insurance for Easements. Contemporaneously with the execution of this Agreement hereof, Seller has delivered to Buyer, and Buyer acknowledges its receipt of, a Commitment for Title Insurance covering the Deeded Property and easement interests in the form attached hereto as Schedule 17. Buyer agrees that if it elects to obtain an owner policy of title insurance at each Closing hereunder, Buyer shall pay the title insurance premium in connection with such owner policy issued in favor of Buyer.

Section 4

4. INSTALLATION AND CONVEYANCE OF FUTURE EXPANSION TO WASTEWATER UTILITY SYSTEM TO SERVE THE DEVELOPMENT

4.1. Design, Engineering, and Expansion of WWTP.

(a) Buyer will design, engineer and expand the existing WWTP to a 600,000 GPD WWTP to provide wastewater services to the Development and the ESA, as more particularly described herein. Such expansion may be completed in phases, if necessary. If additional treatment capacity in excess of 600,000 GPD is necessary to serve the ESA, if constructed, responsibility for expansion of the WWTP necessary to provide such additional capacity shall be completed by Developer in accordance with Section 5.2(c).

(b) The Parties acknowledge that the existing WWTP has been designed to treat 250,000 GPD and that the Non-Discharge Permit has been issued for a WWTP with a capacity of 750,000 GPD.

(c) Buyer agrees to reserve up to 600,000 GPD of capacity in the WWTP for customers in the Development and the ESA. In the event that there is additional and unused capacity in the WWTP that is not required for the Development and the ESA, Buyer may allocate such additional and unused capacity to customers outside the Development and the ESA upon written agreement from the Developer. In the event that Seller and Buyer agree that Buyer may allocate additional and unused capacity in the WWTP to customers outside the Development and the ESA, Developer shall have no obligation to design, permit or construct any additional Wastewater Utility System components or provide property within the Development or ESA for Spray Areas necessary to serve those customers.

4.2. Design, Permitting and Construction of Additional Wastewater Utility System Components.

(a) Only if required to provide wastewater service to the Development, Developer shall design, engineer and install a reuse spray irrigation system, upset pond, and effluent storage pond, as more particularly described herein. Such components may be completed in phases. If additional irrigation, upset pond or effluent holding pond capacity is necessary to serve the ESA, if constructed, construction of the portion of the Wastewater Utility System necessary to provide such additional capacity shall be completed in accordance with Section 5.2.

(b) In connection with construction of each section of the Development, Developer shall cause to be installed, at Developer's expense, if required, a complete Wastewater Collection System to serve all lots in that section of the Development. The entire Wastewater Collection System shall be constructed in such a manner as to restrict entry of groundwater and surface waters into the Wastewater Utility System to the greatest extent practicable and, at a minimum, shall conform to the minimum standards established by the DWQ regulations for infiltration/inflow.

4.3. Certificate of Public Convenience and Necessity. After the execution of this Agreement, and prior to the installation of each Wastewater Utility System Phase, Buyer will apply to the Commission as soon as may be practicable for a Certificate or Certificate extension to provide wastewater service to that section or phase of the Development, if not already included within the existing Commission approved franchise area. Buyer shall provide all bonds required by the Commission for each Certificate or Certificate Extension.

4.4. Oversight; Required Documents. The Wastewater Utility System shall be installed in accordance with the DWQ approved Wastewater Plans. Furthermore:

(a) Prior to the commencement of any construction work on additional components of the Wastewater Utility System, Developer shall obtain Buyer's approval of all contractors and subcontractors who will perform work on the installation of the Wastewater Utility System. Buyer shall not unreasonably withhold, condition or delay approval of such additional contractors, and Buyer shall respond to Developer's request for approval within fourteen (14) days of such request.

(b) Developer shall furnish to Buyer copies of all required surveys, maps, and engineering drawings and specifications sufficient for filing an application with the Commission for the Certificate or Certificate Extension.

(c) Developer shall cause its contractors to provide to Buyer a one-year warranty on all Wastewater Utility System components commencing on the date of issuance of the final engineering certification.

(d) Buyer may periodically inspect the construction, and may require correction to portions of the construction that are not consistent with the DWR-approved plans, that may be amended from time to time.

4.6. Subsequent Closings of Wastewater Utility System Components to Serve the Development. Once any phase of the Wastewater Utility System components to serve the Development and the ESA has been installed, certified by the engineer, and inspected and approved by Buyer, it shall be conveyed by Developer to Buyer at no cost and accepted by Buyer. Developer shall thereafter have no further responsibility for such phase of the Wastewater Utility System, and Buyer shall pay all costs of the operation and maintenance.

4.7. Installation of Grinder Pump Stations.

(a) For each lot in the Development served by a pressure wastewater main, Developer shall provide a standardized wastewater connection valve box at the property or street right of way line on such lot with a service line feeding to a pressure collection system.

(b) Each lot in the Development served by a pressure wastewater main shall have a standardized Grinder Pump Station, the design of which must be pre-approved by Buyer and DWQ. Upon the first customer request for service at each residential lot, Buyer shall arrange for the installation of the Grinder Pump Station to serve the lot and shall coordinate the installation thereof. Each lot owner shall be required to prepay the outside contractor (specified by Buyer) installing the Grinder Pump Station the entire cost of the installation of the Grinder Pump Station, including any applicable inspection fees. None of the fees for the installation of the Grinder Pump Stations shall be paid to Buyer. Each Grinder Pump Station shall be owned by the lot owner and lot owner shall be responsible for the maintenance, repair and replacement of such Grinder Pump Station. Buyer may apply to the Commission for approval of a grinder pump policy giving Buyer the authority to require certain restrictions related to lot owner's operation

and maintenance of the grinder pump. Additionally, this policy will require annual inspection and testing of the unit by a Buyer approved and manufacturer certified inspector. In the event Buyer is required to initiate and complete corrective action on a grinder pump, Buyer may charge and collect from the person the actual cost of the repairs, corrective actions and/or replacement of the Grinder Pump Station. Buyer shall not be responsible for providing power for the Grinder Pump Stations, which will be provided through the lot owner's individual electric service. Buyer shall not be responsible for providing an emergency generator when there are power outages, nor shall there be any liability to Buyer should a portable generator not be connected to the Grinder Pump Station during a power outage.

(c) Developer shall use commercially reasonable efforts to ensure that the employees, contractors, subcontractors and builders under its control do not break or damage the Grinder Pump Stations, service lines or connection valve boxes.

4.8. Easements for Grinder Pump Stations. Each Grinder Pump Station will require a perpetual easement with a total width of ten (10) feet centered on the service lateral connecting to the main wastewater force main, and a fifteen (15) foot diameter circle centered at the center of the Grinder Pump Stations. These perpetual easements shall be for ingress, egress, regress, and access to install, operate, repair, maintain and replace the service line and the Grinder Pump Stations. Developer, in each deed to a lot purchaser and in the recorded restrictive covenants relating to such lot, shall reserve and convey to Buyer these perpetual easements for the Grinder Pump Stations and service lines.

4.9. Consultation on the Planning and Coordination of Future Wastewater Installations. Developer and Buyer shall consult on each Wastewater Utility System expansion so that such expansions shall be sized to accommodate wastewater for future developments upstream. Once Buyer approves the sizing of wastewater and Reuse Effluent mains, Developer shall be responsible for paying any additional costs to install upsized lines necessary to accommodate wastewater and Reuse Effluent distribution service necessary to provide wastewater utility service to Developer's future phases. Once the lines are installed, certified by the engineer, inspected and approved by Buyer and conveyed to Buyer, then Developer shall have no further responsibility for the lines.

Section 5

5. INSTALLATION AND CONVEYANCE OF FUTURE EXPANSION OF THE WASTEWATER UTILITY SYSTEM TO SERVE THE ESA

5.1. ESA to be Interconnected to Wastewater Utility System. Developer may develop additional residential and nonresidential development areas near Briar Chapel in the future, which areas are defined herein as the ESA. Developer and Buyer agree that the ESA shall be serviced by the Wastewater Utility System.

5.2. Wastewater Utility System Capacity for ESA.

(a) Developer shall cause its engineer to prepare, in Buyer's name, and

process through the DWQ approval process, plans and specifications for any additions or modifications to the Wastewater Utility System, including WWTP expansion as necessary, and Non-Discharge Permit necessary in order to provide service to the ESA. Buyer shall review and approve the plans and specifications prior to Buyer's execution of the applications. Buyer shall execute these applications and cooperate fully with Developer's engineer to expedite the DWQ and Chatham County (if required) permit approval process. Developer shall pay for all engineering costs and permit fees associated with design, DWQ approval and construction of any such modifications to the Wastewater Utility System necessary to provide service to the ESA.

(b) Wastewater Utility System capacity for the ESA, to the extent capacity is available, shall be provided by the existing Wastewater Utility System.

(c) Except as provided in Section 4.1, Developer shall install, at Developer's expense, any necessary additional WWTP capacity in excess of 600,000 GPD required by DWQ in order for the Wastewater Utility System to serve the ESA.

(d) Developer shall install, at Developer's expense, any necessary additional upset storage capacity required by DWQ in order for the Wastewater Utility System to serve the ESA. If DWQ determines that the existing Upset Storage Pond has adequate capacity to serve the ESA, Developer shall not be required to construct additional upset storage capacity.

(e) Developer, at Developer's expense, shall construct any and all modifications required to the Reuse Effluent Pumping Station in order for the Wastewater Utility System to serve the ESA. If a separate pump station is required for the ESA, Developer, at Developer's expense, shall construct such pump station.

5.3. Installation of Wastewater Collection System and ESA Spray Irrigation Facilities for ESA.

(a) Upon development, Developer shall cause to be installed in each section of the ESA at Developer's expense, if required, a complete ESA Wastewater Collection System, including any upgrades to the existing Wastewater Collection System in the Development necessary to provide service to all lots in that section of the ESA.

(b) The entire ESA Wastewater Collection System shall be constructed in such a manner as to restrict the entry of groundwater and surface waters into the ESA Wastewater Utility System to the greatest extent practicable and, at a minimum, shall conform to the minimum standards established by the DWQ regulations for infiltration/inflow.

(c) Developer, at Developer's expense, shall construct and install the ESA Spray Irrigation Facilities, if required for the Wastewater Utility System to serve the ESA.

5.4. Installation of Grinder Pump Stations.

(a) For each lot in the ESA served by a pressure wastewater main, Developer shall provide a standardized wastewater connection valve box at the property or street right of way line on such lot with a service line feeding to a pressure collection system.

(b) Each lot in the ESA served by a pressure wastewater main shall have a standardized Grinder Pump Station, the design of which must be pre-approved by Buyer and DWQ. Upon the first customer request for service at each residential lot, Buyer shall arrange for the installation of the Grinder Pump Station to serve the lot and shall coordinate the installation thereof. Each lot owner shall be required to prepay the outside contractor (specified by Buyer) installing the Grinder Pump Station the entire cost of the installation of the Grinder Pump Station, including any applicable inspection fees. None of the fees for the installation of the Grinder Pump Stations shall be paid to Buyer. Each Grinder Pump Station shall be owned by the lot owner and lot owner shall be responsible for the maintenance, repair and replacement of such Grinder Pump Station. Buyer may apply to the Commission for approval of a grinder pump policy giving Buyer the authority to require certain restrictions related to lot owner's operation and maintenance of the grinder pump. Additionally, this policy will require annual inspection and testing of the unit by a Buyer approved and manufacturer certified inspector. In the event Buyer is required to initiate and complete corrective action on a grinder pump, Buyer may charge and collect from the person the actual cost of the repairs, corrective actions and/or replacement of the Grinder Pump Station. Buyer shall not be responsible for providing power for the Grinder Pump Stations, which will be provided through the lot owner's individual electric service. Buyer shall not be responsible for providing an emergency generator when there are power outages, nor shall there be any liability to Buyer should a portable generator not be connected to the Grinder Pump Station during a power outage.

(c) Developer shall use commercially reasonable efforts to ensure that the employees, contractors, subcontractors and builders under its control do not break or damage the Grinder Pump Stations, service lines or connection valve boxes.

5.5 Oversight; Required Documents. Any future expansion of the Wastewater Utility System necessary to provide service to the ESA shall be installed in accordance with plans and specifications approved by DWQ, Buyer, and Chatham County (if required) and engineered by Developer's engineer.

(a) Prior to the commencement of any construction work by Developer, Developer shall, in accordance with Section 4.4 hereof, obtain Buyer's approval of all contractors and subcontractors who will perform work on the Wastewater Utility System. Buyer shall not unreasonably withhold, condition or delay approval of all such contractors and subcontractors.

(b) Developer shall furnish to Buyer an itemized statement of the entire cost of additional components to the Wastewater Utility System with substantiating invoices, or statements of cost in such cases where invoices are not available, and, further, will furnish to Buyer copies of all required surveys, maps, and engineering drawings and specifications sufficient for filing an application with the Commission for the Certificate or Certificate Extension.

(c) For the installation of additional components of the Wastewater Utility System, Developer shall cause its contractors to provide to Buyer a one-year warranty on all Wastewater Utility System components commencing on the date of issuance of the final engineering certification.

(d) Buyer may periodically inspect the construction and may require correction to portions of the construction that are not consistent with the DWR-approved plans, that may be amended from time to time.

5.6. Consultation on the Planning and Coordination of Future Wastewater Installations. Developer and Buyer shall consult on each Wastewater Utility System expansion so that such expansions shall be sized to accommodate wastewater for future developments upstream. Once Buyer approves the sizing of wastewater and Reuse Effluent mains, Developer shall be responsible for paying any additional costs to install upsized lines necessary to accommodate wastewater and Reuse Effluent distribution service necessary to provide wastewater utility service to Developer's future phases. Once the lines are installed, certified by the engineer, inspected and approved by Buyer and conveyed to Buyer, then Developer shall have no further responsibility for the lines.

5.7. ESA Certificates. Prior to the installation of any phase of the ESA Wastewater Collection System, Buyer shall apply to the Commission and obtain a Certificate or Certificate extension to provide wastewater service to that phase of ESA. Buyer shall provide all bonds required by the Commission for each Certificate.

5.8. ESA Effluent Agreement. Developer shall cause the owners of the ESA Spray Areas to execute an ESA Effluent Easement Agreement. Buyer shall cause the ESA Effluent Easement Agreement to be recorded in the Chatham County Register of Deeds. In the event the Commission requires Buyer to provide an executed copy of the ESA Effluent Easement to the Commission prior to issuance of the Certificate or any Certificate Extension, the Parties shall execute the ESA Effluent Easement and deliver the originals of such agreement to counsel for Developer to be held in trust pending the Closing. Developer's counsel shall provide a copy of the executed ESA Effluent Easement to Buyer for the sole purpose of complying with the requirements of the Commission for issuance of the Certificate or Certificate Extension. The ESA Effluent Easement shall not become effective until delivery and recording.

5.9. Easements for Force Mains and Collection Mains. At the time of completion of the transfer of the Wastewater Utility System Assets relating to the ESA to Buyer, Developer shall convey to Buyer a perpetual easement within the rights of way of all publicly dedicated streets and roads within that section of the ESA for ingress, egress, regress, and access to for the installation, operation, maintenance, repair and replacement of the collection system lines, valves and other equipment appurtenant to the ESA Wastewater Collection System. If any wastewater collection system mains or force mains are not within publicly dedicated rights of way, Developer shall convey to Buyer a perpetual easement, with a total width of twenty (20) feet centered on the main, for ingress, egress, regress, and access to install, operate, maintain, repair

and replace the main and appurtenant equipment. These easements may be conveyed to Buyer by restrictive covenants recorded in the Chatham County Register of Deeds.

5.10. Easements for Grinder Pump Stations. Each Grinder Pump Station will require a perpetual easement with a total width of ten (10) feet centered on the service line, and a fifteen (15) foot diameter circle centered at the center of the Grinder Pump Stations. These perpetual easements shall be for ingress, egress, regress, and access to install, operate, maintain, repair and replace the service line and the Grinder Pump Stations. Developer, in each deed to a lot purchaser and in the restrictive covenants relating to such lot, shall reserve and convey, or shall otherwise obtain and convey, to Buyer these perpetual easements for the service lines and the Grinder Pump Stations.

5.11. Subsequent Closings for the ESA Collection System and ESA Spray Irrigation Facilities. Once any phase of the ESA Wastewater Collection System and the ESA Spray Irrigation Facilities have been installed, certified by the engineer, and inspected and approved by Buyer, they shall be conveyed by Developer to Buyer at no cost and accepted by Buyer. Developer shall thereafter have no further responsibility for such phase of the ESA Wastewater Collection System and the ESA Spray Irrigation Facilities, and Buyer shall pay all costs of the operation and maintenance.

Section 6

6. OPERATION OF THE WASTEWATER UTILITY SYSTEM ASSETS

6.1. Operation of the Spray Irrigation Facilities. The Parties acknowledge that the Parties' rights and responsibilities with respect to wastewater disposal and spray irrigation are as set forth in the Effluent Easement. In addition to those rights and responsibilities, Buyer agrees to coordinate with Developer and/or Developer's landscape company a schedule for irrigation of the Spray Areas set forth on Schedule 16, and Buyer agrees to irrigate those Spray Areas in accordance with the schedule, so long as the levels in the Effluent Storage Ponds are maintained as required by the Permit.

6.2. Operation of Wastewater Utility System Assets. After conveyance of the Wastewater Utility System Assets to Buyer, Buyer shall provide wastewater service to the residents of such section of the Development or ESA to which the Wastewater Utility System Phase relates, as described in this Agreement and in accordance with the terms of the Certificate or Certificate extension, as the same may be amended from time to time. Buyer shall not connect any customers located outside the Development or the ESA to the Wastewater Utility System without the prior written consent of Developer. Developer shall not unreasonably withhold consent. BUYER WILL NOT BE RESPONSIBLE FOR ACHIEVING WATER QUALITY LEVELS IN THE EFFLUENT BEYOND THE REQUIREMENTS OF THE NON-DISCHARGE PERMIT ISSUED BY DWQ.

6.3. Buyer's Indemnity Regarding Wastewater Utility System Assets. Following Closing, Buyer agrees that it shall be fully responsible for the operation and maintenance of the Wastewater Utility System Assets, including all repairs and upgrades thereto. Buyer further agrees to indemnify, defend and hold harmless each of Seller and Developer, and their respective

agents, officers, affiliates, directors, managers, members, partners, lenders and employees (each of the foregoing, collectively, the "Indemnified Parties") from and against, any and all damages, losses, expenses (including attorneys' fees and costs) or injuries, and any and all other claims of any type whatsoever for any personal injury, death, disability, or damage to tangible or intangible property, or any other loss, damage or injury of any nature whatsoever (collectively, "Claims") arising out of, caused by or relating to Buyer's ownership, operation and maintenance of the Wastewater Utility System Assets; excluding, however, any Claims related to the additional components of the Wastewater Utility System for the ESA, during Developer's construction and ownership thereof, but upon conveyance to Buyer of such additional components, any Claims related to the additional components shall fall within the scope of Buyer's indemnity hereunder.

6.4. Connection Fee. Buyer shall collect a connection fee of One Thousand Five Hundred (\$1,500) for each single family residential connection or single family residential equivalent (REU) connected to the Wastewater Utility System. This Connection Fee shall be collected prior to the wastewater service connection to the Wastewater Utility System. The Connection Fee is a one-time fee and shall be paid by the first builder or homeowner requesting service at a particular lot or unit.

6.5. Notices to Lot Purchasers. Developer shall include in the lot purchase contracts and also in the related restrictive covenants language describing the purchaser's responsibilities with respect to the Grinder Pump Station serving the purchaser's lot, in accordance with the provisions of Section 4.7 and Section 5.4.

6.6. Gravity Collection Service Lines.

(c) Gravity services shall consist of a wastewater service tap, a 4" home service line, and a cleanout at the easement or right of way line. Developer shall use commercially reasonable efforts to ensure that the employees, contractors, and subcontractors under its control do not break, damage or bury these cleanouts. For the period of one year after the installation of each cleanout, Developer shall ensure that all wastewater service cleanouts, if damaged, are repaired immediately at no cost to Buyer.

(d) It shall be the responsibility of the owner of each dwelling unit with a gravity service line to maintain the wastewater service line from their residence to the cleanout at or near the property line. If the cleanout is not at or near the property line, then the owner of that dwelling shall be responsible for maintenance of the wastewater service line up to the property line.

6.7. Utilization of WWTP Administrative Building. Buyer agrees to allow Seller, Developer, and the contractors of Seller and Developer to store equipment and materials in structures and buildings located on the WWTP lot and to utilize the administrative building located on the WWTP lot.

Section 7

7. TERMINATION

7.1. Termination Events. This Agreement may, by notice given prior to or at the initial

Closing, be terminated:

(a) By either Seller or Buyer if a material breach of any provision of this Agreement has been committed by either Party, such breach has not been waived, and such breach continues for a period of thirty (30) days after receipt of written notice thereof from the affected party to the Breaching Party; provided, however, that if the nature of the material breach is such that more than thirty (30) days are reasonably required for its cure, then the affected Party shall not be allowed to terminate this Agreement if the breaching Party commences such cure within said thirty (30)-day period and thereafter diligently prosecutes such cure to completion.

(b) By mutual consent of Seller and Buyer.

7.2. Effect of Termination. Each Party's right of termination under this Section is in addition to any other rights it might have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to this Section, all further obligations of the Parties under this Agreement will terminate; provided, however, that if this Agreement is terminated by a Party because of the breach of the Agreement by the other Party or because one or more of the conditions to the terminating Party's obligations under this Agreement is not satisfied as a result of the other Party's failure to comply with its obligations under this Agreement, the terminating Party's right to pursue all equitable and/or legal remedies will survive such termination unimpaired.

Section 8

8. INSURANCE

8.1. Insurance.

(a) General Liability. Buyer shall, at Buyer's sole cost and expense, maintain, or cause to be maintained, commercial general liability insurance ("CGL"), written on an occurrence policy, against claims for personal injury, death or property damage occurring upon, in or about the property for the WWTP, Effluent Storage Pond site, Upset Storage Pond site, and adjoining streets and passageways. The coverage under the CGL policy shall be in such amounts as may be required by law, but in all events for limits of not less than \$2,000,000 per occurrence and not less than \$4,000,000 in the annual aggregate. Buyer shall also purchase and maintain a pollution liability policy covering third-party injury and property damage claims, resulting from pollution conditions arising out of Buyer's operations, and any future construction work at the WWTP with minimum limits of \$3,000,000 each occurrence and in the aggregate. Buyer may satisfy any insurance limits required by this Agreement in combination with an "excess" or "umbrella" insurance policy, provided that (a) the CGL, pollution liability, and "excess" or "umbrella" policies or a certificate of such policies shall specify the amount(s) of the total insurance allocated to the WWTP property, Effluent Storage Pond site, Upset Storage Pond site, and the Reuse Effluent Pumping Station site which amount(s) shall not be subject to reduction on account of claims made with respect to other properties and (b) such policies comply with this Agreement.

(b) Policy Requirements and Endorsements. All insurance policies required by this Agreement shall contain (by endorsement or otherwise) the following provisions:

- (i) All policies shall name the Developer and Seller as additional insureds;
- (ii) All policies shall be written as primary policies no contributing with or in excess of any coverage that Developer may carry;
- (iii) All policies shall contain contractual liability coverage;
- (iv) Within ten (10) days of receipt, Buyer shall be required to deliver to Developer and Seller any notice of cancellation it receives relating to any of the policies set forth in this Section 8;
- (v) Buyer shall deliver to Developer and Seller certificates of insurance on the date of execution of this Agreement and thereafter annually within five (5) days following renewal of any such policies; and
- (vi) All policies shall include a Waiver of Subrogation in favor of the Developer and Seller.

8.2. Exculpation of Non-Recourse Parties. No Non-Recourse Party shall be liable in any manner or to any extent under or in connection with this Agreement, and neither Buyer nor any successor, assignee, partner, officer, director, or employee of Buyer shall have any recourse to any assets of a Non-Recourse Party other than such party's interest in the Developer or Seller, respectively, to satisfy any liability, judgment or claim that may be obtained or made against any such Non-Recourse Party under this Agreement. Buyer agrees it shall look solely to the assets of the Developer or Seller, as applicable, for the enforcement of any claims arising hereunder or related to this Agreement, and Buyer waives any claim against each of the Non-Recourse Parties, irrespective of the compliance or noncompliance now or in the future with any requirements relating to the limitation of liability of members of limited liability companies, shareholders or corporations or limited partners of limited partnerships. The terms of this Section 8 are a material consideration and inducement to the Developer and Seller to enter into this Agreement, and but for the inclusion of such provision in this Agreement, the Developer and Seller would not enter into this Agreement. The limitation of liability provided in this Section 8 is in addition to, and not a limitation of, any limitation on liability applicable to a Non-Recourse Party provided by law or by this Agreement or any other contract, agreement or instrument. The terms of this Section 8 shall survive the Closings under this Agreement. As used herein, the term "Non-Recourse Party" shall mean, collectively, any direct or indirect partner, shareholder, member, officer, director, trustee, agent, employee or other representative of either the Developer or Seller, or any affiliated entity, or any direct or indirect partner, shareholder, member, officer, director, trustee, agent or employee thereof.

Section 9

9. GENERAL PROVISIONS

9.1. Execution of Future Agreements. After the execution of this Agreement, all new development agreements entered into by Developer with respect to the Development shall be consistent with the terms of this Agreement to the extent addressing the provision of wastewater service to the Development.

9.2. Cooperation for All Necessary Government Approvals. Developer, Seller and Buyer agree to cooperate in obtaining all necessary permits including DWQ Permits, the transfer of the Certificate from Seller to Buyer, and the issuance of any additional Certificates and/or Certificate Extensions by the Commission to Buyer. Buyer, at Buyer's cost, shall file for all Certificates and Certificate Extensions.

9.3. Representations, Warranties, Covenants and Agreements Survive Closing. All representations and warranties of Developer, Seller and Buyer hereunder shall survive each Closing. Further, any covenant or agreement herein which contemplates performance after the time of any Closing shall not be deemed to be merged into or waived by the instruments delivered in connection with such Closing, but shall expressly survive such Closing and be binding upon the Parties obligated thereby.

9.4. Applicable Laws and Regulations. At all times that Buyer operates the Wastewater Utility System, Buyer shall comply with all applicable federal, state, and local laws and regulations, including but not limited to, environmental laws. In the event of noncompliance, Buyer shall take such actions as are required by applicable federal, state or local regulatory authorities.

9.5. Binding upon Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of Developer, Seller and Buyer, and the successors and assigns of the Parties.

9.6. No Third Party Beneficiary Rights. Nothing expressed or referred to in this Agreement will be construed to give any person other than the Parties any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement, except such rights as shall inure to a successor or permitted assignee pursuant to Section 9.5 above.

9.7. Independent Contractors. The Parties are and shall be independent contractors to one another, and nothing herein shall be deemed to cause this Agreement to create an agency, partnership, or joint venture between the Parties.

9.8. Counterparts. This Agreement may be executed in one or more counterpart signature pages (including facsimile counterpart signature pages), each of which will be deemed to be an original of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

9.9. Headings. The headings of particular provisions of this Agreement are inserted for convenience only and shall not be construed as a part of this Agreement or serve as a limitation or expansion on the scope of any term or provision of this Agreement.

9.10. Enforcement of Agreement. Each Party acknowledges and agrees that the other Party would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that any breach of this Agreement by a Party could not be adequately compensated in all cases by monetary damages alone. Accordingly, in addition to any other right or remedy to which a Party may be entitled, at law or in equity, it shall be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent any breach or threatened breach of any of the provisions of this Agreement, without posting any bond or other undertaking.

9.11. Waiver. No waivers of, or exceptions to, any term, condition or provision of this Agreement, in any instance or instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

9.12. Entire Agreement. This writing and the documents referred to herein embody the entire agreement and understanding between the Parties and there are no other agreements or understandings, oral or written, with reference to the subject matter hereof that are not merged herein and superseded hereby.

9.13. Modifications in Writing. This Agreement shall not be modified, amended, or changed in any respect except in writing, duly signed by the Parties and each Party hereby waives any right to amend this Agreement in any other way.

9.14. Consent to Jurisdiction. The Parties agree that the state and federal courts of North Carolina shall have exclusive jurisdiction over this Agreement and any controversies arising out of, relating to, or referring to this Agreement, the formation of this Agreement, and actions undertaken by the Parties hereto as a result of this Agreement, whether such controversies sound in tort law, contract law or otherwise. Each of the Parties hereto expressly and irrevocably consents to the personal jurisdiction of such state and federal courts, agrees to accept service of process by mail, and expressly waives any jurisdictional or venue defenses otherwise available.

9.15. Governing Law. This Agreement shall be governed by the internal substantive laws of the State of North Carolina, without regard to such state's conflict of law or choice of law rules.

9.16. Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be sent either (i) personally by hand delivery, (ii) by registered or certified United States first-class mail, postage prepaid, return receipt requested, or (iii) by nationally recognized overnight courier, to the address indicated below (or at such other address as such Party or permitted assignee shall have furnished to the other Parties hereto in writing). All such notices and other written communications shall be effective on the date of delivery.

If to DEVELOPER, such notice shall be addressed to:

NNP-Briar Chapel, LLC
16 Windy Knoll Circle
Chapel Hill, NC 27516
Attention: Keith Hurand
Telephone: 919-951-0716

With a copy to:
NNP-Briar Chapel, LLC
9820 Town Center Drive, Suite 100
San Diego, CA 92121
Attention: Douglas L. Hageman
Telephone: (858) 875-8161

If to SELLER, such notice shall be addressed to:

Briar Chapel Utilities, LLC
13777 Ballantyne Corporate Place
Suite 550
Charlotte, NC 28277
Attention: Bill Mumford
Telephone: (704) 887-5946

If to Buyer, such notice shall be addressed to:

Old North State Water Company, LLC
1620 Chalk Road
Wake Forest, NC 27587
Telephone: 252-235-4900
Attention: Michael Myers

[Signature Page to Agreement]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in their respective names, all by authority duly given, the day and year first above written.

BRIAR CHAPEL UTILITIES, LLC

By: 
Name: Keith Hurand
Title: Senior Vice President

NNP-BRIAR CHAPEL, LLC

By: 
Name: William Mumford
Title: Vice President

**OLD NORTH STATE WATER COMPANY,
LLC**

By: 
Michael J. Myers
Member

SCHEDULE 1

Wastewater Utility System, Number of Active Connections, DWQ I.D. No. and Commission
Docket No.

See attached.

Schedule 1**Briar Chapel Active Connections (as of September 2014)**

Residential = 669

Commercial = 3

Permits

Name	DWQ I.D. No.	U.C. Docket No.	Asset Description
Briar Chapel Utilities	WQCS00372	W-1230, Sub 0	System-wide Collection Permit
Briar Chapel Utilities	WQ0028552	W-1230, Sub 0	WWTP Permit
Briar Chapel Utilities	WQ0033227	W-1230, Sub 0	1,110' - 2" FM, 15 grinder pumps
Briar Chapel Utilities	WQ0029867	W-1230, Sub 0	3,600' 4" FM, 22450' - 8" gravity, 371 gpm PS, 683 GPM PS, 1,800' - 6" FM, 7,000' - 8" FM
Briar Chapel Utilities	WQ0029992	W-1230, Sub 0	66 grinder pumps, 2,426' - 2" FM, 1,863' - 3" FM, 1,298' - 4" FM
Briar Chapel Utilities	WQ0034780	W-1230, Sub 0	6 grinder pumps
Briar Chapel Utilities	WQ0033072	W-1230, Sub 0	3,487' - 8" gravity sewer
Briar Chapel Utilities	WQ0033071	W-1230, Sub 0	7,702' - 8" gravity sewer
Briar Chapel Utilities	WQ0036015	W-1230, Sub 0	4,808' - 8" gravity sewer
Briar Chapel Utilities	WQ0035492	W-1230, Sub 0	6,830' - 8" gravity
Briar Chapel Utilities	WQ0036343	W-1230, Sub 0	2,342' - 8" gravity, 4,261' - 6" gravity
Briar Chapel Utilities	WQ0036547	W-1230, Sub 0	2,342' - 8" gravity sewer, 4,261' - 6" gravity sewer
Briar Chapel Utilities	WQ0036732	W-1230, Sub 0	4,820' - 8" gravity sewer
Briar Chapel Utilities	WQ0037256	W-1230, Sub 0	1,066' - 8" gravity sewer
Briar Chapel Utilities	WQ0034371	W-1230, Sub 0	101' - 6" gravity sewer, 125 gpm PS, 510' - 4" FM
Briar Chapel Utilities	WQ0036770	W-1230, Sub 0	113 gpm PS, 1,450' - 4" FM
Briar Chapel Utilities	WQ0034951	W-1230, Sub 0	1,775' - 3" FM
Briar Chapel Utilities	WQ0032580	W-1230 Sub 0	Pump and Haul
Briar Chapel Utilities	WQ0036318	W-1230 Sub 0	Great Ridge Parkway Ext
Briar Chapel Utilities	WQ0036423	W-1230 Sub 0	

Asset Inventory**WWTP**

250,000 gpd extended aeration wastewater treatment plant consisting of:

- Dual static screens for grit removal
- Manually cleaned bar screen
- 75,400 gallon aerated flow equalization basin with:
 - Two 225 gpm variable speed pumps
 - One 7.5 hp aerator
- Influent flow meter

- Two 31,500 gallon anoxic chambers each with:
 - Two 3 hp mixers
- Two 189,000 gallon aeration basins each with:
 - Two 10 hp aerators
- Two 31,500 gallon clarifiers each with:
 - One variable speed sludge return pump
- 75,400 gallon sludge holding basin with:
 - Variable speed decanting pump
 - One 7.5 hp aerator
- 10,730 gallon chlorine contact chamber with:
 - Two variable speed chlorine injection pumps
- 13,800 gallon clearwell with:
 - Four 675 gpm backwash pumps
- Dual bank UV Disinfection with
 - 10 Bulbs
- 6,850 gallon dechlorination chamber with:
 - Two air diffusers
- Effluent Flow Meter
- Effluent Turbidimeter
- Permanent Standby Generator with ATS
- Associated piping, valves and appurtenances
- 3.5 MG Five Day Upset Pond
- Five Day Upset Return Pump Station with:
 - Two 400 gpm submersible pumps
 - Audio-Visual Alarms
- 21.3 MG Clay Lined Effluent Storage Pond with:
 - Two 2,000 gpm flooded suction pumps

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

APPENDIX A

DOCKET NO. W-1230, SUB 0

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

BRIAR CHAPEL UTILITIES, LLC

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide sewer utility service

in

BRIAR CHAPEL SUBDIVISION SERVICE AREA
(Including HERNDON WOODS SUBDIVISION)

Chatham County, North Carolina

subject to any orders, rules, regulations,
and conditions now or hereafter lawfully made
by the North Carolina Utilities Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the 8th day of December, 2009.

NORTH CAROLINA UTILITIES COMMISSION

Gail L. Mount

Gail L. Mount, Deputy Clerk

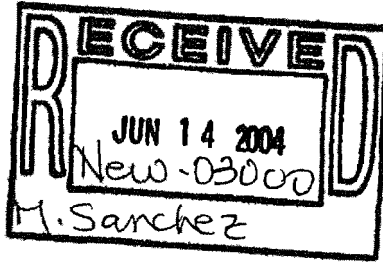
BLANCHARD, JENKINS, MILLER, LEWIS & STYERS, P. A.

LAWYERS

ROBERT O. JENKINS
PHILIP R. MILLER, III
E. HARDY LEWIS
M. GRAY STYERS, JR.

CHARLES F. BLANCHARD
ERIC M. REEVES
OF COUNSEL

June 11, 2004



1117 HILLSBOROUGH STREET
RALEIGH, NORTH CAROLINA 27603

TELEPHONE (919) 755-3993
FACSIMILE (919) 755-3994
WEBSITE: www.bjmls-law.com

Mr. Mitch Barron
Briar Chapel Utilities, LLC
Post Office Box 1486
Pittsboro, North Carolina 27312

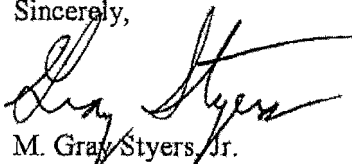
**Re: In the Matter of the Application by Briar Chapel Utilities, LLC
for a Certificate of Public Convenience and Necessity
North Carolina Utilities Commission Docket No. W-1230**

Dear Mitch:

Attached is an Order Declaring Utility Status for Briar Chapel Utilities, LLC issued by the North Carolina Utility Commission in Docket W-1230. This should satisfy DWQ's requirements for the nondischarge permit application.

If you have any questions concerning the attached Order, please give me a call.

Sincerely,



M. Gray Styers, Jr.

Enclosure

pbb

Copy to: Steve Levitas, Esq. (w/enclosure)
Mike Sanchez (w/enclosure)

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1230

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application by Briar Chapel Utilities, LLC, for a Certificate of)	ORDER
Public Convenience and Necessity to Provide Sewer Utility)	DECLARING
Service in Briar Chapel Subdivision in Chatham County,)	UTILITY
North Carolina, and for Approval of Rates)	STATUS

BY THE COMMISSION: On April 14, 2004, Briar Chapel Utilities, LLC (Applicant), filed an application with the Commission for a certificate of public convenience and necessity to provide sewer utility service in Briar Chapel Subdivision in Orange County, North Carolina. The application requested that an Order Declaring Utility Status be issued in order to fulfill the filing requirements of the Division of Water Quality (DWQ) before DWQ will review and approve plans for the proposed sewer system.

The Commission is of the opinion that the request for an Order Declaring Utility Status should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That the Applicant is declared a public utility with regards to its plans for the construction of the public sewer system serving Briar Chapel Subdivision in Chatham County, North Carolina, and as such, is subject to the jurisdiction of the North Carolina Utilities Commission.
2. That the Applicant is authorized to obtain such permits as may appropriately be issued by the Permit Section of DWQ.
3. That this Order shall not constitute any operating authority, certificate of public convenience and necessity, or finding by the Commission that the Applicant is the most feasible franchise holder for the above-referenced service area.

4. That the Applicant shall not acquire title to the public utility property in the above-referenced service area prior to issuance of a Certificate of Public Convenience and Necessity pursuant to G.S. 62-110.

ISSUED BY ORDER OF THE COMMISSION.

This the 10th day of June, 2004

NORTH CAROLINA UTILITIES COMMISSION

Gail L. Mount

Gail L. Mount, Deputy Clerk

rb060804.01

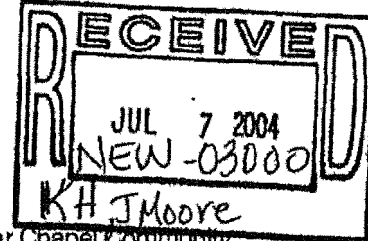


Michael F. Easley, Governor
William G. Ross Jr., Secretary
North Carolina Department of Environment and Natural Resources

Alan W. Klimek, P.E., Director
Coleen H. Sullins, Deputy Director
Division of Water Quality

July 1, 2004

Mr. Mitch Barron, Vice President of Operations
Newland Communities
PO Box 1486
Pittsboro, NC 27312



Subject: Briar Chapel Community
Flow Reduction Approval
Chatham County

Dear Mr. Barron:

On April 22, 2004, the Division of Water Quality Non-Discharge Permitting Unit received a flow reduction request for a proposed mixed community development. The request is for a reduction of 250 gallons per day (gpd) per unit.

The information provided summarized the Non-Discharge Monitoring Reports from January 2003 to December 2003 for the Governors Club and Wildwood Green developments and compared this to summarized historical data for the Towns of Morrisville and Garner. March 2003 was the highest flow month for Governors Club. Calculations provide an average of 195 gpd per residence. For Wildwood Green, the highest flow month was September 2003 which calculated to an average of 178 gpd per residence. The average bedrooms for these developments is unknown but assumed to be 2 - 4 bedrooms. The proposed average number of bedrooms per residence is 3.2 for Briar Chapel (and 2 bedroom apartments).

The Division hereby approves the use of 250 GPD for 1 to 4 bedroom units with each additional bedroom above four incrementing this base flow by 80 GPD in all applicable non-discharge permit applications for sewer line extensions under the Briar Chapel project. Regardless of the adjusted design daily wastewater flow rate, at no time shall the wastewater flows exceed the effluent limits defined in any treatment facility permit or exceed the capacity of the sewers downstream of any new sewer extension or service connection(s). The Division retains the right to re-evaluate this flow reduction at some point after construction and operation of the wastewater collection, treatment and disposal system for routine compliance or in the event of a flow related compliance issue. Excessive results may necessitate a modification of this approval.

If you have any questions or comments regarding this matter, please contact Marie Doklovic at (919) 733-5083 ext. 371.

Sincerely,

Alan W. Klimek, P.E.

cc: Randy Jones/Raleigh Regional Office
Steve Levitas/Kilpatrick-Stockton
Michael Sanchez, PE/The John R. McAdams Company, Inc.
NDPU Flow Reduction File

Non-Discharge Permitting Unit
1617 Mail Service Center, Raleigh, NC 27699-1617

DENR Customer Service Center
An Equal Opportunity Action Employer

Internet <http://h2o.enr.state.nc.us/ndpu>
Telephone (919) 733-5083 Fax (919) 715-6048

Telephone 1 800 623-7748
50% recycled/10% post-consumer paper



North Carolina Department of Environment and Natural Resources

Division of Water Quality

Pat McCrory
Governor

Thomas A. Reeder
Acting Director

John E. Skvarla, III
Secretary

September 30, 2013

William S. Mumford, Vice President, Development
Briar Chapel Utilities, LLC
13777 Ballantyne Corporate Place, Suite 550
Charlotte, North Carolina 238277

Subject: Adjusted Daily Sewage Flow Rate Approval
Briar Chapel Development
Permit No. WQ0028552
Chatham County

Dear Mr. Mumford:

On July 15, 2013, the Division of Water Resources (Division) received an adjusted daily sewage flow rate (flow reduction) request that would apply to all permitted but not yet tributary residential connections and all future residential connections tributary to the Briar Chapel Development collection system.

In accordance with 15A NCAC 02T .0114(f)(2), the Division has evaluated all the submitted data and based on the data submitted, the Division hereby approves for use by the Briar Chapel Development an adjusted daily sewage design flow rate of 56 gallons per day per bedroom effective immediately.

For new sewer extension applications with proposed flows tributary to the Briar Chapel Development collection system:

- The flow reduction is applicable to residential single family dwellings only.
- The minimum flow for 1 and 2 bedroom dwellings shall be 112 gallons per day.
- This flow reduction shall not apply to sewer extension applications and/or permits for any other public or private organizations whose wastewater flows are or might become tributary to the Booth Mountain (Westfall) Project collection system.

For existing permits with flow not yet tributary to the Briar Chapel Development collection system:

- The Division will not reissue permits for previously permitted projects. If reissued permits are desired, a permit modification application with the appropriate fee must be submitted for each permit to be modified.

1617 Mail Service Center, Raleigh, North Carolina 27699-1617
Location: 512 N. Salisbury St. Raleigh, North Carolina 27604
Phone: 919-807-6300 \ FAX: 919-807-6492
Internet: www.ncwaterquality.org

An Equal Opportunity / Affirmative Action Employer

One
North Carolina
Naturally

William S. Mumford, Vice President, Development
September 30, 2013
Page 2 of 2

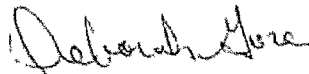
Future sewer extension applications should be made using the flow reduction amount stated above. All other aspects of the permitting process remain unchanged, and all applications must be in compliance with the statutes, rules, regulations and minimum design criteria as certified by the owner and engineer.

Regardless of the adjusted design daily wastewater flow rate, at no time shall the wastewater flows exceed the effluent limits defined in the Non-discharge Permit for the treatment facility or exceed the capacity of the sewers downstream of any new sewer extension or service connection(s).

The granting of this flow reduction does not prohibit the Division from reopening, revoking, reissuing and/or modifying the flow reduction as allowed by the laws, rules, and regulations contained in 15A NCAC 02T, NCGS 143-215.1, or as needed to address changes in State and/or Federal regulations with respect to wastewater collection systems, protection of surface waters and/or wastewater treatment.

If you have any questions, please contact Michael Leggett at (919) 807-6312, or via e-mail at michael.leggett@ncdenr.gov. If the reviewer is unavailable, you may leave a message, and they will respond promptly. Please refer to the above application number when making inquiries on this project.

Sincerely,



for Thomas A. Reeder, Director
Division of Water Resources

cc: Mark P. Ashness, P.E. – CE Group
301 Glenwood Avenue, Suite 220, Raleigh, NC 27603
Danny Smith, Surface Water Protection Supervisor, Raleigh Regional Office
Jon Risgaard, Land Application Unit Supervisor
Central Files: WQ0028552

SCHEDULE 2
Effluent Easement and Irrigation Agreement

See attached.

FILED
CHATHAM COUNTY NC
TREVA B. SEAGROVES
REGISTER OF DEEDS

FILED Dec 29, 2009
AT 02:20:07 pm
BOOK 01494
START PAGE 0824
END PAGE 0837
INSTRUMENT # 13580
EXCISE TAX (None)

BOOK 1494 PAGE 0824

EFFLUENT EASEMENT AND IRRIGATION AGREEMENT

RETURN TO:

Kilpatrick Stockton LLP (CAB)
3737 Glenwood Avenue, Suite 400
Raleigh, NC 27612

This EFFLUENT EASEMENT AND IRRIGATION AGREEMENT (the "**Effluent Easement**") is made and entered into as of the 30th day of October, 2009, by NNP-Briar Chapel, LLC, a Delaware limited liability company ("**Developer**"), and BRIAR CHAPEL UTILITIES, LLC, a Delaware limited liability company ("**Utility Company**").

WITNESSETH:

THAT WHEREAS, Developer is the developer of the Projects (defined below); and

WHEREAS, the Developer and Utility Company have entered into the Acquisition Agreement (defined below) whereby Utility Company will acquire the Wastewater Utility System (defined below) serving the Projects, with Utility Company owning and operating the facilities as a utility company regulated by the Commission (defined below) and DWQ (defined below) for wastewater service; and

WHEREAS, Utility Company is a public utility company in the business of providing wastewater service.

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged. Developer and Utility Company intending to be legally bound, agree as follows:

1. Definitions.

1.1 "*Acquisition Agreement*" shall mean that certain Agreement for the installation, conveyance, and operation of the Wastewater Utility System, dated as of October 30, 2009, executed between Developer and Utility Company.

1.2 "*Briar Chapel*" shall mean the property being developed by the Developer known as Briar Chapel located on NC Highway 15-501 in Chatham County, North Carolina, which shall consist of approximately 2,405 residential lots, business and retail centers, two schools, a civic center, a pool and clubhouse, athletic fields, trail system and other recreation and amenity areas.

- 1.3 "Commission" shall mean the North Carolina Utilities Commission.
- 1.4 "Declaration" shall mean the Declaration of Covenants, Conditions, and Restrictions for Briar Chapel recorded at Deed Book 1370, Page 1020 in the Chatham County Registry, North Carolina, as the same may be amended from time to time.
- 1.5 "Developer" shall mean NNP-Briar Chapel, LLC, a Delaware limited liability company and the developer of Briar Chapel.
- 1.6 "DWQ" shall mean the Division of Water Quality of the North Carolina Department of Environment and Natural Resources.
- 1.7 "Easement Property" shall mean the property described on Exhibit A attached hereto.
- 1.8 "Effluent Easement" shall mean this Effluent Easement and Irrigation Agreement, including all exhibits and schedules hereto, if any, as the same may be amended from time to time.
- 1.9 "GPD" shall mean gallons per day.
- 1.10 "Herndon Woods" shall mean the property known as Herndon Woods located at Hubert Herndon Road and U.S. Highway 15-501, which consists of approximately 25 residential lots.
- 1.11 "Monitoring Locations" shall mean the groundwater monitoring wells and surface water sampling points that may be located from time to time on the Easement Property in compliance with DWQ requirements.
- 1.12 "Permit" shall mean the permit for the operation of the Wastewater Utility System and Spray Irrigation Facilities (defined below) issued by DWQ, as the same may be modified or renewed from time to time.
- 1.13 "Projects" shall mean Briar Chapel and Herndon Woods.
- 1.14 "Reuse Effluent" shall mean the wastewater that has been treated by Utility Company to the point that it meets the effluent quality standards required by the Permit.
- 1.15 "Reuse Effluent Pumping Station" shall mean any pump house, pumps and controls located near the Reuse Effluent Storage Ponds that shall be used to pump Reuse Effluent to and through the Primary Spray Irrigation Facilities at the Projects.
- 1.16 "Reuse Effluent Storage Ponds" shall mean the Reuse Effluent storage ponds at the Project totaling 53.1 million gallons in which the Reuse Effluent is to be stored after treatment at the WWTP (defined below) and from which the Reuse Effluent is then pumped to be sprayed on the Spray Areas (defined below) and any additional effluent storage ponds permitted and constructed as part of the Wastewater Utility System.
- 1.17 "Spray Areas" shall mean all areas at the Projects that have been or may in the future be permitted by DWQ for spray irrigation of Reuse Effluent. The Spray Areas as of the date hereof are depicted on Exhibit B attached hereto.
- 1.18 "Spray Irrigation Facilities" shall mean all Reuse Effluent irrigation lines, pumps, booster pumps, irrigation and spray devices, controls and other devices used in the application of Reuse Effluent

from the Reuse Effluent Storage Ponds upon the Spray Areas (other than the Reuse Effluent Pumping Station).

1.19 "*Upset Storage Pond*" shall mean the 3.5 million-gallon, five-day storage pond to be located near the WWTP for the retention of wastewater during WWTP upsets or any other storage pond permitted by DWQ for the retention of wastewater during WWTP upsets and any additional upset storage ponds permitted and constructed as part of the Wastewater Utility System.

1.20 "*Utility Company*" shall mean the Briar Chapel Utilities, LLC, a Delaware limited liability company.

1.21 "*Wastewater Utility System*" shall mean the WWTP, the Wastewater Collection System, the Reuse Effluent Storage Ponds, the Upset Storage Pond, the Reuse Effluent Pumping Station, the Spray Irrigation Facilities, all lift stations, if any, and other facilities used in the collection, treatment, holding and discharge of the wastewater and, if constructed, any additional components of the wastewater utility system necessary to service the ESA including but not limited to additional components to the WWTP, additional Reuse Effluent Storage Pond and Upset Storage Pond capacity, and additional components of the Wastewater Collection System.

1.22 "*WWTP*" shall mean the wastewater treatment plant located within Briar Chapel.

1.23 "*WWTP Property*" shall mean the property upon which the WWTP is located, as more particularly described in Exhibit C.

2. Treatment and Storage. Utility Company shall treat the wastewater created by customers and common area facilities within the Projects in the WWTP and then discharge the Reuse Effluent into the Reuse Effluent Storage Ponds. The Reuse Effluent shall be treated by Utility Company to the standards established by DWQ in the Permit, and any modified or successive Permits issued by DWQ.

3. Withdrawal and Spray Irrigation. Utility Company shall be responsible for all aspects of the daily operation of the Reuse Effluent Pumping Station and the Spray Irrigation Facilities by a certified spray irrigation operator.

4. Maintaining Reuse Effluent Storage Pond Levels. Utility Company shall require its certified spray irrigation operator to monitor the level of the Reuse Effluent in the Reuse Effluent Storage Ponds and to maintain the level in the Reuse Effluent Storage Ponds at or below the DWQ required freeboard level.

5. Addition of Fresh Water into Reuse Effluent Storage Ponds. Developer may in its reasonable discretion pump fresh water into the Reuse Effluent Storage Ponds for use in irrigating the Spray Areas, provided that the levels in the Reuse Effluent Storage Ponds are at all times maintained below the freeboard level required by the Permit.

6. Testing and Inspections. Utility Company shall be responsible for conducting any and all effluent, groundwater, surface water, and soil sampling, and associated recordkeeping and reporting required by the Permit. Pursuant to and in accordance with Section 11 below and with the utility easements under the Declaration, Utility Company shall have the right, at any time following reasonable notice to Developer, to enter the Easement Property to: (a) inspect and review the operation of the Spray Irrigation Facilities; (b) take soil borings and conduct any other tests required by the Permit; and (c) perform groundwater and surface water monitoring within the Spray Areas as required by the Permit

(including installation of Monitoring Locations); provided, however, that (x) Utility Company's testing and inspection activities on the Easement Property, unless otherwise required by the Permit or DWQ regulation, shall not interfere with the intended use of the Easement Property, and (y) Utility Company shall use commercially reasonable efforts to avoid damage to the Spray Irrigation Facilities and the Easement Property.

7. Reuse Effluent Quality. UTILITY COMPANY SHALL NOT BE RESPONSIBLE FOR ACHIEVING WATER QUALITY LEVELS IN THE REUSE EFFLUENT BEYOND THE REQUIREMENTS OF THE PERMIT.

8. Landscaping and Maintenance of Spray Areas. Developer shall be responsible for the landscape replacement and maintenance of the Spray Areas at Developer's sole cost and in accordance with the requirements of the Permit.

9. Service Interruption. In the event of service interruptions caused by a malfunction of the Wastewater Utility System or the Spray Irrigation Facilities, Utility Company shall exercise due diligence in completing the necessary repairs and restoring Reuse Effluent delivery to the Reuse Effluent Storage Ponds and functionality to the Spray Irrigation Facilities.

10. Insurance.

10.1 General Liability. Utility Company shall, at Utility Company's sole cost and expense, maintain, or cause to be maintained, general public liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Spray Areas. The coverage under all such liability insurance shall be in such amounts as may be required by law, but in all events for limits of not less than \$1,000,000 per occurrence and not less than \$3,000,000 in the annual aggregate.

10.2 Policy Requirements and Endorsements. All insurance policies required by this WWTP Easement shall contain (by endorsement or otherwise) the following provisions:

- (a) All policies shall name the Developer as an additional insured;
- (b) All policies shall be written as primary policies not contributing with or in excess of any coverage that the Developer may carry;
- (c) The insurance carrier shall be required to give the Developer thirty (30) days' prior notice of cancellation; and
- (d) Utility Company shall deliver to the Developer certificates of insurance on the date hereof and before expiration of any then-current policy.

11. Grant of Easement to Utility Company.

11.1 Developer hereby grants and conveys to Utility Company, its successors and assigns forever, a perpetual non-exclusive easement appurtenant to the WWTP Property for the purpose of spraying Reuse Effluent, operating the Spray Irrigation Facilities and other activities related thereto as more fully set forth in this Effluent Easement. This easement allows such spraying and related activities, as more particularly described in this Effluent Easement, within the Spray Areas, which are located within

the Easement Property. The right to spray and monitor pursuant to this easement is given without payment of any fee or other charge being made therefor. Developer shall not further encumber the Spray Areas or engage in any activity therein, or grant any other interest or privilege therein to any other party that would interfere with Utility Company's enjoyment of its rights or fulfillment of its obligations created by this Effluent Easement.

11.2 In accordance with the utility easement under the Declaration, Developer further hereby grants to Utility Company, its successors and assigns forever, a perpetual non-exclusive easement appurtenant to the WWTP Property to the other portions of the Easement Property for ingress, egress, regress and access to and from the Spray Areas and Spray Irrigation Facilities, and over, across, upon, and through the Spray Areas and Spray Irrigation Facilities as necessary for Utility Company to enjoy the rights and to fulfill its obligations under this Effluent Easement, including the performance of soil borings and other testing required by the Permit, without payment of any fee or other charge being made therefor. Developer shall not interfere with or permit any other party to interfere with Utility Company's right of ingress, egress, regress and access granted hereby. In the exercise of Utility Company's right of ingress, egress, regress and access, Utility Company shall, where possible, use existing roads, paths, and other ways of travel to and from the Spray Areas. Utility Company shall have no obligation to maintain such roads, paths, or other ways of travel, but shall exercise ordinary care in its use of the same. Where roads, paths, or other ways of travel do not exist, Developer shall make reasonable efforts to specify ways of travel for Utility Company's use so as to permit Utility Company to enjoy the privileges and fulfill the obligations created by this Effluent Easement without undue interference. Utility Company shall use its best efforts to conduct its activities in the Spray Areas so as to avoid any unreasonable and adverse interference with the normal use of the Spray Areas and other Easement Property.

12. Grant of Easement to Developer. Utility Company hereby grants and conveys to Developer, its successors and assigns forever, a perpetual non-exclusive easement over, across, upon, and through the WWTP Property for ingress, egress, regress and access to and from the Reuse Effluent Storage Ponds for the purposes of (i) pumping fresh water into the Reuse Effluent Storage Ponds, (ii) operating, maintaining, repairing and replacing the conveyance lines from the fresh water source to the Reuse Effluent Storage Ponds, and (iii) other activities related thereto as more fully set forth in this Effluent Easement and as necessary for Developer to enjoy the rights and to fulfill its obligations under this Effluent Easement. This easement is appurtenant to the Easement Property and allows activities on and access to the WWTP Property without payment of any fee or other charge being made therefore. Utility Company shall not further encumber the WWTP Property, or engage in any activity therein, or grant any other interest or privilege therein to any other party, that would interfere with Developer's enjoyment of its rights or fulfillment of its obligations created by this Effluent Easement. In the exercise of Developer's right of ingress, egress, regress and access, Developer shall, where possible, use existing roads, paths, and other ways of travel to and from the Amenity Reuse Effluent Pumping Station. Developer shall have no obligation to maintain such roads, paths, or other ways of travel, but shall exercise reasonable care in its use of the same. Where roads, paths, or other ways of travel do not exist, Utility Company shall make reasonable efforts to specify ways of travel for Developer's use so as to permit Developer to enjoy the privileges and fulfill the obligations created by this Effluent Easement without undue interference.

13. General Provisions.

13.1 Binding upon Successors and Assigns. The conditions, restrictions and easements contained in this Effluent Easement are covenants running with the land; they are made by Utility Company and Developer for the benefit of themselves, their successors and assigns in title to all or part of the WWTP

Property or the Easement Property. In addition, Developer may assign its rights and delegate its duties under this Effluent Easement in whole or in part.

13.2 No Third Party Beneficiary Rights. Nothing expressed or referred to in this Effluent Easement will be construed to give any person other than the parties to this Effluent Easement any legal or equitable right, remedy or claim under or with respect to this Effluent Easement or any provision of this Effluent Easement, except such rights as shall inure to a successor or permitted assignee pursuant to Section 16.1 above.

13.3 Independent Contractor. The parties hereto are and shall be independent contractors to one another, and nothing herein shall be deemed to cause this Effluent Easement to create an agency, partnership, or joint venture between the parties hereto.

13.4 Counterparts. This Effluent Easement may be executed in one or more counterpart signature pages, each of which will be deemed to be an original of this Effluent Easement (and all of which, when taken together, will be deemed to constitute one and the same instrument). Signature pages transmitted by facsimile or other electronic means shall be deemed to be the original signatures of the parties for all purposes.

13.5 Headings. The headings of particular provisions of this Effluent Easement are inserted for convenience only and shall not be construed as a part of this Effluent Easement or serve as a limitation or expansion on the scope of any term or provision of this Effluent Easement.

13.6 Enforcement of Agreement. Each party acknowledges and agrees that the other party would be irreparably damaged if any of the provisions of this Effluent Easement are not performed in accordance with their specific terms and that any breach of this Effluent Easement by a party could not be adequately compensated in all cases by monetary damages alone. Accordingly, in addition to any other right or remedy to which a party may be entitled, at law or in equity, it shall be entitled to enforce any provision of this Effluent Easement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent any breach or threatened breach of any of the provisions of this Effluent Easement, without posting any bond or other undertaking.

13.7 Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be sent either (i) personally by hand delivery, (ii) by United States first-class mail, postage prepaid, (iii) by hand or nationally recognized overnight courier, or (iv) by facsimile addressed to the address or facsimile number indicated on the signature pages to this Effluent Easement (or at such other address or facsimile number as such party or permitted assignee shall have furnished to the other parties hereto in writing). All such notices and other written communications shall be effective on the date of delivery, mailing, or facsimile transmission.

13.8 Waiver. No waivers of, or exceptions to, any term, condition or provision of this Effluent Easement, in any instance, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

13.9 Entire Agreement. This writing and the documents referred to herein embody the entire agreement and understanding between the parties with respect to the subject matter of the Effluent Easement and there are no other agreements or understandings, oral or written, with reference to the subject matter hereof that are not merged herein and superseded hereby.

13.10 Modifications in Writing. This Effluent Easement shall not be modified, amended, or changed in any respect except in writing, duly signed by the parties hereto, and each party hereby waives any right to

amend this Effluent Easement in any other way. The parties acknowledge that any such modifications may be subject to DWQ or other regulatory agency approval.

13.11 Consent to Jurisdiction. The parties hereto agree that the state and federal courts of North Carolina shall have exclusive jurisdiction over this Effluent Easement and any controversies arising out of, relating to, or referring to this Effluent Easement, the formation of this Effluent Easement, and actions undertaken by the parties hereto as a result of this Effluent Easement, whether such controversies sound in tort law, contract law or otherwise. Each of the parties hereto expressly and irrevocably consents to the personal jurisdiction of such state and federal courts, agrees to accept service of process by mail, and expressly waives any jurisdictional or venue defenses otherwise available.

13.12 Governing Law. This Effluent Easement shall be governed by the internal substantive laws of the State of North Carolina, without regard to such state's conflict of law or choice of law rules.

13.13 Recordation; Duration. Upon closing of the transactions contemplated by the Acquisition Agreement, Utility Company shall record this Effluent Easement in the Register of Deeds of Chatham County, North Carolina at Utility Company's expense. The provisions of this Effluent Easement will run with and bind title to the WWTP Property and the Easement Property, will be binding upon and inure to the benefit of all owners of any portion of the WWTP Property or the Easement Property, and will be and remain in effect until such time as a document terminating this Effluent Easement is signed by all of the owners of the WWTP Property and the Easement Property and recorded in the public land records of Chatham County.

13.14 Required Amendments. In the event that the Permit is modified, amended or expanded at any time to permit additional or different land to be used for spray irrigation of Reuse Effluent, the parties hereto shall execute and record an amendment to this Effluent Easement designating such additional or different areas as Spray Areas hereunder.

[Signature Page to Effluent Easement and Irrigation Agreement]

IN WITNESS WHEREOF, the parties have caused this Effluent Easement to be duly executed in their respective corporate names, all by authority duly given, the day and year first above written.

NNP-BRIAR CHAPEL, LLC

By: 

Keith Hurand
Vice President

Address: 16 Windy Knoll Circle
Chapel Hill, NC 27516

Fax: 919.951.0711

BRIAR CHAPEL UTILITIES, LLC

By: 

Douglas L. Hageman
Vice President & General Counsel

Address: 9820 Towne Centre Drive, Ste. 100
San Diego, CA 92121

Fax: 858.455.6142

STATE OF NC
 COUNTY OF Chatham

I, the undersigned, a Notary Public of the County and State aforesaid, certify that Kerth Hurand, whose identity has been proven by satisfactory evidence, said evidence being:

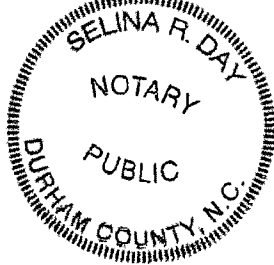
- ☒ I have personal knowledge of the identity of the principal(s)
☐ I have seen satisfactory evidence of the principal's identity, by a current state or federal identification with the principal's photograph in the form of a _____

☐ A credible witness has sworn to the identity of the principal(s);
 who is the Vice President of NNP-Briar Chapel, LLC, a Delaware limited liability company, personally appeared before me this day and acknowledged that (s)he is Vice President of NNP-BRIAR CHAPEL, LLC, a Delaware limited liability company and that as Vice President being duly authorized to do so, voluntarily executed the foregoing instrument on behalf of said company for the purposes stated therein.

Witness my hand and official stamp or seal this 2 day of November, 2009.

Selina R. Day
 Notary Public
 Print Name: Selina R. Day
 My Commission Expires: 8-30-2014

[AFFIX NOTARY SEAL BELOW-NOTE THAT SEAL MUST BE FULLY LEGIBLE]



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of SAN DIEGOOn 30 OCTOBER 2009 before me, LIZ GROMAN, NOTARY PUBLIC
Date Here Insert Name and Title of the Officerpersonally appeared DOUGLAS L. HAGEMAN
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(~~s~~) whose name(~~s~~) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.



Place Notary Seal Above

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached DocumentTitle or Type of Document: EFFLUENT EASEMENT AND IRRIGATION AGREEMENTDocument Date: 30 OCTOBER 2009 Number of Pages: —Signer(s) Other Than Named Above: KEITH HURAND**Capacity(ies) Claimed by Signer(s)**Signer's Name: DOUGLAS L. HAGEMAN☐ Individual☒ Corporate Officer — Title(s): VP & Gen. Counsel☐ Partner — ☐ Limited ☐ General☐ Attorney in Fact☐ Trustee☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

BLAIR CHAPEL UNITES.RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer's Name: _____

☐ Individual☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Attorney in Fact☐ Trustee☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

EXHIBIT A

Easement Property

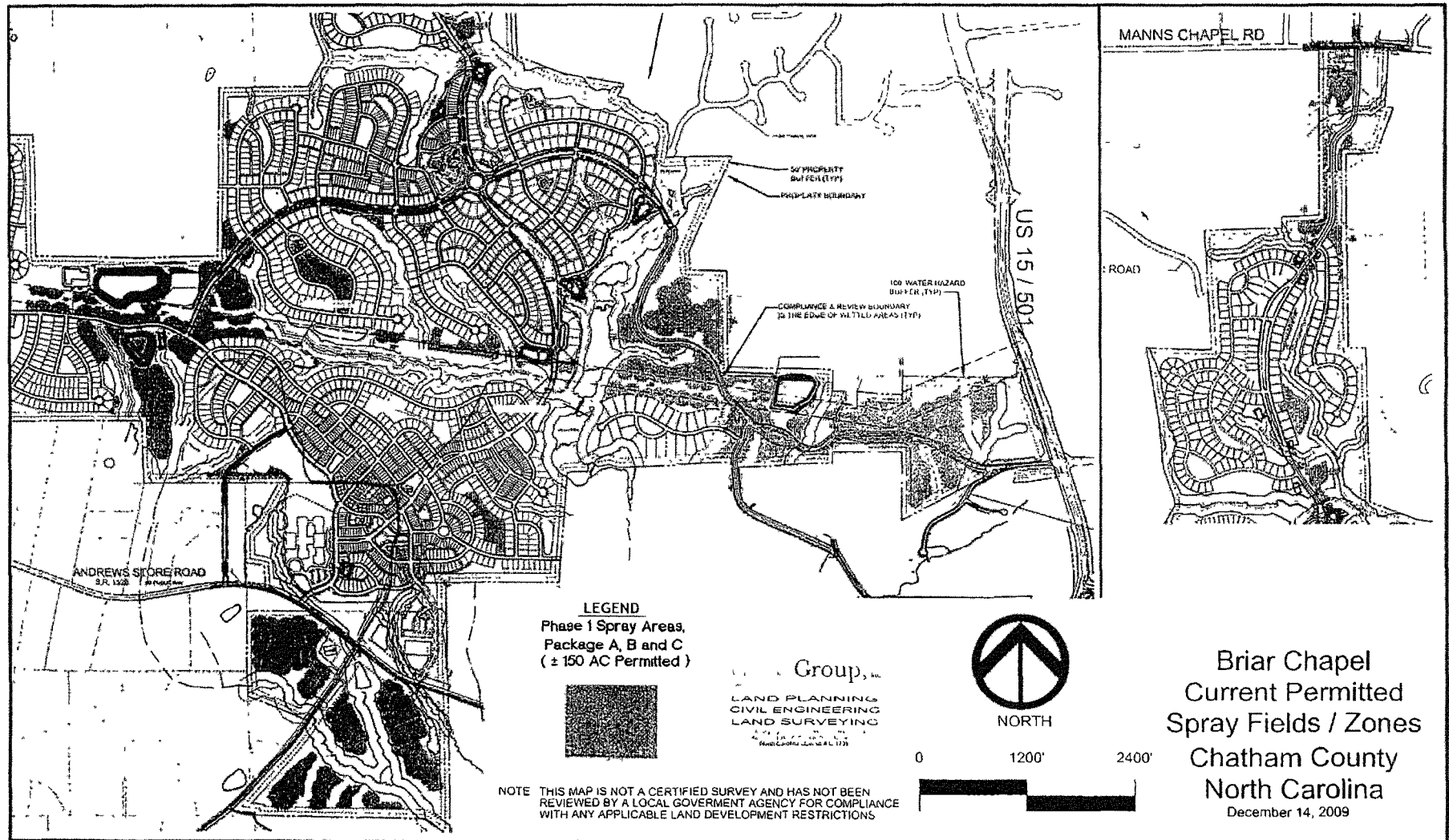
Being all that certain property defined as "Briar Chapel" or "Community" in the Declaration, as such terms are amended, modified, or enlarged from time to time and to which reference is hereby made for a more particular description.

EXHIBIT B

BOOK 1494 PAGE 0835

Spray Areas

(See attached.)



1627
0673

FILED
CHATHAM COUNTY NC
TREVA B. SEAGROVES
REGISTER OF DEEDS
FILED Jun 26, 2012
AT 01:32:19 pm
BOOK 01627
START PAGE 0673
END PAGE 0682
INSTRUMENT # 06608
EXCISE TAX (None)

BOOK 1627 PAGE 0673

Prepared by and return to: Bradshaw & Robinson, LLP, P. O. Box 607, Pittsboro, NC 27312

EFFLUENT EASEMENT AND IRRIGATION AGREEMENT

THIS EFFLUENT EASEMENT AND IRRIGATION AGREEMENT (the "Irrigation Agreement") is made and entered into as of the 21st day of June, 2012, by and between NNP-BRIAR CHAPEL, LLC, a Delaware limited liability company (hereinafter, "NNP-Briar Chapel"), CHATHAM COUNTY, a body politic and corporate of the State of North Carolina (hereinafter, the "County"), and BRIAR CHAPEL UTILITIES, LLC, a Delaware limited liability company (hereinafter, "BC Utilities"). NNP-Briar Chapel, the County and BC Utilities are sometimes referred to herein each individually as a "Party," and collectively as the "Parties."

WITNESSETH:

THAT, WHEREAS, the Parties previously entered into that certain Recreation Land Transfer Agreement dated March 30th, 2010 (the "Transfer Agreement"), wherein NNP-Briar Chapel agreed to convey to the County a certain tract or parcel of land located in Baldwin Township, Chatham County, described as being all of the "Park Tract" as shown and described on the plat entitled, "Briar Chapel Park Tract," recorded at Plat Slides 2010-168 and 2010-169, Chatham County Registry and more particularly described in Exhibit A to that Certain North Carolina Limited Warranty Deed between NNP-Briar Chapel and the County, dated June 21st, 2012 and recorded contemporaneously herewith (the "Property"), and wherein BC Utilities agreed to provide an irrigation system of reclaimed water for the Property, as well as sewer services for the Property;

WHEREAS, the Transfer Agreement provides that the County will grant easements to BC Utilities over and upon the Property for the purpose of installing, maintaining and operating irrigation and sewer systems; and

WHEREAS, the Transfer Agreement provides that the Parties will establish a written agreement regarding the operation of the irrigation system.

NOW, THEREFORE, in consideration of the mutual promises made pursuant to this Irrigation Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

1. Definitions.

1.1 "Athletic Fields" shall mean the recreational fields located on the Property, which are more particularly depicted upon the Andrews Store Road Park Site Plan EXHIBIT "A," a copy of which is attached hereto and incorporated herein by reference, as a Soccer Field, a Practice Area, a Football Field, a Junior Babe Ruth Baseball Field, a Little League Baseball Field, a Playground and a Future Athletic Field.

1.2 "BC Utilities" shall have the meaning set forth in the preamble to this Irrigation Agreement.

1.3 "Briar Chapel" shall mean the property being developed by NNP-Briar Chapel, consisting of approximately 1,589 acres located near US Highway 15-501, Mann's Chapel Road and Andrews Store Road;

1.4 "County" shall have the meaning set forth in the preamble to this Irrigation Agreement.

1.5 "DWQ" shall mean the Division of Water Quality of the North Carolina Department of Environment and Natural Resources.

1.6 "Irrigation Agreement" shall mean this Effluent Easement and Irrigation Agreement, including all exhibits and schedules hereto, if any, as may be amended from time to time.

1.7 "NNP-Briar Chapel" shall have the meaning set forth in the preamble to this Irrigation Agreement.

1.8 "Party" and "Parties" shall have the meanings set forth in the preamble to this Irrigation Agreement.

1.9 "Permit" shall mean the permit for the operation of the Wastewater Treatment System and Spray Irrigation Facilities (each as defined below) issued by DWQ, as the same may be modified or renewed from time to time.

1.10 "Property" shall have the meaning set forth in the recitals to this Irrigation Agreement.

1.11 "Reuse Effluent" shall mean the wastewater that has been treated by BC Utilities to the point that it meets the quality standards required by the Permit.

1.12 "Sewer Facilities" shall have the meaning set forth in Paragraph 4 of this Irrigation Agreement.

1.13 "Sewer Stub-out" shall have the meaning set forth in Paragraph 4 of this Irrigation Agreement.

1.14 "Spray Areas" shall mean all areas on the Property including, but not limited to, the Athletic Fields, that have been, or may in the future be permitted by DWQ for spray irrigation of Reuse Effluent as the same are depicted in EXHIBIT B hereto.

1.15 "Spray Irrigation Facilities" shall mean all Reuse Effluent irrigation lines, pumps, booster pumps, irrigation and spray devices, controls and other devices used in the application of Reuse Effluent upon the Spray Areas.

1.16 "Spray Protocols" shall have the meaning set forth in Paragraph 3.1 of this Irrigation Agreement.

1.17 "Transfer Agreement" shall have the meaning set forth in the recitals to this Irrigation Agreement.

1.18 "Wastewater Treatment System" shall mean the WWTP (as defined below), the collection system that delivers wastewater to the WWTP

1.19 "WWTP" shall mean the wastewater treatment plant located within the Briar Chapel development.

2. Spray Irrigation. BC Utilities shall and is hereby granted a perpetual, non-exclusive easement to spray the Reuse Effluent onto the DWQ-approved Spray Areas in accordance with the spray protocols established pursuant to Paragraph 3 of this Irrigation Agreement. The spray irrigation shall be performed in compliance with all DWQ requirements.

3. Spray Protocols.

3.1 The Parties shall work cooperatively to develop protocols for the operation of the Spray Irrigation Facilities (the "Spray Protocols"), which protocols shall include, at a minimum:

(a) The recommended time, sequence, and/or amount of spray events.

(b) The circumstances and conditions under which BC Utilities shall perform, and is not required to perform, spray events.

(c) The circumstances and conditions under which BC Utilities may, in the event of a line break or other emergency, interrupt service of the Spray Irrigation Facilities and the spraying of Reuse Effluent.

(d) Flexibility for BC Utilities to achieve the goals of the Spray Protocols while responding to (i) the need to spray Reuse Effluent to ensure the proper operation of the Wastewater Treatment System and the Spray Irrigation Facilities, (ii) the needs of the County resulting from the use of the Property as a public recreation area, and (iii) the nurturance needs of plants and grass and/or individual surface or weather conditions.

3.2 The Parties acknowledge that, due to the unique irrigation requirements of the Athletic Fields, the Spray Protocols may differentiate between the Athletic Fields and all other Spray Areas.

3.3 The Parties further acknowledge that, during the early stages of development and build-out of Briar Chapel, BC Utilities will not have enough Reuse Effluent to facilitate the spray of the Reuse Effluent onto the Spray Areas, or enough Reuse Effluent to properly irrigate the Athletic Fields. BC Utilities agrees, however, that once there have been four hundred (400) residential certificates of occupancy issued for residences within the Briar Chapel planned unit development (the "Reuse Threshold"), BCU will thereafter promptly begin to use Reuse Effluent to irrigate the Athletic Fields until the Athletic Fields receive approximately one (1) inch of water per week during the months of May through October, including rainfall. After the Reuse Threshold is reached, however, BCU may elect, in its sole discretion to use County water from time to time provided, however, that NNP-Briar Chapel, LLC hereby agrees to pay the County for all such County water used by it after the Reuse Threshold date. The County shall be responsible for payment for all water used to irrigate the fields from January 1, 2012 through the Reuse Threshold date. The parties hereto agree that the County may pay for such irrigation water usage with recreation fees paid by NNP-Briar Chapel. NNP-Briar Chapel shall install the Spray Irrigation Facilities so that they are easily changeable between Reuse Effluent and County water. The County water system shall be protected from backflow from the Reuse Effluent line by installing County approved backflow protection.

3.4 The Parties shall negotiate in good faith to develop mutually acceptable Spray Protocols. Provided BC Utilities and NNP-Briar Chapel fulfill their obligation under the Transfer Agreement, the Irrigation Agreement and the Spray Protocols negotiated pursuant to this Irrigation Agreement, nothing in the Spray Protocols shall be construed to make either BC Utilities or NNP-Briar Chapel liable for any cause of action related to the failure of BC Utilities to sufficiently irrigate the Spray Areas. However, BC Utilities shall use good faith efforts, consistent with the Permit, the Irrigation Agreement, the Transfer Agreement, and any other regulatory requirements, to provide sufficient Reuse Effluent, as available, to irrigate the Athletic Fields. BC Utilities and NNP-Briar Chapel shall take care not to overwater the Athletic Fields, and shall irrigate the same consistent with its Permit.

4. Sewer Service. BC Utilities has installed and provided to the County at no cost a sewer stub-out (the "Sewer Stub-out") on the Property sufficient to handle the anticipated peak flow of 2,100 gallons per day from the County's planned concessions and restroom buildings ("improvements") to be constructed on the Property. Said installed sewer service has been certified for operation. The County shall be responsible for the cost of constructing the facilities required to connect its improvements to the Sewer Stub-out, and for the cost of the treatment of the County's effluent. With respect to monthly sewer usage fees, prior to commencement of sewer flow, County will install a water meter measuring water flow into the improvements. For the first twelve (12) months after commencement of sewer flow, the monthly sewer fee shall be based on 4.76 REUs at a rate of \$45 per REU or such other rate as may be approved or adjusted from time to time by the North Carolina Utilities Commission. After the first twelve (12) months following commencement of sewer flow and annually thereafter, the County shall supply to BCU copies of the County's monthly meter readings and BCU shall make an adjustment to the REUs in accordance with the actual usage. As defined in BCU's approved Certificate of Public Convenience and Necessity, an REU is a Residential Equivalent Unit, which BCU estimates to be 250 gallons/day. The County will pay the monthly service fee on a monthly basis. Any sewer facilities constructed in the future to connect the Sewer Stub-out to the County's facilities, shall be referred to hereinafter as the "Sewer Facilities." The County shall be responsible for all maintenance, repair and replacement of the Sewer Facilities after conveyance of the Property to the County.

5. Grant of Easements.

5.1 The County hereby grants and conveys to BC Utilities, its successors and assigns, a perpetual non-exclusive easement over (with respect to facilities that are required to be or are

usually located above ground, such as pop-up spray heads, open air water crossings, control boxes, valve covers, back flow preventers, meters, air release valves and associated appurtenances), across, under and appurtenant to the Property, for the Spray Irrigation Facilities (i) in the location installed and existing as of the date of the Closing of the purchase of the Property and (ii) in such locations shown on EXHIBIT B where Spray Irrigation Facilities may in the future be installed and where Spray Areas may be located. Said easement shall be for the purpose of spraying Reuse Effluent on the Spray Areas, and for the purpose of taking all steps necessary to properly install, inspect, replace, repair, operate and maintain Spray Irrigation Facilities and the Spray Areas. It is specifically agreed by the parties to this Irrigation Agreement that the scope of this easement includes, without limitation, the right to clear certain areas as necessary in BC Utilities' reasonable discretion to provide sufficient space for the Spray Irrigation Facilities to be properly installed and to operate, maintain and repair the Spray Irrigation Facilities once installed. With respect to improved easement areas (such as parking lots), upon completion of any construction, maintenance, repair or other work within the improved easement area, disturbed physical improvements shall be restored as nearly as reasonably possible to the condition existing immediately prior to commencement of such work and to the reasonable satisfaction of the County. Any disturbed landscaped or unimproved area, including any cleared areas, shall be restored to the state existing prior to disturbance without requirement of any replanting, except for grass and County-planted shrubs. Except for emergency repairs of facilities, no construction, disturbance, or other work shall take place in the easement areas without thirty (30) days prior written notice to County and mutual agreement between BCU/NNP Briar-Chapel and County as to the time frame of construction. During said thirty (30) day period, BCU shall provide County with a copy of the construction plans and shall meet with County and discuss the construction methods that will occasion the least disturbance to the Property. The construction methods selected by BCU shall be consistent with generally accepted construction practices. In addition, NNP-Briar Chapel and BCU agree that, in utilizing said easements described in this paragraph they will make good faith efforts not to interfere with County's reasonable use of the Property. Notwithstanding the foregoing, said easement shall not be used in a manner so as to interfere with the normal operation and use of the concession building that may be constructed on the Property. The County shall not further encumber the Property, or engage in any activity thereon, or grant any other interest or privilege therein to any other party, that would interfere with BC Utilities' enjoyment of its rights or fulfillment of its obligations pursuant to this Irrigation Agreement; provided, however, the County may encumber the Property to secure financing for improvements to be constructed on the Property.

5.2 The County further hereby grants to BC Utilities, its successors and assigns, a perpetual, non-exclusive easement appurtenant to the Property for ingress, egress, regress and access to and from the Spray Areas, the Spray Irrigation Facilities and the Sewer Stub-out, and over, across, upon, and through the Property, the Spray Areas, the Spray Irrigation Facilities and the Sewer Stub-out as necessary for BC Utilities to enjoy the rights and to fulfill its obligations under this Irrigation Agreement. Unless required by law, the County shall not interfere with or grant any other party authority to interfere with BC Utilities' right of ingress, egress, regress and access granted hereby. In the exercise of BC Utilities' right of ingress, egress, regress and access, BC Utilities shall use existing roads, paths, and other ways of travel to and from the Spray Areas, the Spray Irrigation Facilities and the Sewer Stub-out, BC Utilities shall have no obligation to maintain such roads, paths, or other ways of travel, but shall exercise ordinary care in its use of the same, and shall repair any damage it causes thereto. Where roads, paths, or other ways of travel do not exist, the County shall make reasonable efforts to specify ways of travel for BC Utilities' use so as to permit BC Utilities to enjoy the privileges and fulfill the obligations created by this Irrigation Agreement without undue interference with the County's use of the Property. BC Utilities shall use its best efforts to conduct its activities on the Spray Areas and on the Property in general so as to avoid any unreasonable and adverse interference with the normal use of the Athletic Fields or the other Spray Areas. BC Utilities shall repair any damage to the Property, the Athletic Fields, other Spray Areas, or other property or improvement of the County caused by the exercise of any rights under the Irrigation Agreement.

6. Operation and Maintenance. BC Utilities shall be responsible for the construction, ownership, maintenance and operation of the Spray Irrigation Facilities, and shall repair any damages thereto. In the event that such repairs are necessary because of the negligence, gross negligence, or intentional acts of the County, or its employees, agents or invitees, or because of any acts or events whatsoever insured by the County, or by damage occurring during the County's construction at or maintenance of the Property, the County shall indemnify BC Utilities and reimburse BC Utilities for the cost of any such repairs. The County shall not be liable for incidental or consequential damages to the Spray Irrigation Facilities, except and to the extent that such damages are insured by the County. The County shall ensure that BC Utilities is listed as an additional insured party on any insurance policy obtained by the County for the purpose of insuring the Property or any activities thereon.

7. Reuse Effluent Quality. BC Utilities shall be solely responsible for achieving the water quality levels in the Reuse Effluent required by the Permit issued by DWQ, but shall not be responsible for achieving water quality levels beyond the requirements of said Permit.

8. Assignment. BC Utilities may assign its rights and responsibilities pursuant to this Irrigation Agreement with the approval of the North Carolina Utilities Commission. In the event that BC Utilities plans to assign its rights and responsibilities pursuant to this Irrigation Agreement, BC Utilities shall deliver written notice to the County of any proceeding with the North Carolina Utilities Commission regarding such assignment at least thirty (30) days before the date of such proceeding. Any assignee shall attorn to the obligations of BC Utilities under the Irrigation Agreement and shall be bound by the Irrigation Agreement.

9. Notices. Any notice required or permitted to be given hereunder shall be deemed to be given when (a) hand delivered; (b) three (3) business days from the date deposited in the U.S. Mail and sent certified mail, return receipt requested; or (c) one (1) business day after pickup by Federal Express, or similar overnight express service under a next day guaranteed delivery service, in either case address to the Parties at their respective addresses referenced below:

If to NNP-Briar Chapel:
NNP-Briar Chapel, LLC
16 Windy Knoll Circle
Chapel Hill, North Carolina 27516
Phone: (919) 951-0700
Attention: Mr. Keith Hurand

With a copy to:
Newland Real Estate Group, LLC
9820 Town Centre Drive
San Diego, California 92121
Attention: Legal Services

If to the County:
Chatham County
Post Office Box 1809
Pittsboro, North Carolina 27312
Phone: (919) 542-8201
Attention: County Manager

If to BC Utilities:
Briar Chapel Utilities, LLC
16 Windy Knoll Circle
Chapel Hill, North Carolina 27516
Phone: (919) 951-0700
Attention: Mr. Doug Hageman

or in each case to such other address as the Parties may from time to time designate by giving notice in writing to the other Parties. Telephone numbers are for informational purposes only. Effective notice will be deemed given only as provided above.

10. General Provisions.

10.1 Binding upon Successors and Assigns. This Irrigation Agreement shall be binding upon and shall inure to the benefit of NNP-Briar Chapel, BC Utilities and the County, and the successors and assigns of each.

10.2 No Third-Party Beneficiary Rights. Nothing expressed or referred to in this Irrigation Agreement will be construed to give any person other than the Parties to this Irrigation Agreement any legal or equitable right, remedy or claim under or with respect to this Irrigation Agreement or any provision of this Irrigation Agreement, except such rights as shall inure to a successor or permitted assignee pursuant to Section 10.1 above.

10.3 Independent Contractor. The Parties hereto are and shall be independent contractors to one another, and nothing herein shall be deemed to cause this Irrigation Agreement to create an agency, partnership or joint venture between the Parties hereto.

10.4 Headings. The headings of particular provisions of this Irrigation Agreement are inserted for convenience only and shall not be construed as part of this Irrigation Agreement or serve as a limitation or expansion on the scope of any term or provision of this Irrigation Agreement.

10.5 Enforcement of Irrigation Agreement. Each Party acknowledges and agrees that the other Parties would be irreparably damaged if any of the provisions of this Irrigation Agreement are not performed in accordance with their specific terms, and that any breach of this Irrigation Agreement could not be adequately compensated in all cases by monetary damages alone. Accordingly, in addition to any other right or remedy to which a Party may be entitled, at law or in equity, that Party shall be entitled to enforce any provision of this Irrigation Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent any breach or threatened breach of any of the provisions of this Irrigation Agreement, without posting any bond or other undertaking.

10.6 Waiver. No waivers of, or exceptions to, any term, condition or provision of this Irrigation Agreement, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

10.7 Entire Agreement. This writing and the documents referred to herein embody the entire agreement and understanding between the Parties hereto and there are no other agreements or understandings, oral or written, with reference to the subject matter hereof that are not merged herein and superseded hereby.

10.8 Modifications in Writing. This Irrigation Agreement shall not be modified, amended or changed in any respect except in writing, duly signed by the Parties hereto, and each Party hereby waives any right to amend this Irrigation Agreement in any other way.

10.9 Consent to Jurisdiction. The Parties hereto agree that the state and federal courts of North Carolina shall have exclusive jurisdiction over this Irrigation Agreement and any controversies arising out of, relating to, or referring to this Irrigation Agreement, the formation of this Irrigation Agreement, and actions undertaken by the parties hereto as a result of this Irrigation Agreement, whether such controversies sound in tort law, contract law or otherwise. Each of the Parties hereto expressly and irrevocably consent to the personal jurisdiction of such state and federal courts, agrees to accept service of process by mail, and expressly waives any jurisdictional or venue defenses otherwise available.

10.10 Governing Law. This Irrigation Agreement shall be governed by the internal substantive laws of the State of North Carolina, without regard to such state's conflict of law or choice of law rules.

10.11 Recordation. Upon execution of this Irrigation Agreement, NNP-Briar Chapel shall record this Irrigation Agreement in the Register of Deeds of Chatham County, North Carolina.

IN WITNESS WHEREOF, the Parties have caused this Irrigation Agreement to be executed in their respective names, all by authority duly given, the day and year first above written.

CHATHAM COUNTY

By: Charlie Horne
Name: Charlie Horne
Title: County Manager
Date: June 21, 2012

BRIAR CHAPEL UTILITIES, LLC, a

Delaware limited liability company

By: Kent C Graham
Name: Kent C Graham
Title: Asst Vice President
Date: 6/21/12

NNP-BRIAR CHAPEL, LLC, a

Delaware limited liability company

By: Kent C Graham
Name: Kent C Graham
Title: Asst Vice President
Date: 6/21/12

Wake County, North Carolina

I, a Notary Public for Wake County and State of North Carolina, do hereby certify that Sandra B. Sublett personally appeared before me this day and acknowledged that she is the CLERK OF CHATHAM COUNTY, a North Carolina body politic and corporate, and that by authority duly given and as the act of CHATHAM COUNTY, the foregoing instrument was signed in its name by its COUNTY MANAGER, Charlie Horne, sealed with its corporate seal and attested by herself as its clerk, and the said Sandra B. Sublett is personally known to me.

Date: 6/20/2012

Lisa M. Gentili

Lisa M. Gentili, Notary Public

(Printed Name)

My commission expires: May 4, 2013

Attest: Sandra B. Sublett

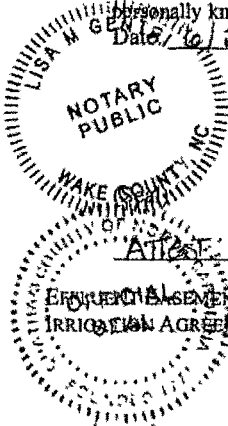


EXHIBIT A - SEVENTH AND
IRRIGATION AGREEMENT

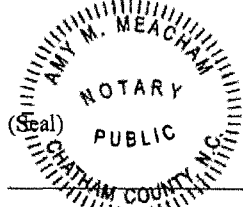
Chatham County, North Carolina

I certify that the following person(s) personally appeared before me this day, each
acknowledging to me that he or she voluntarily signed the foregoing document for the purpose
stated therein and in the capacity indicated: Kevin C. Graham, Asst. Vice President

Date: 6-21-2012

Amy M. Meacham
Amy M. Meacham, Notary Public
(Printed Name)

My commission expires: 3-3-2016



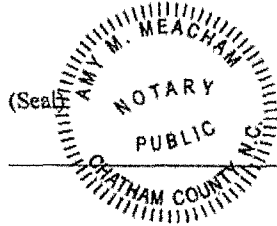
Chatham County, North Carolina

I certify that the following person(s) personally appeared before me this day, each
acknowledging to me that he or she voluntarily signed the foregoing document for the purpose
stated therein and in the capacity indicated: Kevin C. Graham, Asst. Vice President

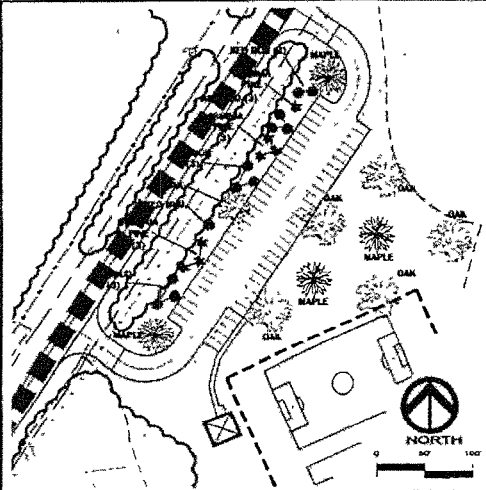
Date: 6-21-2012

Amy M. Meacham
Amy M. Meacham, Notary Public
(Printed Name)

My commission expires: 3-3-2016

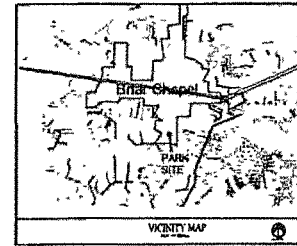
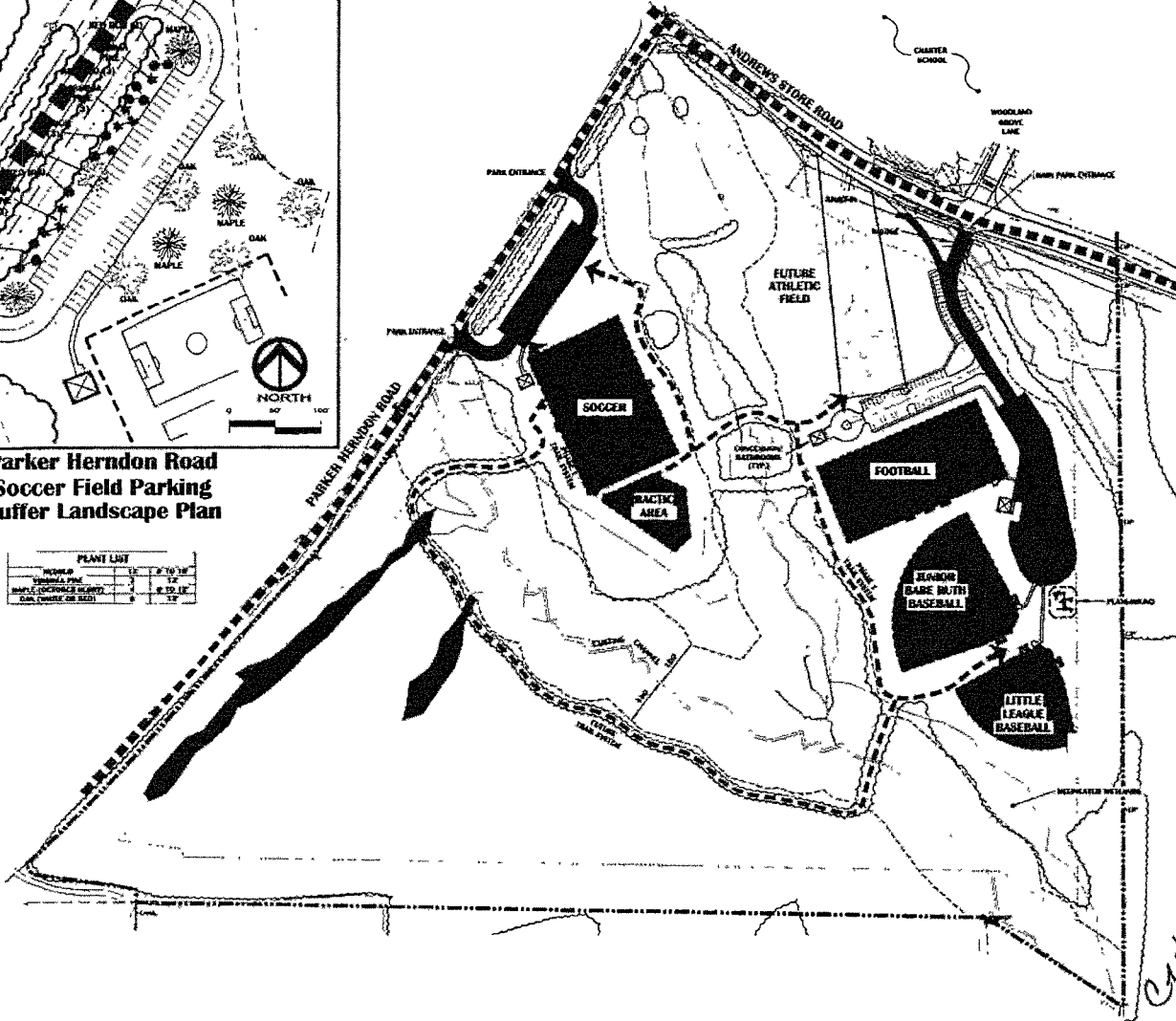


THIS MAP IS NOT A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY A LOCAL GOVERNMENT AGENCY FOR COMPLIANCE WITH ANY APPLICABLE LAND DEVELOPMENT REGULATIONS.



**Parker Herndon Road
Soccer Field Parking
Buffer Landscape Plan**

PLANT LIST		
PEACH	12"	8" TO 12"
DOGWOOD	12"	8" TO 12"
MAPLE (COGNACIA HYBRID)	12"	8" TO 12"
OAK (WHITE OR RED)	12"	8" TO 12"

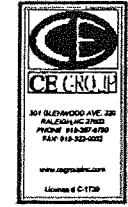


LEGEND



**Andrews Store Road Park
SITE PLAN
Exhibit "B-1"
Chatham County
North Carolina**

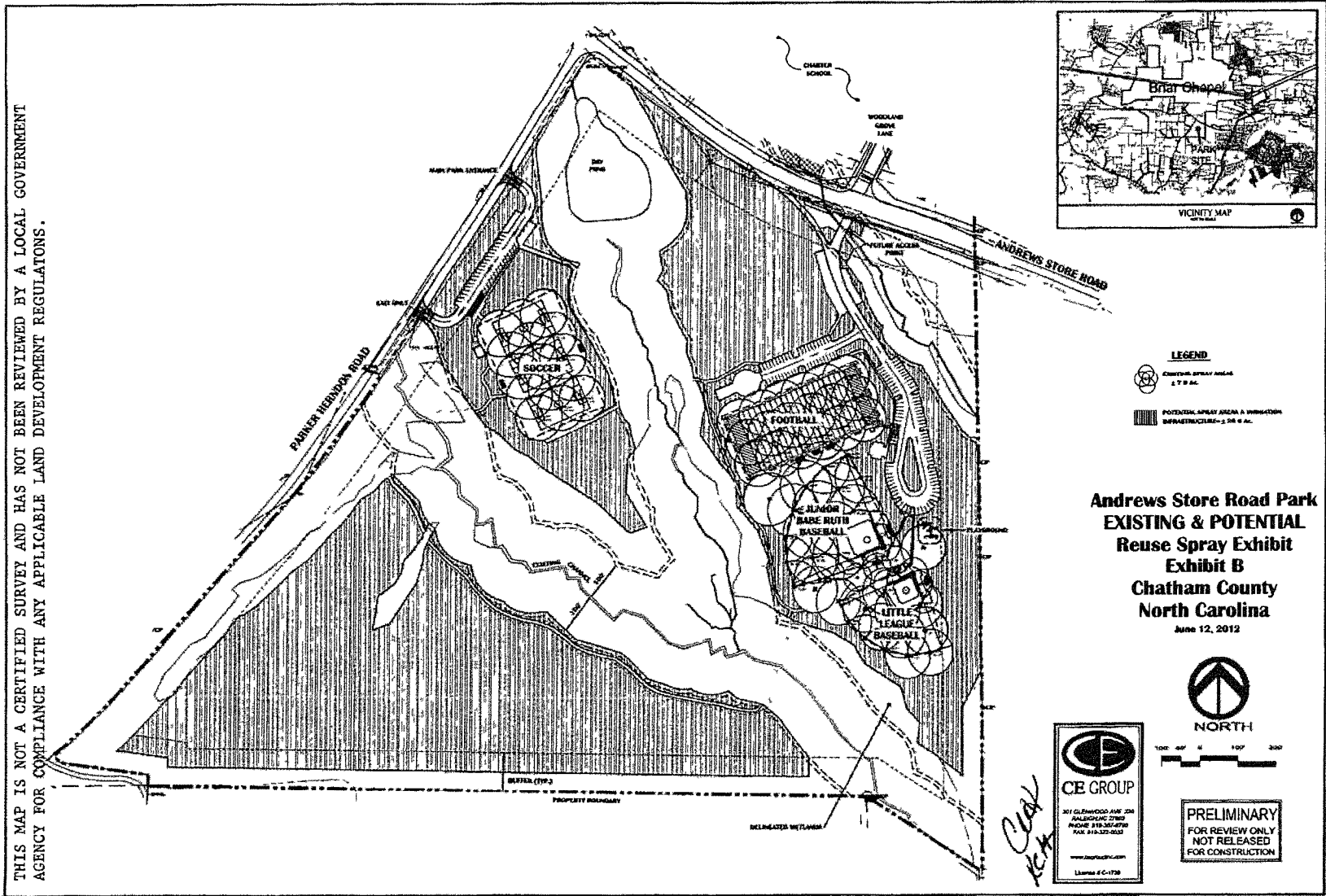
JUNE 5, 2012



PRELIMINARY
FOR REVIEW ONLY
NOT RELEASED
FOR CONSTRUCTION

CH
KAT

THIS MAP IS NOT A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY A LOCAL GOVERNMENT AGENCY FOR COMPLIANCE WITH ANY APPLICABLE LAND DEVELOPMENT REGULATIONS.



SCHEDULE 3

Briar Chapel Master Development Plan

(See attached)

BRIAR CHAPEL
 Newland Community
 MASTERPLAN REVISED FEBRUARY 2012

MANNS CHAPEL ROAD

LEGEND

- OPEN SPACE
- CIVIC BUILDING SITE
- STREAM BUFFER
- PERIMETER/VIEWSHED BUFFER
- PARK (LOCATIONS ILLUSTRATIVE)
- DONATED CIVIC PARCELS
- T3
- T4 A
- T4 B
- T4 D
- WATER REUSE/STORAGE POND
- STORMWATER POND
- WWTP WASTEWATER TREATMENT PLANT
- CEMETERY

100' PERIMETER
BUFFER UNCHANGED

100' PERIMETER
BUFFER UNCHANGED

50' VIEWSHED
BUFFER UNCHANGED

200' PERIMETER
BUFFER UNCHANGED

50' VIEWSHED
BUFFER UNCHANGED

100' VIEWSHED
BUFFER UNCHANGED

300' PERIMETER
BUFFER UNCHANGED

ANDREWS STORE ROAD

CIVIC/INSTITUTIONAL SITE
(e.g. RECREATION, SCHOOL,
CHURCH, OTHER)

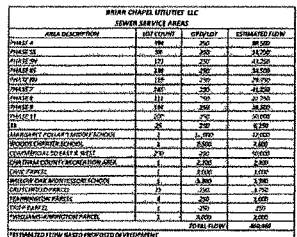
PARKER HERNDON ROAD

U.S. 501-51

Development Schedule			
Phase 1	Phase 2	Phase 3	Phase 4
Phase 5	Phase 6	Phase 7	Phase 8
Phase 9	Phase 10	Phase 11	Phase 12
Phase 13	Phase 14	Phase 15	Phase 16
Phase 17	Phase 18	Phase 19	Phase 20
Phase 21	Phase 22	Phase 23	Phase 24
Phase 25	Phase 26	Phase 27	Phase 28
Phase 29	Phase 30	Phase 31	Phase 32
Phase 33	Phase 34	Phase 35	Phase 36
Phase 37	Phase 38	Phase 39	Phase 40
Phase 41	Phase 42	Phase 43	Phase 44
Phase 45	Phase 46	Phase 47	Phase 48
Phase 49	Phase 50	Phase 51	Phase 52
Phase 53	Phase 54	Phase 55	Phase 56
Phase 57	Phase 58	Phase 59	Phase 60
Phase 61	Phase 62	Phase 63	Phase 64
Phase 65	Phase 66	Phase 67	Phase 68
Phase 69	Phase 70	Phase 71	Phase 72
Phase 73	Phase 74	Phase 75	Phase 76
Phase 77	Phase 78	Phase 79	Phase 80
Phase 81	Phase 82	Phase 83	Phase 84
Phase 85	Phase 86	Phase 87	Phase 88
Phase 89	Phase 90	Phase 91	Phase 92
Phase 93	Phase 94	Phase 95	Phase 96
Phase 97	Phase 98	Phase 99	Phase 100



SCHEDUL 5 - BRIAR CHAPEL MASTER
DEVELOPMENT PLAN



SCHEDULE 4

Pump Station Lot, WWTP Lot and other Real Estate

(See attached)

Excise Tax: \$6,194.00

Parcel Identifier No. _____ out of 9765-76-6653

Mail after recording to: _____ Grantee

This instrument was prepared by: Kilpatrick Stockton LLP (JAB) without title examination

Brief description for the Index: 21.24 Acres (Tracts A and B) Reclamation Facility

NORTH CAROLINA SPECIAL WARRANTY DEED

THIS DEED made as of this 22nd day of December, 2009, by and between

GRANTOR

NNP-BRIAR CHAPEL, LLC, a Delaware limited
liability company
16 Windy Knoll Circle
Chapel Hill, NC 27516

GRANTEE

BRIAR CHAPEL UTILITIES, LLC, a Delaware
limited liability company
16 Windy Knoll Circle
Chapel Hill, NC 27516

Enter in appropriate block for each party: name, address, and, if appropriate, character of entity, e.g., corporation or partnership.

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in Chatham County, North Carolina, and more particularly described as follows:

SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF

The property hereinabove described was acquired by Grantor by instrument(s) recorded in Book 1198 at Page 510 in Chatham County, North Carolina, Public Registry (the "Registry").

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And Grantor covenants with Grantee, that Grantor has done nothing to impair such title as Grantor received, and Grantor will warrant and defend the title against the lawful claims of all persons claiming by, under or through Grantor, except for the exceptions hereinafter stated.

Title to the property hereinabove described is subject to the following exceptions:

1. Taxes for the year 2010 and subsequent years which are not yet delinquent.
2. All enforceable easements, conditions, restrictions and other matters of record.

IN WITNESS WHEREOF, the Grantor has caused this instrument to be signed in its company name by its duly authorized members/managers, the day and year first above written.

GRANTOR:

NNP-BRIAR CHAPEL, LLC, a Delaware limited liability company

BY: [Signature]
Name: KEITH HURAND
Title: VICE PRESIDENT

STATE OF NORTH CAROLINA

COUNTY OF Chatham

I, Selina R. Day, a Notary Public of the County and State aforesaid, certify that Keith Hurand, whose identity has been proven by satisfactory evidence, said evidence being:
☒ I have personal knowledge of the identity of the principal(s)
☐ I have seen satisfactory evidence of the principal's identity, by a current state or federal identification with the principal's photograph in the form of a _____

☐ A credible witness has sworn to the identity of the principal(s);
who is the Manager of NNP-Briar Chapel, LLC, a Delaware limited liability company, personally appeared before me this day and acknowledged that (s)he is Manager of NNP-Briar Chapel, LLC and that as Manager being duly authorized to do so, voluntarily executed the foregoing instrument on behalf of said company for the purposes stated therein.

WITNESS my hand and notarial seal, this 22 day of December, 2009.

Selina R. Day
Notary Public
Print Name: Selina R. Day

My Commission Expires: August 30, 2014

[AFFIX NOTARY SEAL BELOW-NOTE THAT SEAL MUST BE FULLY LEGIBLE]

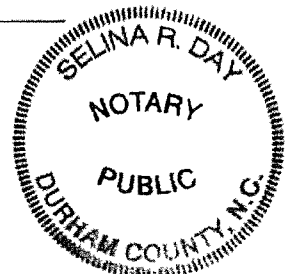
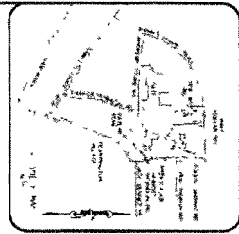


EXHIBIT A

WASTEWATER RECLAMATION FACILITY PROPERTY DESCRIPTION

Being all that certain tract of land containing 21.24 total acres, located in Baldwin Township, Chatham County, North Carolina, and shown as Reclamation Facility Tract A (North) and Reclamation Facility Tract A (South), Exempt Plat, on Plat Book 2008, Pages 131-132, Chatham County Registry, to which reference is hereby made for a more particular description.



THE FOLLOWING IS A SUMMARY OF THE INFORMATION OBTAINED FROM THE FIELD SURVEY AND THE RECORDS OF THE PROJECT AREA. THE INFORMATION IS SUBJECT TO CHANGE AS MORE INFORMATION IS OBTAINED. THE INFORMATION IS NOT TO BE USED FOR ANY OTHER PURPOSES WITHOUT THE WRITTEN CONSENT OF THE ENGINEER.

DATE: 10/10/00
 BY: J. R. McADAMS
 FOR: BRIAR CHAPEL RECLAMATION FACILITY



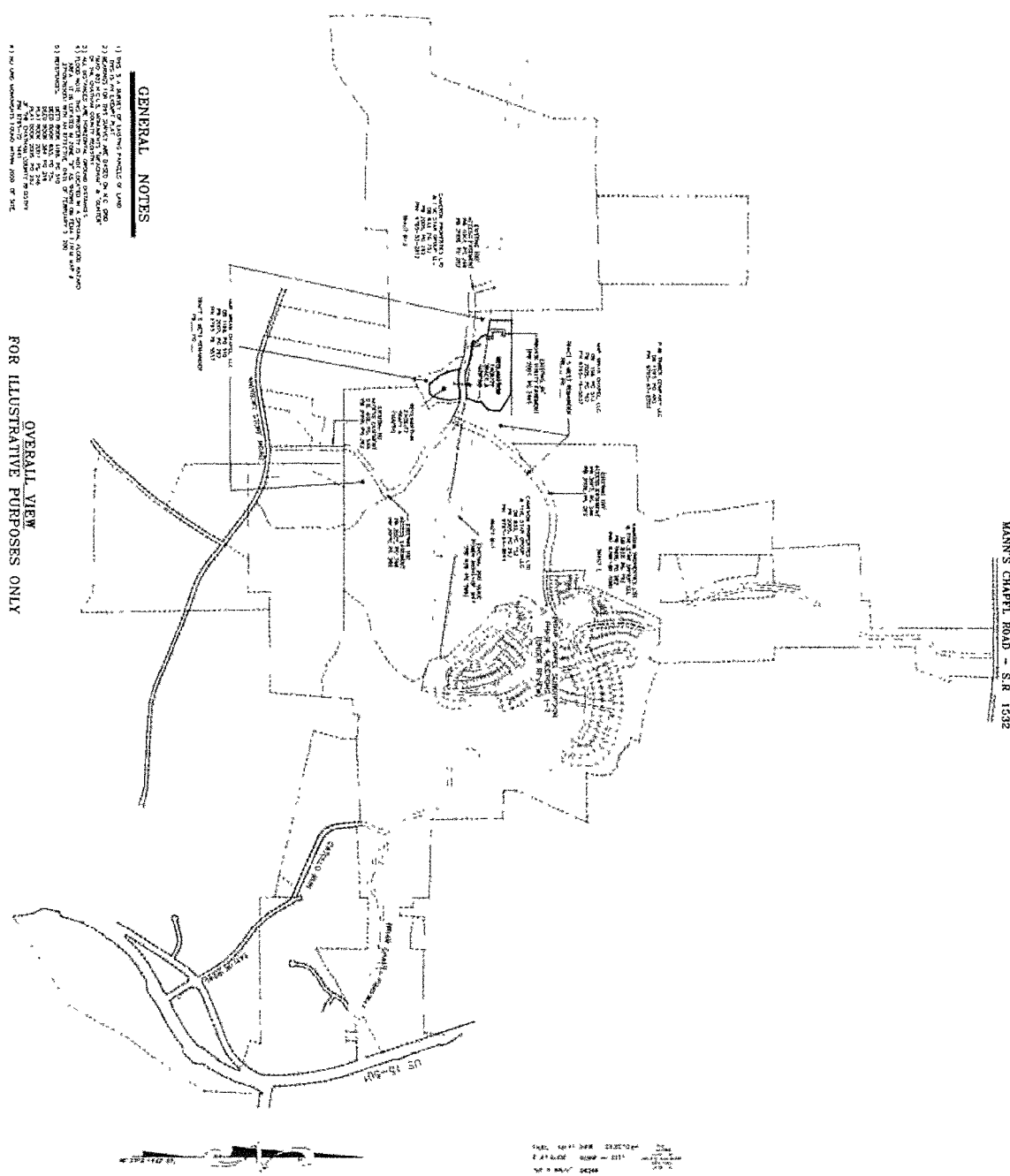
AREA UNDER SURVEY: 10.00 AC.
 DATE OF SURVEY: 10/10/00
 BY: J. R. McADAMS
 FOR: BRIAR CHAPEL RECLAMATION FACILITY

PROJECT: BRIAR CHAPEL RECLAMATION FACILITY
 TRACT A (NORTH) AND (SOUTH)
 EXEMPT PLAT
 DATE: 10/10/00
 BY: J. R. McADAMS
 FOR: BRIAR CHAPEL RECLAMATION FACILITY

GENERAL NOTES


- 1) SEE 1. A. MAP OF ALABAMA PROJECT OF LAND.
- 2) SEE 2. A. MAP OF ALABAMA PROJECT OF LAND.
- 3) SEE 3. A. MAP OF ALABAMA PROJECT OF LAND.
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- 100) SEE 100. A. MAP OF ALABAMA PROJECT OF LAND.

OVERALL VIEW
 FOR ILLUSTRATIVE PURPOSES ONLY



2008-131



 THE JOHN R. McADAMS
COMPANY, INC.
2415 S. W. 10th St., Ft. Lauderdale, FL 33304
REARWAX TRIANGLE PAPER, INC.
P.O. BOX 140252 FT. 27-07-100*
(407) 541-5000

STATE OF NORTH CAROLINA
COUNTY OF CHATHAM

WASTEWATER SYSTEM - BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS that NNP-Briar Chapel, LLC (Seller), in return for valuable consideration received by the Seller from Briar Chapel Utilities, LLC (Buyer), the sufficiency of which is hereby acknowledged, has bargained and sold and does by this instrument bargain, sell and convey to the Buyer, its successors and assigns, all right, title in and to the following Wastewater Utility System Assets constructed within Briar Chapel and Herndon Woods, Chatham County, North Carolina as of December 23rd, 2009:

- (1) The Wastewater Collection System including the wastewater service lines, pressure and/or gravity collection lines, force mains, lift stations, if any, and all appurtenant equipment that will deliver wastewater from the customers at Briar Chapel and Herndon Woods to the WWTP.
- (2) The Spray Irrigation Facilities including the Reuse Effluent Pumping Station, Reuse Effluent irrigation lines, pumps, booster pumps, irrigation and spray devices, controls and other devices used in the application of Reuse Effluent from the Reuse Effluent Storage Ponds upon the Spray Areas.

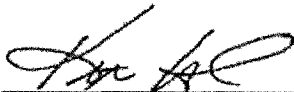
All property conveyed hereby being referred to as the "Property."

Capitalized terms used here have the meaning ascribed to them in the Agreement between NNP-Briar Chapel, LLC and Briar Chapel Utilities, LLC for the Installation, Conveyance, and Operation of the Wastewater Utility System serving Briar Chapel and Herndon Woods dated October 30, 2009.

To have and to hold the Property in fee simple.

IN TESTIMONY WHEREOF, the Seller has hereunto set his hand this the 23rd day of December, 2009.

NNP-Briar Chapel, LLC

A handwritten signature in black ink, appearing to read 'Keith Hurand', written over a horizontal line.

Keith Hurand, Vice-President

PUMP STATION "C"
HERNDON WOODS /
TAYLOR RD.

STATE OF NORTH CAROLINA
COUNTY OF CHATHAM

EASEMENT PURCHASE
AGREEMENT

THIS EASEMENT PURCHASE AGREEMENT (the "Agreement"), made and entered into this 24 day of September, 2008, by and between NNP BRIAR CHAPEL, LLC, a North Carolina limited liability company ("Buyer"), and PAUL A. WEBB and MARCIA WEBB (collectively, the "Sellers");

WITNESSETH:

WHEREAS, Sellers own a tract of land located in Chatham County, North Carolina known as Lot 7, Herndon Woods (the "Master Tract"); and

WHEREAS, Buyer is the owner of those certain tracts of land (the "Adjoining Tracts") lying to the west of Master Tract known as Briar Chapel.

WHEREAS, Buyer desires to construct a gravity sewer main across a portion of the Master Tract, the locations of which are shown as a hatched area on Exhibit A attached hereto and incorporated herein by reference (the "Easement Areas"), and Seller desires to sell to Buyer an easement over the Easement Area in the form attached as Exhibit B;

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) paid by Buyer to the Sellers, the receipt of which is hereby acknowledged, Sellers do hereby contract and agrees to sell and convey, and Buyer does hereby agree to purchase at the price and upon the terms and conditions hereinafter set forth, the Easement across, over and through the portion of the Master Tract as shown on Exhibit A all pursuant to the terms and conditions hereinafter more specifically set forth:

1. **Closing.** Closing hereunder shall occur no later than September 30, 2008 (the "Closing Date") at the offices of Kennon, Craver, Belo, Craig & McKee, PLLC, 4011 University Drive, Suite 300, Durham, North Carolina 27707. The Closing Date and place may be changed by written agreement signed by the parties. Sellers shall deliver possession of the Easement to Buyer on the Closing Date. Prior to closing, all risk of loss shall be borne by Sellers.

2. **Development of Master Tract.** In consideration of the grant of the Easement, Buyer shall, within one (1) year of the Closing Date construct one (1) service stub which contains a sewer line adequate to serve the existing dwelling on the Master Tract.

3. **Closing Documentation.** At closing, Sellers shall execute and deliver to Buyer the following:

- (a) The Easement in the form attached as Exhibit B. The title to the Easement shall be marketable and insurable (at regular title insurance rates), free and

clear of all liens, charges and encumbrances except general utility easements. The Easement shall be assignable by Buyer.

- (b) An owners and contractors affidavit on a form sufficient for use by Buyer in obtaining title insurance on the Easement free and clear of any mechanics' or materialmen's lien exception.
- (c) An affidavit affirming that on the Closing Date there are no outstanding and unsatisfied judgments, tax liens, or bankruptcies against or involving the Sellers and that there are no unrecorded interests in the Master Tract of any kind.
- (d) A statement from Sellers certifying that all of the representations and warranties contained in paragraph 8 hereof, to the best of Sellers knowledge, are true and correct as of the Closing Date.
- (e) Such other documentation as may be reasonably requested by Buyer.

4. Closing Costs. Buyer shall pay all costs to record the Easement. Buyer will reimburse Sellers for reasonable attorney's fees not to exceed \$750.00 without the prior written consent of the Buyer.

5. Ad Valorem Taxes. Buyer shall have no liability for City-County ad valorem taxes on the Property at closing or in the future; and, Sellers acknowledge and agree that it and its successors or assigns will remain liable for City-County ad valorem taxes on the Property, if any.

6. Title Examination. At any time prior to fifteen (15) days before closing, Buyer shall cause its attorney to examine the title to the Master Tract and advise Sellers in writing of any objections to said title (which objection shall not include the lien of City-County ad valorem taxes for the year in which closing occurs and general utility easements), and Sellers shall have a period of seven (7) days from the date of notice of said objections within which to remedy said objections to the reasonable satisfaction of Buyer and its attorney. In the event said objections are not cured or remedied within said seven (7) day period, the Buyer, at its election, shall have the right to either (a) accept such title subject to the objections or (b) terminate this Agreement. Sellers agree to cause any liens on the Master Tract to be subordinated to the Easement prior to or at Closing.

7. Survey. Prior to closing, Buyer shall cause a North Carolina licensed surveyor or engineer to prepare an accurate survey of the Master Tract and the Easement Area. The parties agree that the legal description of the Easement Area conveyed in the Easement shall be drawn from said survey.

8. Representation and Warranties by Seller. Sellers represent and warrants to Buyer that:

- (a) Sellers have all requisite power and authority to execute this Agreement, the closing instruments listed in paragraph 4 hereof, and all other instruments required to be delivered by Sellers under the terms of this Agreement.
- (b) The conveyance of the Easement pursuant to this Agreement will not violate any private restriction or agreement or, to the best of the knowledge of Sellers, any applicable statute, ordinance, governmental restriction or regulation.
- (c) To the best of Sellers knowledge there are no liens, easements or other encumbrances which encumber the Easement Area, other lien of City-County ad valorem taxes for the year in which closing occurs and general utility easements.
- (d) Sellers have received no notice of any action, litigation, pending or threatened condemnation or other proceeding of any kind pending against Sellers which relates to or affects the Easement Area or the access to the Easement Area over the Master Tract.
- (e) Sellers, on the Closing Date, will have complied with all of its obligations required to be performed by that date, unless such compliance has been waived in writing by Buyer, and all warranties made hereunder shall be true and correct on the Closing Date.
- (f) Sellers warrant to Buyer that, to the best of Sellers knowledge: (1) the environmental and ecological condition of the Master Tract as of the closing date will be such that the Master Tract will not be in violation of any federal, state or local law, ordinance, notice requirement, rule or regulation applicable thereto; (2) Sellers neither knows of, nor has been advised of, any legal or administrative proceedings, claims or alleged claims, violations or alleged violations, infractions or alleged infractions of any federal, state or local laws, rules or regulations relating to the condition of the Master Tract; (3) the soil, surface water and groundwater of, on, under or about the Master Tract are free from solid waste, hazardous waste, petroleum or petroleum derived products, or other toxic or hazardous substances or contaminants, as those terms are defined under all applicable federal, state or local environmental laws, rules, regulations or ordinances; and (4) the Master Tract has not been used for the treatment, storage or disposal of any solid or hazardous waste materials or other toxic, hazardous or petroleum substances, as those terms are defined under all applicable federal, state or local environmental laws, rules, regulations or ordinances, and no such hazardous or toxic waste materials or substances are known to be present on or to have been buried on, or released to, the Master Tract.

Sellers hereby agree that the truthfulness of each of said representations and warranties and of all other representations and warranties herein made is a condition precedent to the performance by Buyer of its obligations hereunder, and all of said representations and warranties shall be deemed to be repeated at each closing. Upon the material breach of any thereof, or in the event any of the conditions precedent to closing as described herein have not been satisfied or waived as of each Closing Date, or upon the material breach by Seller of any representation, warranty, condition or provision hereof, Buyer may, prior to the Closing Date, terminate this Agreement. The foregoing remedy is not intended to be an exclusive remedy of Buyer.

9. Broker's Commission. Sellers and Buyer represent each to the other that no broker's or real estate commissions are due as a result of the closing of this transaction. Sellers agree to indemnify Buyer against any cost and expense (including reasonable attorneys' fees) incurred by Buyer as a result of the untruth of the foregoing representation by Sellers. Buyer agrees to indemnify the Sellers against any cost and expense (including reasonable attorneys' fees) incurred by Sellers as a result of the untruth of the foregoing representation by Buyer.

10. Assignment. The Buyer may assign its rights, duties and obligations hereunder to any entity affiliated with Buyer without the consent of the Sellers. The Sellers may not assign its rights, duties and obligations hereunder without the written consent of Buyer.

11. Survival. All of the terms, covenants, conditions, representations, warranties, and agreements of this Agreement shall survive and continue in full force and effect and shall be enforceable after the Closing Date.

12. Notices. All notice or election required or permitted to be given or served by any party hereto upon any other party shall be deemed given or served in accordance with the provisions of this Easement Purchase Agreement, if said notice or election is directed to Sellers by delivering it personally to Paul A. Webb and Marcia Webb, or if said notice or election is directed to Buyer, by delivering it personally to Mitch Barron, or if mailed in a sealed wrapper by United States registered or certified mail, return receipt requested, postage prepaid, properly addressed as follows:

if to Buyer: NNP Briar Chapel, LLC
 Attn: Mitch Barron
 16 Windy Knoll Circle
 Chapel Hill, NC 27516

with a copy to: William T. Hutchins, Jr.
 Kennon, Craver, Belo, Craig & McKee, PLLC
 4011 University Dr., Ste. 300
 Durham, NC 27707

if to Seller: Paul A. Webb
Marcia Webb
374 Hubert Herndon Road
Chapel Hill, NC 27516

Each such mailed notice or communication shall be deemed to have been given to, or served upon, the party to which addressed on the date as the same is deposited in the United States registered or certified mail, return receipt requested, postage prepaid, properly addressed in the manner above provided. Each such delivered notice or communication shall be deemed to have been given to, or served upon the party to whom delivered, upon the delivery thereof in the manner above provided. Any party hereto may change its address for the service of notice hereunder by delivering written notice of said change to the other party hereunder, in the manner above specified ten (10) days prior to the effective date of such change.

13. Captions. Paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.

14. Entire Agreement, Modification. This Agreement constitutes the entire and complete agreement between the parties hereto and supersedes any prior or oral written agreements between the parties with respect to the contemplated purchase and sale. It is expressly agreed that there are no verbal understandings or agreements which in any way change the terms, covenants and conditions herein set forth, and that no modification of this Agreement and no waiver of any of its terms or conditions shall be effective unless made in writing and duly executed by the parties hereto.

15. Binding Effect. All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and permitted assigns.

16. Controlling Law. This Agreement has been made and entered into under the laws of the State of North Carolina, and said laws should control the interpretation hereof.

17. Construction of Terms. Where appropriate, any word denoting the singular shall be deemed to denote the plural, and vice versa. Where appropriate, any word denoting or referring to one gender shall be deemed to include the other gender.

18. Memorandum of Agreement. Upon request by Buyer, Sellers shall execute a memorandum of this Agreement suitable for recording in the public records. Buyer shall bear the cost of preparing and recording this instrument.

19. Condemnation. Should all or any part of the Subject Property be condemned by any governmental or quasi-governmental body at or prior to closing, Buyer shall have any of the following options:

- (a) Terminate this Agreement; or
- (b) Close on all of the Easement not condemned, adjusting the purchase price pro-rata based on acreage, in which case Seller shall retain the condemnation award.

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Easement Purchase Agreement to be executed as of the day and year first above written.


BUYER:

NNP BRIAR CHAPEL, LLC

By: 

Mitch Harris

SELLERS:

 (SEAL)
Paul A. Webb

 (SEAL)
Marcia Webb

EXHIBIT A

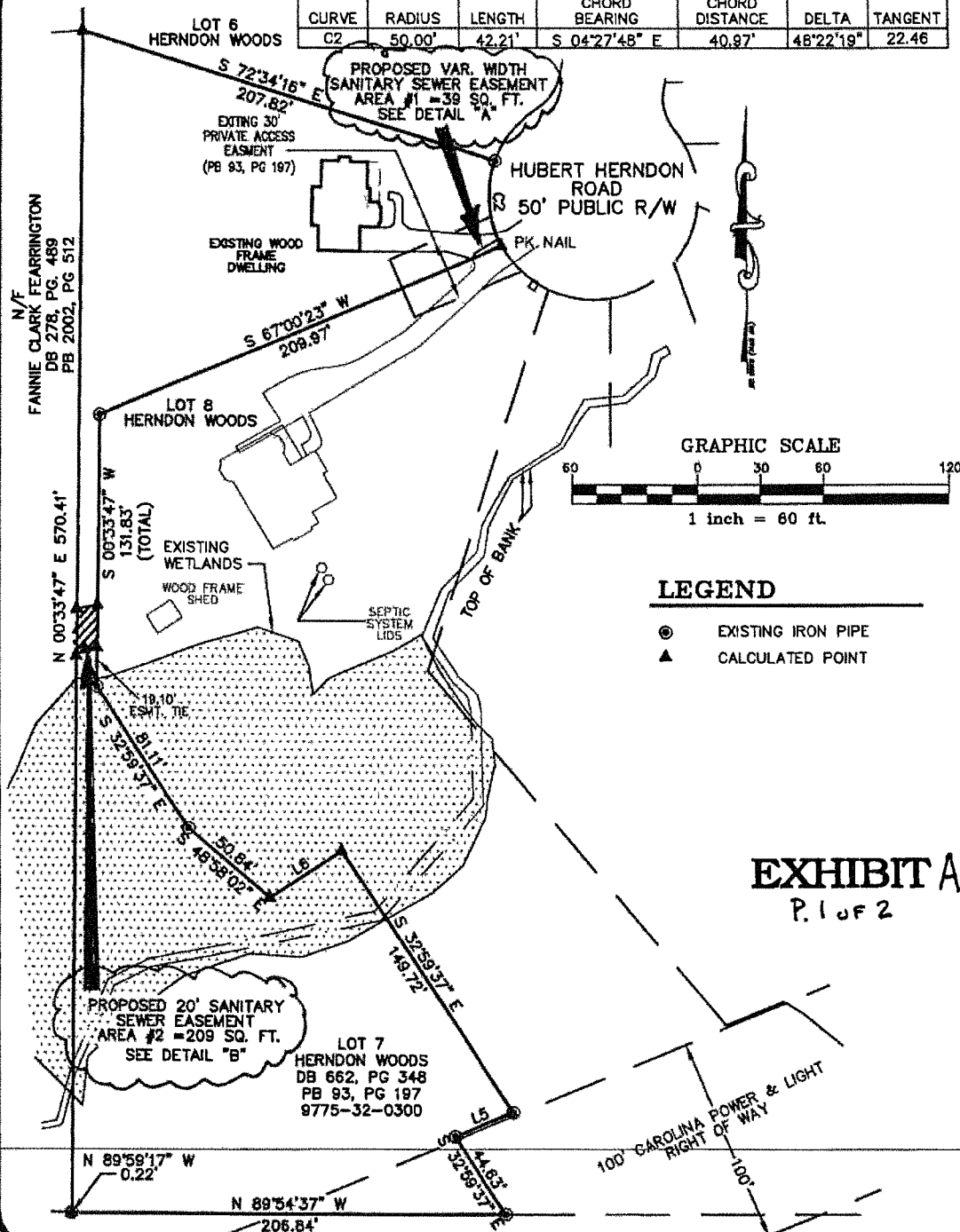
[See attached diagram of easement]

GENERAL NOTES

- 1.) THIS EXHIBIT IS NOT A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY ANY GOVERNMENTAL AGENCY FOR COMPLIANCE WITH ANY APPLICABLE LAND DEVELOPMENT REGULATIONS.
- 2.) THE BOUNDARY SHOWN HEREON IS BASED ON PLAT BOOK 94, PAGE 13 OF THE CHATHAM COUNTY REGISTRY.
- 3.) THIS EXHIBIT PERFORMED AND PREPARED WITHOUT THE BENEFIT OF A TITLE REPORT. THIS EXHIBIT IS SUBJECT TO ANY FACTS AND EASEMENTS WHICH MAY BE DISCLOSED BY A FULL AND ACCURATE TITLE SEARCH.
- 4.) WETLANDS DELINEATED BY THE JOHN R. McADAMS COMPANY, INC. ON APRIL 10, 2008.

LINE TABLE		
LINE	LENGTH	BEARING
L5	30.51'	S 67°29'51" W
L6	41.02'	N 57°01'52" E

CURVE TABLE						
CURVE	RADIUS	LENGTH	CHORD BEARING	CHORD DISTANCE	DELTA	TANGENT
C2	50.00'	42.21'	S 04°27'48" E	40.97'	48°22'19"	22.46'



PROJECT NO.	NEW-05002
FILENAME:	NEW05002-E2
SCALE:	1"=60'
DATE:	05-13-2008

PAUL & MARCIA WEBB
PROPOSED SANITARY SEWER
EASEMENT EXHIBIT
CHATHAM COUNTY, NORTH CAROLINA

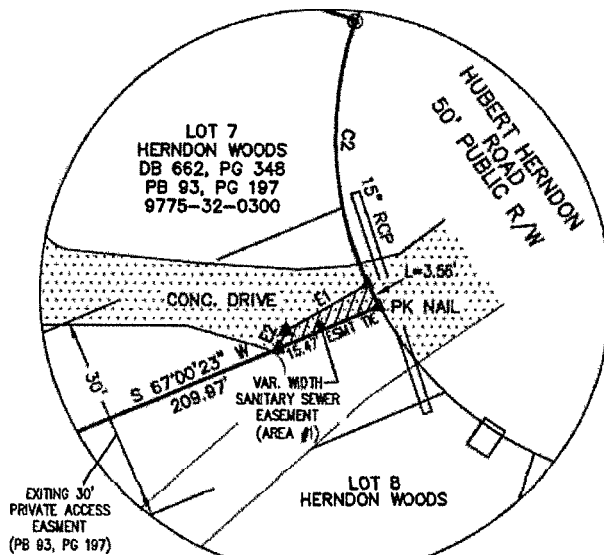
THE JOHN R. McADAMS
COMPANY, INC.
 ENGINEERS/PLANNERS/SURVEYORS
 RESEARCH TRIANGLE PARK, NC
 P.O. BOX 14088 KIP 87700-4000
 (919) 981-0000

GENERAL NOTES

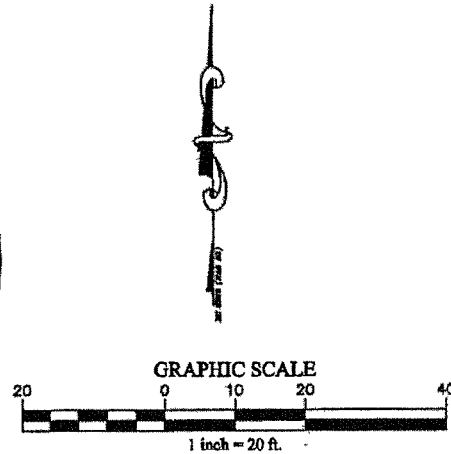
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LINE TABLE		
LINE	BEARING	LENGTH
E1	N 60°13'01" E	13.34'
E2	N 22°28'03" E	2.82'
E3	S 78°17'53" W	5.94'
E4	S 53°55'59" W	5.23'
E7	N 00°33'47" E	22.68'
E8	N 78°17'53" E	10.23'
E9	S 00°33'47" W	20.47'

CURVE TABLE						
CURVE	RADIUS	LENGTH	CHORD BEARING	CHORD DISTANCE	DELTA	TANGENT
C2	50.00'	42.21'	S 04°27'48" E	40.97'	48°22'19"	22.46'

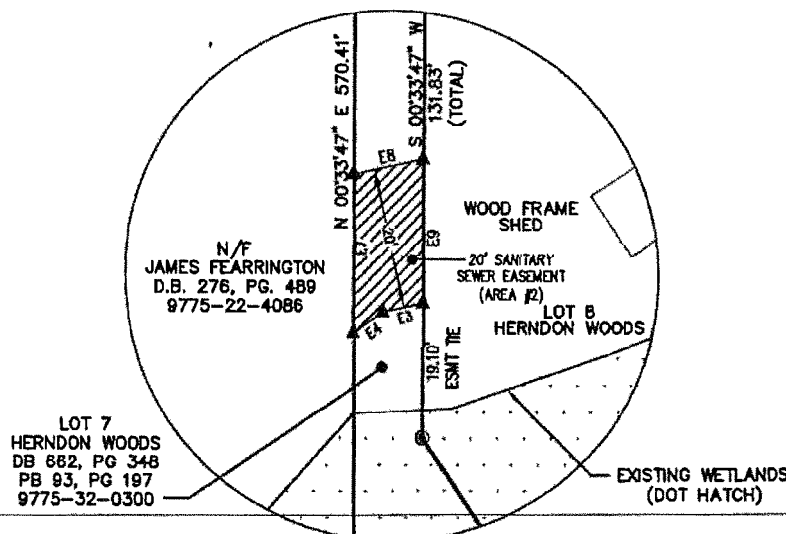


DETAIL "A"



LEGEND

- ⊙ EXISTING IRON PIPE
- ▲ CALCULATED POINT



DETAIL "B"

P. 2 of 2
EXHIBIT A

PROJECT NO. NEW-05002
FILENAME: NEW05002-E2
SCALE: 1"=20'
DATE: 05-13-2008

PAUL & MARCIA WEBB
PROPOSED SANITARY SEWER
EASEMENT EXHIBIT
CHATHAM COUNTY, NORTH CAROLINA

THE JOHN R. McADAMS COMPANY, INC.
ENGINEERS/PLANNERS/SURVEYORS
RESEARCH TRIANGLE PARK, NC
P.O. BOX 14005 RTP 27709-4005
(919) 861-5000

PUMP STATION "C"
HERNDON WOODS/
TAYLOR ROAD

STATE OF NORTH CAROLINA
COUNTY OF CHATHAM

EASEMENT PURCHASE
AGREEMENT

THIS EASEMENT PURCHASE AGREEMENT (the "Agreement"), made and entered into this 11th day of JUNE, 2008, by and between NNP BRIAR CHAPEL, LLC, a North Carolina limited liability company ("Buyer"), and JAMES FEARRINGTON, CATHERINE FEARRINGTON, CLARA DANIELS, ANITA PRATHER HARVELL, HEIR OF DRUSCILLA PRATHER, MARION CLARK, JOHNNIE CLARK and WALTER CLARK, HEIR OF KATHLEEN CLARK (collectively, the "Sellers");

WITNESSETH:

WHEREAS, Sellers own a tract of land located in Chatham County, North Carolina lying on Taylor Road known as Chatham GIS 9775-21-7974 being more particularly described in the deed of record in Deed Book 276, Page 489, Chatham County Registry (the "Master Tract"); and

WHEREAS, Buyer is the owner of those certain tracts of land (the "Adjoining Tracts") lying to the west of Master Tract known as Briar Chapel.

WHEREAS, Buyer desires to purchase an sewer pump station easement across a portions of the Master Tract, the locations of which are shown as a hatched area on Exhibit A attached hereto and incorporated herein by reference (the "Easement Areas"), and Seller desires to sell to Buyer an easement over the Easement Area in the form attached as Exhibit B;

NOW, THEREFORE, in consideration of the sum of Sixteen Thousand Dollars (\$16,000.00) paid by Buyer to the Sellers, the receipt of which is hereby acknowledged, Sellers do hereby contract and agrees to sell and convey, and Buyer does hereby agree to purchase at the price and upon the terms and conditions hereinafter set forth, the Easement across, over and through the portion of the Master Tract as shown on Exhibit A all pursuant to the terms and conditions hereinafter more specifically set forth:

1. Closing. Closing hereunder shall occur no later than JULY 15, 2008 (the "Closing Date") at the offices of Kennon, Craver, Belo, Craig & McKee, PLLC, 4011 University Drive, Suite 300, Durham, North Carolina 27707. The Closing Date and place may be changed by written agreement signed by the parties. Sellers shall deliver possession of the Easement to Buyer on the Closing Date. Prior to closing, all risk of loss shall be borne by Sellers.
2. Development of Master Tract. In consideration of the grant of the Easement, Buyer shall, within one (1) year of the Closing Date construct four (4) service stubs which contain sewer lines adequate to serve four (4) residential lots to be constructed by Sellers on the Master Tract.
3. Closing Documentation. At closing, Sellers shall execute and deliver to Buyer the following:

- (a) The Easement in the form attached as Exhibit B. The title to the Easement shall be marketable and insurable (at regular title insurance rates), free and clear of all liens, charges and encumbrances except general utility easements. The Easement shall be assignable by Buyer.
- (b) An owners and contractors affidavit on a form sufficient for use by Buyer in obtaining title insurance on the Easement free and clear of any mechanics' or materialmen's lien exception.
- (c) An affidavit affirming that on the Closing Date there are no outstanding and unsatisfied judgments, tax liens, or bankruptcies against or involving the Seller and that there are no unrecorded interests in the Master Tract of any kind.
- (d) A statement from Sellers certifying that all of the representations and warranties contained in paragraph 8 hereof, to the best of Sellers knowledge, are true and correct as of the Closing Date.
- (e) Such other documentation as may be reasonably requested by Buyer.

4. Closing Costs. Buyer shall pay all costs to record the Easement. Each party shall be responsible for its own attorney's fees.

5. Ad Valorem Taxes. Buyer shall have no liability for City-County ad valorem taxes on the Property at closing or in the future; and, Sellers acknowledge and agree that it and its successors or assigns will remain liable for City-County ad valorem taxes on the Property, if any.

6. Title Examination. At any time prior to fifteen (15) days before closing, Buyer shall cause its attorney to examine the title to the Master Tract and advise Seller in writing of any objections to said title (which objection shall not include the lien of City-County ad valorem taxes for the year in which closing occurs and general utility easements), and Seller shall have a period of seven (7) days from the date of notice of said objections within which to remedy said objections to the reasonable satisfaction of Buyer and its attorney. In the event said objections are not cured or remedied within said seven (7) day period, the Buyer, at its election, shall have the right to either (a) accept such title subject to the objections or (b) terminate this Agreement. Sellers agree to cause any liens on the Master Tract to be subordinated to the Easement prior to or at Closing.

7. Survey. Prior to closing, Buyer shall cause a North Carolina licensed surveyor or engineer to prepare an accurate survey of the Master Tract and the Easement Area. The parties agree that the legal description of the Easement Area conveyed in the Easement shall be drawn from said survey.

that: 8. Representation and Warranties by Seller. Seller represents and warrants to Buyer

- (a) Sellers have all requisite power and authority to execute this Agreement, the closing instruments listed in paragraph 4 hereof, and all other instruments required to be delivered by Sellers under the terms of this Agreement.
- (b) The conveyance of the Easement pursuant to this Agreement will not violate any private restriction or agreement or, to the best of the knowledge of Sellers, any applicable statute, ordinance, governmental restriction or regulation.
- (c) To the best of Sellers' knowledge there are no liens, easements or other encumbrances which encumber the Easement Area, other lien of City-County ad valorem taxes for the year in which closing occurs and general utility easements.
- (d) Sellers have received no notice of any action, litigation, pending or threatened condemnation or other proceeding of any kind pending against Sellers which relates to or affects the Easement Area or the access to the Easement Area over the Master Tract.
- (e) Sellers, on the Closing Date, will have complied with all of its obligations required to be performed by that date, unless such compliance has been waived in writing by Buyer, and all warranties made hereunder shall be true and correct on the Closing Date.
- (f) Sellers warrant to Buyer that, to the best of Sellers' knowledge: (1) the environmental and ecological condition of the Master Tract as of the closing date will be such that the Master Tract will not be in violation of any federal, state or local law, ordinance, notice requirement, rule or regulation applicable thereto; (2) Sellers neither knows of, nor has been advised of, any legal or administrative proceedings, claims or alleged claims, violations or alleged violations, infractions or alleged infractions of any federal, state or local laws, rules or regulations relating to the condition of the Master Tract; (3) the soil, surface water and groundwater of, on, under or about the Master Tract are free from solid waste, hazardous waste, petroleum or petroleum derived products, or other toxic or hazardous substances or contaminants, as those terms are defined under all applicable federal, state or local environmental laws, rules, regulations or ordinances; and (4) the Master Tract has not been used for the treatment, storage or disposal of any solid or hazardous waste materials or other toxic, hazardous or petroleum substances, as those terms are defined under all applicable federal, state or local environmental laws,

rules, regulations or ordinances, and no such hazardous or toxic waste materials or substances are known to be present on or to have been buried on, or released to, the Master Tract.

Sellers hereby agree that the truthfulness of each of said representations and warranties and of all other representations and warranties herein made is a condition precedent to the performance by Buyer of its obligations hereunder, and all of said representations and warranties shall be deemed to be repeated at each closing. Upon the material breach of any thereof, or in the event any of the conditions precedent to closing as described herein have not been satisfied or waived as of each Closing Date, or upon the material breach by Seller of any representation, warranty, condition or provision hereof, Buyer may, prior to the Closing Date, terminate this Agreement. The foregoing remedy is not intended to be an exclusive remedy of Buyer.

9. Broker's Commission. Sellers and Buyer represent each to the other that no broker's or real estate commissions are due as a result of the closing of this transaction. Sellers agree to indemnify Buyer against any cost and expense (including reasonable attorneys' fees) incurred by Buyer as a result of the untruth of the foregoing representation by Sellers. Buyer agrees to indemnify the Sellers against any cost and expense (including reasonable attorneys' fees) incurred by Sellers as a result of the untruth of the foregoing representation by Buyer.

10. Assignment. The Buyer may assign its rights, duties and obligations hereunder to any entity affiliated with Buyer without the consent of the Sellers. The Sellers may not assign its rights, duties and obligations hereunder without the written consent of Buyer.

11. Survival. All of the terms, covenants, conditions, representations, warranties, and agreements of this Agreement shall survive and continue in full force and effect and shall be enforceable after the Closing Date.

12. Notices. All notice or election required or permitted to be given or served by any party hereto upon any other party shall be deemed given or served in accordance with the provisions of this Easement Purchase Agreement, if said notice or election is directed to Sellers by delivering it personally to James Fearrington, Clara Daniels, Druscula Parker, Marion Clark and Kathleen Clark or if said notice or election is directed to Buyer, by delivering it personally to Mitch Barron, or if mailed in a sealed wrapper by United States registered or certified mail, return receipt requested, postage prepaid, properly addressed as follows:

if to Buyer:	NNP Briar Chapel, LLC Attn: Mitch Barron 5850 Fayetteville Rd., Ste. 201 Durham, NC 27713
with a copy to:	William T. Hutchins, Jr. Kennon, Craver, Belo, Craig & McKee, PLLC

4011 University Dr., Ste. 300
Durham, NC 27707

if to Sellers:

James Fearington
Catherine Fearington
302 BROAD ST
CARRBORO, NC 27510

Clara Daniels
110 BEECHWOOD DR.
CARRBORO, NC 27510

Anita Prather Harvell, Heir of Druscilla Prather
210 S. BROAD STREET
SACKETT HARBOR, NY 13685

Marion Clark
Johnnie Clark
2600 BOLTON BOWNE DR, BLDG 2, APT. 216
DESOTO, TX 75115

Walter Clark, Heir of Kathleen Clark
2618 COUNCIL ST
LITHONIA, GA

Each such mailed notice or communication shall be deemed to have been given to, or served upon, the party to which addressed on the date as the same is deposited in the United States registered or certified mail, return receipt requested, postage prepaid, properly addressed in the manner above provided. Each such delivered notice or communication shall be deemed to have been given to, or served upon the party to whom delivered, upon the delivery thereof in the manner above provided. Any party hereto may change its address for the service of notice hereunder by delivering written notice of said change to the other party hereunder, in the manner above specified ten (10) days prior to the effective date of such change.

13. Captions. Paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.

14. Entire Agreement, Modification. This Agreement constitutes the entire and complete agreement between the parties hereto and supersedes any prior or oral written agreements between the parties with respect to the contemplated purchase and sale. It is expressly agreed that there are no verbal understandings or agreements which in any way change the terms, covenants and

conditions herein set forth, and that no modification of this Agreement and no waiver of any of its terms or conditions shall be effective unless made in writing and duly executed by the parties hereto.

15. Binding Effect. All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and permitted assigns.

16. Controlling Law. This Agreement has been made and entered into under the laws of the State of North Carolina, and said laws should control the interpretation hereof.

17. Construction of Terms. Where appropriate, any word denoting the singular shall be deemed to denote the plural, and vice versa. Where appropriate, any word denoting or referring to one gender shall be deemed to include the other gender.

18. Memorandum of Agreement. Upon request by Buyer, Sellers shall execute a memorandum of this Agreement suitable for recording in the public records. Buyer shall bear the cost of preparing and recording this instrument.

19. Condemnation. Should all or any part of the Subject Property be condemned by any governmental or quasi-governmental body at or prior to closing, Buyer shall have any of the following options:


- (a) Terminate this Agreement; or
- (b) Close on all of the Easement not condemned, adjusting the purchase price pro-rata based on acreage, in which case Seller shall retain the condemnation award.

[SIGNATURES FOLLOW]


IN WITNESS WHEREOF, the parties hereto have caused this Easement Purchase Agreement to be executed as of the day and year first above written.

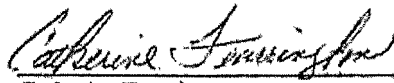
BUYER:

NNP BRIAR CHAPEL, LLC

By: 
MITCH BARTON
ASST V.P.

SELLERS:

 (SEAL)
James Fearington

 (SEAL)
Catherine Fearington

STATE OF NORTH CAROLINA

COUNTY OF Orange

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:

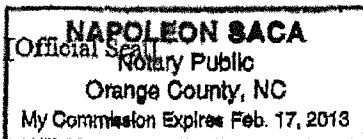
JAMES FEARINGTON CATHERINE FEARINGTON
[INSERT NAME(S) OF INDIVIDUAL(S) SIGNING IN BLANK ABOVE]

Date: 12-3-08


Notary Public

Print Name: NAPOLEON SACA

My commission expires: FEB. 17, 2013



Clara Daniels (SEAL)
Clara Daniels

STATE OF NORTH CAROLINA

COUNTY OF Orange

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:

Clara Daniels
[INSERT NAME(S) OF INDIVIDUAL(S) SIGNING IN BLANK ABOVE]

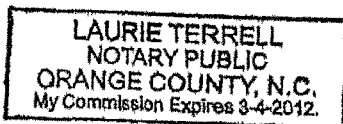
Date: 6/2/08

Laurie Terrell
Notary Public

Print Name: Laurie Terrell

[Official Seal]

My commission expires: 3/4/12



Anita Prather Harvell (SEAL)
Anita Prather Harvell, Heir of Druscilla Prather

STATE OF ~~NORTH CAROLINA~~ New York
COUNTY OF Jefferson

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:

Anita D. Prather Harvell
[INSERT NAME(S) OF INDIVIDUALS SIGNING IN BLANK ABOVE]

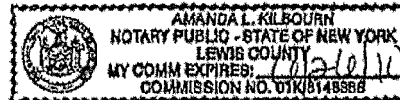
Date: 6/26/10

Amanda L. Kilbourn
Notary Public

Print Name: Amanda L. Kilbourn

[Official Seal]

My commission expires: 6/26/10



Marion Clark (SEAL)
Marion Clark

Johnnie Clark (SEAL)
Johnnie Clark

STATE OF NORTH CAROLINA

COUNTY OF Dallas

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:

Marion Clark & Johnnie Clark
[INSERT NAME(S) OF INDIVIDUAL(S) SIGNING IN BLANK ABOVE]

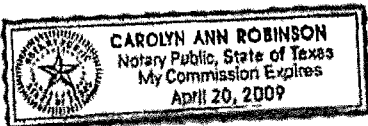
Date: 6-4-08

Carolyn Ann Robinson
Notary Public

Print Name: Carolyn Ann Robinson

My commission expires: April 20, 2009

[Official Seal]



Walter Clark (SEAL)
Walter Clark, Heir of Kathleen Clark

Georgia
STATE OF ~~NORTH CAROLINA~~
COUNTY OF Dekalb

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:

Walter Clark
[INSERT NAME(S) OF INDIVIDUAL(S) SIGNING IN BLANK ABOVE]

Date: 6-4-08

Lynn M. Colquitt
Notary Public

Print Name: Lynn M. Colquitt

My commission expires: 4/2/2012

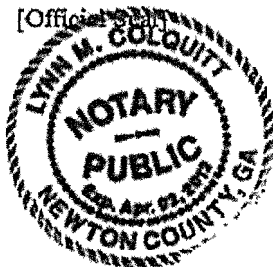


EXHIBIT A

[See attached diagram of easement]

KCBOM: 245001.2

GRAPHIC SCALE
1 inch = 80 ft.

LINE TABLE

LINE	BEARING	LENGTH	LINE	BEARING	LENGTH
E1	N 78°17'53" E	4.57	L7	N 40°38'03" W	10.20
E2	S 76°55'32" W	12.51	L8	N 45°17'41" W	49.09
E3	N 45°18'58" W	10.92	L9	N 43°28'09" W	44.81
E4	S 43°55'24" W	22.25	L10	N 40°03'38" W	46.82
E5	N 42°48'48" E	48.94			
E6	N 45°15'58" W	14.01			

LEGEND
 * EXISTING IRON PIPE
 * CALCULATED POINT

GENERAL NOTES
 1. THIS EXHIBIT IS NOT A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY ANY PROFESSIONAL AGENT FOR COMPLIANCE WITH ANY APPLICABLE LAND DEVELOPMENT REGULATIONS.
 2. THE BOUNDARY SHOWN HEREON IS BASED ON THE 2002 PLAT 512 OF THE CHATHAM COUNTY RECORDS.
 3. THIS EXHIBIT PREPARED AND PREPARED WITHOUT THE BENEFIT OF A TITLE REPORT. THIS EXHIBIT IS SUBJECT TO ANY FACTS AND EVIDENCE WHICH MAY BE DISCOVERED BY A FULL AND ACCURATE TITLE SEARCH.
 4. METEOROLOGICAL INFORMATION BY THE JOHN R. LEBLANC COMPANY, INC. ON APRIL 10, 2008.

EXHIBIT

SCHEDULE 5

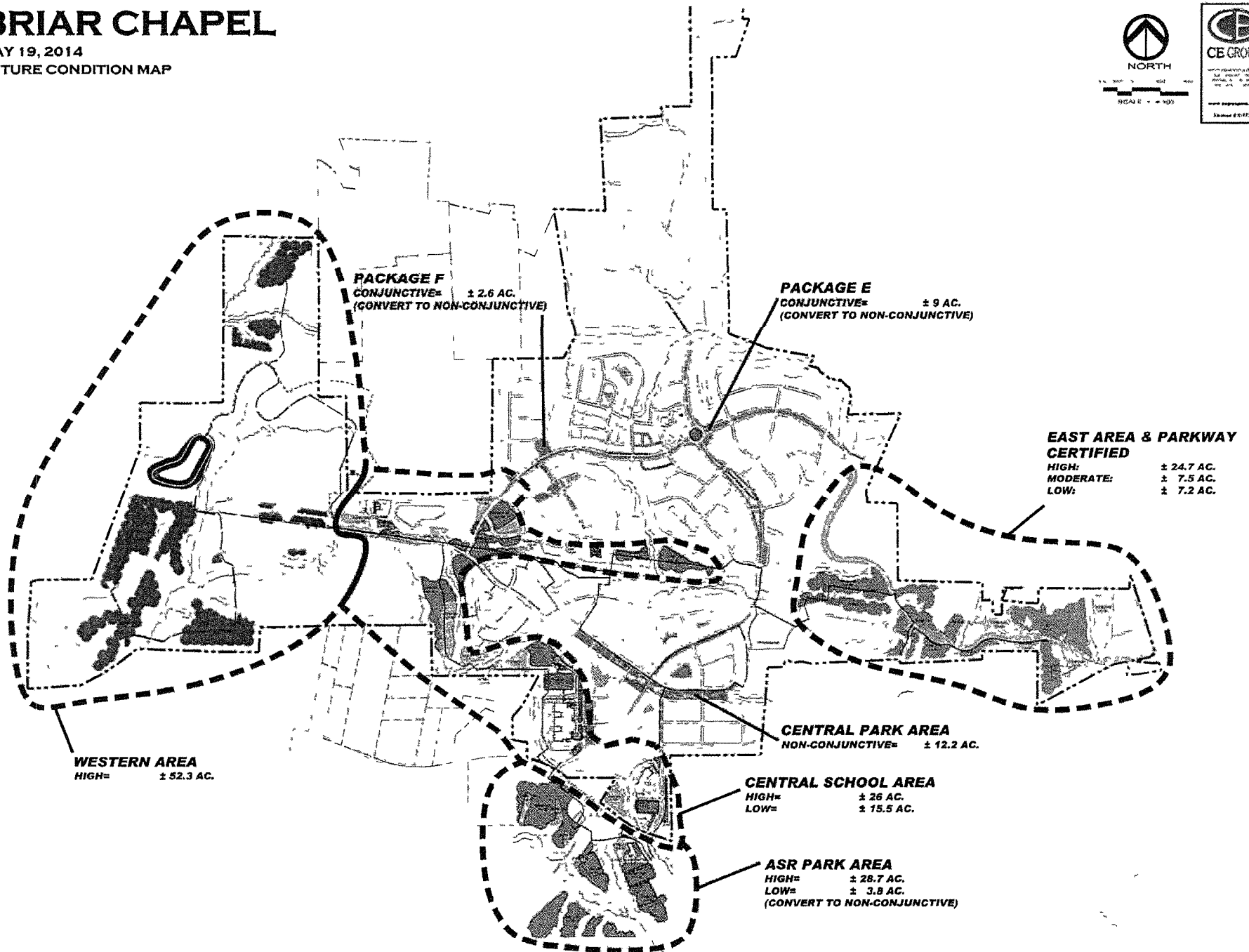
Wastewater Collection Map, Reclaimed Water Spray Irrigation Map, and Reuse Water Spray
Irrigation Map

(See attached)

BRIAR CHAPEL

MAY 19, 2014

FUTURE CONDITION MAP



SCHEDULE 7

Developer Agreement

(See attached)

AGREEMENT

between

NNP-BRIAR CHAPEL, LLC,

and

BRIAR CHAPEL UTILITIES, LLC,

for the Installation, Conveyance, and Operation of a

**WASTEWATER UTILITY SYSTEM SERVING
BRIAR CHAPEL AND HERNDON WOODS**

Chatham County, North Carolina

October 30, 2009

AGREEMENT

This Agreement for the installation, conveyance, and operation of a wastewater utility system serving Briar Chapel, Herndon Woods and the Crutchfield Property (“**Agreement**”) is made as of the 30th day of October, 2009 by and between NNP-BRIAR CHAPEL, LLC, a Delaware limited liability company (“**Developer**”) and BRIAR CHAPEL UTILITIES, LLC, a Delaware limited liability company (“**Utility Company**”) (collectively the “**Parties**”).

WITNESSETH:

THAT WHEREAS, Utility Company has obtained the Permits (defined below) to install and operate the Wastewater Utility System (defined below) and the Spray Irrigation Facilities (defined below) to provide wastewater utility service to all sections of the Projects (defined below);

WHEREAS, Developer has installed portions of the Wastewater Utility System and the Spray Irrigation Facilities at the request of and on behalf of Utility Company and intends to install certain additional portions from time to time as necessary to serve the Projects; and

WHEREAS, Developer has requested, and Utility Company has agreed, that upon completion of each Wastewater Utility System Phase (defined below), Developer shall convey the components of the Wastewater Utility System constructed during such phase to Utility Company, and Utility Company shall accept such components of the Wastewater Utility System and, thereafter, own and operate each such Wastewater Utility System Phase, all in accordance with this Agreement.

NOW, THEREFORE, for and in consideration of the premises and of the rights, powers, and duties hereinafter set forth to be performed by each Party, the Developer and Utility Company do mutually agree as follows:

1. DEFINITIONS

1.1. “Agreement” shall mean this Agreement for the installation, conveyance, and operation of a Wastewater Utility System serving Briar Chapel and Herndon Woods (each defined below) including all exhibits and schedules hereto, if any, as amended from time to time.

1.2. “As-Builts” shall mean the engineering drawings of the Wastewater Utility System, as constructed.

1.3. “Briar Chapel” shall mean the property being developed by the Developer known as Briar Chapel located on NC Highway 15-501 in Chatham County, North Carolina, which is proposed to include approximately 2,405 residential lots, business and retail centers, two schools, a civic center, a pool and clubhouse, athletic fields, trail system and other recreation and amenity areas.

1.4. “Certificate” shall mean a certificate of public convenience and necessity for wastewater utility service at the Projects issued by the Commission (defined below).

1.5. “Certificate Extension” shall mean an extension to the Certificate.

1.6. “Closing” shall mean each instance upon which Wastewater Utility System Assets (defined below) are transferred from the Developer to Utility Company.

1.7. “Closing Date” shall mean the date of the applicable Closing, as the context requires.

1.8. “Collection System Permit” shall mean a permit for the operation of the Wastewater Collection System at the Projects issued by DWQ (defined below).

1.9. “Commission” shall mean the North Carolina Utilities Commission.

1.10. “Connection” shall mean any single-family residential connection or RUE connection to the Wastewater Utility System located in the Projects.

1.11. “Crutchfield Property” shall mean the approximately 10 acre parcel of property owned by William Crutchfield that is adjacent to Briar Chapel and that may be subdivided into up to 15 residential lots.

1.12. “Deeded Properties” shall mean a site of adequate size for the WWTP including adequate buffers, sites of adequate size for the Reuse Effluent Storage Ponds (defined below) including adequate buffers, and sites of adequate size for the Upset Storage Pond (defined below) including adequate buffer. Attached as Exhibit 1.9 is a survey map of the Deeded Properties.

1.13. “Developer” shall mean NNP-Briar Chapel, LLC, a Delaware limited liability company and developer of Briar Chapel.

1.14. “DWQ” shall mean the Division of Water Quality of the North Carolina Department of Environment and Natural Resources.

1.15. “Effluent Easement” shall mean that certain Effluent Easement and Irrigation Agreement attached hereto as Exhibit 1.15 to be executed by the Developer and Utility Company, including all exhibits and schedules thereto, if any, as amended from time to time.

1.16. “ESA” shall mean an extended service area designated by the Developer and located outside, but in the general vicinity, of the Projects and to be served by the Wastewater Utility System.

1.17. “ESA Effluent Easement” shall mean an ESA Effluent Easement and Irrigation Agreement in substantially the same form as Exhibit 1.15 (as revised to apply to ESA Spray Areas (defined below)) to be executed by Utility Company and the owners of the ESA Spray Areas, including all exhibits and schedules thereto, if any, as amended from time to time.

1.18. “ESA Spray Areas” shall mean all areas at the ESA that have been or may in the future be permitted by DWQ for spray irrigation of Reuse Effluent.

1.19. “ESA Spray Irrigation Facilities” shall mean all the Reuse Effluent irrigation lines relating to the ESA Spray Areas, pumps, booster pumps, irrigation and spray devices, controls and other devices used exclusively in the application of Reuse Effluent from either the Reuse Effluent

Storage Ponds or any additional Reuse Effluent storage ponds upon the ESA Spray Areas, together with all appurtenant easements.

1.20. "ESA Wastewater Collection System" shall mean the wastewater service lines, gravity collection lines, if any, force mains, lift stations, if any, and all appurtenant equipment that will bring the wastewater from the customers located in the ESA to the WWTP.

1.21. "Exclusivity Period" shall mean a period of twelve (12) years from the execution date of this Agreement, as may be extended in accordance with Section 9.3(c).

1.22. "GPD" means gallons per day.

1.23. "Grinder Pump Station" shall mean the wastewater grinder pump, tank and controls, if any, to be located on each customer's property near the dwelling or commercial building into which the customer's wastewater enters and is then pumped into the Wastewater Collection System or ESA Wastewater Collection System, as the case may be.

1.24. "Herndon Woods" shall mean the property known as Herndon Woods located at Hubert Herndon Road and U.S. 15-501 in Chatham County, which consists of approximately 25 residential lots.

1.25. "Non-Discharge Permit" shall mean the permit for the construction and operation of the Wastewater Utility System issued by DWQ as Permit No. WQ0028552, including all modifications thereto.

1.26. "Non-Recourse Party" shall mean, collectively, any direct or indirect partner, shareholder, member, officer, director, trustee, agent, or employee or other representative of the Developer or any affiliated entity, including, but not limited to, The State of California Public Employees' Retirement System ("CalPERS") or any direct or indirect partner, shareholder, member, officer, director, trustee, agent, or employee thereof.

1.27. "Permit" or "Permits" shall mean the Collection System Permit and /or the Non-Discharge Permit, as the context requires.

1.28. "Projects" shall mean Briar Chapel, the Crutchfield Property, and Herndon Woods.

1.29. "Reuse Effluent Pumping Station" shall mean any pump house, pumps and controls located near the Effluent Storage Pond that shall be used to pump Reuse Effluent to and through the Spray Irrigation Facilities at the Projects.

1.30. "Spray Areas" shall mean all areas at the Projects that have been or may in the future be permitted by DWQ for spray irrigation of Reuse Effluent.

1.31. "Spray Irrigation Facilities" shall mean all Reuse Effluent Pumping Station, Reuse Effluent irrigation lines, pumps, booster pumps, irrigation and spray devices, controls and other devices used in the application of Reuse Effluent from the Reuse Effluent Storage Ponds upon the Spray Areas.

1.32. “Residential Unit Equivalent” or “RUE” shall mean a unit of wastewater treatment capacity equal to the presumed average daily wastewater flow of a single-family unit in the Projects (250 GPD). For purposes of this Agreement, the number of RUEs represented by a non-residential user shall be determined as follows:

(a) If there is no water or wastewater meter for the non-residential facility, by dividing the design flow of the facility in question, (in GPD) by 250 GPD; or

(b) If there is a water and/or wastewater meter for the non-residential facility, in accordance with the following chart:

Meter Size	RUE
less than 1”	1
1”	2.5
1.5”	5.0
2”	8.0
3”	15.0
4”	25.0
6”	50.0

1.33. “Reuse Effluent” shall mean the wastewater that has been treated to the point that it meets the quality standards required by the Non-Discharge Permit.

1.34. “Reuse Effluent Storage Ponds” shall mean the Reuse Effluent storage ponds at the Project totaling 53.1 million gallons in which the Reuse Effluent is to be stored after treatment at the WWTP (defined below) and from which the Reuse Effluent is then pumped to be sprayed on the Spray Areas (defined below) and any additional effluent storage ponds permitted and constructed as part of the Wastewater Utility System.

1.35. “Service Line” shall mean the portion of the individual household wastewater line for which Utility Company will assume maintenance responsibility. The Service Line shall include only that portion of the line that extends from the Grinder Pump Station near the individual house to Utility Company's wastewater main at or near the street. The portion of the line extending from the individual house to the Grinder Pump Station shall not be included in the term “Service Line.”

1.36. “Upset Storage Pond” shall mean the 3.5 million-gallon, five-day storage pond to be located near the WWTP for the retention of wastewater during WWTP upsets or any other storage tank or storage pond permitted by DWQ for the retention of wastewater during WWTP upsets and any additional upset storage ponds permitted and constructed as part of the Wastewater Utility System.

1.37. “Utility Company” shall mean Briar Chapel Utilities, LLC, a Delaware limited liability company.

1.38. "Wastewater Collection System" shall mean the wastewater service lines, pressure and/or gravity collection lines, force mains, lift stations, if any, and all appurtenant equipment that will deliver wastewater from the customers at the Projects to the WWTP.

1.39. "Wastewater Connection Fee" has the meaning set forth in Section 5.3(b).

1.40. "Wastewater Plans" are all plans and specifications for the Wastewater Utility System approved by Chatham County (if required), Utility Company and DWQ and engineered by the Developer's engineer.

1.41. "Wastewater Utility System" shall mean the WWTP, the Wastewater Collection System, the Reuse Effluent Storage Ponds, the Upset Storage Pond, the Spray Irrigation Facilities, all lift stations, if any, and other facilities used in the collection, treatment, holding and discharge of the wastewater and, if constructed, any additional components of the wastewater utility system necessary to service the Projects and the ESA including but not limited to additional components to the WWTP, additional Reuse Effluent Storage Ponds and Upset Storage Pond capacity, and additional components of the Wastewater Collection System.

1.42. "Wastewater Utility System Assets" shall mean the WWTP, the Deeded Properties, the Wastewater Collection System, the Spray Irrigation Facilities and, if constructed, any additional components of the Wastewater Utility System necessary to service the ESA including but not limited to additional components to the WWTP, additional capacity for the Reuse Effluent Storage Ponds and Upset Storage Pond, and additional components of the Wastewater Collection System and the ESA Spray Irrigation Facilities.

1.43. "Wastewater Utility System Phase" shall mean any discrete phase of development of the Wastewater Utility System, including any modifications to the Wastewater Utility System necessary to permit wastewater service to the ESA, which the Developer may elect to convey to Utility Company upon its completion.

1.44. "WWTP" shall mean the wastewater treatment plant of up to 750,000 GPD to be constructed in phases to serve the Projects, as the same may be expanded from time to time.

1.45. "WWTP Phase" shall mean the WWTP to be conveyed to Utility Company at the initial Closing, having a treatment capacity of 250,000 GPD, or any other discrete addition to the WWTP constructed thereafter to increase the treatment capacity of the WWTP up to a maximum capacity of 750,000 GPD.

2. REPRESENTATIONS AND WARRANTIES OF THE DEVELOPER

The Developer hereby represents and warrants as follows:

2.1. Organization; Good Standing; Power. The Developer is a limited liability company duly organized, validly existing, and in good standing under the laws of the state of Delaware and has all the requisite power and authority to own, lease, and operate its properties, to carry on its business as now being conducted and to enter into this Agreement and perform its obligations hereunder.

2.2. Authority Relative to Agreement. The execution, delivery and performance of this Agreement by the Developer have been duly and effectively authorized by all necessary action. This Agreement has been duly executed by the Developer and is a valid and legally binding obligation of the Developer enforceable in accordance with its terms except (i) as limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally, (b) laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, and (ii) to the extent any indemnification provisions may be limited by applicable federal or state securities laws.

2.3. Effect of Agreement. The execution, delivery and performance of this Agreement by the Developer and the consummation of the transactions contemplated hereby will not (i) require the consent, approval or authorization of any person, corporation, partnership, joint venture or other business association or public authority other than the Commission or DWQ, (ii) violate, with or without the giving of notice or the passage of time or both, any provisions of law now applicable to the Developer, or (iii) result in a violation of the Developer's certificate of formation or limited liability company agreement.

3. **REPRESENTATIONS AND WARRANTIES OF UTILITY COMPANY**

Utility Company hereby represents and warrants as follows:

3.1. Organization; Good Standing; Power. Utility Company is a limited liability company duly organized, validly existing, and in good standing under the laws of the state of Delaware and has all the requisite power and authority to own, lease, and operate its properties, to carry on its business as now being conducted and to enter into this Agreement and perform its obligations hereunder.

3.2. Authority Relative to Agreement. The execution, delivery and performance of this Agreement by Utility Company have been duly and effectively authorized by all necessary action. This Agreement has been duly executed by the Utility Company and is a valid and legally binding obligation of Utility Company enforceable in accordance with its terms except (i) as limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally, (b) laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, and (ii) to the extent any indemnification provisions may be limited by applicable federal or state securities laws.

3.3. Effect of Agreement. The execution, delivery and performance of this Agreement by the Utility Company and the consummation of the transactions contemplated hereby will not (i) require the consent, approval or authorization of any person, corporation, partnership, joint venture or other business association or public authority other than the Commission or DWQ, (ii) violate, with or without the giving of notice or the passage of time or both, any provisions of law now applicable to the Utility Company, or (iii) result in a violation of the Utility Company's certificate of formation or limited liability company agreement.

4. CONSIDERATION FOR CONVEYANCE OF UTILITY SYSTEMS

4.1. Utility Company shall pay to Developer the purchase price of twenty percent (20%) of the total construction cost of each phase of the Wastewater Utility System. The Developer shall contribute the remaining eighty percent (80%) of each phase of the Wastewater Utility System to Utility Company as a contribution in aid of construction.

4.2. Utility Company shall pay to Developer the 20% purchase price total sum of \$3,096,544 for the first 250,000 GPD phase of the Wastewater Utility System, for which Developer and Utility Company estimate the total construction cost will be \$15.483 Million. Payment shall be made on a pro rata basis of \$3,096 per Connection, for the first 1,000 Connections. Payment shall be made at the initial Closing of the Wastewater Utility System Assets for all then-existing Connections to the Wastewater Utility System. After such Closing, for additional Connections to the Wastewater Utility System, such payments shall be made on the fifteenth day of January, April, July and October, respectively, for all Connections established in the three months immediately preceding each such January, April, July and October.

4.3. The 20% of construction cost purchase price payments for each phase of the Wastewater Utility System after the first 250,000 GPD phase, shall be made quarterly on a pro rata per Connection basis, payable on the fifteenth day of January, April, July and October, respectively, for all Connections, established in the three months immediately preceding each such January, April, July and October.

5. INSTALLATION OF WASTEWATER UTILITY SYSTEM

5.1. Permits and Approvals.

(a) The Parties acknowledge that Utility Company has obtained the Non-Discharge Permit and Collection System Permit. The Parties acknowledge that the Non-Discharge Permit authorizes the construction and operation of a WWTP of up to 750,000 GPD, which is to be constructed in phases. At the time of this Agreement, the Non-Discharge Permit authorizes the construction and operation of the Reuse Effluent Storage Ponds, Upset Pond, and Spray Irrigation facilities for an effective permitted flow of 250,000 GPD of wastewater from the Projects, and the Developer has constructed a 250,000 GPD WWTP, one Reuse Effluent Storage Pond to serve Phase 1 of the WWTP, and the Upset Storage Pond.

5.2. Design of Wastewater Utility System.

(a) The Wastewater Utility System has been designed to treat 750,000 GPD at full buildout and is based on an influent flow assumption of 250 GPD per residence, which design flow assumption was approved in the Non-Discharge Permit.

(b) From time to time after the initial Closing, the Developer may request that Utility Company seek modifications to the Non-Discharge Permit to permit construction and operation of one or more additional WWTP Phases to provide service for additional residences or Residential Unit Equivalents within the Projects, to add Reuse Effluent storage pond(s) and/or upset

storage pond capacity to accommodate an increase in WWTP capacity, if necessary, or to designate additional or different land as Spray Areas. The Developer shall cause its engineer to prepare, in Utility Company's name, and process through the DWQ approval process, plans and specifications for any Permit modifications required to provide service to the Projects. Utility Company shall review and approve the plans and specifications prior to Utility Company's execution of the applications, which approval shall not be unreasonably withheld, conditioned, or delayed. Utility Company shall approve and execute such application and cooperate fully with the Developer's engineer to expedite the DWQ and Chatham County (if required) permit approval process. The Developer shall pay for all engineering costs and permit fees associated with design, DWQ approval, and construction of any such modifications to the Wastewater Utility System, except that the Developer shall not pay any costs incurred by Utility Company for its participation in the permit modification process.

(c) Utility Company, upon request by the Developer, shall apply to DWQ for a reduction in the influent flow assumption in the Non-discharge Permit. In such case, Utility Company shall provide the Developer with the information concerning historic WWTP flows to support the application. The Developer shall pay for all engineering costs and permit fees associated with design and DWQ approval and permitting of any modifications to the Wastewater Utility System, except that the Developer shall not pay any costs incurred by Utility Company for its participation in the permit approval process. If DWQ reduces the influent flow assumption resulting in a corresponding increase in the number of single-family residences or Residential Unit Equivalents that may be served by the WWTP, the Developer or its assigns shall be entitled to wastewater service under this Agreement for all such additional single-family residences or Residential Unit Equivalents.

5.3. Application for Certificate.

(a) Promptly after the execution of this Agreement, and prior to the installation of each Wastewater Utility System Phase, Utility Company, at Utility Company's own cost, will apply to the Commission as soon as may be practicable for a Certificate or Certificate Extension to provide wastewater service to that section of the Projects. The Parties agree to fully cooperate and use commercially reasonable efforts to obtain Commission issuance of the Certificate. The Developer shall furnish to Utility Company the necessary financial information for utility plant investment including back-up invoices necessary for Utility Company to complete the Certificate application and data request responses to the Commission.

(b) Utility Company shall request from the Commission a wastewater connection fee of \$1,500 for each Connection and shall use its best efforts to gain the Commission's approval of such fee. The wastewater connection fee approved by the Commission, in whatever amount, is referred to herein as the "**Wastewater Connection Fee**". The Wastewater Connection Fee shall be a one-time fee and shall be charged to the first builder or homeowner requesting service at a particular lot or unit in the Projects and only such first builder or homeowner.

(c) Utility Company shall provide all bonds required by the Commission for the Certificate and each Certificate Extension.

(d) Utility Company shall notify the Developer in writing upon the issuance of an order by the Commission approving the Certificate or any Certificate Extension.

5.4. Installation of Wastewater Utility System.

(a) The Developer shall be responsible for the construction and installation of all components of the Wastewater Utility System needed to provide service to the Projects, which system shall be constructed in phases.

(b) The Developer shall install any necessary additional effluent storage pond capacity and/or upset storage capacity required by DWQ in order for the Wastewater Utility System to serve the Projects. If DWQ determines that any of the existing Reuse Effluent Storage Ponds at the Projects have adequate capacity to serve the Projects, then the Developer shall not be required to construct additional effluent storage capacity. If DWQ determines that any existing Upset Storage Pond has adequate capacity to serve the Projects, then the Developer shall not be required to construct additional upset storage capacity.

(c) The Developer shall construct any and all modifications required to the Reuse Effluent Pumping Station in order for the Wastewater Utility System to serve the Projects. If an additional pump station is required for the Projects, then the Developer shall construct such pump station.

(d) Upon development, the Developer shall cause to be installed in each section of the Projects a complete Wastewater Collection System, including upgrades to the existing Wastewater Collection System at the Projects necessary to permit the provision of service to all lots in that section of the Projects. The entire Wastewater Collection System shall be constructed in such a manner as to restrict entry of groundwater and surface waters into the Wastewater Utility System to the greatest extent practicable and, at a minimum, shall conform to the minimum standards established by the DWQ regulations for infiltration/inflow. Once any phase of the Wastewater Collection System has been installed, certified by the engineer, and inspected and approved by Utility Company, it shall be conveyed by the Developer to Utility Company at no cost. The Developer shall thereafter have no further responsibility for such phase of the Wastewater Collection System.

(e) The Developer shall construct and install or cause to be constructed and installed the Spray Irrigation Facilities. In no event shall the Developer be obligated to construct or cause to be constructed more spray irrigation facilities than are required by DWQ in the Non-Discharge Permit and that are required to serve the Projects or ESA.

(f) The Developer shall pay the costs of bringing three phase electrical power to the WWTP and the Effluent Pump Stations.

(g) If additional treatment capacity is necessary to serve the Projects or any portion of the ESA, if constructed, construction of the portion of the Wastewater Utility System necessary to provide such additional capacity shall be completed in accordance with Section 6 of this Agreement.

(h) From time to time after the initial Closing, upon Developer's request, Utility Company shall execute such applications, agreements, access or construction easements, or other documents and instruments necessary or desirable to facilitate the exercise of Developer's rights or performance of its obligations under this Section 5.4, and shall otherwise cooperate with Developer in connection therewith.

5.5. Oversight; Required Documents. The Wastewater Utility System shall be installed in accordance with the Wastewater Plans. Furthermore:

(a) Prior to the commencement of any construction work on the Wastewater Utility System after the date of execution of this Agreement, the Developer shall obtain Utility Company's approval of all contractors and subcontractors who will perform work on the installation of the Wastewater Utility System. Attached as Exhibit 5.5(a) is a list of all utility contractors currently approved by Utility Company for Wastewater Utility System installations at the Projects. Utility Company shall update this list whenever requested by the Developer, with the list always having a minimum of three approved utility contractors. The Developer may submit to Utility Company additional names of licensed utility contractors (including references) for investigation and evaluation by Utility Company. Utility Company shall not unreasonably withhold or condition approval of such additional contractors and shall promptly respond to Developer's request to update Exhibit 5.5(a), but in any event within fourteen (14) days of such request.

(b) The Developer shall furnish to Utility Company copies of all required surveys, maps, and engineering drawings and specifications sufficient for filing an application with the Commission for the Certificate or Certificate Extension. Surveys, maps, and engineering drawings shall be submitted to Utility Company in both paper and electronic versions, with the electronic files being in a ".dwg" format or commercial equivalent. In the event the Commission requires Utility Company to provide an executed copy of the Effluent Easement to the Commission prior to issuance of the Certificate or any Certificate Extension, the Parties shall execute the Effluent Easement and deliver the originals of such agreement to counsel for the Developer to be held in escrow pending the initial Closing. The Developer's counsel shall provide a copy of the executed Effluent Easement to Utility Company for the sole purpose of complying with the requirements of the Commission for issuance of the Certificate or Certificate Extension. The Effluent Easement shall not become effective until delivery and recording in accordance with Section 7.2(f) of this Agreement.

(c) The Developer shall assign to Utility Company any warranties on the Wastewater Utility System components that are provided to the Developer by its subcontractors or the manufacturers of the Wastewater Utility System components. EXCEPT FOR ANY SUCH MANUFACTURER'S WARRANTIES, UTILITY COMPANY IS ACQUIRING THE WASTEWATER UTILITY SYSTEM ASSETS ON AN "AS-IS, WHERE-IS" BASIS AND "WITH ALL FAULTS" AND WITHOUT ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(d) Utility Company may periodically inspect the construction and may require correction to portions of the construction that are not consistent with the Wastewater Plans.

(e) The Developer shall furnish to Utility Company an itemized statement of the entire cost of the Developer's installed Wastewater Utility System with substantiating invoices, or statement of cost in such cases where invoices are not available, and further will furnish to Utility Company sufficient copies of all surveys, maps and engineering drawings and specifications required by the Commission in filing an application for the Certificate or Certificate Extension.

5.6. Installation of Grinder Pump Stations.

(a) For each lot or building in the Projects served by a pressure wastewater main, the Developer shall provide a standardized wastewater connection valve box at the property or street right of way line on such lot with a service line feeding to a pressure collection system.

(b) Each lot or building lot in the Projects served by a pressure wastewater main shall have a standardized Grinder Pump Station, the design of which must be pre-approved by Utility Company and DWQ. Developer shall design, permit and install the Grinder Pump Stations to serve the lot or building. Each Grinder Pump Station shall be owned by Utility Company and Utility Company shall be responsible for the maintenance, repair and replacement of such Grinder Pump Station. Utility Company may apply to the Commission for approval of a surcharge to recover the cost of maintaining, repairing and replacing the Grinder Pump Stations. Additionally, should any person place into the Grinder Pump Station any materials or objects that interfere with the operation of the Grinder Pump Station, Utility Company may charge and collect from the person the actual cost of the repairs and/or replacement of the Grinder Pump Station. Utility Company shall not be responsible for providing power for the Grinder Pump Stations, which will be provided through the lot owner's individual electric service. Utility Company shall not be responsible for providing an emergency generator when there are power outages, nor shall there be any liability to Utility Company should a portable generator not be connected to the Grinder Pump Station during a power outage.

(c) The Developer shall use commercially reasonable efforts to ensure that the employees, contractors, subcontractors, and builders under its control do not break or damage the Grinder Pump Stations, service lines, or connection valve boxes.

5.7. Consultation on the Planning and Coordination of Future Wastewater Installations. The Developer and Utility Company shall consult on each Wastewater Utility System expansion so that such expansions shall be sized to accommodate wastewater for future developments upstream. Once Utility Company approves the sizing of wastewater and Reuse Effluent mains, the Developer shall be responsible for paying any additional costs to install upsized lines necessary to accommodate wastewater and Reuse Effluent distribution service. Once the lines are installed, certified by the engineer, inspected and approved by Utility Company and conveyed to Utility Company, then the Developer shall have no further responsibility for the lines.

6. EXPANSION TO ESA

6.1. ESA to be Interconnected to Wastewater Utility System. The Developer and Utility Company agree that the ESA shall be serviced by the Wastewater Utility System pursuant to this Section 6.

6.2. Wastewater Utility System Capacity for ESA.

(a) Wastewater Utility System capacity for the ESA, to the extent capacity is available, shall be provided by the then-existing Wastewater Utility System.

(b) If Utility Company has not, pursuant to Section 5.2(b) of this Agreement, already obtained a reduction in the Non-Discharge Permit influent flow assumption sufficient to allow the ESA to be served by the Wastewater Utility System, Utility Company, upon request by the Developer, shall apply to DWQ for a reduction in the influent flow assumption at the Projects utilized to establish the limitation contained in the Non-Discharge Permit.

(c) To the extent that additional Wastewater Utility System capacity is needed to serve all or any portion of the ESA, such capacity shall be provided in accordance with Section 6.3 of this Agreement.

6.3. Installation of Additional Components of the Wastewater Utility System and the ESA Wastewater Collection System.

(a) The Developer shall cause its engineer to prepare, in Utility Company's name, and process through the DWQ approval process, plans and specifications for any Permit modifications required to provide service to the ESA. Utility Company shall review and approve the plans and specifications prior to Utility Company's execution of the applications, which approval shall not be unreasonably withheld, conditioned, or delayed. Utility Company shall approve and execute such application and cooperate fully with the Developer's engineer to expedite the DWQ and Chatham County (if required) permit approval process. The Developer shall pay for all engineering costs and permit fees associated with design, DWQ approval, and construction of any such modifications to the Wastewater Utility System, except that the Developer shall not pay any costs incurred by Utility Company for its participation in the permit modification process.

(b) The Developer shall be responsible for the construction and installation of all components of the modified Wastewater Utility System needed to provide service to the ESA.

(c) The Developer shall install any necessary additional effluent storage pond capacity and/or upset storage capacity required by DWQ in order for the Wastewater Utility System to serve all or any portion of the ESA. If DWQ determines that any of the existing Reuse Effluent Storage Ponds at the Projects have adequate capacity to serve the ESA, then the Developer shall not be required to construct additional effluent storage capacity. If DWQ determines that any existing Upset Storage Pond has adequate capacity to serve the ESA, then the Developer shall not be required to construct additional upset storage capacity.

(d) The Developer shall construct any and all modifications required to the Reuse Effluent Pumping Station in order for the Wastewater Utility System to serve the ESA. If a separate pump station is required for the ESA, then the Developer shall design, permit, and construct such pump station.

(e) Upon development, the Developer shall cause to be installed in each section of the ESA a complete ESA Wastewater Collection System, including upgrades to the existing

Wastewater Collection System at the Projects necessary to permit the provision of service to all lots in that section of the ESA. The entire ESA Wastewater Collection System shall be constructed in such a manner as to restrict entry of groundwater and surface waters into the ESA Wastewater Utility System to the greatest extent practicable and, at a minimum, shall conform to the minimum standards established by the DWQ regulations for infiltration/inflow. Once any phase of the ESA Wastewater Collection System has been installed, certified by the engineer, and inspected and approved by Utility Company, it shall be conveyed by the Developer to Utility Company at no cost. The Developer shall thereafter have no further responsibility for such phase of the ESA Wastewater Collection System.

(f) The Developer or its successors or assigns shall construct and install or cause to be constructed and installed the ESA Spray Irrigation Facilities. In no event shall the Developer be obligated to construct or cause to be constructed more spray irrigation facilities than are required by DWQ in the Non-Discharge Permit and that are required to serve the Projects or ESA.

(g) The Developer may at any time request in writing that Utility Company seek a modification of the Non-Discharge Permit to allow for the construction and operation of all or any portion of the ESA Spray Irrigation Facilities, a corresponding increase in the permitted flow of the WWTP and/or approval by DWQ for the WWTP to provide service for additional Residential Unit Equivalents within the ESA based on the additional permitted spray irrigation facilities and permitted flow. Within 60 days of the receipt of such a request, or as soon thereafter as is practicable in light of the qualification stated below, Utility Company shall apply for the requested modification of the Non-Discharge Permit, provided that the Developer furnishes Utility Company with all required application materials, including engineering plans and specifications, in a timely fashion. Utility Company shall attempt to make such application through DWQ's Express Review process, if available. The Developer shall pay or reimburse Utility Company for all out-of pocket costs associated with such permit modification(s). Utility Company shall make a good faith effort to obtain the requested permit modification(s) and to cooperate with the Developer in all matters relating to such modification(s).

6.4. ESA Certificates. Prior to the installation of any phase of the ESA Wastewater Collection System, Utility Company shall apply to the Commission and obtain a Certificate to provide wastewater service to that phase of the ESA. Utility Company shall provide all bonds required by the Commission for each Certificate.

6.5. Oversight; Required Documents. Any modifications to the Wastewater Utility System shall be installed in accordance with the Wastewater Plans. Furthermore:

(a) Prior to the commencement of any construction work by the Developer on modifications to the Wastewater Utility System necessary in order to provide service to the ESA, the Developer shall, in accordance with Section 5.5(a) of this Agreement, obtain Utility Company's approval of all contractors and subcontractors who will perform work on the installation of any modifications to the Wastewater Utility System. Utility Company shall not unreasonably withhold or condition approval of such additional contractors and shall promptly respond to Developer's request to update Exhibit 5.5(a), but in any event within fourteen (14) days of such request.

(b) The Developer shall furnish to Utility Company an itemized statement of the entire cost of the Developer's modifications to the Wastewater Utility System with substantiating invoices, or statements of cost in such cases where invoices are not available, and, further, will furnish to Utility Company copies of all required surveys, maps, and engineering drawings and specifications sufficient for filing an application with the Commission for the Certificate or Certificate Extension. In the event the Commission requires Utility Company to provide an executed copy of the ESA Effluent Easement to the Commission prior to issuance of the Certificate or any Certificate Extension, the Parties shall execute the ESA Effluent Easement and deliver the originals of such agreement to counsel for the Developer to be held in trust pending the Closing. The Developer's counsel shall provide a copy of the executed ESA Effluent Easement to Utility Company for the sole purpose of complying with the requirements of the Commission for issuance of the Certificate or Certificate Extension. The ESA Effluent Easement shall not become effective until delivery and recording in accordance with Section 7.4 of this Agreement.

(c) The Developer shall assign to Utility Company any warranties on the Wastewater Utility System components that are provided to the Developer by its subcontractors or the manufacturers of the Wastewater Utility System components. EXCEPT FOR ANY SUCH MANUFACTURER'S WARRANTIES, UTILITY COMPANY IS ACQUIRING THE WASTEWATER UTILITY SYSTEM ASSETS ON AN "AS-IS, WHERE-IS" BASIS AND "WITH ALL FAULTS" AND WITHOUT ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(d) Utility Company will periodically inspect the construction and may require correction to portions of the construction that are not consistent with the Wastewater Plans.

6.6. Installation of Grinder Pump Stations.

(a) For each lot or building in the ESA served by a pressure wastewater main, the Developer shall provide a standardized wastewater connection valve box at the property or street right of way line on such lot with a service line feeding to a pressure collection system.

(b) Each lot or building in the ESA served by a pressure wastewater main shall have a standardized Grinder Pump Station, the design of which must be pre-approved by Utility Company and DWQ. Developer shall design, permit and install the Grinder Pump Stations to serve the lot or building. Each Grinder Pump Station shall be owned by Utility Company and Utility Company shall be responsible for the maintenance, repair and replacement of such Grinder Pump Station. Utility Company may apply to the Commission for approval of a surcharge to recover the cost of maintaining, repairing and replacing the Grinder Pump Stations. Additionally, should any person place into the Grinder Pump Station any materials or objects that interfere with the operation of the Grinder Pump Station, Utility Company may charge and collect from the person the actual cost of the repairs and/or replacement of the Grinder Pump Station. Utility Company shall not be responsible for providing power for the Grinder Pump Stations, which will be provided through the lot owner's individual electric service. Utility Company shall not be responsible for providing an emergency generator when there are power outages, nor shall there be any liability to Utility Company should a portable generator not be connected to the Grinder Pump Station during a power outage..

(c) The Developer shall use commercially reasonable efforts to ensure that the employees, contractors, subcontractors and builders under its control do not break or damage the Grinder Pump Stations, service lines or connection valve boxes.

7. CONVEYANCE OF WASTEWATER UTILITY SYSTEM ASSETS

7.1. Conveyance of Wastewater Utility System Assets.

(a) At the times and on the terms described below, the Developer shall convey to Utility Company, by special warranty deed, easements, or bill of sale, as appropriate, the Wastewater Utility System Assets. The Deeded Properties shall each front upon publicly dedicated streets to provide free and reasonable access to the Wastewater Utility System Assets located thereon. In the event that the sites do not front upon a publicly dedicated, completed street, then the Developer shall provide an all weather gravel access road to such sites and shall convey a perpetual twenty (20) foot easement over such road for ingress, egress, regress, and access to the Deeded Properties road and for the installation, operation, maintenance, repair and replacement of the Wastewater Utility System Assets.

(b) At the times and on the terms described below, the Developer shall convey to Utility Company, at no cost to Utility Company, by special warranty deed, easements, or bill of sale, as appropriate, any components added to the Wastewater Utility System in order to serve the ESA including, but not limited to, any Reuse Effluent storage pond(s), upset storage pond(s), collection lines, force mains, pumps, controls, electrical equipment, services, lift stations, ESA Spray Irrigation Facilities and all connections required to provide wastewater service to each section of ESA.

7.2. Initial Closing.

(a) Developer's Pre-Closing Deliveries. The Developer shall deliver to Utility Company:

(i) Engineering certification of the WWTP, Reuse Effluent Storage Pond, Upset Storage Pond;

(ii) surveys and title insurance for the Deeded Properties pursuant to Section 7.7 of this Agreement;

(iii) title insurance commitments for the perpetual easements for the collection mains, force mains, collection pumping stations, the collection lift stations, and the Spray Irrigation Facilities to be conveyed at the initial Closing, if any, pursuant to Section 7.8 of this Agreement;

(iv) written certification of the Developer's installation cost with respect to the WWTP, Reuse Effluent Storage Pond, Upset Storage Pond, the initial phase of the Spray Irrigation Facilities, and the initial phase of the Wastewater Collection System;

(v) the As-Built; and

(vi) the lot numbers and addresses of all properties to be served by the WWTP.

(b) Utility Company's Pre-Closing Deliveries. Utility Company shall deliver to the Developer a Certificate or Certificate Extension.

(c) Initial Closing Date. The Closing of the transfer of the Water Utility System Assets comprising the initial Water Utility System Phase shall take place on the date that is thirty (30) days from Utility Company's receipt of the last item described in **Section 7.2**, or such other date as is mutually agreed upon by the Parties.

(d) Closing Deliveries. At the initial Closing:

(i) The Developer shall convey by special warranty deed and bill of sale, and Utility Company shall accept, the Deeded Properties, the initial phase of the Wastewater Collection System and the initial phase of the Spray Irrigation Facilities;

(ii) The Developer shall convey to Utility Company the easements described in Sections 7.6 and 7.7 of this Agreement;

(iii) The Parties shall deliver such other agreements, documents and certificates necessary or desirable to effect such transfers.

(e) Initial Closing Representations. At the initial Closing, the Developer shall represent and warrant the following to Utility Company:

(i) the conveyance of all the Deeded Properties, the WWTP, the Reuse Effluent Storage Ponds, the Upset Storage Pond, the Reuse Effluent Pumping Station, the initial portion of the Wastewater Collection System, and the initial portion of the Spray Irrigation Facilities to be conveyed at the Closing will not violate any judicial, governmental or administrative order, award, judgment, or decree applicable to the Developer or to such Wastewater Utility System Assets;

(ii) there are no existing contracts or commitments whatsoever of any type or nature in effect with respect to the Deeded Properties, the WWTP, the Reuse Effluent Storage Ponds, the Upset Storage Pond, the Reuse Effluent Pumping Station, the initial portion of the Wastewater Collection System and the initial portion of the Spray Irrigation Facilities to be conveyed at the Closing, other than this Agreement; and

(iii) except as described herein, there are no liens, claims, or encumbrances whatsoever of any type or nature upon or against the Deeded Properties, the WWTP, the Reuse Effluent Storage Ponds, the Upset Storage Pond, the Reuse Effluent Pumping Station, the initial portion of the Wastewater Collection System and the initial portion of the Spray Irrigation Facilities to be conveyed at the Closing, including but not limited to deeds of trust, financing statements or security agreements filed under the Uniform Commercial Code either in Chatham County or with the North Carolina Secretary of State.

(f) Effluent Easement. At the initial Closing, the Developer shall cause the owners of the Spray Areas and Utility Company shall execute the Effluent Easement and Utility Company shall cause the Effluent Easement to be recorded in the Chatham County Register of Deeds. In the event that the Effluent Easement has previously been executed in accordance with Section 5.5(b) hereof, the Effluent Easement shall be released from escrow and delivered to Utility Company for recording in accordance herewith.

7.3. Subsequent Closings.

(a) Notice. After the initial Closing, the Developer shall deliver to Utility Company each of the following items with respect to a Wastewater Utility System Phase:

(i) Engineering certification of the Wastewater Utility System relating to a Wastewater Utility System Phase pursuant to the Wastewater Plans, including the interconnection and necessary upgrades to the existing Wastewater Collection System;

(ii) Surveys and title insurance for the Deeded Properties (if any) pursuant to Section 7.7 of this Agreement;

(iii) Written certification of the Developer's installation cost with respect to such Wastewater Utility System Phase;

(iv) Notice of procurement of title insurance commitments for the perpetual easements for the collection mains, force mains, collection pumping stations, collection lift stations, and the Spray Irrigation Facilities, pursuant to Section 7.8 of this Agreement;

(v) Notice of insertion of easements in favor of Utility Company for the Grinder Pump Stations described in Section 7.6 of this Agreement in the recorded restrictive covenants applicable to the Projects (or ESA, as the case may be);

(vi) As-Builts; and

(vii) The lot numbers and addresses of all additional properties to be served by the WWTP.

(b) Closing Date for Subsequent Closings. Upon receipt of the last notice described in Section 7.3(a) of this Agreement, the Parties shall mutually agree upon a date for the transfer of such Wastewater Utility System Assets, which date shall not be more than thirty (30) days from the date of notice provided by the Developer and described above.

(c) Closing Deliveries for Subsequent Closings. At each subsequent Closing, the Developer shall convey by special warranty deed and bill of sale, and Utility Company shall accept, the Wastewater Utility System Assets. At each Closing, the Developer shall also convey to Utility Company the easements described in Sections 7.5 and 7.6 of this Agreement. In addition, at each Closing and thereafter each Party shall execute and deliver such other agreements, documents and certificates as may be necessary or desirable to effect a transfer of the Wastewater Utility System Assets.

(d) Effluent Easement. If applicable to any Closing, the Developer shall cause the owners of the Spray Areas to, and Utility Company shall, execute the ESA Effluent Easement. Utility Company shall cause the ESA Effluent Easement to be recorded in the Chatham County Register of Deeds. In the event that the ESA Effluent Easement has previously been executed in accordance with Section 5.5(b) of this Agreement, the ESA Effluent Easement shall be released from escrow and delivered to Utility Company for recording in accordance herewith.

7.4. Subsequent Closing Representations. At each subsequent Closing, the Developer shall represent and warrant the following to Utility Company:

(i) the conveyance of all the Wastewater Utility System Assets at the Closing will not violate any judicial, governmental or administrative order, award, judgment, or decree applicable to the Developer or the Wastewater Utility System Assets;

(ii) there are no existing contracts or commitments whatsoever of any type or nature in effect with respect to the Wastewater Utility System Assets being transferred to Utility Company, other than this Agreement; and

(iii) except as described herein, there are no liens, claims, or encumbrances whatsoever of any type or nature upon or against any of the Wastewater Utility System Assets being transferred to Utility Company, including but not limited to deeds of trust, financing statements or security agreements filed under the Uniform Commercial Code either in Chatham County or with the North Carolina Secretary of State.

7.5. Easements for Force Mains and Collection Mains. At the time of completion of the transfer of the Wastewater Utility System Assets relating to each Wastewater Utility System Phase to Utility Company, the Developer shall convey to Utility Company a perpetual easement within the rights of way of all publicly dedicated streets and roads within that section of the Projects for ingress, egress, regress, and access for the installation, operation, maintenance, repair and replacement of the collection system lines, valves and other equipment appurtenant to the Wastewater Collection System. If any wastewater collection mains or force mains are not within publicly dedicated rights of way, the Developer shall convey to Utility Company a perpetual easement, with a total width of twenty (20) feet centered on the main, for ingress, egress, regress, and access to install, operate, maintain, repair and replace the main and appurtenant equipment. These easements may be conveyed to Utility Company by restrictive covenants recorded in the Chatham County Register of Deeds.

7.6. Easements for Grinder Pump Stations. Each Grinder Pump Station will require a perpetual easement with a total width of ten (10) feet centered on the Service Line, and a fifteen (15) foot diameter circle centered at the center of the Grinder Pump Stations. These perpetual easements shall be for ingress, egress, regress, and access to install, operate, repair, maintain and replace the Service Line and the Grinder Pump Stations. The Developer, in each deed to a lot purchaser and in the recorded restrictive covenants relating to such lot, shall reserve and convey, or shall otherwise obtain and convey, to Utility Company these perpetual easements for the Grinder Pump Stations and Service Lines.

7.7. Title Insurance and Surveys for Deeded Property. The Developer, at the Developer's cost, shall provide to Utility Company (a) title insurance insuring the Deeded Properties to be marketable fee simple title, free and clear of any and all liens and encumbrances, and (b) a current plot plan of each such tract showing improvements, surveyed and sealed by a registered surveyor. The Developer shall procure a title commitment on behalf of Utility Company with respect to each site prior to the applicable Closing and shall pay the attorney's fees incurred in connection therewith. Utility Company shall pay the title insurance premiums in connection with the issuance of an owner's policy after each such Closing.

7.8. Title Insurance for Easements. The Developer shall also provide Utility Company title insurance for all perpetual easements for wastewater collection lines, force mains, collection pumping stations and collection lift stations not within publicly dedicated rights of way and for the perpetual easements in connection with the Spray Irrigation Facilities. The title insurance shall insure the perpetual easements to be free and clear of all liens and encumbrances. The Developer shall procure a title commitment on behalf of Utility Company with respect to each site prior to the applicable Closing and shall pay the attorney's fees incurred in connection therewith. Utility Company shall pay the title insurance premiums in connection with the issuance of an owner's policy after each such Closing.

8. TERMINATION

8.1. Termination Events. This Agreement may, by notice given prior to or at the initial Closing, be terminated:

(a) by either Developer or Utility Company if a material breach of any provision of this Agreement has been committed by the other Party, such breach has not been waived, and such breach continues for a period of thirty (30) days after receipt of written notice thereof from the affected Party to the breaching Party; provided, however, that if the nature of the material breach is such that more than thirty (30) days are reasonably required for its cure, then the affected Party shall not be allowed to terminate this Agreement if the breaching Party commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

(b) by mutual consent of Developer and Utility Company.

8.2. Effect of Termination. Each Party's right of termination under Section 8.1 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 8.1, all further obligations of the parties under this Agreement will terminate; provided, however, that if this Agreement is terminated by a Party because of the breach of the Agreement by the other Party or because one or more of the conditions to the terminating Party's obligations under this Agreement is not satisfied as a result of the other Party's failure to comply with its obligations under this Agreement, the terminating Party's right to pursue all equitable and/or legal remedies will survive such termination unimpaired.

9. OPERATION OF THE WASTEWATER UTILITY SYSTEM ASSETS

9.1. Operation of the Spray Irrigation Facilities. The Parties acknowledge that the Parties' rights and responsibilities with respect to wastewater disposal and spray irrigation are as set forth in the Effluent Easement.

9.2. Operation of Wastewater Utility System Assets. After conveyance of the Wastewater Utility System Assets to Utility Company, Utility Company shall provide wastewater service to the customers of such section of the Projects or ESA to which the Wastewater Utility System Phase relates and to all of the amenities located therein in accordance with the terms of the Certificate or Certificate Extension, as the same may be amended from time to time. UTILITY COMPANY WILL NOT BE RESPONSIBLE FOR ACHIEVING WATER QUALITY LEVELS IN THE REUSE EFFLUENT BEYOND THE REQUIREMENTS OF THE NON-DISCHARGE PERMIT.

9.3. WWTP Utility System Allocation.

(a) All Wastewater Utility System capacity permitted by the Non-Discharge Permit utilized by the Projects is reserved and allocated to Developer, and its successors and assigns, for the Exclusivity Period.

(b) Developer may allocate such capacity within the Projects, in its sole discretion, but shall provide written notice to Utility Company of such allocations; provided, however, that upon subdivision approval of the Projects or any phase thereof, Developer shall be deemed to have allocated capacity to each platted lot therein without further notification to Utility Company. It is not necessary that houses have been built on a lot in order for the capacity allocation to become effective within the twelve-year time period.

(c) If there is any unallocated capacity remaining in the Water Utility System or the Wastewater Utility System at the end of the Exclusivity Period, Utility Company will request from the Commission an extension of the Exclusivity Period up to five (5) years beyond the twelve-year time period upon the written request of the Developer. If the Commission does not approve Developer's request to reserve any unallocated capacity beyond the twelve-year time period, such capacity shall be the sole property of Utility Company and Utility Company may charge capacity fees for the use of capacity by Developer. Developer shall not be responsible for any modifications to the Wastewater Utility System or for any costs related thereto to serve landowners outside the Projects.

9.4. Responsibilities for Grinder Pump Stations and Service Lines. After the completed initial installation of the Grinder Pump Stations, Utility Company shall operate, maintain, repair and replace the components of the Grinder Pump Stations and Service Lines. The customer shall be responsible for that portion of the collection line from the residence or building to the Grinder Pump Station. The electric service for the Grinder Pump Stations shall be provided by each customer as part of their household electric service. NEITHER UTILITY COMPANY NOR THE COMPANY SHALL HAVE ANY RESPONSIBILITY OR LIABILITY WHATSOEVER SHOULD A PORTABLE GENERATOR DURING A POWER OUTAGE NOT BE CONNECTED TO THE GRINDER PUMP STATION TO KEEP IT FROM OVERFLOWING OR BACKING UP.

9.5. Notices to Lot Purchasers. The Developer shall include in the lot purchase contracts and also in the related restrictive covenants language describing the purchaser's responsibilities with respect to the Grinder Pump Station serving the purchaser's lot or building, in accordance with the provisions of Section 5.6(b), Section 7.6, and Section 9.4 of this Agreement.

9.6. Gravity Collection Service Lines.

(a) Gravity services for single family residences shall consist of a wastewater service tap, a 4" home service line, and a cleanout at the easement or right of way line. Gravity services for commercial units shall consist of a wastewater service tap, a service line sized by the Developer's engineer to accommodate the anticipated flow from the commercial unit, and a cleanout at the easement or right of way line. The Developer shall use commercially reasonable efforts to ensure that the employees, contractors, and subcontractors under its control do not break, damage or bury these cleanouts. For the period of one year after the installation of each cleanout, the Developer shall ensure that all damage to the wastewater service cleanouts to the extent caused by Developer, its employees, contractors, or subcontractors are repaired promptly at no cost to Utility Company.

(b) It shall be the responsibility of the owner of each dwelling or commercial unit with a gravity service line to maintain the wastewater service line from their residence or place of business to the cleanout at or near the property line. If the cleanout is not at or near the property line, then the owner of that dwelling or commercial unit shall be responsible for maintenance of the wastewater service line up to the property line.

10. **CERTAIN COVENANTS AND AGREEMENTS**

10.1. Insurance.

(a) General Liability. Utility Company shall, at Utility Company's sole cost and expense, maintain, or cause to be maintained, commercial general liability insurance ("CGL"), written on an occurrence policy, against claims for personal injury, death or property damage occurring upon, in or about the WWTP Property and adjoining streets and passageways. The coverage under such CGL policy shall be in such amounts as may be required by law, but in all events for limits of not less than \$2,000,000 per occurrence and not less than \$4,000,000 in the annual aggregate. Utility Company may satisfy any insurance limits required by this Agreement in combination with an "excess" or "umbrella" insurance policy, provided that (a) both the CGL and "excess" or "umbrella" policies or a certificate of such policies shall specify the amount(s) of the total insurance allocated to the WWTP Property, which amount(s) shall not be subject to reduction on account of claims made with respect to other properties and (b) such policies otherwise comply with this Agreement.

(b) Policy Requirements and Endorsements. All insurance policies required by this Agreement shall contain (by endorsement or otherwise) the following provisions:

(i) All policies shall name the Developer as an additional insured;

- (ii) All policies shall be written as primary policies not contributing with or in excess of any coverage that the Developer may carry;
- (iii) All policies shall contain contractual liability coverage;
- (iv) The insurance carrier shall be required to give the Developer thirty (30) days' prior notice of cancellation;
- (v) Utility Company shall deliver to the Developer certificates of insurance on the date of execution of this Agreement and thereafter annually within 10 days following renewal of any such policies; and
- (vi) All policies shall include a Waiver of Subrogation in favor of the Developer.

10.2. Exculpation of Non-Recourse Parties. No Non-Recourse Party shall be liable in any manner or to any extent under or in connection with this Agreement, and neither Utility Company nor any successor, assignee, partner, officer, director, or employee of Utility Company shall have any recourse to any assets of a Non-Recourse Party other than such party's interest in the Developer to satisfy any liability, judgment or claim that may be obtained or made against any such Non-Recourse Party under this Agreement. Utility Company agrees it shall look solely to the assets of the Developer for the enforcement of any claims arising hereunder or related to this Agreement, and Utility Company waives any claim against each of the Non-Recourse Parties, irrespective of the compliance or noncompliance now or in the future with any requirements relating to the limitation of liability of members of limited liability companies, shareholders of corporations or limited partners of limited partnerships. The terms of this Section 10.2 are a material consideration and inducement to the Developer to enter into this Agreement, and but for the inclusion of such provision in this Agreement, the Developer would not enter into this Agreement. The limitation of liability provided in this Section 10.2 is in addition to, and not a limitation of, any limitation on liability applicable to a Non-Recourse Party provided by law or by this Agreement or any other contract, agreement or instrument. The terms of this Section 10.2 shall survive the Closings under this Agreement.

11. GENERAL PROVISIONS

11.1. Execution of Future Agreements. After the execution of this Agreement, all new development agreements entered into by the Developer with respect to development of the Projects shall be consistent with the terms of this Agreement to the extent addressing the provision of wastewater service to the Projects.

11.2. Cooperation for All Necessary Government Approvals. The Parties agree to cooperate in obtaining all necessary permits including the Permits and issuance of the Certificate and/or Certificate Extensions by the Commission to Utility Company. Utility Company, at Utility Company's cost, shall file for all Certificates and Certificate Extensions.

11.3. Representations, Warranties, Covenants and Agreements Survive Closing. All representations and warranties of the Parties hereunder shall survive each Closing. Further, any covenant or agreement herein which contemplates performance after the time of any Closing shall

not be deemed to be merged into or waived by the instruments delivered in connection with such Closing, but shall expressly survive such Closing and be binding upon the Parties obligated thereby.

11.4. Environmental and Safety Laws. At all times that Utility Company operates the Wastewater Utility System, Utility Company shall comply with all applicable laws and regulations, including but not limited to, environmental laws. In the event of noncompliance, Utility Company shall take such actions as are required by applicable federal, state or local regulatory authorities.

11.5. Binding upon Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties, and the successors and assigns of each. Prior to Closing, Utility Company may not assign this Agreement without the prior written consent of the Developer, such consent not to be unreasonably withheld. Assignments after Closing shall not require the consent of the Developer but Utility Company shall provide thirty (30) days prior written notice to Developer of any such assignments. The Developer may assign its rights and delegate its duties under this Agreement in whole or in part to a property owners association formed with respect to the Projects, to a developer purchasing all or any portion of the Projects, or to an affiliate of the Developer.

11.6. No Third Party Beneficiary Rights. Nothing expressed or referred to in this Agreement will be construed to give any person other than the Parties any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement, except such rights as shall inure to a successor or permitted assignee pursuant to Section 11.5 of this Agreement.

11.7. Independent Contractors. The Parties are and shall be independent contractors to one another, and nothing herein shall be deemed to cause this Agreement to create an agency, partnership, or joint venture between the Parties.

11.8. Counterparts. This Agreement may be executed in one or more counterpart signature pages, each of which will be deemed to be an original of this Agreement (and all of which, when taken together, will be deemed to constitute one and the same instrument). Signature pages transmitted by facsimile or other electronic means shall be deemed to be the original signatures of the parties for all purposes.

11.9. Headings. The headings of particular provisions of this Agreement are inserted for convenience only and shall not be construed as a part of this Agreement or serve as a limitation or expansion on the scope of any term or provision of this Agreement.

11.10. Enforcement of Agreement. Each Party acknowledges and agrees that the other Party would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that any breach of this Agreement by a Party could not be adequately compensated in all cases by monetary damages alone. Accordingly, in addition to any other right or remedy to which a Party may be entitled, at law or in equity, it shall be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent any breach or threatened breach of any of the provisions of this Agreement, without posting any bond or other undertaking.

11.11. Waiver. No waivers of, or exceptions to, any term, condition or provision of this Agreement, in any instance or instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

11.12. Entire Agreement. This writing and the documents referred to herein embody the entire agreement and understanding between the Parties and there are no other agreements or understandings, oral or written, with reference to the subject matter hereof that are not merged herein and superseded hereby.

11.13. Modifications in Writing. This Agreement shall not be modified, amended, or changed in any respect except in writing, duly signed by the Parties and each Party hereby waives any right to amend this Agreement in any other way.

11.14. Consent to Jurisdiction. The Parties agree that the state and federal courts of North Carolina shall have exclusive jurisdiction over this Agreement and any controversies arising out of, relating to, or referring to this Agreement, the formation of this Agreement, and actions undertaken by the Parties hereto as a result of this Agreement, whether such controversies sound in tort law, contract law or otherwise. Each of the Parties hereto expressly and irrevocably consents to the personal jurisdiction of such state and federal courts, agrees to accept service of process by mail, and expressly waives any jurisdictional or venue defenses otherwise available.

11.15. Governing Law. This Agreement shall be governed by the internal substantive laws of the State of North Carolina, without regard to such state's conflict of law or choice of law rules.

11.16. Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be sent either (i) personally by hand delivery, (ii) by registered or certified United States first-class mail, postage prepaid, return receipt requested, (iii) by nationally recognized overnight courier, or (iv) by facsimile addressed to the address or facsimile number indicated below (or at such other address or facsimile number as such Party or permitted assignee shall have furnished to the other Parties hereto in writing). All such notices and other written communications shall be effective on the date of delivery.

If to the Developer, such notice shall be addressed to:

16 Windy Knoll Circle
Chapel Hill, NC 27516
Attn: Keith Hurrand

Telephone: (919) 423-5189
Facsimile: (919) 240-4962

If to Utility Company, such notice shall be addressed to:

Briar Chapel Utilities, LLC.
16 Windy Knoll Circle
Chapel Hill, NC 27516

Attn: Bill Mumford
Telephone: (919) 423-5189
Facsimile: (919) 240-4962

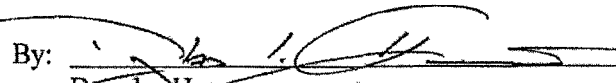
[Signature Page to Agreement]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in their respective names, all by authority duly given, the day and year first above written.

NNP-BRIAR CHAPEL, LLC

By: 
Keith Hurand, Vice President

BRIAR CHAPEL UTILITIES, LLC

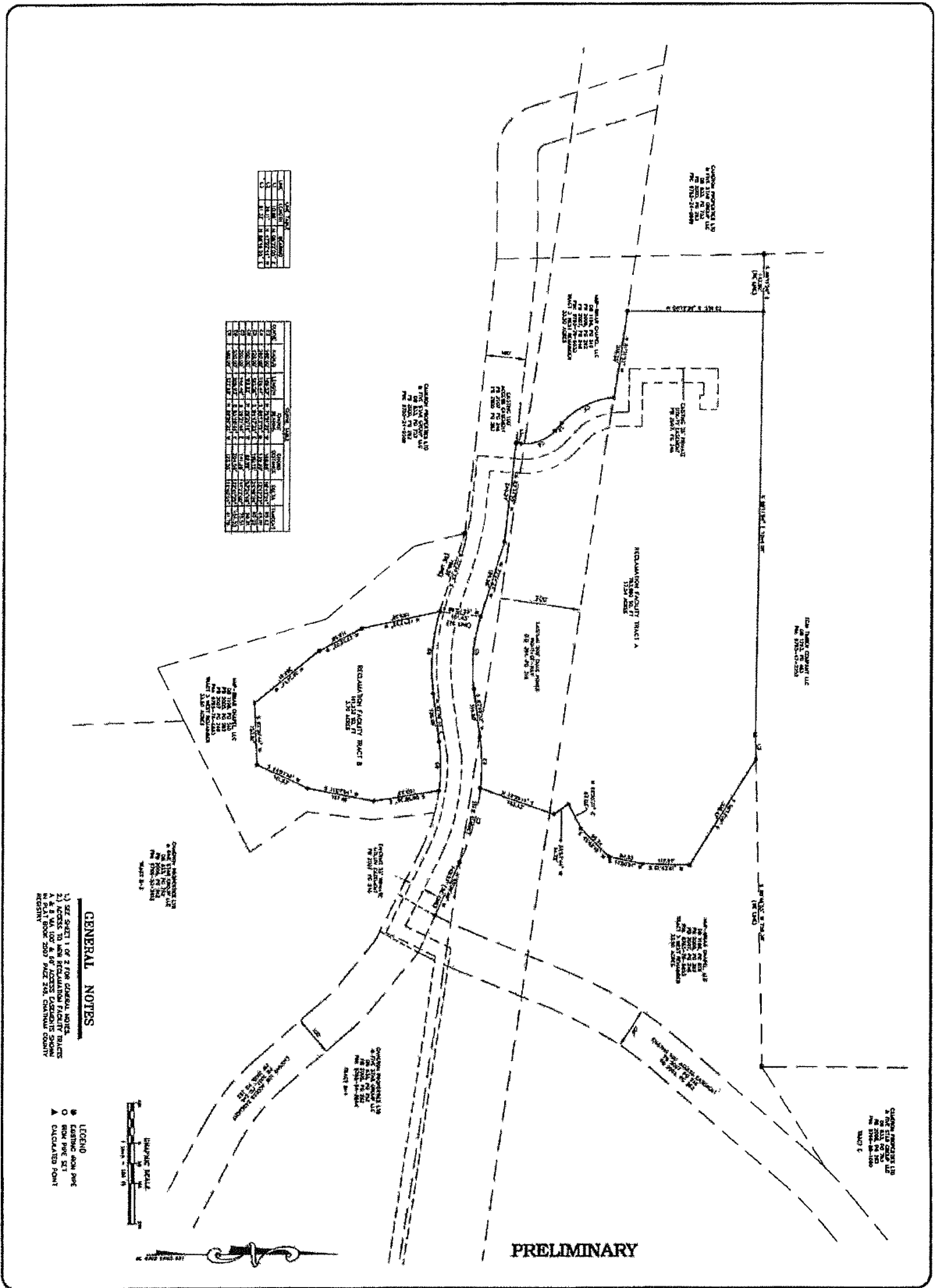
By: 
Douglas Hageman,
General Counsel and Vice President

INDEX TO EXHIBITS

	<u>EXHIBIT</u>
Map of the Deeded Properties	1.9
Effluent Easement and Irrigation Agreement	1.15
Approved Wastewater Collection System Contractors	5.5(a)

EXHIBIT 1.9
Map of the Deeded Properties

See attached.



NO.	AREA	ACRES
1	TRACT A	1.00
2	TRACT B	1.00
3	TRACT C	1.00
4	TRACT D	1.00
5	TRACT E	1.00
6	TRACT F	1.00
7	TRACT G	1.00
8	TRACT H	1.00
9	TRACT I	1.00
10	TRACT J	1.00

NO.	AREA	ACRES
1	TRACT A	1.00
2	TRACT B	1.00
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4	TRACT D	1.00
5	TRACT E	1.00
6	TRACT F	1.00
7	TRACT G	1.00
8	TRACT H	1.00
9	TRACT I	1.00
10	TRACT J	1.00

GENERAL NOTES

1. SEE SHEET 1 OF 2 FOR DETAILED PLAT.
2. ALL EASEMENTS ARE SHOWN AS DASHED LINES.
3. ALL EASEMENTS ARE TO BE CONVEYED TO THE STATE OF NORTH CAROLINA.

LEGEND

- EXISTING AND NEW
- NEW PIPE LAY
- ▲ CALCULATED POINT



EXHIBIT 1.15
Effluent Easement and Irrigation Agreement

See attached.

EFFLUENT EASEMENT AND IRRIGATION AGREEMENT

RETURN TO:

This EFFLUENT EASEMENT AND IRRIGATION AGREEMENT (the "**Effluent Easement**") is made and entered into as of the __ day of _____, 2009, by NNP-Briar Chapel, LLC, a Delaware limited liability company ("**Developer**"), and BRIAR CHAPEL UTILITIES, LLC, a Delaware limited liability company ("**Utility Company**").

WITNESSETH:

THAT WHEREAS, Developer is the developer of the Projects (defined below); and

WHEREAS, the Developer and Utility Company have entered into the Acquisition Agreement (defined below) whereby Utility Company will acquire the Wastewater Utility System (defined below) serving the Projects, with Utility Company owning and operating the facilities as a utility company regulated by the Commission (defined below) and DWQ (defined below) for wastewater service; and

WHEREAS, Utility Company is a public utility company in the business of providing wastewater service.

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Developer and Utility Company intending to be legally bound, agree as follows:

1. Definitions.

1.1 "*Acquisition Agreement*" shall mean that certain Agreement for the installation, conveyance, and operation of the Wastewater Utility System, dated as of _____, 2009, executed between Developer and Utility Company.

1.2 "*Briar Chapel*" shall mean the property being developed by the Developer known as Briar Chapel located on NC Highway 15-501 in Chatham County, North Carolina, which shall consist of approximately 2,405 residential lots, business and retail centers, two schools, a civic center, a pool and clubhouse, athletic fields, trail system and other recreation and amenity areas.

- 1.3 “*Commission*” shall mean the North Carolina Utilities Commission.
- 1.4 “*Developer*” shall mean NNP-Briar Chapel, LLC, a Delaware limited liability company and the developer of Briar Chapel.
- 1.5 “*DWQ*” shall mean the Division of Water Quality of the North Carolina Department of Environment and Natural Resources.
- 1.6 “*Easement Property*” shall mean the property described on Exhibit A attached hereto.
- 1.7 “*Effluent Easement*” shall mean this Effluent Easement and Irrigation Agreement, including all exhibits and schedules hereto, if any, as the same may be amended from time to time.
- 1.8 “*GPD*” shall mean gallons per day.
- 1.9 “*Herndon Woods*” shall mean the property known as Herndon Woods located at Hubert Herndon Road and U.S. Highway 15-501, which consists of approximately 25 residential lots.
- 1.10 “*Monitoring Locations*” shall mean the groundwater monitoring wells and surface water sampling points that may be located from time to time on the Easement Property in compliance with DWQ requirements.
- 1.11 “*Permit*” shall mean the permit for the operation of the Wastewater Utility System and Spray Irrigation Facilities (defined below) issued by DWQ, as the same may be modified or renewed from time to time.
- 1.12 “*Projects*” shall mean Briar Chapel and Herndon Woods.
- 1.13 “*Reuse Effluent*” shall mean the wastewater that has been treated by Utility Company to the point that it meets the effluent quality standards required by the Permit.
- 1.14 “*Reuse Effluent Pumping Station*” shall mean any pump house, pumps and controls located near the Reuse Effluent Storage Ponds that shall be used to pump Reuse Effluent to and through the Primary Spray Irrigation Facilities at the Projects.
- 1.15 “*Reuse Effluent Storage Ponds*” shall mean the Reuse Effluent storage ponds at the Project totaling 53.1 million gallons in which the Reuse Effluent is to be stored after treatment at the WWTP (defined below) and from which the Reuse Effluent is then pumped to be sprayed on the Spray Areas (defined below) and any additional effluent storage ponds permitted and constructed as part of the Wastewater Utility System.
- 1.16 “*Spray Areas*” shall mean all areas at the Projects that have been or may in the future be permitted by DWQ for spray irrigation of Reuse Effluent. The Spray Areas are depicted on Exhibit B attached hereto.
- 1.17 “*Spray Irrigation Facilities*” shall mean all Reuse Effluent irrigation lines, pumps, booster pumps, irrigation and spray devices, controls and other devices used in the application of Reuse Effluent from the Reuse Effluent Storage Ponds upon the Spray Areas (other than the Reuse Effluent Pumping Station).

1.18 *"Upset Storage Pond"* shall mean the 3.5 million-gallon, five-day storage pond to be located near the WWTP for the retention of wastewater during WWTP upsets or any other storage pond permitted by DWQ for the retention of wastewater during WWTP upsets and any additional upset storage ponds permitted and constructed as part of the Wastewater Utility System.

1.19 *"Utility Company"* shall mean the Briar Chapel Utilities, LLC, a Delaware limited liability company.

1.20 *"Wastewater Utility System"* shall mean the WWTP, the Wastewater Collection System, the Reuse Effluent Storage Ponds, the Upset Storage Pond, the Reuse Effluent Pumping Station, the Spray Irrigation Facilities, all lift stations, if any, and other facilities used in the collection, treatment, holding and discharge of the wastewater and, if constructed, any additional components of the wastewater utility system necessary to service the ESA including but not limited to additional components to the WWTP, additional Reuse Effluent Storage Pond and Upset Storage Pond capacity, and additional components of the Wastewater Collection System.

1.21 *"WWTP"* shall mean the wastewater treatment plant located within Briar Chapel.

1.22 *"WWTP Property"* shall mean the property upon which the WWTP is located, as more particularly described in Exhibit C.

2. Treatment and Storage. Utility Company shall treat the wastewater created by customers and common area facilities within the Projects in the WWTP and then discharge the Reuse Effluent into the Reuse Effluent Storage Ponds. The Reuse Effluent shall be treated by Utility Company to the standards established by DWQ in the Permit, and any modified or successive Permits issued by DWQ.

3. Withdrawal and Spray Irrigation. Utility Company shall be responsible for all aspects of the daily operation of the Reuse Effluent Pumping Station and the Spray Irrigation Facilities by a certified spray irrigation operator.

4. Maintaining Reuse Effluent Storage Pond Levels. Utility Company shall require its certified spray irrigation operator to monitor the level of the Reuse Effluent in the Reuse Effluent Storage Ponds and to maintain the level in the Reuse Effluent Storage Ponds at or below the DWQ required freeboard level.

5. Addition of Fresh Water into Reuse Effluent Storage Ponds. Developer may in its reasonable discretion pump fresh water into the Reuse Effluent Storage Ponds for use in irrigating the Spray Areas, provided that the levels in the Reuse Effluent Storage Ponds are at all times maintained below the freeboard level required by the Permit.

6. Testing and Inspections. Utility Company shall be responsible for conducting any and all effluent, groundwater, surface water, and soil sampling, and associated recordkeeping and reporting required by the Permit. Pursuant to and in accordance with Section 11 below, Utility Company shall have the right, at any time following reasonable notice to Developer, to enter the Easement Property to: (a) inspect and review the operation of the Spray Irrigation Facilities; (b) take soil borings and conduct any other tests required by the Permit; and (c) perform groundwater and surface water monitoring within the Spray Areas as required by the Permit (including installation of Monitoring Locations); provided, however, that (x) Utility Company's testing and inspection activities on the Easement Property, unless otherwise required by the Permit or DWQ regulation, shall not interfere with the intended use of the

Easement Property, and (y) Utility Company shall use commercially reasonable efforts to avoid damage to the Spray Irrigation Facilities and the Easement Property.

7. Reuse Effluent Quality. UTILITY COMPANY SHALL NOT BE RESPONSIBLE FOR ACHIEVING WATER QUALITY LEVELS IN THE REUSE EFFLUENT BEYOND THE REQUIREMENTS OF THE PERMIT.

8. Landscaping and Maintenance of Spray Areas. Developer shall be responsible for the landscape replacement and maintenance of the Spray Areas at Developer's sole cost and in accordance with the requirements of the Permit.

9. Service Interruption. In the event of service interruptions caused by a malfunction of the Wastewater Utility System or the Spray Irrigation Facilities, Utility Company shall exercise due diligence in completing the necessary repairs and restoring Reuse Effluent delivery to the Reuse Effluent Storage Ponds and functionality to the Spray Irrigation Facilities.

10. Insurance.

10.1 General Liability. Utility Company shall, at Utility Company's sole cost and expense, maintain, or cause to be maintained, general public liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Spray Areas. The coverage under all such liability insurance shall be in such amounts as may be required by law, but in all events for limits of not less than \$1,000,000 per occurrence and not less than \$3,000,000 in the annual aggregate.

10.2 Policy Requirements and Endorsements. All insurance policies required by this WWTP Easement shall contain (by endorsement or otherwise) the following provisions:

- (a) All policies shall name the Developer as an additional insured;
- (b) All policies shall be written as primary policies not contributing with or in excess of any coverage that the Developer may carry;
- (c) The insurance carrier shall be required to give the Developer thirty (30) days' prior notice of cancellation; and
- (d) Utility Company shall deliver to the Developer certificates of insurance on the date hereof and before expiration of any then-current policy.

11. Grant of Easement to Utility Company.

11.1 Developer hereby grants and conveys to Utility Company, its successors and assigns forever, a perpetual non-exclusive easement appurtenant to the WWTP Property for the purpose of spraying Reuse Effluent, operating the Spray Irrigation Facilities and other activities related thereto as more fully set forth in this Effluent Easement. This easement allows such spraying and related activities, as more particularly described in this Effluent Easement, within the Spray Areas, which are located within the Easement Property. The right to spray and monitor pursuant to this easement is given without payment of any fee or other charge being made therefor. Developer shall not further encumber the Spray Areas or engage in any activity therein, or grant any other interest or privilege therein to any other party

that would interfere with Utility Company's enjoyment of its rights or fulfillment of its obligations created by this Effluent Easement.

11.2 Developer further hereby grants to Utility Company, its successors and assigns forever, a perpetual non-exclusive easement appurtenant to the WWTP Property to the other portions of the Easement Property for ingress, egress, regress and access to and from the Spray Areas and Spray Irrigation Facilities, and over, across, upon, and through the Spray Areas and Spray Irrigation Facilities as necessary for Utility Company to enjoy the rights and to fulfill its obligations under this Effluent Easement, including the performance of soil borings and other testing required by the Permit, without payment of any fee or other charge being made therefor. Developer shall not interfere with or permit any other party to interfere with Utility Company's right of ingress, egress, regress and access granted hereby. In the exercise of Utility Company's right of ingress, egress, regress and access, Utility Company shall, where possible, use existing roads, paths, and other ways of travel to and from the Spray Areas. Utility Company shall have no obligation to maintain such roads, paths, or other ways of travel, but shall exercise ordinary care in its use of the same. Where roads, paths, or other ways of travel do not exist, Developer shall make reasonable efforts to specify ways of travel for Utility Company's use so as to permit Utility Company to enjoy the privileges and fulfill the obligations created by this Effluent Easement without undue interference. Utility Company shall use its best efforts to conduct its activities in the Spray Areas so as to avoid any unreasonable and adverse interference with the normal use of the Spray Areas and other Easement Property.

12. Grant of Easement to Developer. Utility Company hereby grants and conveys to Developer, its successors and assigns forever, a perpetual non-exclusive easement over, across, upon, and through the WWTP Property for ingress, egress, regress and access to and from the Reuse Effluent Storage Ponds for the purposes of (i) pumping fresh water into the Reuse Effluent Storage Ponds, (ii) operating, maintaining, repairing and replacing the conveyance lines from the fresh water source to the Reuse Effluent Storage Ponds, and (iii) other activities related thereto as more fully set forth in this Effluent Easement and as necessary for Developer to enjoy the rights and to fulfill its obligations under this Effluent Easement. This easement is appurtenant to the Easement Property and allows activities on and access to the WWTP Property without payment of any fee or other charge being made therefore. Utility Company shall not further encumber the WWTP Property, or engage in any activity therein, or grant any other interest or privilege therein to any other party, that would interfere with Developer's enjoyment of its rights or fulfillment of its obligations created by this Effluent Easement. In the exercise of Developer's right of ingress, egress, regress and access, Developer shall, where possible, use existing roads, paths, and other ways of travel to and from the Amenity Reuse Effluent Pumping Station. Developer shall have no obligation to maintain such roads, paths, or other ways of travel, but shall exercise reasonable care in its use of the same. Where roads, paths, or other ways of travel do not exist, Utility Company shall make reasonable efforts to specify ways of travel for Developer's use so as to permit Developer to enjoy the privileges and fulfill the obligations created by this Effluent Easement without undue interference.

13. General Provisions.

13.1 Binding upon Successors and Assigns. The conditions, restrictions and easements contained in this Effluent Easement are covenants running with the land; they are made by Utility Company and Developer for the benefit of themselves, their successors and assigns in title to all or part of the WWTP Property or the Easement Property. In addition, Developer may assign its rights and delegate its duties under this Effluent Easement in whole or in part.

13.2 No Third Party Beneficiary Rights. Nothing expressed or referred to in this Effluent Easement will be construed to give any person other than the parties to this Effluent Easement any legal or equitable

right, remedy or claim under or with respect to this Effluent Easement or any provision of this Effluent Easement, except such rights as shall inure to a successor or permitted assignee pursuant to Section 16.1 above.

13.3 Independent Contractor. The parties hereto are and shall be independent contractors to one another, and nothing herein shall be deemed to cause this Effluent Easement to create an agency, partnership, or joint venture between the parties hereto.

13.4 Counterparts. This Effluent Easement may be executed in one or more counterpart signature pages, each of which will be deemed to be an original of this Effluent Easement (and all of which, when taken together, will be deemed to constitute one and the same instrument). Signature pages transmitted by facsimile or other electronic means shall be deemed to be the original signatures of the parties for all purposes.

13.5 Headings. The headings of particular provisions of this Effluent Easement are inserted for convenience only and shall not be construed as a part of this Effluent Easement or serve as a limitation or expansion on the scope of any term or provision of this Effluent Easement.

13.6 Enforcement of Agreement. Each party acknowledges and agrees that the other party would be irreparably damaged if any of the provisions of this Effluent Easement are not performed in accordance with their specific terms and that any breach of this Effluent Easement by a party could not be adequately compensated in all cases by monetary damages alone. Accordingly, in addition to any other right or remedy to which a party may be entitled, at law or in equity, it shall be entitled to enforce any provision of this Effluent Easement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent any breach or threatened breach of any of the provisions of this Effluent Easement, without posting any bond or other undertaking.

13.7 Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be sent either (i) personally by hand delivery, (ii) by United States first-class mail, postage prepaid, (iii) by hand or nationally recognized overnight courier, or (iv) by facsimile addressed to the address or facsimile number indicated on the signature pages to this Effluent Easement (or at such other address or facsimile number as such party or permitted assignee shall have furnished to the other parties hereto in writing). All such notices and other written communications shall be effective on the date of delivery, mailing, or facsimile transmission.

13.8 Waiver. No waivers of, or exceptions to, any term, condition or provision of this Effluent Easement, in any instance, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

13.9 Entire Agreement. This writing and the documents referred to herein embody the entire agreement and understanding between the parties with respect to the subject matter of the Effluent Easement and there are no other agreements or understandings, oral or written, with reference to the subject matter hereof that are not merged herein and superseded hereby.

13.10 Modifications in Writing. This Effluent Easement shall not be modified, amended, or changed in any respect except in writing, duly signed by the parties hereto, and each party hereby waives any right to amend this Effluent Easement in any other way. The parties acknowledge that any such modifications may be subject to DWQ or other regulatory agency approval.

13.11 Consent to Jurisdiction. The parties hereto agree that the state and federal courts of North Carolina shall have exclusive jurisdiction over this Effluent Easement and any controversies arising out

of, relating to, or referring to this Effluent Easement, the formation of this Effluent Easement, and actions undertaken by the parties hereto as a result of this Effluent Easement, whether such controversies sound in tort law, contract law or otherwise. Each of the parties hereto expressly and irrevocably consents to the personal jurisdiction of such state and federal courts, agrees to accept service of process by mail, and expressly waives any jurisdictional or venue defenses otherwise available.

13.12 Governing Law. This Effluent Easement shall be governed by the internal substantive laws of the State of North Carolina, without regard to such state's conflict of law or choice of law rules.

13.13 Recordation; Duration. Upon closing of the transactions contemplated by the Acquisition Agreement, Utility Company shall record this Effluent Easement in the Register of Deeds of Chatham County, North Carolina at Utility Company's expense. The provisions of this Effluent Easement will run with and bind title to the WWTP Property and the Easement Property, will be binding upon and inure to the benefit of all owners of any portion of the WWTP Property or the Easement Property, and will be and remain in effect until such time as a document terminating this Effluent Easement is signed by all of the owners of the WWTP Property and the Easement Property and recorded in the public land records of Chatham County.

13.14 Required Amendments. In the event that the Permit is modified, amended or expanded at any time to permit additional or different land to be used for spray irrigation of Reuse Effluent, the parties hereto shall execute and record an amendment to this Effluent Easement designating such additional or different areas as Spray Areas hereunder.

[Signature Page to Effluent Easement and Irrigation Agreement]

IN WITNESS WHEREOF, the parties have caused this Effluent Easement to be duly executed in their respective corporate names, all by authority duly given, the day and year first above written.

NNP-BRIAR CHAPEL, LLC

By: _____

Address:

Fax:

BRIAR CHAPEL UTILITIES, LLC

By: _____

Address:

Fax:

STATE OF _____

COUNTY OF _____

I, the undersigned, a Notary Public of the County and State aforesaid, certify that _____, whose identity has been proven by satisfactory evidence, said evidence being:

- ☐ I have personal knowledge of the identity of the principal(s)
☐ I have seen satisfactory evidence of the principal's identity, by a current state or federal identification with the principal's photograph in the form of a _____

☐ A credible witness has sworn to the identity of the principal(s);
who is the _____ of NNP-Briar Chapel, LLC, a Delaware limited liability company, personally appeared before me this day and acknowledged that (s)he is _____ of NNP-**BRIAR CHAPEL, LLC**, a Delaware limited liability company and that as _____ being duly authorized to do so, voluntarily executed the foregoing instrument on behalf of said company for the purposes stated therein.

Witness my hand and official stamp or seal this _____ day of _____, 200__.

Notary Public

Print Name:

My Commission Expires: _____

[AFFIX NOTARY SEAL BELOW-NOTE THAT SEAL MUST BE **FULLY LEGIBLE**]

STATE OF _____

COUNTY OF _____

I, the undersigned, a Notary Public of the County and State aforesaid, certify that _____, whose identity has been proven by satisfactory evidence, said evidence being:

- ☐ I have personal knowledge of the identity of the principal(s)
☐ I have seen satisfactory evidence of the principal's identity, by a current state or federal identification with the principal's photograph in the form of a _____

☐ A credible witness has sworn to the identity of the principal(s);
who is the _____ of Briar Chapel Utilities, LLC, personally came before me this day and acknowledged that (s)he is _____ of **Briar Chapel Utilities, LLC**, a Delaware limited liability company, and that as _____ being duly authorized to do so, voluntarily executed the foregoing instrument on behalf of said company for the purposes stated therein.

Witness my hand and official stamp or seal this _____ day of _____, 200__.

Notary Public

Print Name:

My Commission Expires: _____

[AFFIX NOTARY SEAL BELOW-NOTE THAT SEAL MUST BE **FULLY LEGIBLE**]

EXHIBIT A

Easement Property

EXHIBIT B

Spray Areas

EXHIBIT C

WWTP Property

Tract A (North)

Commencing at an iron pipe on the eastern property line of lands owned by Cameron Properties, LTD. & Five Star Group, LLC. (PB 2005, PG 262), iron also being the southwest corner of lands owned by TC&I Timber Company, Inc. (D.B. 1293, Page 483); thence South 89°11'59" East, a distance of 142.60 feet to an iron pipe set, being the Point of BEGINNING; thence South 89°11'59" East, a distance of 1,049.28 feet to an existing iron pipe; thence North 88°46'55" East, a distance of 61.32 feet to an iron pipe set; thence South 58°13'06" East, a distance of 308.47 feet to an iron pipe set; thence South 01°43'41" West, a distance of 117.97 feet to an iron pipe set; thence South 11°50'51" West, a distance of 84.55 feet to an iron pipe set; thence South 45°49'16" West, a distance of 98.74 feet to an iron pipe set; thence South 62°35'31" West, a distance of 67.03 feet to an iron pipe set; thence South 32°52'44" East, a distance of 44.72 feet to an iron pipe set; thence South 19°25'11" West, a distance of 193.42 feet to an iron pipe set on the northerly line of Lands owned by NNP-Briar Chapel, LLC, (as shown as Tract 3 West Remainder, Plat Book 2007, Page 246); thence with the northerly line of aforementioned Tract 3 West Remainder, and along a non-tangent curve to the left having a radius of 580.00 feet, an arc length of 129.47 feet and a chord bearing and distance of South 89°13'15" West, 129.20 feet to an iron pipe set; thence South 82°49'33" West, a distance of 119.60 feet to an iron pipe set; thence along a curve to the right having a radius of 420.00 feet, an arc length of 181.56 feet and a chord bearing and distance of North 84°47'25" West, 180.15 feet to an iron pipe set; thence North 72°24'23" West, a distance of 194.58 feet to an iron pipe set; thence North 83°37'55" West, a distance of 246.27 feet to an iron pipe set; thence North 06°22'05" East, a distance of 10.86 feet to an iron pipe set; thence along a curve to the left having a radius of 100.00 feet, an arc length of 93.22 feet and a chord bearing and distance of North 20°20'19" West, 89.89 feet to an iron pipe set; thence North 47°02'44" West, a distance of 26.11 feet to an iron pipe set; thence along a curve to the right having a radius of 200.00 feet, an arc length of 144.40 feet and a chord bearing and distance of North 26°21'44" West, 141.28 feet to an iron pipe set; thence North 81°31'57" West, a distance of 216.35 feet to an iron pipe set; thence North 00°19'28" East, a distance of 339.02 feet to the Point of BEGINNING containing 763,977 square feet or 17.54 acres, more or less.

Tract B (South)

Commencing at an iron pipe set along the northerly property line of lands owned by NNP-Briar Chapel, LLC, (as shown as Tract 3 West Remainder, Plat Book 2007, Page 246), iron also lying on the southern line of Reclamation Facility Tract A North (Plat Book 2008, Pages 2131-132); thence South 06°53'55" West, a distance of 101.43 feet to an iron pipe set on the southerly line of aforementioned Tract 3 West Remainder, iron also being the Point of BEGINNING; thence along a curve to the left, having a radius of 520.00 feet, an arc length of 205.93 feet, and a chord bearing and distance of South 85°49'45" East, 204.59 feet; thence North 82°49'33" East, a distance of 120.09 feet to an iron pipe set; thence along a curve to the right having a radius of 480.00 feet, an arc length of 122.88 feet and a chord bearing and distance of South 89°50'25" East, 122.55 feet to an iron pipe set; thence South 08°58'36" East, a distance of 160.53 feet to an iron pipe set; thence South 11°07'04" West, a distance of 167.40 feet to an iron pipe set; thence South 24°23'46" West, a distance of 141.53 feet to an iron pipe set; thence South 87°30'44" West, a distance of 153.61 feet to a point; thence North 38°34'14" West, a distance of 207.91 feet to a point; thence North 27°52'02" West, a distance of 118.98 feet to a point; thence North 12°13'22" West, a distance of 195.30 feet to the Point of BEGINNING containing 161,233 square feet or 3.70 acres, more or less.

EXHIBIT 5.5(a)
Approved Wastewater Collection System Contractors

<u>Name/Address/Telephone</u>	<u>Contact Person</u>	<u>Mobile</u>	<u>Contact Person</u>
Arnold Utility Construction P.O. Box 236 Fuquay Varina, NC 27526 919-872-9450	Melvin Arnold	740-6387 or 427-4189	Brian Arnold
BAF 2921 N. Main Street Fuquay Varina, NC 27526 919-552-9276	Ben Fish		
Bunn Pipeline, Inc. 722 Creech Church Road Kenly, NC 27542 919-422-1906	Mike Bunn		
CSSI 6040-A Six Forks Road Suite 246 Raleigh, NC 27609 919-779-3212	Robert Spivey	422-2562	Richard Smith
Earth Works 6004 Stephanie Circle Selma, NC 27576 919-965-9767	Rick Lundquist		
Dennis Corbett Construction 102 Bluegrass Road Selma, NC 27576 919-965-6008 919-815-6282	Dennis Corbett	422-1710	
Harrco 3534 Walters Road Creedmoor, NC 27522 919-528-7891	Lex Harrison	369-5643	Rodney Harrison
Pipeline Utilities 8015 Fayetteville Road Raleigh, NC 27603 919-772-4310	Johnny Blankenship	218-8004	Kenny Wrenn
Sanford Contractors, Inc. 628 Rocky Fork Road Sanford NC 27330 919-775-7882			
Selco Construction P.O. Box 1142 Smithfield, NC 27577 919-934-9941			

SCHEDULE 8

Invoices for Wastewater System Plant Additions subsequent to Initial Application

(See attached)

Wastewater Systems Additions since original NCUC filing

Purchase Order	Invoice Number	Business Unit	Description	GL Date	General Ledger Amount	Remark	Journal Entry Explanation
Collection (mains/services)							
00008574	7817-6	116904300000 - Sewer Outfalls & Lift Stations	Sewer System	6/5/2009	26,743.15	Site Prep	THOMPSON CONTRACTING GRADING,
00008574	7817-6	116904550000 - Herndon Woods Improvements	Sewer System	6/5/2009	18,430.23	Sewer system	THOMPSON CONTRACTING GRADING,
00008574	58309	116904300000 - Sewer Outfalls & Lift Stations	Engineering-General	6/22/2009	210.00	A3-05002 Planning & Modeling	John R. McAdams Company, The
00008574	58803	116904300000 - Sewer Outfalls & Lift Stations	Engineering Consult-Incidental	9/21/2009	44.00	Engineering Consult-Incidental	John R. McAdams Company, The
00008574	58803	116904300000 - Sewer Outfalls & Lift Stations	Surveying-General	9/21/2009	1,370.00	Surveying-General	John R. McAdams Company, The
00012438	58803	116904300000 - Sewer Outfalls & Lift Stations	Engineering-General	9/21/2009	2,697.50	Engineering-General	John R. McAdams Company, The
00012438	8433-1	116900010000 - Family/Parks 1 (Pods a b c d)	Sewer System	9/21/2009	2,000.00	Modify Lot Sewer connections	PURCELL CONSTRUCTION, INC.
00014412	58978	116904300000 - Sewer Outfalls & Lift Stations	Engineering Consult-Incidental	10/21/2009	513.92	Engineering Consult-Incidental	John R. McAdams Company, The
00014412	58978	116904300000 - Sewer Outfalls & Lift Stations	Surveying-General	10/21/2009	730.00	Surveying-General	John R. McAdams Company, The
00008574	58978	116904300000 - Sewer Outfalls & Lift Stations	Engineering-General	10/21/2009	12,125.00	Engineering-General	John R. McAdams Company, The
00008574	8433-2	116900010000 - Family/Parks 1 (Pods a b c d)	Sewer System	10/29/2009	12,350.00	Modify Lot Sewer connections	Purcell Construction, Inc.
00012438	8484-4	116900120000 - Family/Parks 2 (Pod e) Ph.5 S	Sewer System	11/13/2009	5,811.89	Sewer System	Sanford Contractors, Inc.
00012438	59157	116904300000 - Sewer Outfalls & Lift Stations	Engineering-General	11/19/2009	3,277.50	Engineering-General	John R. McAdams Company, The
00012438	8484-5	116900120000 - Family/Parks 2 (Pod e) Ph.5 S	Sewer System	12/10/2009	26,637.81	Sewer System	Sanford Contractors, Inc.
00013516	7817-7	116904300000 - Sewer Outfalls & Lift Stations	Sewer System	12/14/2009	17,401.35	Site Prep	THOMPSON CONTRACTING GRADING,
00013516	8484-6	116900120000 - Family/Parks 2 (Pod e) Ph.5 S	Sewer System	12/14/2009	2,421.62	Sewer System	Sanford Contractors, Inc.
00013516	7817-7	116904550000 - Herndon Woods Improvements	Sewer System	12/14/2009	7,898.67	Sewer system	THOMPSON CONTRACTING GRADING,
00013516	8-7817	116904300000 - Sewer Outfalls & Lift Stations	Pump Station-Sewer System	1/18/2010	2,994.94	Pump Station-Sewer System	THOMPSON CONTRACTING GRADING,
00013516	8484-7	116900120000 - Family/Parks 2 (Pod e) Ph.5 S	Sewer System	2/8/2010	6,296.21	Sewer System	Sanford Contractors, Inc.
00013516	8926-1	116904320000 - Middle School Pump Station	Staking	3/15/2010	1,000.00	Staking	Sanford Contractors, Inc.
00013516	8926-1	116904320000 - Middle School Pump Station	Site Clearing & Grubbing	3/15/2010	6,000.00	Site Clearing & Grubbing	Sanford Contractors, Inc.
00013516	8926-1	116904320000 - Middle School Pump Station	Erosion Control	3/15/2010	2,160.00	Erosion Control	Sanford Contractors, Inc.
00013516	8484-8	116900120000 - Family/Parks 2 (Pod e) Ph.5 S	Sewer System	3/15/2010	6,953.74	Sewer System	Sanford Contractors, Inc.
00013516	8926-2	116904320000 - Middle School Pump Station	Staking	4/7/2010	400.00	Staking	Sanford Contractors, Inc.
00013516	8926-2	116904320000 - Middle School Pump Station	Erosion Control	4/7/2010	720.00	Erosion Control	Sanford Contractors, Inc.
00013516	8926-2	116904320000 - Middle School Pump Station	Sewer System	4/7/2010	1,420.00	Sewer System	Sanford Contractors, Inc.
00013516	8484-9	116900120000 - Family/Parks 2 (Pod e) Ph.5 S	Sewer System	4/7/2010	14,301.40	Sewer System	Sanford Contractors, Inc.
00008110	9375APR2210	116904320000 - Middle School Pump Station	Electrical Utilities	4/26/2010	10,196.00	CIM 406-361-9375 WO #0E1NT	PROGRESS ENERGY CAROLINAS, INC
00008574	59955	116904300000 - Sewer Outfalls & Lift Stations	Engineering Consult-Incidental	4/30/2010	24.78	Engineering Consult-Incidental	John R. McAdams Company, The
00008574	59955	116904300000 - Sewer Outfalls & Lift Stations	Engineering-General	4/30/2010	1,210.00	Engineering-General	John R. McAdams Company, The
00008574	59761	116904300000 - Sewer Outfalls & Lift Stations	Engineering Consult-Incidental	5/7/2010	206.88	Engineering Consult-Incidental	John R. McAdams Company, The
00008574	59761	116904300000 - Sewer Outfalls & Lift Stations	Engineering-General	5/7/2010	3,580.00	Engineering-General	John R. McAdams Company, The
00008574	8926-3	116904320000 - Middle School Pump Station	Staking	5/7/2010	200.00	Staking	Sanford Contractors, Inc.
00008574	8926-3	116904320000 - Middle School Pump Station	Erosion Control	5/7/2010	360.00	Erosion Control	Sanford Contractors, Inc.
00008574	8926-3	116904320000 - Middle School Pump Station	Pump Station-Sewer System	5/7/2010	19,840.00	Pump Station-Sewer System	Sanford Contractors, Inc.
00008574	8484-10	116900120000 - Family/Parks 2 (Pod e) Ph.5 S	Sewer System	5/7/2010	53,416.67	Sewer System	Sanford Contractors, Inc.
00008574	60191	116904300000 - Sewer Outfalls & Lift Stations	Engineering-General	6/7/2010	570.00	Engineering-General	John R. McAdams Company, The
00008574	8926-4	116904320000 - Middle School Pump Station	Staking	6/10/2010	200.00	Staking	Sanford Contractors, Inc.
00012438	8926-4	116904320000 - Middle School Pump Station	Erosion Control	6/10/2010	180.00	Erosion Control	Sanford Contractors, Inc.
00012438	8926-4	116904320000 - Middle School Pump Station	Sewer System	6/10/2010	4,260.00	Sewer System	Sanford Contractors, Inc.
00012438	8926-4	116904320000 - Middle School Pump Station	Pump Station-Sewer System	6/10/2010	39,000.00	Pump Station-Sewer System	Sanford Contractors, Inc.
00012438	8484-11	116900120000 - Family/Parks 2 (Pod e) Ph.5 S	Sewer System	6/10/2010	56,912.97	Sewer System	Sanford Contractors, Inc.
00012438	60385	116904300000 - Sewer Outfalls & Lift Stations	Engineering-General	7/16/2010	1,245.00	Engineering-General	John R. McAdams Company, The
00012438	8926-5	116904320000 - Middle School Pump Station	Staking	7/19/2010	100.00	Staking	Sanford Contractors, Inc.
00014412	8926-5	116904320000 - Middle School Pump Station	Erosion Control	7/19/2010	108.00	Erosion Control	Sanford Contractors, Inc.
00012438	8926-5	116904320000 - Middle School Pump Station	Sewer System	7/19/2010	710.00	Sewer System	Sanford Contractors, Inc.
00012438	8926-5	116904320000 - Middle School Pump Station	Pump Station-Sewer System	7/19/2010	65,000.00	Pump Station-Sewer System	Sanford Contractors, Inc.
00012438	8484-12	116900120000 - Family/Parks 2 (Pod e) Ph.5 S	Sewer System	7/29/2010	33,954.83	Sewer System	Sanford Contractors, Inc.
00013516	8926-6	116904320000 - Middle School Pump Station	Staking	8/5/2010	100.00	Staking	Sanford Contractors, Inc.
00013516	8926-6	116904320000 - Middle School Pump Station	Erosion Control	8/5/2010	72.00	Erosion Control	Sanford Contractors, Inc.

Purchase Order	Invoice Number	Business Unit	Description	GL Date	General Ledger Amount	Remark	Journal Entry Explanation
00013516	8926-6	116904320000 - Middle School Pump Station	Sewer System	8/5/2010	710.00	Sewer System	Sanford Contractors, Inc.
00013516	8926-6	116904320000 - Middle School Pump Station	Pump Station-Sewer System	8/5/2010	16,900.00	Pump Station-Sewer System	Sanford Contractors, Inc.
00013516	8484-13	116900120000 - Family/Parks 2 (Pod e) Ph.5 S	Sewer System	8/5/2010	6,607.75	Sewer System	Sanford Contractors, Inc.
00013516	60578	116904300000 - Sewer Outfalls & Lift Stations	Engineering-General	8/12/2010	700.00	Engineering-General	John R. McAdams Company, The
00013516	60859	116904300000 - Sewer Outfalls & Lift Stations	Engineering-General	9/17/2010	1,570.00	Engineering-General	John R. McAdams Company, The
00013516	8926-7	116904320000 - Middle School Pump Station	Pump Station-Sewer System	9/17/2010	2,600.00	Pump Station-Sewer System	Sanford Contractors, Inc.
00013516	8484-14	116900120000 - Family/Parks 2 (Pod e) Ph.5 S	Sewer System	9/17/2010	10,127.50	Sewer System	Sanford Contractors, Inc.
00013516	61010	116904300000 - Sewer Outfalls & Lift Stations	Engineering-General	10/27/2010	1,335.00	Engineering-General	John R. McAdams Company, The
00013516	8926-8	116904300000 - Sewer Outfalls & Lift Stations	Sewer System	11/4/2010	1,802.56	Sewer System	Sanford Contractors, Inc.
00013516	10-051-1	116900010000 - Family/Parks 1 (Pods a b c d)	Sewer System	11/4/2010	2,507.50	Sewer System	Matthews Construction Co., Inc
00013516	BRIAR CHAPEL -03	116900010000 - Family/Parks 1 (Pods a b c d)	Sewer System	11/4/2010	20,232.50	Sewer System	Purcell Construction, Inc.
00013516	61232	116904300000 - Sewer Outfalls & Lift Stations	Engineering Consult-Incidental	11/17/2010	21.99	Engineering Consult-Incidental	John R. McAdams Company, The
00013516	10-053-1	116900010000 - Family/Parks 1 (Pods a b c d)	Sewer System	12/8/2010	26,337.97	Sewer System	Matthews Construction Co., Inc
00013516	ASR FORCEMAIN-1	116906150000 - Parks / Fields - BC South	Sewer System	12/31/2010	16,263.75	Sewer System	Purcell Construction, Inc.
00013516	9774-3	116900520000 - Ph 5 North - Sec 1	Sewer System	2/15/2011	40,000.00	Sewer System	Sanford Contractors, Inc.
00013516	9774-4	116900520000 - Ph 5 North - Sec 1	Sewer System	4/6/2011	50,000.00	Sewer System	Sanford Contractors, Inc.
00013516	9774-4	116900530000 - Ph 5 North - Sec 2	Sewer System	4/6/2011	14,737.43	Sewer System	Sanford Contractors, Inc.
00013516	9774-5	116900520000 - Ph 5 North - Sec 1	Sewer System	4/14/2011	50,000.00	Sewer System	Sanford Contractors, Inc.
00013516	9774-5	116900530000 - Ph 5 North - Sec 2	Sewer System	4/14/2011	29,474.86	Sewer System	Sanford Contractors, Inc.
00013516	9774-6	116900520000 - Ph 5 North - Sec 1	Sewer System	5/12/2011	40,000.00	Sewer System	Sanford Contractors, Inc.
00013516	9774-6	116900530000 - Ph 5 North - Sec 2	Sewer System	5/12/2011	29,474.86	Sewer System	Sanford Contractors, Inc.
00013516	9774-7	116900520000 - Ph 5 North - Sec 1	Sewer System	6/8/2011	10,000.00	Sewer System	Sanford Contractors, Inc.
00013516	9774-7	116900530000 - Ph 5 North - Sec 2	Sewer System	6/8/2011	73,687.14	Sewer System	Sanford Contractors, Inc.
00013516	9784-2 BRIAR CHPL	116900010000 - Family/Parks 1 (Pods a b c d)	Sewer System	7/20/2011	3,767.50	Sewer System	Purcell Construction, Inc.
00007817	ASR FORCEMAIN-2	116906150000 - Parks / Fields - BC South	Sewer System	7/20/2011	5,421.25	Sewer System	Purcell Construction, Inc.
00007817	ASR FORCEMAIN-3	116906150000 - Parks / Fields - BC South	Sewer System	7/20/2011	15,425.00	Sewer System	Purcell Construction, Inc.
00008926	9774-10	116900520000 - Ph 5 North - Sec 1	Sewer System	9/12/2011	10,000.00	Sewer System	Sanford Contractors, Inc.
00013516	9774-10	116900530000 - Ph 5 North - Sec 2	Sewer System	9/12/2011	88,424.57	Sewer System	Sanford Contractors, Inc.
00013516	9774-12	116900530000 - Ph 5 North - Sec 2	Sewer System	10/18/2011	44,212.26	Sewer System	Sanford Contractors, Inc.
00013516	9774-13	116900530000 - Ph 5 North - Sec 2	Sewer System	11/22/2011	14,737.45	Sewer System	Sanford Contractors, Inc.
00013516	11054-3	116900550000 - Ph 6 South	Sewer System	2/14/2012	32,923.32	Sewer System	Sanford Contractors, Inc.
00013516	11054-4	116900550000 - Ph 6 South	Sewer System	3/21/2012	49,384.98	Sewer System	Sanford Contractors, Inc.
00013516	11054-5	116900550000 - Ph 6 South	Sewer System	4/30/2012	61,731.22	Sewer System	Sanford Contractors, Inc.
00013516	11054-6	116900550000 - Ph 6 South	Sewer System	5/8/2012	152,270.35	Sewer System	Sanford Contractors, Inc.
00013516	11054-7	116900550000 - Ph 6 South	Sewer System	6/11/2012	37,038.74	Sewer System	Sanford Contractors, Inc.
00013516	11054-8	116900550000 - Ph 6 South	Sewer System	7/13/2012	12,346.24	Sewer System	Sanford Contractors, Inc.
00013516	11054-9	116900550000 - Ph 6 South	Sewer System	9/5/2012	24,692.49	Sewer System	Sanford Contractors, Inc.
00013516	11054-10	116900550000 - Ph 6 South	Sewer System	9/27/2012	20,577.07	Sewer System	Sanford Contractors, Inc.
00013516	11054-11	116900550000 - Ph 6 South	Sewer System	10/10/2012	12,346.24	Sewer System	Sanford Contractors, Inc.
00013516	12105-3	116900540000 - Ph 6 North	Sewer System	11/14/2012	21,951.69	Sewer System	Sanford Contractors, Inc.
00013516	12105-4	116900540000 - Ph 6 North	Sewer System	11/29/2012	21,951.69	Sewer System	Sanford Contractors, Inc.
00013516	11054-13	116900550000 - Ph 6 South	Sewer System	12/12/2012	35,059.31	Sewer System	Sanford Contractors, Inc.
00007817	4411	116904300000 - Sewer Outfalls & Lift Stations	Surveying-General	12/18/2012	1,075.00	Surveying-General	CE Group, Inc.
	4411	116904300000 - Sewer Outfalls & Lift Stations	Engineering-General	12/18/2012	3,210.00	Engineering-General	CE Group, Inc.
00013516	4419	116904300000 - Sewer Outfalls & Lift Stations	Engineering-General	12/21/2012	7,490.00	Engineering-General	CE Group, Inc.
00013516	12105-5	116900540000 - Ph 6 North	Sewer System	12/31/2012	65,855.07	Sewer System	Sanford Contractors, Inc.
00013516	12105-6	116900540000 - Ph 6 North	Sewer System	2/12/2013	87,806.76	Sewer System	Sanford Contractors, Inc.
00013516	4488	116904300000 - Sewer Outfalls & Lift Stations	Surveying-General	3/6/2013	1,075.00	Surveying-General	CE Group, Inc.
00013516	4488	116904300000 - Sewer Outfalls & Lift Stations	Engineering-General	3/6/2013	2,140.00	Engineering-General	CE Group, Inc.
00013516	12105-7	116900540000 - Ph 6 North	Sewer System	3/13/2013	65,855.07	Sewer System	Sanford Contractors, Inc.
00013516	4514	116904300000 - Sewer Outfalls & Lift Stations	Engineering Consult-Incidental	4/10/2013	1,400.00	Engineering Consult-Incidental	CE Group, Inc.

Purchase Order	Invoice Number	Business Unit	Description	GL Date	General Ledger Amount	Remark	Journal Entry Explanation
00013516	4514	116904300000 - Sewer Outfalls & Lift Stations	Engineering-General	4/10/2013	6,130.00	Engineering-General	CE Group, Inc.
00013516	12105-8	116900540000 - Ph 6 North	Sewer System	4/10/2013	65,855.07	Sewer System	Sanford Contractors, Inc.
00013516	4543	116904300000 - Sewer Outfalls & Lift Stations	Engineering Consult-Incidental	5/14/2013	1,400.00	Engineering Consult-Incidental	CE Group, Inc.
00013516	4543	116904300000 - Sewer Outfalls & Lift Stations	Engineering-General	5/14/2013	6,130.00	Engineering-General	CE Group, Inc.
00013516	12105-9	116900540000 - Ph 6 North	Sewer System	5/14/2013	65,855.07	Sewer System	Sanford Contractors, Inc.
00013516	12105-11	116900540000 - Ph 6 North	Sewer System	6/18/2013	35,122.70	Sewer System	Sanford Contractors, Inc.
00013516	4580	116904300000 - Sewer Outfalls & Lift Stations	Engineering-General	6/25/2013	1,340.00	Engineering-General	CE Group, Inc.
00013516	12105-12	116900540000 - Ph 6 North	Sewer System	7/16/2013	8,780.69	Sewer System	Sanford Contractors, Inc.
00013516	13516-1	116904300000 - Sewer Outfalls & Lift Stations	Staking	7/29/2013	2,337.50	Staking	Sanford Contractors, Inc.
00008926	13516-1	116904300000 - Sewer Outfalls & Lift Stations	Erosion Control	7/29/2013	9,020.00	Erosion Control	Sanford Contractors, Inc.
00008926	13516-1	116904300000 - Sewer Outfalls & Lift Stations	Sewer System	7/29/2013	36,638.71	Sewer System	Sanford Contractors, Inc.
00008926	4609	116904300000 - Sewer Outfalls & Lift Stations	Engineering-General	8/7/2013	3,082.00	Engineering-General	CE Group, Inc.
00008926	13516-2	116904300000 - Sewer Outfalls & Lift Stations	Staking	8/21/2013	1,677.50	Staking	Sanford Contractors, Inc.
00008926	13516-2	116904300000 - Sewer Outfalls & Lift Stations	Rock Manipulation	8/21/2013	34,195.40	Rock Manipulation	Sanford Contractors, Inc.
00008926	13516-2	116904300000 - Sewer Outfalls & Lift Stations	Sewer System	8/21/2013	128,235.47	Sewer System	Sanford Contractors, Inc.
00008926	13516-2	116904300000 - Sewer Outfalls & Lift Stations	Pump Station-Sewer System	8/21/2013	16,000.28	Pump Station-Sewer System	Sanford Contractors, Inc.
00008926	8863	116904300000 - Sewer Outfalls & Lift Stations	Pump Station-Sewer System	8/27/2013	846.00	Pump&Haul for Damaged Force Ma	EnviroLink, Inc.
00008926	13516-3	116904300000 - Sewer Outfalls & Lift Stations	Staking	9/11/2013	1,870.00	Staking	Sanford Contractors, Inc.
00008926	13516-3	116904300000 - Sewer Outfalls & Lift Stations	Rock Manipulation	9/11/2013	34,195.40	Rock Manipulation	Sanford Contractors, Inc.
00008926	13516-3	116904300000 - Sewer Outfalls & Lift Stations	Erosion Control	9/11/2013	1,804.00	Erosion Control	Sanford Contractors, Inc.
00008926	13516-3	116904300000 - Sewer Outfalls & Lift Stations	Sewer System	9/11/2013	70,972.96	Sewer System	Sanford Contractors, Inc.
00008926	13516-3	116904300000 - Sewer Outfalls & Lift Stations	Pump Station-Sewer System	9/11/2013	16,000.28	Pump Station-Sewer System	Sanford Contractors, Inc.
00008926	12105-13	116900540000 - Ph 6 North	Sewer System	9/11/2013	-26,044.53	Sewer System	Sanford Contractors, Inc.
00008926	13514-2	116904240000 - Great Ridge Pkwy Extension S	Sewer System	9/11/2013	34,531.85	Sewer System	Sanford Contractors, Inc.
00008926	13516-4	116904300000 - Sewer Outfalls & Lift Stations	Staking	10/10/2013	1,210.00	Staking	Sanford Contractors, Inc.
00008926	13516-4	116904300000 - Sewer Outfalls & Lift Stations	Rock Manipulation	10/10/2013	19,777.88	Rock Manipulation	Sanford Contractors, Inc.
00008926	13516-4	116904300000 - Sewer Outfalls & Lift Stations	Erosion Control	10/10/2013	1,804.00	Erosion Control	Sanford Contractors, Inc.
00008926	13516-4	116904300000 - Sewer Outfalls & Lift Stations	Sewer System	10/10/2013	52,653.61	Sewer System	Sanford Contractors, Inc.
00008926	13783-1	116900510000 - Phase 7	Sewer System	10/10/2013	145,706.73	Sewer System	Sanford Contractors, Inc.
00008926	13514-3	116904240000 - Great Ridge Pkwy Extension S	Sewer System	10/10/2013	92,084.92	Sewer System	Sanford Contractors, Inc.
00008926	13516-5	116904300000 - Sewer Outfalls & Lift Stations	Pump Station-Sewer System	11/12/2013	32,000.56	Pump Station-Sewer System	Sanford Contractors, Inc.
	13783-2	116900510000 - Phase 7	Sewer System	11/12/2013	72,853.37	Sewer System	Sanford Contractors, Inc.
00008433	14013-1	116900560000 - Phase 8N	Sewer System	11/12/2013	22,064.24	Sewer System	Sanford Contractors, Inc.
00008433	13514-4	116904240000 - Great Ridge Pkwy Extension S	Sewer System	11/12/2013	46,042.46	Sewer System	Sanford Contractors, Inc.
00009736	13516-6	116904300000 - Sewer Outfalls & Lift Stations	Sewer System	12/4/2013	48,044.71	Sewer System	Sanford Contractors, Inc.
00009784	13516-6	116904300000 - Sewer Outfalls & Lift Stations	Pump Station-Sewer System	12/4/2013	16,000.28	Pump Station-Sewer System	Sanford Contractors, Inc.
00009736	13783-3	116900510000 - Phase 7	Sewer System	12/4/2013	72,853.37	Sewer System	Sanford Contractors, Inc.
00009784	14013-2	116900560000 - Phase 8N	Sewer System	12/4/2013	44,128.48	Sewer System	Sanford Contractors, Inc.
00015632	13514-5	116904240000 - Great Ridge Pkwy Extension S	Sewer System	12/4/2013	23,021.23	Sewer System	Sanford Contractors, Inc.
00008484	13516-7	116904300000 - Sewer Outfalls & Lift Stations	Staking	12/16/2013	467.50	Staking	Sanford Contractors, Inc.
00008484	13516-7	116904300000 - Sewer Outfalls & Lift Stations	Erosion Control	12/16/2013	902.00	Erosion Control	Sanford Contractors, Inc.
00008484	13516-7	116904300000 - Sewer Outfalls & Lift Stations	Sewer System	12/16/2013	26,326.80	Sewer System	Sanford Contractors, Inc.
00008484	13783-4	116900510000 - Phase 7	Sewer System	12/16/2013	36,426.68	Sewer System	Sanford Contractors, Inc.
00008484	13514-6	116904240000 - Great Ridge Pkwy Extension S	Sewer System	12/16/2013	11,510.62	Sewer System	Sanford Contractors, Inc.
00008484	14013-3	116900560000 - Phase 8N	Sewer System	12/22/2013	44,128.48	Sewer System	Sanford Contractors, Inc.
00008484	4712	116904300000 - Sewer Outfalls & Lift Stations	Engineering Consult-Incidental	12/31/2013	800.00	Engineering Consult-Incidental	CE Group, Inc.
00008484	4712	116904300000 - Sewer Outfalls & Lift Stations	Engineering-General	12/31/2013	11,700.00	Engineering-General	CE Group, Inc.
00008484	13516-8	116904300000 - Sewer Outfalls & Lift Stations	Rock Manipulation	3/5/2014	17,097.70	Rock Manipulation	Sanford Contractors, Inc.
00008484	13516-8	116904300000 - Sewer Outfalls & Lift Stations	Rock Manipulation	3/5/2014	2,680.18	Rock Manipulation	Sanford Contractors, Inc.
00008484	13516-8	116904300000 - Sewer Outfalls & Lift Stations	Pump Station-Sewer System	3/5/2014	22,869.25	Pump Station-Sewer System	Sanford Contractors, Inc.
00013783	13783-5	116900510000 - Phase 7	Sewer System	3/5/2014	109,280.05	Sewer System	Sanford Contractors, Inc.

Purchase Order	Invoice Number	Business Unit	Description	GL Date	General Ledger Amount	Remark	Journal Entry Explanation
00013783	14013-4	116900560000 - Phase 8N	Sewer System	3/5/2014	22,064.24	Sewer System	Sanford Contractors, Inc.
00013783	13514-7	116904240000 - Great Ridge Pkwy Extension S	Sewer System	3/5/2014	11,510.62	Sewer System	Sanford Contractors, Inc.
00013783	4767	116904300000 - Sewer Outfalls & Lift Stations	Engineering Consult-Incidental	3/6/2014	460.00	Engineering Consult-Incidental	CE Group, Inc.
00013783	13516-9	116904300000 - Sewer Outfalls & Lift Stations	Rock Manipulation	3/20/2014	17,097.70	Rock Manipulation	Sanford Contractors, Inc.
00013783	13516-9	116904300000 - Sewer Outfalls & Lift Stations	Rock Manipulation	3/20/2014	8,040.54	Rock Manipulation	Sanford Contractors, Inc.
00013783	13516-9	116904300000 - Sewer Outfalls & Lift Stations	Erosion Control	3/20/2014	1,254.00	Erosion Control	Sanford Contractors, Inc.
00013783	13516-9	116904300000 - Sewer Outfalls & Lift Stations	Pump Station-Sewer System	3/20/2014	13,084.80	Pump Station-Sewer System	Sanford Contractors, Inc.
00013783	13783-6	116900510000 - Phase 7	Sewer System	3/20/2014	109,280.05	Sewer System	Sanford Contractors, Inc.
00009774	14013-5	116900560000 - Phase 8N	Sewer System	3/20/2014	22,064.24	Sewer System	Sanford Contractors, Inc.
00009774	13514-8	116904240000 - Great Ridge Pkwy Extension S	Sewer System	3/20/2014	20,796.77	Sewer System	Sanford Contractors, Inc.
00009774	4780	116904300000 - Sewer Outfalls & Lift Stations	Engineering-General	4/10/2014	603.00	Engineering-General	CE Group, Inc.
00009774	13516-10	116904300000 - Sewer Outfalls & Lift Stations	Staking	4/16/2014	935.00	Staking	Sanford Contractors, Inc.
00009774	13516-10	116904300000 - Sewer Outfalls & Lift Stations	Staking	4/16/2014	1,650.00	Staking	Sanford Contractors, Inc.
00009774	13516-10	116904300000 - Sewer Outfalls & Lift Stations	Rock Manipulation	4/16/2014	34,195.40	Rock Manipulation	Sanford Contractors, Inc.
00009774	13516-10	116904300000 - Sewer Outfalls & Lift Stations	Rock Manipulation	4/16/2014	12,060.81	Rock Manipulation	Sanford Contractors, Inc.
00009774	13516-10	116904300000 - Sewer Outfalls & Lift Stations	Erosion Control	4/16/2014	1,804.00	Erosion Control	Sanford Contractors, Inc.
00009774	13516-10	116904300000 - Sewer Outfalls & Lift Stations	Erosion Control	4/16/2014	627.00	Erosion Control	Sanford Contractors, Inc.
00009774	13516-10	116904300000 - Sewer Outfalls & Lift Stations	Sewer System	4/16/2014	36,638.71	Sewer System	Sanford Contractors, Inc.
00009774	13516-10	116904300000 - Sewer Outfalls & Lift Stations	Sewer System	4/16/2014	56,052.16	Sewer System	Sanford Contractors, Inc.
00009774	13516-10	116904300000 - Sewer Outfalls & Lift Stations	Pump Station-Sewer System	4/16/2014	91,476.98	Pump Station-Sewer System	Sanford Contractors, Inc.
00009774	13516-10	116904300000 - Sewer Outfalls & Lift Stations	Pump Station-Sewer System	4/16/2014	48,000.83	Pump Station-Sewer System	Sanford Contractors, Inc.
00012105	13783-7	116900510000 - Phase 7	Sewer System	4/16/2014	72,853.37	Sewer System	Sanford Contractors, Inc.
00012105	14013-6	116900560000 - Phase 8N	Sewer System	4/16/2014	66,192.72	Sewer System	Sanford Contractors, Inc.
00012105	4807	116904300000 - Sewer Outfalls & Lift Stations	Surveying-General	5/8/2014	2,150.00	Surveying-General	CE Group, Inc.
00012105	13516-11	116904300000 - Sewer Outfalls & Lift Stations	Staking	5/9/2014	935.00	Staking	Sanford Contractors, Inc.
00012105	13516-11	116904300000 - Sewer Outfalls & Lift Stations	Staking	5/9/2014	412.50	Staking	Sanford Contractors, Inc.
00012105	13516-11	116904300000 - Sewer Outfalls & Lift Stations	Rock Manipulation	5/9/2014	8,548.85	Rock Manipulation	Sanford Contractors, Inc.
00012105	13516-11	116904300000 - Sewer Outfalls & Lift Stations	Erosion Control	5/9/2014	1,804.00	Erosion Control	Sanford Contractors, Inc.
00012105	13516-11	116904300000 - Sewer Outfalls & Lift Stations	Erosion Control	5/9/2014	376.20	Erosion Control	Sanford Contractors, Inc.
00012105	13516-11	116904300000 - Sewer Outfalls & Lift Stations	Sewer System	5/9/2014	18,319.35	Sewer System	Sanford Contractors, Inc.
00012105	13516-11	116904300000 - Sewer Outfalls & Lift Stations	Sewer System	5/9/2014	8,007.45	Sewer System	Sanford Contractors, Inc.
00011054	13516-11	116904300000 - Sewer Outfalls & Lift Stations	Pump Station-Sewer System	5/9/2014	22,869.25	Pump Station-Sewer System	Sanford Contractors, Inc.
00011054	13516-11	116904300000 - Sewer Outfalls & Lift Stations	Pump Station-Sewer System	5/9/2014	16,000.28	Pump Station-Sewer System	Sanford Contractors, Inc.
00011054	13783-8	116900510000 - Phase 7	Sewer System	5/9/2014	36,426.68	Sewer System	Sanford Contractors, Inc.
00011054	14013-7	116900560000 - Phase 8N	Sewer System	5/9/2014	44,128.48	Sewer System	Sanford Contractors, Inc.
00011054	4830	116904300000 - Sewer Outfalls & Lift Stations	Engineering-General	6/1/2014	1,675.00	Engineering-General	CE Group, Inc.
00011054	13516-12	116904300000 - Sewer Outfalls & Lift Stations	Rock Manipulation	6/6/2014	8,548.85	Rock Manipulation	Sanford Contractors, Inc.
00011054	13516-12	116904300000 - Sewer Outfalls & Lift Stations	Rock Manipulation	6/6/2014	1,340.09	Rock Manipulation	Sanford Contractors, Inc.
00011054	13516-12	116904300000 - Sewer Outfalls & Lift Stations	Erosion Control	6/6/2014	125.40	Erosion Control	Sanford Contractors, Inc.
00011054	13516-12	116904300000 - Sewer Outfalls & Lift Stations	Sewer System	6/6/2014	18,319.35	Sewer System	Sanford Contractors, Inc.
00011054	13516-12	116904300000 - Sewer Outfalls & Lift Stations	Pump Station-Sewer System	6/6/2014	80,042.36	Pump Station-Sewer System	Sanford Contractors, Inc.
00014013	13516-12	116904300000 - Sewer Outfalls & Lift Stations	Pump Station-Sewer System	6/6/2014	8,000.14	Pump Station-Sewer System	Sanford Contractors, Inc.
00014013	14013-8	116900560000 - Phase 8N	Sewer System	6/6/2014	44,128.48	Sewer System	Sanford Contractors, Inc.
00014013	13516-13	116904300000 - Sewer Outfalls & Lift Stations	Staking	7/22/2014	280.50	Staking	Sanford Contractors, Inc.
00014013	13516-13	116904300000 - Sewer Outfalls & Lift Stations	Staking	7/22/2014	82.50	Staking	Sanford Contractors, Inc.
00014013	13516-13	116904300000 - Sewer Outfalls & Lift Stations	Erosion Control	7/22/2014	541.20	Erosion Control	Sanford Contractors, Inc.
00014013	13516-13	116904300000 - Sewer Outfalls & Lift Stations	Erosion Control	7/22/2014	75.24	Erosion Control	Sanford Contractors, Inc.
00014013	13516-13	116904300000 - Sewer Outfalls & Lift Stations	Sewer System	7/22/2014	10,991.61	Sewer System	Sanford Contractors, Inc.
00014013	13516-13	116904300000 - Sewer Outfalls & Lift Stations	Sewer System	7/22/2014	4,804.47	Sewer System	Sanford Contractors, Inc.
00014013	13516-13	116904300000 - Sewer Outfalls & Lift Stations	Pump Station-Sewer System	7/22/2014	6,860.77	Pump Station-Sewer System	Sanford Contractors, Inc.
00014013	13516-13	116904300000 - Sewer Outfalls & Lift Stations	Pump Station-Sewer System	7/22/2014	4,800.08	Pump Station-Sewer System	Sanford Contractors, Inc.

Purchase Order	Invoice Number	Business Unit	Description	GL Date	General Ledger Amount	Remark	Journal Entry Explanation
00013514	13783-10	116900510000 - Phase 7	Sewer System	7/22/2014	36,426.68	Sewer System	Sanford Contractors, Inc.
00013514	14013-9	116900560000 - Phase 8N	Sewer System	7/22/2014	88,256.97	Sewer System	Sanford Contractors, Inc.
00013514	13514-12	116904240000 - Great Ridge Pkwy Extension S	Sewer System	7/22/2014	6,906.37	Sewer System	Sanford Contractors, Inc.
00013514	13516-15	116904300000 - Sewer Outfalls & Lift Stations	Staking	8/11/2014	187.00	Staking	Sanford Contractors, Inc.
00013514	13516-15	116904300000 - Sewer Outfalls & Lift Stations	Staking	8/11/2014	55.00	Staking	Sanford Contractors, Inc.
00013514	13516-15	116904300000 - Sewer Outfalls & Lift Stations	Erosion Control	8/11/2014	360.80	Erosion Control	Sanford Contractors, Inc.
00013514	13516-15	116904300000 - Sewer Outfalls & Lift Stations	Erosion Control	8/11/2014	50.16	Erosion Control	Sanford Contractors, Inc.
00013514	13516-15	116904300000 - Sewer Outfalls & Lift Stations	Sewer System	8/11/2014	7,327.74	Sewer System	Sanford Contractors, Inc.
00007817	13516-15	116904300000 - Sewer Outfalls & Lift Stations	Sewer System	8/11/2014	3,202.98	Sewer System	Sanford Contractors, Inc.
00007817	13516-15	116904300000 - Sewer Outfalls & Lift Stations	Pump Station-Sewer System	8/11/2014	4,573.84	Pump Station-Sewer System	Sanford Contractors, Inc.
00009785	13516-15	116904300000 - Sewer Outfalls & Lift Stations	Pump Station-Sewer System	8/11/2014	3,200.05	Pump Station-Sewer System	Sanford Contractors, Inc.
00009785	14013-10	116900560000 - Phase 8N	Sewer System	8/11/2014	22,064.24	Sewer System	Sanford Contractors, Inc.
00009785	15632-1	116900060000 - Phase 9N	Sewer System	9/3/2014	40,684.92	Sewer System	Sanford Contractors, Inc.
00007573	15632-2	116900060000 - Phase 9N	Sewer System	9/9/2014	81,369.83	Sewer System	Sanford Contractors, Inc.
00007573	14013-11	116900560000 - Phase 8N	Sewer System	9/10/2014	22,064.26	Sewer System	Sanford Contractors, Inc.
Collection (mains/services) Total					<u>4,666,094.45</u>		
Disposal (spray)							
00007573	3183	116904100000 - Spray Irrig./Storage & Pumps	Engineering-General	7/6/2009	7,710.00	Engineering-General	CE GROUP, INC
00007573	3214	116904100000 - Spray Irrig./Storage & Pumps	Engineering-General	7/6/2009	3,150.00	Engineering-General	CE GROUP, INC
00007573	3242	116904100000 - Spray Irrig./Storage & Pumps	Engineering-General	7/31/2009	4,440.00	Engineering-General	CE GROUP, INC
00007573	23-5175	116904100000 - Spray Irrig./Storage & Pumps	Irrigation/Sprinklers	8/14/2009	3,560.00	Irrigation	Ideal Landscaping, Inc.
00007573	23-5175	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	8/14/2009	4,887.30	Irrigation	Ideal Landscaping, Inc.
00007573	3290	116904100000 - Spray Irrig./Storage & Pumps	Engineering-General	9/24/2009	2,550.00	Engineering-General	CE GROUP, INC
00009558	3308	116904100000 - Spray Irrig./Storage & Pumps	Engineering-General	11/23/2009	1,485.00	Engineering-General	CE GROUP, INC
00009558	3331	116904100000 - Spray Irrig./Storage & Pumps	Engineering-General	11/23/2009	7,605.00	Engineering-General	CE GROUP, INC
	3358	116904100000 - Spray Irrig./Storage & Pumps	Engineering-General	12/31/2009	5,550.00	Engineering-General	CE GROUP, INC
	3381	116904100000 - Spray Irrig./Storage & Pumps	Engineering-General	1/23/2010	8,205.00	Engineering-General	CE GROUP, INC
	242099	116904100000 - Spray Irrig./Storage & Pumps	Performance Bonds	2/23/2010	3,763.00	Lockton-Inv#242099-Bonds	Lockton Insurance Brokers, LLC
	3425	116904950000 - Spray Irrig Ph 2	Engineering-General	4/5/2010	2,640.00	Engineering-General	CE GROUP, INC
00005175	3463	116904950000 - Spray Irrig Ph 2	Engineering-General	4/30/2010	2,820.00	Engineering-General	CE GROUP, INC
		116904100000 - Spray Irrig./Storage & Pumps	Irrigation/Sprinklers	5/1/2010	-36,773.00	Correct contract 5175 WIP	Fix Contract 5175 Reten
00013067	3491	116904950000 - Spray Irrig Ph 2	Engineering-General	6/7/2010	2,760.00	Engineering-General	CE GROUP, INC
00014233	3530	116904950000 - Spray Irrig Ph 2	Engineering-General	7/1/2010	3,735.00	Engineering-General	CE GROUP, INC
00013067	3560	116904950000 - Spray Irrig Ph 2	Engineering-General	7/29/2010	3,540.00	Engineering-General	CE GROUP, INC
00008899	3568	116904950000 - Spray Irrig Ph 2	Engineering Consult-Incidental	8/30/2010	4,488.00	Engineering Consult-Incidental	CE GROUP, INC
00011474	3568	116904950000 - Spray Irrig Ph 2	Surveying-General	8/30/2010	5,250.00	Surveying-General	CE GROUP, INC
00011067	3595	116904950000 - Spray Irrig Ph 2	Engineering-General	9/22/2010	7,800.00	Engineering-General	CE GROUP, INC
00012070	60901	116904950000 - Spray Irrig Ph 2	Surveying-General	10/7/2010	552.50	Surveying-General	John R. McAdams Company, The
00011067	10002.2-770	116904950000 - Spray Irrig Ph 2	Engineering-General	10/7/2010	5,140.80	Engineering-General	Eagle Resources, P.A.
00012070	34	116904100000 - Spray Irrig./Storage & Pumps	Engineering-General	10/14/2010	7,600.00	Engineering-General	Piedmont Environmental Associa
00012439	3621	116904950000 - Spray Irrig Ph 2	Engineering-General	10/27/2010	13,155.00	Engineering-General	CE GROUP, INC
00012439	40	116904100000 - Spray Irrig./Storage & Pumps	Engineering-General	11/12/2010	7,600.00	Engineering-General	Piedmont Environmental Associa
00012439	61029	116904950000 - Spray Irrig Ph 2	Surveying-General	11/12/2010	297.50	Surveying-General	John R. McAdams Company, The
00008899	3659	116904950000 - Spray Irrig Ph 2	Engineering-General	12/8/2010	15,180.00	Engineering-General	CE Group, Inc.
00009663	10002.2-785	116904950000 - Spray Irrig Ph 2	Engineering-General	12/14/2010	3,049.80	Engineering-General	Eagle Resources, P.A.
00009663	3700	116904950000 - Spray Irrig Ph 2	Engineering-General	12/17/2010	5,965.00	Engineering-General	CE Group, Inc.
00008899	10002.2-774	116904950000 - Spray Irrig Ph 2	Engineering-General	12/13/2010	7,803.00	Engineering-General	Eagle Resources, P.A.
00008899	3714	116904950000 - Spray Irrig Ph 2	Engineering-General	1/20/2011	3,390.00	Engineering-General	CE Group, Inc.
00008899	3734	116904950000 - Spray Irrig Ph 2	Engineering-General	2/15/2011	2,280.00	Engineering-General	CE Group, Inc.
00008899	3795	116904950000 - Spray Irrig Ph 2	Surveying-General	3/23/2011	2,105.00	Surveying-General	CE Group, Inc.

Purchase Order	Invoice Number	Business Unit	Description	GL Date	General Ledger Amount	Remark	Journal Entry Explanation
00008899	3795	116904950000 - Spray Irrig Ph 2	Engineering-General	3/23/2011	130.00	Engineering-General	CE Group, Inc
00008899	3798	116904950000 - Spray Irrig Ph 2	Engineering-General	4/22/2011	4,335.00	Engineering-General	CE Group, Inc
00008899	3835	116904950000 - Spray Irrig Ph 2	Surveying-General	5/19/2011	295.00	Surveying-General	CE Group Inc
00008899	3835	116904950000 - Spray Irrig Ph 2	Engineering-General	5/19/2011	3,540.00	Engineering-General	CE Group Inc
00008899	10002 2-798	116904950000 - Spray Irrig Ph 2	Engineering-General	5/25/2011	9,155.62	Engineering-General	Eagle Resources, P A
00008899	2315973	116904950000 - Spray Irrig Ph 2	Spray Irrigation Facilities	8/10/2011	70,036.18	Spray Irrigation Facilities	SMITH TURF & IRRIGATION CO , I
00008899	1072	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	8/24/2011	8,400.00	Irrigation/Sprinklers	Quality Landscape Systems Inc
00008899	1070	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	8/24/2011	8,375.00	Irrigation/Sprinklers	Quality Landscape Systems Inc
00008899	9774-9	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	8/25/2011	29,768.90	Irrigation/Sprinklers	Sanford Contractors, Inc
00012440	1073	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	8/26/2011	11,500.00	Irrigation/Sprinklers	Quality Landscape Systems Inc
00012440	9774-10	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	9/12/2011	17,861.34	Irrigation/Sprinklers	Sanford Contractors, Inc
00012440	3921	116904950000 - Spray Irrig Ph 2	Surveying-General	9/21/2011	4,060.00	Surveying-General	CE Group, Inc
00014392	3959	116904950000 - Spray Irrig Ph 2	Surveying-General	9/21/2011	6,670.00	Surveying-General	CE Group, Inc.
00012440	3871	116904950000 - Spray Irrig Ph 2	Engineering-General	9/21/2011	9,450.00	Engineering-General	CE Group, Inc
00012440	0794147	116904950000 - Spray Irrig Ph 2	Spray Irrigation Facilities	9/28/2011	78,382.89	Re-Use Irrigation Pipe Orders	Ferguson Water Works
00012440	0792715	116904950000 - Spray Irrig Ph 2	Spray Irrigation Facilities	9/28/2011	5,927.83	Re-Use Irrigation Pipe Orders	Ferguson Water Works
00012440	0794147-1	116904950000 - Spray Irrig Ph 2	Spray Irrigation Facilities	9/28/2011	9,303.90	Re-Use Irrigation Pipe Orders	Ferguson Water Works
00012440	0792715-1	116904950000 - Spray Irrig Ph 2	Spray Irrigation Facilities	9/28/2011	1,681.31	Re-Use Irrigation Pipe Orders	Ferguson Water Works
00012440	959	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	10/4/2011	6,400.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00014392	957	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	10/4/2011	7,500.00	Irrigation/Sprinklers	Quality Landscape Systems Inc
00014392	10755-2	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	10/6/2011	31,600.00	Irrigation/Sprinklers	Quality Landscape Systems Inc
00014392	3981	116904950000 - Spray Irrig Ph 2	Surveying-General	10/21/2011	2,700.00	Surveying-General	CE Group, Inc
00014392	3981	116904950000 - Spray Irrig Ph 2	Engineering-General	10/21/2011	1,400.00	Engineering-General	CE Group, Inc
00008899	3921	116904950000 - Spray Irrig Ph 2	Surveying-General	10/25/2011	-4,060.00	Surveying-General	CE Group, Inc
00008899	3959	116904950000 - Spray Irrig Ph 2	Surveying-General	10/25/2011	-6,670.00	Surveying-General	CE Group, Inc
00008899	3959CORR1	116904950000 - Spray Irrig Ph 2	Engineering-General	10/25/2011	6,670.00	Engineering-General	CE Group, Inc.
00008899	3921CORR1	116904950000 - Spray Irrig Ph 2	Engineering-General	10/25/2011	4,060.00	Engineering-General	CE Group, Inc
00008899	4003	116904950000 - Spray Irrig Ph 2	Engineering-General	10/28/2011	1,800.00	Engineering-General	CE Group, Inc.
00008899	10753-2	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	11/3/2011	51,750.00	Irrigation/Sprinklers	Quality Landscape Systems Inc
00009694	10756-3	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	11/3/2011	7,500.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00008899	10982-01	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	11/3/2011	104,500.00	Irrigation/Sprinklers	Purcell Construction, Inc
00008899	10884-02	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	12/6/2011	7,500.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00009694	10753-03	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	12/8/2011	17,250.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00008899	10756-04	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	12/8/2011	6,000.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00009694	4007	116904950000 - Spray Irrig Ph 2	Engineering-General	12/18/2011	3,807.00	Engineering-General	CE Group, Inc
00008899	4008	116904950000 - Spray Irrig Ph 2	Engineering-General	12/18/2011	7,306.00	Engineering-General	CE Group, Inc
00008899	10982-02	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	12/18/2011	48,555.00	Irrigation/Sprinklers	Purcell Construction Inc
00008899	9774-14	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	12/18/2011	23,073.47	Irrigation/Sprinklers	Sanford Contractors, Inc
00008899	200AMP SERVICE 12092011 I	116904950000 - Spray Irrig Ph 2	Spray Irrigation Facilities	12/20/2011	991.83	Install 200 amp Serv Irrigatio	Triangle Electrical Services I
00008899	10753-4	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	12/20/2011	9,200.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00009694	10756-5	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	12/20/2011	2,500.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00008899	10757-1	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	12/20/2011	16,625.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00008899	4059	116904950000 - Spray Irrig Ph 2	Engineering-General	12/28/2011	5,278.00	Engineering-General	CE Group, Inc.
00008899	2374294	116904950000 - Spray Irrig Ph 2	Spray Irrigation Facilities	1/23/2012	27,822.89	Spray Irrigation Parts	Smith Turf & Irrigation Co Inc
00011067	279625	116904100000 - Spray Irrig /Storage & Pumps	Performance Bonds	2/1/2012	1,882.00	02/01/12-02/01/13	Lockton Insurance Brokers, LLC
00008899	10753-5	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	2/14/2012	11,500.00	Irrigation/Sprinklers	Quality Landscape Systems Inc
00011067	10756-6	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	2/14/2012	2,500.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00011067	10757-2	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	2/14/2012	22,575.00	Irrigation/Sprinklers	Quality Landscape Systems Inc
00008899	10982-03	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	2/14/2012	67,575.00	Irrigation/Sprinklers	Purcell Construction, Inc.
00011067	4112	116904950000 - Spray Irrig Ph 2	Engineering-General	2/22/2012	5,616.00	Engineering-General	CE Group, Inc
00011067	11394-01	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	2/22/2012	9,900.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc

Purchase Order	Invoice Number	Business Unit	Description	GL Date	General Ledger Amount	Remark	Journal Entry Explanation
00011474	4136	116904950000 - Spray Irrig Ph 2	Engineering-General	3/28/2012	2 220.12	Engineering-General	CE Group, Inc
00008899	10753-06	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	3/28/2012	8 050 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00011474	10756-7	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	3/28/2012	3 500 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00011474	10757-03	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	3/28/2012	28 000 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00011067	11394-02	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	3/28/2012	12,375.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00008899		116904100000 - Spray Irrig /Storage & Pumps	Performance Bonds	3/31/2012	-1,882 00	02/01/12-02/01/13_R	Reclass to Correct BU
00011067		116904950000 - Spray Irrig Ph 2	Performance Bonds	3/31/2012	1,882 00	02/01/12-02/01/13_RC	Reclass to Correct BU
00008899	4137	116904950000 - Spray Irrig Ph 2	Engineering-General	4/12/2012	7,890 00	Engineering-General	CE Group, Inc
00011067	11490-01	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	4/12/2012	9 225 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00011067	4151	116904950000 - Spray Irrig Ph 2	Surveying-General	4/17/2012	2 850 00	Surveying-General	CE Group, Inc
00011474	4151	116904950000 - Spray Irrig Ph 2	Engineering-General	4/17/2012	2 349.00	Engineering-General	CE Group, Inc
00012070	4152	116904950000 - Spray Irrig Ph 2	Engineering-General	4/17/2012	5 010.00	Engineering-General	CE Group, Inc,
00008899	10753-07	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	5/8/2012	3,450 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00011067	10756-08	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	5/8/2012	7 500 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00011067	10757-04	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	5/8/2012	13 300 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00011067	11394-03	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	5/8/2012	9 405 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00012439	11490-02	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	5/8/2012	11 275 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00012440	4189	116904950000 - Spray Irrig Ph 2	Engineering Consult-Incidental	6/1/2012	1 500.00	Engineering Consult-Incidental	CE Group Inc
00011067	4192	116904950000 - Spray Irrig Ph 2	Engineering Consult-Incidental	6/1/2012	1,000 00	Engineering Consult-Incidental	CE Group Inc
00012439	4191	116904950000 - Spray Irrig Ph 2	Surveying-General	6/1/2012	3 150 00	Surveying-General	CE Group, Inc
00012440	4189	116904950000 - Spray Irrig Ph 2	Engineering-General	6/1/2012	930.00	Engineering-General	CE Group, Inc
00012070	4192	116904950000 - Spray Irrig Ph 2	Engineering-General	6/1/2012	1,790 04	Engineering-General	CE Group Inc
00012440	10753-8	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	6/1/2012	2,300 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00012439	10756-9	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	6/1/2012	5,500 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00012439	2462355	116904950000 - Spray Irrig Ph 2	Spray Irrigation Facilities	6/8/2012	89 070 09	Spray Irrigation Parts for Pck	Smith Turf & Irrigation Co Inc
00012440	11394-4	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	6/11/2012	4 455.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00012070	4220	116904950000 - Spray Irrig Ph 2	Surveying-General	7/3/2012	885 00	Surveying-General	CE Group, Inc
00012439	4220	116904950000 - Spray Irrig Ph 2	Engineering-General	7/3/2012	1,218 00	Engineering-General	CE Group Inc
00012440	4221	116904950000 - Spray Irrig Ph 2	Engineering-General	7/3/2012	1,890 04	Engineering-General	CE Group Inc
00012070	11394-5	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	7/11/2012	9,900 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00012440	10982-04	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	7/18/2012	94,055 00	Irrigation/Sprinklers	Purcell Construction, Inc
00013308	4252	116904950000 - Spray Irrig Ph 2	Surveying-General	7/24/2012	2,640 00	Surveying-General	CE Group, Inc
00012440	4252	116904950000 - Spray Irrig Ph 2	Engineering-General	7/24/2012	2,700 00	Engineering-General	CE Group, Inc
00012440	4253	116904950000 - Spray Irrig Ph 2	Engineering-General	7/24/2012	2 483 00	Engineering-General	CE Group Inc
00013308	12127-01	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	8/1/2012	12,000 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00013798	11872-1	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	8/8/2012	31 850 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00013308	4281	116904950000 - Spray Irrig Ph 2	Engineering-General	9/5/2012	2,400 00	Engineering-General	CE Group Inc
00013798	4282	116904950000 - Spray Irrig Ph 2	Engineering-General	9/5/2012	1,170 00	Engineering-General	CE Group, Inc
00012440	11872-2	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	9/5/2012	59,240.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00013798	11054-9	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	9/5/2012	59,379 34	Irrigation/Sprinklers	Sanford Contractors Inc
00014018	171	116904950000 - Spray Irrig Ph 2	Engineering Consult-Incidental	9/11/2012	187 30	Engineering Consult-Incidental	Piedmont Environmental Associa
00013798	171	116904950000 - Spray Irrig Ph 2	Engineering-General	9/11/2012	2,812 50	Engineering-General	Piedmont Environmental Associa
00013798	12127-02	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	9/11/2012	14,400 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00013308	11054-10	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	9/27/2012	3,711 21	Irrigation/Sprinklers	Sanford Contractors Inc
00013798	4314	116904950000 - Spray Irrig Ph 2	Surveying-General	10/10/2012	900 00	Surveying-General	CE Group, Inc
00013798	4314	116904950000 - Spray Irrig Ph 2	Engineering-General	10/10/2012	1,276 00	Engineering-General	CE Group, Inc
00014757	4315	116904950000 - Spray Irrig Ph 2	Engineering-General	10/10/2012	1,500.00	Engineering-General	CE Group, Inc
00014392	12127-03	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	10/10/2012	11 250 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00013798	4374	116904950000 - Spray Irrig Ph 2	Surveying-General	10/29/2012	3,225 00	Surveying-General	CE Group, Inc
00014757	4375	116904950000 - Spray Irrig Ph 2	Engineering-General	10/29/2012	3 016 80	Engineering-General	CE Group Inc
00014018	2544304	116904950000 - Spray Irrig Ph 2	Spray Irrigation Facilities	10/29/2012	110 475 66	Parts for Spray Irr System	Smith Turf & Irrigation Co Inc

Purchase Order	Invoice Number	Business Unit	Description	GL Date	General Ledger Amount	Remark	Journal Entry Explanation
00013798	11872-3	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	10/29/2012	35,100 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00014392	11872-4	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	11/14/2012	16,200 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00014392	11054-12	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	11/14/2012	9,649 14	Irrigation/Sprinklers	Sanford Contractors, Inc
00014757	12127-04	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	11/29/2012	6,750 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00014757	12386-1	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	12/12/2012	43,805 50	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00013798	11054-13	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	12/12/2012	1,484 49	Irrigation/Sprinklers	Sanford Contractors, Inc
00014392	4413	116904950000 - Spray Irrig Ph 2	Surveying-General	12/18/2012	1,180 00	Surveying-General	CE Group, Inc
00013798	4410	116904950000 - Spray Irrig Ph 2	Engineering-General	12/18/2012	1,200 00	Engineering-General	CE Group, Inc
00014757	4412	116904950000 - Spray Irrig Ph 2	Engineering-General	12/18/2012	1,530 00	Engineering-General	CE Group, Inc
00013798	4413	116904950000 - Spray Irrig Ph 2	Engineering-General	12/18/2012	2,930 00	Engineering-General	CE Group, Inc
00014392	4418	116904950000 - Spray Irrig Ph 2	Engineering Consult-Incidental	12/21/2012	1,000 00	Engineering Consult-Incidental	CE Group, Inc
00013798	4418	116904950000 - Spray Irrig Ph 2	Engineering-General	12/21/2012	1,500 00	Engineering-General	CE Group, Inc
00013798	4420	116904950000 - Spray Irrig Ph 2	Engineering-General	12/21/2012	9,180 00	Engineering-General	CE Group, Inc
00013798	4421	116904950000 - Spray Irrig Ph 2	Engineering-General	12/21/2012	2,930 00	Engineering-General	CE Group, Inc
	11872-6	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	12/21/2012	15 060 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
	12386-2	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	12/21/2012	35,044 40	Irrigation/Sprinklers	Quality Landscape Systems, Inc
	227	116904950000 - Spray Irrig Ph 2	Engineering Consult-Incidental	2/12/2013	62 22	Engineering Consult-Incidental	Piedmont Environmental Associa
00013070	227	116904950000 - Spray Irrig Ph 2	Engineering-General	2/12/2013	2 610 00	Engineering-General	Piedmont Environmental Associa
00013070	12678-01	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	2/12/2013	7,050 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00013070	12386-3	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	2/13/2013	49,505 50	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00013070	4490	116904950000 - Spray Irrig Ph 2	Engineering Consult-Incidental	3/6/2013	450 00	Engineering Consult-Incidental	CE Group, Inc
00013516	4489	116904950000 - Spray Irrig Ph 2	Surveying-General	3/6/2013	826 00	Surveying-General	CE Group, Inc
00013516	4489	116904950000 - Spray Irrig Ph 2	Engineering-General	3/6/2013	1,465 00	Engineering-General	CE Group, Inc
00013516	4490	116904950000 - Spray Irrig Ph 2	Engineering-General	3/6/2013	4,590 00	Engineering-General	CE Group, Inc
00013516	12678-02	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	3/20/2013	4,700 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00013516	12386-4	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	3/20/2013	41,110 25	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00013516		116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	3/31/2013	1,417 14	200 Amp Serv - 583 Wild Wind_R	RCLS Actuals to Corrected Codi
00013516		116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	3/31/2013	1,417 14	200 Amp Serv - 41 Treywood_R	RCLS Actuals to Corrected Codi
00013516		116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	3/31/2013	1,417 14	200 Amp Serv - 81 Wild Wind_R	RCLS Actuals to Corrected Codi
00010738	10002 2-858	116904950000 - Spray Irrig Ph 2	Testing-Engineering/Construc	4/10/2013	4,316 40	Testing-Engineering/Construc	Eagle Resources, P A
	4515	116904950000 - Spray Irrig Ph 2	Engineering Consult-Incidental	4/10/2013	450.00	Engineering Consult-Incidental	CE Group, Inc.
	4516	116904950000 - Spray Irrig Ph 2	Surveying-General	4/10/2013	2,360 00	Surveying-General	CE Group, Inc
	4515	116904950000 - Spray Irrig Ph 2	Engineering-General	4/10/2013	2,300.00	Engineering-General	CE Group, Inc
	4516	116904950000 - Spray Irrig Ph 2	Engineering-General	4/10/2013	2,930.00	Engineering-General	CE Group, Inc
	10002 2-860	116904950000 - Spray Irrig Ph 2	Wells	4/10/2013	3,852.05	Wells	Eagle Resources, P A
	12678-03	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	4/10/2013	2,350 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
	12385-1	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	4/10/2013	2,080 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
	12386-5	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	4/10/2013	35,154 25	Irrigation/Sprinklers	Quality Landscape Systems, Inc
	4544	116904950000 - Spray Irrig Ph 2	Engineering Consult-Incidental	5/14/2013	900 00	Engineering Consult-Incidental	CE Group, Inc
	4545	116904950000 - Spray Irrig Ph 2	Surveying-General	5/14/2013	2,360 00	Surveying-General	CE Group, Inc
	258	116904950000 - Spray Irrig Ph 2	Engineering-General	5/14/2013	1,355 50	Engineering-General	Piedmont Environmental Associa
00014149	4544	116904950000 - Spray Irrig Ph 2	Engineering-General	5/14/2013	2,300 00	Engineering-General	CE Group, Inc
	4545	116904950000 - Spray Irrig Ph 2	Engineering-General	5/14/2013	879 00	Engineering-General	CE Group, Inc
	263	116904950000 - Spray Irrig Ph 2	Engineering-General	5/22/2013	450 00	Engineering-General	Piedmont Environmental Associa
00005175	12678-04	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	5/22/2013	3,760 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00010755	12386-6	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	5/22/2013	11,041 10	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00010756	11872-7	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	5/22/2013	20,000 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00010753	12385-2	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	5/22/2013	5,200.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00010756	4557	116904950000 - Spray Irrig Ph 2	Surveying-General	6/11/2013	4,720.00	Surveying-General	CE Group, Inc
00010884	4557	116904950000 - Spray Irrig Ph 2	Engineering-General	6/11/2013	2,930 00	Engineering-General	CE Group, Inc
00010755	4558	116904950000 - Spray Irrig Ph 2	Engineering-General	6/11/2013	10 200 00	Engineering-General	CE Group, Inc

Purchase Order	Invoice Number	Business Unit	Description	GL Date	General Ledger Amount	Remark	Journal Entry Explanation
00010753	10002 2-862	116904950000 - Spray Irrig Ph 2	Wells	6/11/2013	15 655 22	Wells	Eagle Resources, P A
00010756	12678-05	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	6/18/2013	7,050 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00010884	12385-3	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	6/18/2013	4,160.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00010753	4581	116904950000 - Spray Irrig Ph 2	Surveying-General	6/25/2013	3,186.00	Surveying-General	CE Group, Inc
00010756	4581	116904950000 - Spray Irrig Ph 2	Engineering-General	6/25/2013	3,516 00	Engineering-General	CE Group, Inc
00010753	10002 2-866	116904950000 - Spray Irrig Ph 2	Wells	7/1/2013	4,459 80	Wells	Eagle Resources, P A
00010756	2661209	116904950000 - Spray Irrig Ph 2	Spray Irrigation Facilities	7/1/2013	26 372 11	Pipe Order for BC	Smith Turf & Irrigation Co Inc
00010757	11872-8	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	7/1/2013	25,560 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00010982	10002 2-872	116904950000 - Spray Irrig Ph 2	Wells	7/23/2013	5 885 20	Wells	Eagle Resources, P A
00010982	2670117	116904950000 - Spray Irrig Ph 2	Spray Irrigation Facilities	7/23/2013	141,983 53	Parts for Spray Irrigation Sys	Smith Turf & Irrigation Co Inc
00009774	2668555	116904950000 - Spray Irrig Ph 2	Spray Irrigation Facilities	7/23/2013	31,368.36	Parts for Spray Irrigation Sys	Smith Turf & Irrigation Co Inc
00009774	12678-06	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	7/29/2013	9,400 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00009774	13588-01	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	7/29/2013	12,000.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00010753	13667-01	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	7/29/2013	4,500.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00010756	4610	116904950000 - Spray Irrig Ph 2	Surveying-General	8/7/2013	1,062 00	Surveying-General	CE Group, Inc
00010757	4610	116904950000 - Spray Irrig Ph 2	Engineering-General	8/7/2013	7,032.00	Engineering-General	CE Group, Inc.
00011394	12678-07	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	8/21/2013	8,460 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00010753	13667-02	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	8/21/2013	3,000 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00010756	12385-4	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	8/21/2013	5,200 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00010757	13590-1	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	8/28/2013	40,285 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00011394	4636	116904950000 - Spray Irrig Ph 2	Surveying-General	10/2/2013	4 720 00	Surveying-General	CE Group, Inc.
00011490	4637	116904950000 - Spray Irrig Ph 2	Engineering-General	10/2/2013	2,150 00	Engineering-General	CE Group, Inc
00010753	13667-03	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	10/2/2013	5,250 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00010756	12678-8	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	10/2/2013	4,230 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00010757	12385-5	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	10/2/2013	5,200 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00011394	13590-2	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	10/2/2013	62,560.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00011490	4638	116904950000 - Spray Irrig Ph 2	Engineering-General	10/3/2013	5 960 00	Engineering-General	CE Group, Inc
00010753	13516-4	116904950000 - Spray Irrig Ph 2	Reclaimed Water Trunk System	10/10/2013	39 700 31	Reclaimed Water Trunk System	Sanford Contractors Inc
00010756	14015	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	10/16/2013	49 930.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00011394	12385-6	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	10/16/2013	4,160 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00011394	13590-3	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	10/16/2013	22,168 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00012127	4659	116904950000 - Spray Irrig Ph 2	Surveying-General	10/29/2013	3,186 00	Surveying-General	CE Group, Inc
00012127	4660	116904950000 - Spray Irrig Ph 2	Engineering-General	10/29/2013	5,100 00	Engineering-General	CE Group Inc
00012127	4658	116904950000 - Spray Irrig Ph 2	Engineering-General	10/29/2013	17,410 00	Engineering-General	CE Group, Inc
00012127	14149-01	116904950000 - Spray Irrig Ph 2	Spray Irrigation Facilities	11/5/2013	27,400 00	Spray Irrigation Facilities	Quality Landscape Systems Inc
00010982	200 AMP SERVICE AT 133 CL	116904950000 - Spray Irrig Ph 2	Electrical Utilities	11/5/2013	704 42	Move 200 Amp Service @ Cliffda	Triangle Electrical Services I
00010982	14061-02	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	11/5/2013	4,800 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00011872	12385-7	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	11/5/2013	2,080.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00011872	13590-4	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	11/5/2013	28,730.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00011872	14061-01	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	11/7/2013	7,200 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00011872	13516-5	116904950000 - Spray Irrig Ph 2	Reclaimed Water Trunk System	11/12/2013	19,850 16	Reclaimed Water Trunk System	Sanford Contractors, Inc
00012386	318335	116904950000 - Spray Irrig Ph 2	Performance Bonds	11/13/2013	100.00	11/13/13-11/13/14	Lockton Insurance Brokers, LLC
00011872	7971	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	11/13/2013	1 756.04	Irrigated Water Reuse Signs	North Carolina Signs
00012386	4695	116904950000 - Spray Irrig Ph 2	Engineering-General	11/21/2013	4,688 00	Engineering-General	CE Group, Inc
00011054	4693	116904950000 - Spray Irrig Ph 2	Engineering-General	11/21/2013	5,960 00	Engineering-General	CE Group Inc
00011054	14061-03	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	12/4/2013	3,840.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00011054	14281-01	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	12/4/2013	12,412 50	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00011054	12385-8	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	12/4/2013	5,200 00	Irrigation/Sprinklers	Quality Landscape Systems Inc
00012678	13590-5	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	12/4/2013	43,875 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00012678	13667-04	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	12/11/2013	2,250 00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00012678	411273	116904950000 - Spray Irrig Ph 2	Testing-Engineering/Construc	12/16/2013	4,600.00	Testing-Engineering/Construc	ECS Carolinas, LLP

Purchase Order	Invoice Number	Business Unit	Description	GL Date	General Ledger Amount	Remark	Journal Entry Explanation
00012678	10002.2-893	116904950000 - Spray Irrig Ph 2	Testing-Engineering/Construc	12/16/2013	4,590.00	Testing-Engineering/Construc	Eagle Resources, P.A.
00012678	325	116904950000 - Spray Irrig Ph 2	Engineering-General	12/16/2013	20,400.48	Engineering-General	Piedmont Environmental Associa
00012678	4713	116904950000 - Spray Irrig Ph 2	Surveying-General	12/31/2013	930.00	Surveying-General	CE Group, Inc.
00013588	4714	116904950000 - Spray Irrig Ph 2	Engineering-General	12/31/2013	12,070.00	Engineering-General	CE Group, Inc.
00013667	14061-04	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	12/31/2013	1,920.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00012678	14281-02	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	12/31/2013	32,272.50	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00013667	323511	116904950000 - Spray Irrig Ph 2	Performance Bonds	2/6/2014	1,882.00	02/01/14-02/01/15	Lockton Insurance Brokers, LLC
00013667	14281-03	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	2/11/2014	4,965.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00012678	13590-6	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	2/11/2014	6,750.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00014015	13590-6	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	2/11/2014	862.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00014061	13590-6	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	2/11/2014	38,000.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00014061	13516-8	116904950000 - Spray Irrig Ph 2	Reclaimed Water Trunk System	3/5/2014	19,850.16	Reclaimed Water Trunk System	Sanford Contractors, Inc.
	4769	116904950000 - Spray Irrig Ph 2	Surveying-General	3/6/2014	1,209.00	Surveying-General	CE Group, Inc.
00014061	4766	116904950000 - Spray Irrig Ph 2	Engineering-General	3/6/2014	2,190.00	Engineering-General	CE Group, Inc.
00014281	4769	116904950000 - Spray Irrig Ph 2	Engineering-General	3/6/2014	2,680.00	Engineering-General	CE Group, Inc.
00013667	2777068	116904950000 - Spray Irrig Ph 2	Spray Irrigation Facilities	3/19/2014	136,920.34	Parts for Spray Irrigation Sys	Smith Turf & Irrigation Co Inc
00014061	13516-9	116904950000 - Spray Irrig Ph 2	Reclaimed Water Trunk System	3/20/2014	59,550.47	Reclaimed Water Trunk System	Sanford Contractors, Inc.
00014281	14956-1	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	4/7/2014	36,000.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
	4777	116904950000 - Spray Irrig Ph 2	Surveying-General	4/10/2014	1,395.00	Surveying-General	CE Group, Inc.
00012386	4778	116904950000 - Spray Irrig Ph 2	Engineering-General	4/10/2014	1,075.00	Engineering-General	CE Group, Inc.
00012386	4779	116904950000 - Spray Irrig Ph 2	Engineering-General	4/10/2014	2,130.00	Engineering-General	CE Group, Inc.
00012385	4777	116904950000 - Spray Irrig Ph 2	Engineering-General	4/10/2014	2,680.00	Engineering-General	CE Group, Inc.
00012386	110333	116904950000 - Spray Irrig Ph 2	Engineering-General	4/11/2014	12,300.00	Engineering-General	McKim & Creed Inc
00012386	12385-9	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	4/15/2014	7,280.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00011872	13516-10	116904950000 - Spray Irrig Ph 2	Reclaimed Water Trunk System	4/16/2014	9,925.08	Reclaimed Water Trunk System	Sanford Contractors, Inc.
00012385	14061-05	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	4/21/2014	6,720.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00011872	110848	116904950000 - Spray Irrig Ph 2	Engineering-General	5/5/2014	5,700.00	Engineering-General	McKim & Creed Inc
00012385	4809	116904950000 - Spray Irrig Ph 2	Surveying-General	5/8/2014	2,790.00	Surveying-General	CE Group, Inc.
00013590	4808	116904950000 - Spray Irrig Ph 2	Engineering-General	5/8/2014	2,370.00	Engineering-General	CE Group, Inc.
00012385	4808	116904950000 - Spray Irrig Ph 2	Engineering-General	5/8/2014	1,460.00	Engineering-General	CE Group, Inc.
00013590	4809	116904950000 - Spray Irrig Ph 2	Engineering-General	5/8/2014	1,340.00	Engineering-General	CE Group, Inc.
00012385	4808	116904950000 - Spray Irrig Ph 2	Engineering-General	5/8/2014	2,130.00	Engineering-General	CE Group, Inc.
00013590	14061-06	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	5/12/2014	21,600.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00012385	14956-2	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	5/12/2014	17,617.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00013590	12385-10	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	5/12/2014	4,160.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00012385	14956-2	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	5/12/2014	9,676.30	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00013590	14956-2	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	5/12/2014	8,000.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
	15111-01	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	5/13/2014	5,750.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
	111421	116904950000 - Spray Irrig Ph 2	Engineering-General	5/16/2014	3,000.00	Engineering-General	McKim & Creed Inc.
00014281	4826	116904950000 - Spray Irrig Ph 2	Engineering-General	6/1/2014	6,326.00	Engineering-General	CE Group, Inc.
00014061	4829	116904950000 - Spray Irrig Ph 2	Engineering-General	6/1/2014	1,095.00	Engineering-General	CE Group, Inc.
00014061	4829	116904950000 - Spray Irrig Ph 2	Engineering-General	6/1/2014	1,065.00	Engineering-General	CE Group, Inc.
00015111	15252-01	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	6/1/2014	2,350.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00015252	13516-12	116904950000 - Spray Irrig Ph 2	Reclaimed Water Trunk System	6/6/2014	39,700.31	Reclaimed Water Trunk System	Sanford Contractors, Inc.
00014061	112066	116904950000 - Spray Irrig Ph 2	Engineering-General	6/16/2014	3,000.00	Engineering-General	McKim & Creed Inc.
00015111	14061-07	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	6/16/2014	1,920.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00015252	15111-02	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	6/16/2014	17,250.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00015479	15252-02	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	6/16/2014	18,800.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00015605	14956-3	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	6/16/2014	2,000.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00015252	12385-11	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	6/16/2014	5,200.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00014771	14956-3	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	6/16/2014	17,617.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc

Purchase Order	Invoice Number	Business Unit	Description	GL Date	General Ledger Amount	Remark	Journal Entry Explanation
00015605	14956-3	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	6/16/2014	14,514.45	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00013590	14956-3	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	6/16/2014	36,000.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00014956	15479-01	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	6/23/2014	17,100.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00012385	15605-01	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	7/3/2014	9,400.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00014956	15252-03	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	7/3/2014	2,350.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00012385	12385-12	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	7/3/2014	4,160.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00014956	14956-4	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	7/3/2014	4,000.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00012385	14956-4	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	7/3/2014	17,617.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00012385	14956-4	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	7/3/2014	29,028.90	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00014956	13516-13	116904950000 - Spray Irrig Ph 2	Reclaimed Water Trunk System	7/22/2014	5,955.05	Reclaimed Water Trunk System	Sanford Contractors, Inc
00012385	112726	116904950000 - Spray Irrig Ph 2	Engineering-General	8/1/2014	6,000.00	Engineering-General	McKim & Creed Inc
00014956	14771-01	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	8/1/2014	4,500.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00013590	15605-02	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	8/1/2014	6,580.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00014956	12385-13	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	8/8/2014	5,200.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00014956	14956-5	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	8/8/2014	6,000.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00014956	14956-5	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	8/8/2014	26,425.50	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00014956	14956-5	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	8/8/2014	38,705.20	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00013590	13516-15	116904950000 - Spray Irrig Ph 2	Reclaimed Water Trunk System	8/11/2014	3,970.03	Reclaimed Water Trunk System	Sanford Contractors, Inc
00014956	367	116904950000 - Spray Irrig Ph 2	Engineering-General	8/14/2014	7,200.00	Engineering-General	Piedmont Environmental Associa
00014956	4861	116904950000 - Spray Irrig Ph 2	Surveying-General	9/8/2014	2,976.00	Surveying-General	CE Group, Inc
00014956	4860	116904950000 - Spray Irrig Ph 2	Engineering-General	9/8/2014	1,185.00	Engineering-General	CE Group, Inc
00014956	4860	116904950000 - Spray Irrig Ph 2	Engineering-General	9/8/2014	1,095.00	Engineering-General	CE Group, Inc
00014956	4861	116904950000 - Spray Irrig Ph 2	Engineering-General	9/8/2014	374.00	Engineering-General	CE Group, Inc
00015632	4860	116904950000 - Spray Irrig Ph 2	Engineering-General	9/8/2014	2,130.00	Engineering-General	CE Group, Inc
00014013	4860	116904950000 - Spray Irrig Ph 2	Engineering-General	9/8/2014	600.00	Engineering-General	CE Group, Inc
00014392	4861	116904950000 - Spray Irrig Ph 2	Surveying-General	9/8/2014	2,976.00	Surveying-General	CE Group, Inc
00013798	4860	116904950000 - Spray Irrig Ph 2	Engineering-General	9/8/2014	1,185.00	Engineering-General	CE Group, Inc
00013798	4860	116904950000 - Spray Irrig Ph 2	Engineering-General	9/8/2014	1,095.00	Engineering-General	CE Group, Inc
00013798	4861	116904950000 - Spray Irrig Ph 2	Engineering-General	9/8/2014	374.00	Engineering-General	CE Group, Inc
00014392	4860	116904950000 - Spray Irrig Ph 2	Engineering-General	9/8/2014	2,130.00	Engineering-General	CE Group, Inc
00013798	4860	116904950000 - Spray Irrig Ph 2	Engineering-General	9/8/2014	600.00	Engineering-General	CE Group, Inc
00013798	12385-14	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	9/12/2014	2,080.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00013798	14771-02	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	9/17/2014	9,900.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00013798	15605-03	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	9/17/2014	7,050.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00014771	14956-6	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	9/17/2014	17,617.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00015605	4921	116904950000 - Spray Irrig Ph 2	Engineering-General	10/9/2014	2,370.00	Engineering-General	CE Group, Inc
00015605	4921	116904950000 - Spray Irrig Ph 2	Engineering-General	10/9/2014	2,130.00	Engineering-General	CE Group, Inc
00014771	4921	116904950000 - Spray Irrig Ph 2	Engineering-General	10/9/2014	750.00	Engineering-General	CE Group, Inc
00012385	12385-15	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	10/13/2014	3,120.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00014956	15605-04	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	10/24/2014	4,700.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00012385	14771-03	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	11/1/2014	9,000.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00014956	14956-7	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	11/1/2014	2,400.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
00014956	14956-7	116904950000 - Spray Irrig Ph 2	Irrigation/Sprinklers	11/1/2014	17,617.00	Irrigation/Sprinklers	Quality Landscape Systems, Inc
Disposal (spray) Total					3,744,404.80		
Grand Total					8,410,499.25		

SCHEDULE 9

Easements and Right of Ways

(See attached)

*

May 23, 2014

Bradley Jensen
586 N. Serenity Hill Circle
Chapel Hill, NC 27516

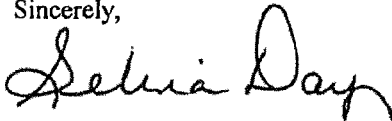
Re: Sanitary Sewer Easement on Lot 894

Dear Mr. Jensen:

You have agreed that if you decide to construct a fence inside the easement area, the following conditions of approval will apply:

1. Fencing and/or gates will be approved by the Design Review Committee;
2. Fencing and/or gates will not impede storm drainage at any time;
3. Fencing and/or gates will have limited visibility from the street;
4. Ten (10) foot access points centered over the sewer main will be provided for in the fence and/or gates layout;
5. NNP-Briar Chapel, LLC, Briar Chapel Utilities, LLC, its successors, and assigns, and Briar Chapel Community Association, Inc, ("BCCA") shall have access to the sanitary sewer easement on your lot for operation, maintenance, monitoring and regular inspections at all times;
6. Fencing and/or gates will be installed adjacent to a lateral line not a trunk line;
7. Fencing and/or gates will be installed adjacent to the end of the lateral line so that there will be no storm drain lines "upstream;"
8. Fencing and/or gates will be installed no closer than 5' of the centerline of pipe (ie. 10' wide gate);
9. The fence may span the pipe/s as long as the fence/gate's ground attachment is setback min 5' of the pipe;
10. The pipe/s location within the sanitary sewer easement is to be field verified and staked prior to HOA submission;
11. The pipe/s located within the sanitary sewer easement are to be shown on the plat of the lot and submitted with the DRC Alterations and Additions Submittal Checklist;
12. Fence and/or gates inside the sanitary sewer easement can be removed at any time without notice by NNP-Briar Chapel, LLC, Briar Chapel Utilities, LLC, its successors, and assigns, and Briar Chapel Community Association, Inc, ("BCCA"); and
13. If the fence/gate is removed or damaged for utility access there shall be no reimbursement for reconstruction from NNP-Briar Chapel, LLC, Briar Chapel Utilities, LLC its successors, and assigns, and Briar Chapel Community Association, Inc, ("BCCA").

Sincerely,



Briar Chapel DRC Representative

CC: G. Lee Bowman, Project Manager, NNP-Briar Chapel, LLC
Beth Harvey, BCCA Property Manager
DRC -Michael Hubbard, Eric Davis
Briar Chapel Utilities, LLC managed by Envirolink, Inc.

PUMP STATION "C"
HERNDON WOODS /
TAYLOR RD.

STATE OF NORTH CAROLINA
COUNTY OF CHATHAM

EASEMENT PURCHASE
AGREEMENT

THIS EASEMENT PURCHASE AGREEMENT (the "Agreement"), made and entered into this 24 day of September, 2008, by and between NNP BRIAR CHAPEL, LLC, a North Carolina limited liability company ("Buyer"), and PAUL A. WEBB and MARCIA WEBB (collectively, the "Sellers");

WITNESSETH:

WHEREAS, Sellers own a tract of land located in Chatham County, North Carolina known as Lot 7, Herndon Woods (the "Master Tract"); and

WHEREAS, Buyer is the owner of those certain tracts of land (the "Adjoining Tracts") lying to the west of Master Tract known as Briar Chapel.

WHEREAS, Buyer desires to construct a gravity sewer main across a portion of the Master Tract, the locations of which are shown as a hatched area on Exhibit A attached hereto and incorporated herein by reference (the "Easement Areas"), and Seller desires to sell to Buyer an easement over the Easement Area in the form attached as Exhibit B;

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) paid by Buyer to the Sellers, the receipt of which is hereby acknowledged, Sellers do hereby contract and agrees to sell and convey, and Buyer does hereby agree to purchase at the price and upon the terms and conditions hereinafter set forth, the Easement across, over and through the portion of the Master Tract as shown on Exhibit A all pursuant to the terms and conditions hereinafter more specifically set forth:

1. **Closing**. Closing hereunder shall occur no later than September 30, 2008 (the "Closing Date") at the offices of Kennon, Craver, Belo, Craig & McKee, PLLC, 4011 University Drive, Suite 300, Durham, North Carolina 27707. The Closing Date and place may be changed by written agreement signed by the parties. Sellers shall deliver possession of the Easement to Buyer on the Closing Date. Prior to closing, all risk of loss shall be borne by Sellers.

2. **Development of Master Tract**. In consideration of the grant of the Easement, Buyer shall, within one (1) year of the Closing Date construct one (1) service stub which contains a sewer line adequate to serve the existing dwelling on the Master Tract.

3. **Closing Documentation**. At closing, Sellers shall execute and deliver to Buyer the following:

- (a) The Easement in the form attached as Exhibit B. The title to the Easement shall be marketable and insurable (at regular title insurance rates), free and

clear of all liens, charges and encumbrances except general utility easements. The Easement shall be assignable by Buyer.

- (b) An owners and contractors affidavit on a form sufficient for use by Buyer in obtaining title insurance on the Easement free and clear of any mechanics' or materialmen's lien exception.
- (c) An affidavit affirming that on the Closing Date there are no outstanding and unsatisfied judgments, tax liens, or bankruptcies against or involving the Sellers and that there are no unrecorded interests in the Master Tract of any kind.
- (d) A statement from Sellers certifying that all of the representations and warranties contained in paragraph 8 hereof, to the best of Sellers knowledge, are true and correct as of the Closing Date.
- (e) Such other documentation as may be reasonably requested by Buyer.

4. Closing Costs. Buyer shall pay all costs to record the Easement. Buyer will reimburse Sellers for reasonable attorney's fees not to exceed \$750.00 without the prior written consent of the Buyer.

5. Ad Valorem Taxes. Buyer shall have no liability for City-County ad valorem taxes on the Property at closing or in the future; and, Sellers acknowledge and agree that it and its successors or assigns will remain liable for City-County ad valorem taxes on the Property, if any.

6. Title Examination. At any time prior to fifteen (15) days before closing, Buyer shall cause its attorney to examine the title to the Master Tract and advise Sellers in writing of any objections to said title (which objection shall not include the lien of City-County ad valorem taxes for the year in which closing occurs and general utility easements), and Sellers shall have a period of seven (7) days from the date of notice of said objections within which to remedy said objections to the reasonable satisfaction of Buyer and its attorney. In the event said objections are not cured or remedied within said seven (7) day period, the Buyer, at its election, shall have the right to either (a) accept such title subject to the objections or (b) terminate this Agreement. Sellers agree to cause any liens on the Master Tract to be subordinated to the Easement prior to or at Closing.

7. Survey. Prior to closing, Buyer shall cause a North Carolina licensed surveyor or engineer to prepare an accurate survey of the Master Tract and the Easement Area. The parties agree that the legal description of the Easement Area conveyed in the Easement shall be drawn from said survey.

8. Representation and Warranties by Seller. Sellers represent and warrants to Buyer that:

- (a) Sellers have all requisite power and authority to execute this Agreement, the closing instruments listed in paragraph 4 hereof, and all other instruments required to be delivered by Sellers under the terms of this Agreement.
- (b) The conveyance of the Easement pursuant to this Agreement will not violate any private restriction or agreement or, to the best of the knowledge of Sellers, any applicable statute, ordinance, governmental restriction or regulation.
- (c) To the best of Sellers knowledge there are no liens, easements or other encumbrances which encumber the Easement Area, other lien of City-County ad valorem taxes for the year in which closing occurs and general utility easements.
- (d) Sellers have received no notice of any action, litigation, pending or threatened condemnation or other proceeding of any kind pending against Sellers which relates to or affects the Easement Area or the access to the Easement Area over the Master Tract.
- (e) Sellers, on the Closing Date, will have complied with all of its obligations required to be performed by that date, unless such compliance has been waived in writing by Buyer, and all warranties made hereunder shall be true and correct on the Closing Date.
- (f) Sellers warrant to Buyer that, to the best of Sellers knowledge: (1) the environmental and ecological condition of the Master Tract as of the closing date will be such that the Master Tract will not be in violation of any federal, state or local law, ordinance, notice requirement, rule or regulation applicable thereto; (2) Sellers neither knows of, nor has been advised of, any legal or administrative proceedings, claims or alleged claims, violations or alleged violations, infractions or alleged infractions of any federal, state or local laws, rules or regulations relating to the condition of the Master Tract; (3) the soil, surface water and groundwater of, on, under or about the Master Tract are free from solid waste, hazardous waste, petroleum or petroleum derived products, or other toxic or hazardous substances or contaminants, as those terms are defined under all applicable federal, state or local environmental laws, rules, regulations or ordinances; and (4) the Master Tract has not been used for the treatment, storage or disposal of any solid or hazardous waste materials or other toxic, hazardous or petroleum substances, as those terms are defined under all applicable federal, state or local environmental laws, rules, regulations or ordinances, and no such hazardous or toxic waste materials or substances are known to be present on or to have been buried on, or released to, the Master Tract.

Sellers hereby agree that the truthfulness of each of said representations and warranties and of all other representations and warranties herein made is a condition precedent to the performance by Buyer of its obligations hereunder, and all of said representations and warranties shall be deemed to be repeated at each closing. Upon the material breach of any thereof, or in the event any of the conditions precedent to closing as described herein have not been satisfied or waived as of each Closing Date, or upon the material breach by Seller of any representation, warranty, condition or provision hereof, Buyer may, prior to the Closing Date, terminate this Agreement. The foregoing remedy is not intended to be an exclusive remedy of Buyer.

9. Broker's Commission. Sellers and Buyer represent each to the other that no broker's or real estate commissions are due as a result of the closing of this transaction. Sellers agree to indemnify Buyer against any cost and expense (including reasonable attorneys' fees) incurred by Buyer as a result of the untruth of the foregoing representation by Sellers. Buyer agrees to indemnify the Sellers against any cost and expense (including reasonable attorneys' fees) incurred by Sellers as a result of the untruth of the foregoing representation by Buyer.

10. Assignment. The Buyer may assign its rights, duties and obligations hereunder to any entity affiliated with Buyer without the consent of the Sellers. The Sellers may not assign its rights, duties and obligations hereunder without the written consent of Buyer.

11. Survival. All of the terms, covenants, conditions, representations, warranties, and agreements of this Agreement shall survive and continue in full force and effect and shall be enforceable after the Closing Date.

12. Notices. All notice or election required or permitted to be given or served by any party hereto upon any other party shall be deemed given or served in accordance with the provisions of this Easement Purchase Agreement, if said notice or election is directed to Sellers by delivering it personally to Paul A. Webb and Marcia Webb, or if said notice or election is directed to Buyer, by delivering it personally to Mitch Barron, or if mailed in a sealed wrapper by United States registered or certified mail, return receipt requested, postage prepaid, properly addressed as follows:

if to Buyer: NNP Briar Chapel, LLC
 Attn: Mitch Barron
 16 Windy Knoll Circle
 Chapel Hill, NC 27516

with a copy to: William T. Hutchins, Jr.
 Kennon, Craver, Belo, Craig & McKee, PLLC
 4011 University Dr., Ste. 300
 Durham, NC 27707

if to Seller: Paul A. Webb
Marcia Webb
374 Hubert Herndon Road
Chapel Hill, NC 27516

Each such mailed notice or communication shall be deemed to have been given to, or served upon, the party to which addressed on the date as the same is deposited in the United States registered or certified mail, return receipt requested, postage prepaid, properly addressed in the manner above provided. Each such delivered notice or communication shall be deemed to have been given to, or served upon the party to whom delivered, upon the delivery thereof in the manner above provided. Any party hereto may change its address for the service of notice hereunder by delivering written notice of said change to the other party hereunder, in the manner above specified ten (10) days prior to the effective date of such change.

13. Captions. Paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.

14. Entire Agreement, Modification. This Agreement constitutes the entire and complete agreement between the parties hereto and supersedes any prior or oral written agreements between the parties with respect to the contemplated purchase and sale. It is expressly agreed that there are no verbal understandings or agreements which in any way change the terms, covenants and conditions herein set forth, and that no modification of this Agreement and no waiver of any of its terms or conditions shall be effective unless made in writing and duly executed by the parties hereto.

15. Binding Effect. All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and permitted assigns.

16. Controlling Law. This Agreement has been made and entered into under the laws of the State of North Carolina, and said laws should control the interpretation hereof.

17. Construction of Terms. Where appropriate, any word denoting the singular shall be deemed to denote the plural, and vice versa. Where appropriate, any word denoting or referring to one gender shall be deemed to include the other gender.

18. Memorandum of Agreement. Upon request by Buyer, Sellers shall execute a memorandum of this Agreement suitable for recording in the public records. Buyer shall bear the cost of preparing and recording this instrument.

19. Condemnation. Should all or any part of the Subject Property be condemned by any governmental or quasi-governmental body at or prior to closing, Buyer shall have any of the following options:

- (a) Terminate this Agreement; or
- (b) Close on all of the Easement not condemned, adjusting the purchase price pro-rata based on acreage, in which case Seller shall retain the condemnation award.

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Easement Purchase Agreement to be executed as of the day and year first above written.

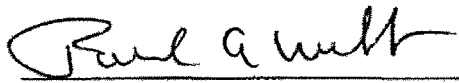
BUYER:

NNP BRIAR CHAPEL, LLC

By: 

MITCH BARBER

SELLERS:

 (SEAL)
Paul A. Webb

 (SEAL)
Marcia Webb

EXHIBIT A

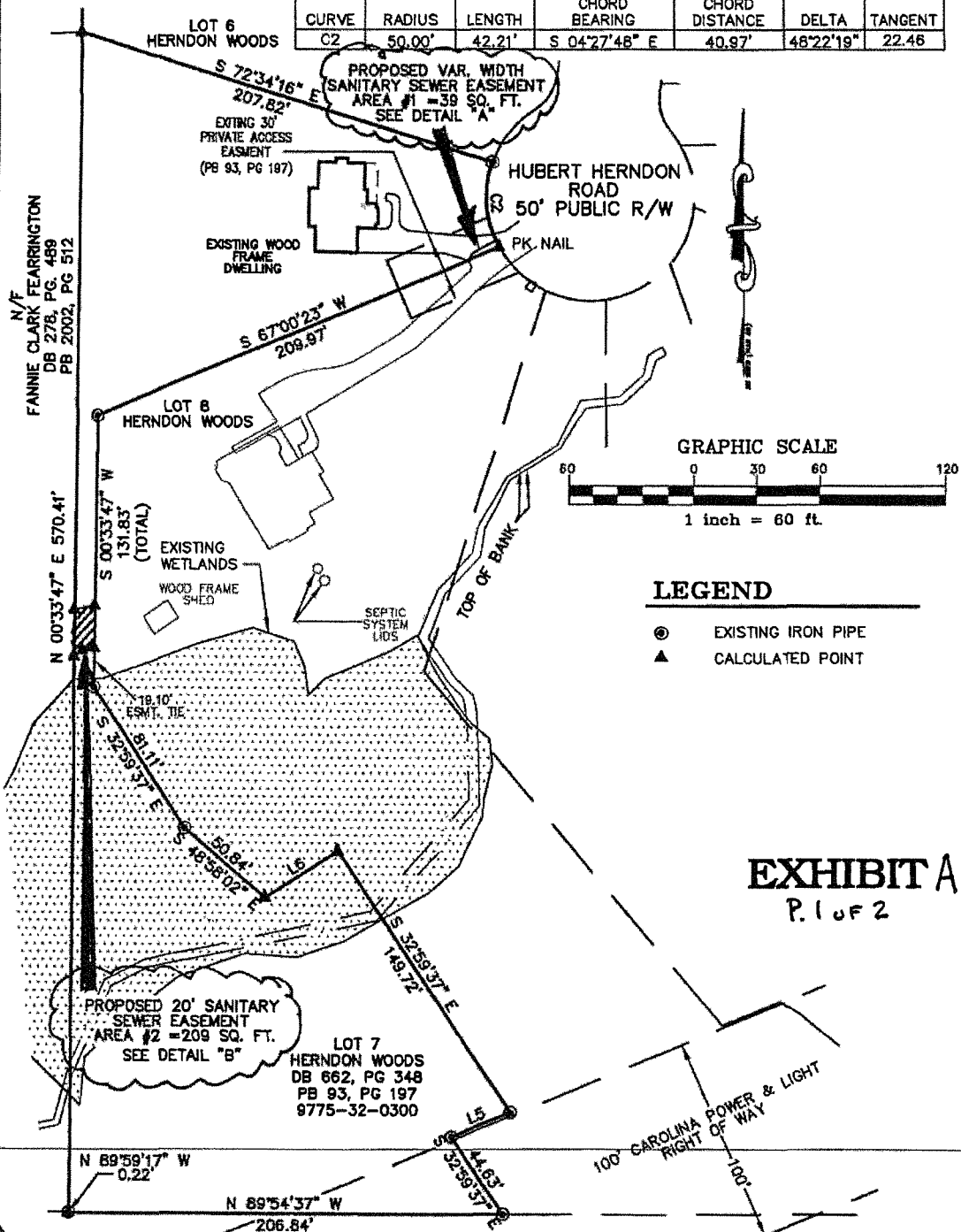
[See attached diagram of easement]

GENERAL NOTES

- 1.) THIS EXHIBIT IS NOT A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY ANY GOVERNMENTAL AGENCY FOR COMPLIANCE WITH ANY APPLICABLE LAND DEVELOPMENT REGULATIONS.
- 2.) THE BOUNDARY SHOWN HEREON IS BASED ON PLAT BOOK 94, PAGE 13 OF THE CHATHAM COUNTY REGISTRY.
- 3.) THIS EXHIBIT PERFORMED AND PREPARED WITHOUT THE BENEFIT OF A TITLE REPORT. THIS EXHIBIT IS SUBJECT TO ANY FACTS AND EASEMENTS WHICH MAY BE DISCLOSED BY A FULL AND ACCURATE TITLE SEARCH.
- 4.) WETLANDS DELINEATED BY THE JOHN R. McADAMS COMPANY, INC. ON APRIL 10, 2008.

LINE TABLE		
LINE	LENGTH	BEARING
L5	30.51'	S 67°29'51" W
L6	41.02'	N 57°01'52" E

CURVE TABLE						
CURVE	RADIUS	LENGTH	CHORD BEARING	CHORD DISTANCE	DELTA	TANGENT
C2	50.00'	42.21'	S 04°27'48" E	40.97'	48°22'19"	22.46'



PROJECT NO. NEW-05002
 FILENAME: NEW05002-E2
 SCALE: 1"=60'
 DATE: 05-13-2008

PAUL & MARCIA WEBB
PROPOSED SANITARY SEWER
EASEMENT EXHIBIT
 CHATHAM COUNTY, NORTH CAROLINA

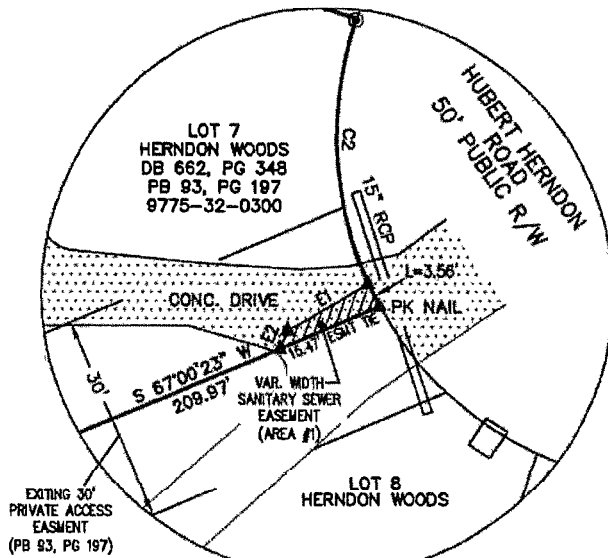
THE JOHN R. McADAMS
COMPANY, INC.
 ENGINEERING / PLANNING / SURVEYING
 RESEARCH TRIANGLE PARK, NC
 P.O. BOX 14000 REP 87706-4000
 (919) 861-8000

GENERAL NOTES

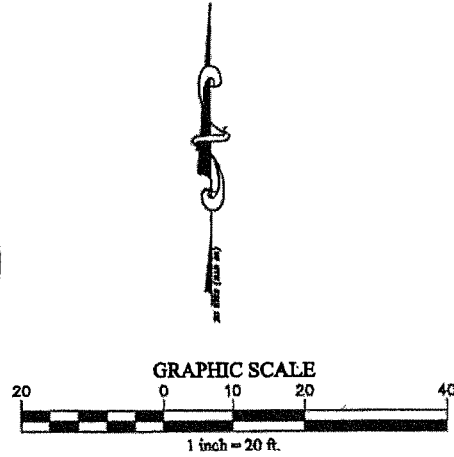
- 1.) THIS EXHIBIT IS NOT A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY ANY GOVERNMENTAL AGENCY FOR COMPLIANCE WITH ANY APPLICABLE LAND DEVELOPMENT REGULATIONS.
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LINE TABLE		
LINE	BEARING	LENGTH
E1	N 60°13'01" E	13.34'
E2	N 22°28'03" E	2.82'
E3	S 78°17'53" W	5.94'
E4	S 53°55'59" W	5.23'
E7	N 00°33'47" E	22.68'
E8	N 78°17'53" E	10.23'
E9	S 00°33'47" W	20.47'

CURVE TABLE						
CURVE	RADIUS	LENGTH	CHORD BEARING	CHORD DISTANCE	DELTA	TANGENT
C2	50.00'	42.21'	S 04°27'48" E	40.97'	48°22'19"	22.46'

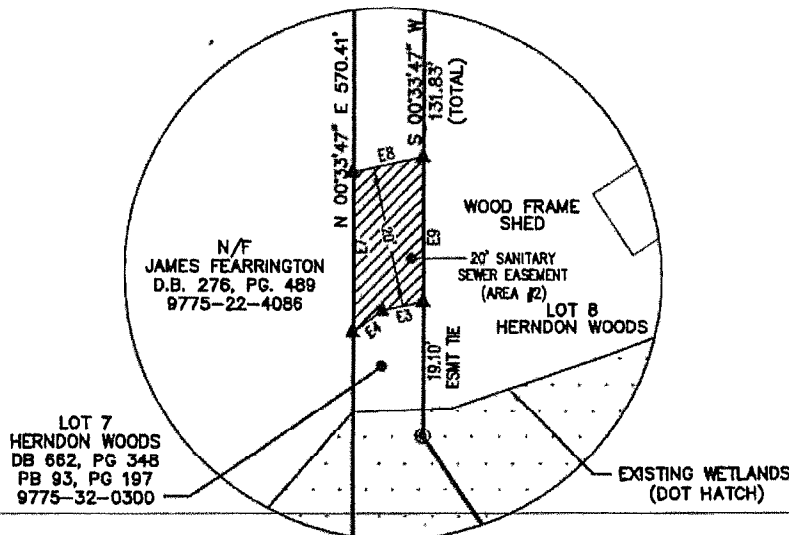


DETAIL "A"



LEGEND

- ⊙ EXISTING IRON PIPE
- ▲ CALCULATED POINT



DETAIL "B"

P. 2 of 2
EXHIBIT A

PROJECT NO. NEW-05002
FILENAME: NEW05002-E2
SCALE: 1"=20'
DATE: 05-13-2008

PAUL & MARCIA WEBB
PROPOSED SANITARY SEWER
EASEMENT EXHIBIT
CHATHAM COUNTY, NORTH CAROLINA

THE JOHN R. McADAMS
COMPANY, INC.
ENGINEERS / PLANNERS / SURVEYORS
RESEARCH TRIANGLE PARK, NC
P.O. BOX 14000 ZIP 27709-4000
(919) 861-5600

STATE OF NORTH CAROLINA
COUNTY OF CHATHAM

EASEMENT PURCHASE
AGREEMENT

THIS EASEMENT PURCHASE AGREEMENT (the "Agreement"), made and entered into this 11th day of JUNE, 2008, by and between NNP BRIAR CHAPEL, LLC, a North Carolina limited liability company ("Buyer"), and JAMES FEARRINGTON, CATHERINE FEARRINGTON, CLARA DANIELS, ANITA PRATHER HARVELL, HEIR OF DRUSCILLA PRATHER, MARION CLARK, JOHNNIE CLARK and WALTER CLARK, HEIR OF KATHLEEN CLARK (collectively, the "Sellers");

WITNESSETH:

WHEREAS, Sellers own a tract of land located in Chatham County, North Carolina lying on Taylor Road known as Chatham GIS 9775-21-7974 being more particularly described in the deed of record in Deed Book 276, Page 489, Chatham County Registry (the "Master Tract"); and

WHEREAS, Buyer is the owner of those certain tracts of land (the "Adjoining Tracts") lying to the west of Master Tract known as Briar Chapel.

WHEREAS, Buyer desires to purchase an sewer pump station easement across a portions of the Master Tract, the locations of which are shown as a hatched area on Exhibit A attached hereto and incorporated herein by reference (the "Easement Areas"), and Seller desires to sell to Buyer an easement over the Easement Area in the form attached as Exhibit B;

NOW, THEREFORE, in consideration of the sum of Sixteen Thousand Dollars (\$16,000.00) paid by Buyer to the Sellers, the receipt of which is hereby acknowledged, Sellers do hereby contract and agrees to sell and convey, and Buyer does hereby agree to purchase at the price and upon the terms and conditions hereinafter set forth, the Easement across, over and through the portion of the Master Tract as shown on Exhibit A all pursuant to the terms and conditions hereinafter more specifically set forth:

1. Closing. Closing hereunder shall occur no later than JULY 15, 2008 (the "Closing Date") at the offices of Kennon, Craver, Belo, Craig & McKee, PLLC, 4011 University Drive, Suite 300, Durham, North Carolina 27707. The Closing Date and place may be changed by written agreement signed by the parties. Sellers shall deliver possession of the Easement to Buyer on the Closing Date. Prior to closing, all risk of loss shall be borne by Sellers.

2. Development of Master Tract. In consideration of the grant of the Easement, Buyer shall, within one (1) year of the Closing Date construct four (4) service stubs which contain sewer lines adequate to serve four (4) residential lots to be constructed by Sellers on the Master Tract.

3. Closing Documentation. At closing, Sellers shall execute and deliver to Buyer the following:

- (a) The Easement in the form attached as Exhibit B. The title to the Easement shall be marketable and insurable (at regular title insurance rates), free and clear of all liens, charges and encumbrances except general utility easements. The Easement shall be assignable by Buyer.
- (b) An owners and contractors affidavit on a form sufficient for use by Buyer in obtaining title insurance on the Easement free and clear of any mechanics' or materialmen's lien exception.
- (c) An affidavit affirming that on the Closing Date there are no outstanding and unsatisfied judgments, tax liens, or bankruptcies against or involving the Seller and that there are no unrecorded interests in the Master Tract of any kind.
- (d) A statement from Sellers certifying that all of the representations and warranties contained in paragraph 8 hereof, to the best of Sellers knowledge, are true and correct as of the Closing Date.
- (e) Such other documentation as may be reasonably requested by Buyer.

4. Closing Costs. Buyer shall pay all costs to record the Easement. Each party shall be responsible for its own attorney's fees.

5. Ad Valorem Taxes. Buyer shall have no liability for City-County ad valorem taxes on the Property at closing or in the future; and, Sellers acknowledge and agree that it and its successors or assigns will remain liable for City-County ad valorem taxes on the Property, if any.

6. Title Examination. At any time prior to fifteen (15) days before closing, Buyer shall cause its attorney to examine the title to the Master Tract and advise Seller in writing of any objections to said title (which objection shall not include the lien of City-County ad valorem taxes for the year in which closing occurs and general utility easements), and Seller shall have a period of seven (7) days from the date of notice of said objections within which to remedy said objections to the reasonable satisfaction of Buyer and its attorney. In the event said objections are not cured or remedied within said seven (7) day period, the Buyer, at its election, shall have the right to either (a) accept such title subject to the objections or (b) terminate this Agreement. Sellers agree to cause any liens on the Master Tract to be subordinated to the Easement prior to or at Closing.

7. Survey. Prior to closing, Buyer shall cause a North Carolina licensed surveyor or engineer to prepare an accurate survey of the Master Tract and the Easement Area. The parties agree that the legal description of the Easement Area conveyed in the Easement shall be drawn from said survey.

that: 8. Representation and Warranties by Seller. Seller represents and warrants to Buyer

- (a) Sellers have all requisite power and authority to execute this Agreement, the closing instruments listed in paragraph 4 hereof, and all other instruments required to be delivered by Sellers under the terms of this Agreement.
- (b) The conveyance of the Easement pursuant to this Agreement will not violate any private restriction or agreement or, to the best of the knowledge of Sellers, any applicable statute, ordinance, governmental restriction or regulation.
- (c) To the best of Sellers' knowledge there are no liens, easements or other encumbrances which encumber the Easement Area, other lien of City-County ad valorem taxes for the year in which closing occurs and general utility easements.
- (d) Sellers have received no notice of any action, litigation, pending or threatened condemnation or other proceeding of any kind pending against Sellers which relates to or affects the Easement Area or the access to the Easement Area over the Master Tract.
- (e) Sellers, on the Closing Date, will have complied with all of its obligations required to be performed by that date, unless such compliance has been waived in writing by Buyer, and all warranties made hereunder shall be true and correct on the Closing Date.
- (f) Sellers warrant to Buyer that, to the best of Sellers' knowledge: (1) the environmental and ecological condition of the Master Tract as of the closing date will be such that the Master Tract will not be in violation of any federal, state or local law, ordinance, notice requirement, rule or regulation applicable thereto; (2) Sellers neither knows of, nor has been advised of, any legal or administrative proceedings, claims or alleged claims, violations or alleged violations, infractions or alleged infractions of any federal, state or local laws, rules or regulations relating to the condition of the Master Tract; (3) the soil, surface water and groundwater of, on, under or about the Master Tract are free from solid waste, hazardous waste, petroleum or petroleum derived products, or other toxic or hazardous substances or contaminants, as those terms are defined under all applicable federal, state or local environmental laws, rules, regulations or ordinances; and (4) the Master Tract has not been used for the treatment, storage or disposal of any solid or hazardous waste materials or other toxic, hazardous or petroleum substances, as those terms are defined under all applicable federal, state or local environmental laws,

rules, regulations or ordinances, and no such hazardous or toxic waste materials or substances are known to be present on or to have been buried on, or released to, the Master Tract.

Sellers hereby agree that the truthfulness of each of said representations and warranties and of all other representations and warranties herein made is a condition precedent to the performance by Buyer of its obligations hereunder, and all of said representations and warranties shall be deemed to be repeated at each closing. Upon the material breach of any thereof, or in the event any of the conditions precedent to closing as described herein have not been satisfied or waived as of each Closing Date, or upon the material breach by Seller of any representation, warranty, condition or provision hereof, Buyer may, prior to the Closing Date, terminate this Agreement. The foregoing remedy is not intended to be an exclusive remedy of Buyer.

9. Broker's Commission. Sellers and Buyer represent each to the other that no broker's or real estate commissions are due as a result of the closing of this transaction. Sellers agree to indemnify Buyer against any cost and expense (including reasonable attorneys' fees) incurred by Buyer as a result of the untruth of the foregoing representation by Sellers. Buyer agrees to indemnify the Sellers against any cost and expense (including reasonable attorneys' fees) incurred by Sellers as a result of the untruth of the foregoing representation by Buyer.

10. Assignment. The Buyer may assign its rights, duties and obligations hereunder to any entity affiliated with Buyer without the consent of the Sellers. The Sellers may not assign its rights, duties and obligations hereunder without the written consent of Buyer.

11. Survival. All of the terms, covenants, conditions, representations, warranties, and agreements of this Agreement shall survive and continue in full force and effect and shall be enforceable after the Closing Date.

12. Notices. All notice or election required or permitted to be given or served by any party hereto upon any other party shall be deemed given or served in accordance with the provisions of this Easement Purchase Agreement, if said notice or election is directed to Sellers by delivering it personally to James Fearrington, Clara Daniels, Druscula Parker, Marion Clark and Kathleen Clark or if said notice or election is directed to Buyer, by delivering it personally to Mitch Barron, or if mailed in a sealed wrapper by United States registered or certified mail, return receipt requested, postage prepaid, properly addressed as follows:

if to Buyer:	NNP Briar Chapel, LLC Attn: Mitch Barron 5850 Fayetteville Rd., Ste. 201 Durham, NC 27713
with a copy to:	William T. Hutchins, Jr. Kennon, Craver, Belo, Craig & McKee, PLLC

4011 University Dr., Ste. 300
Durham, NC 27707

if to Sellers:

James Fearrington
Catherine Fearrington
302 BROAD ST
CARRBORO, NC 27510

Clara Daniels
110 BEECHWOOD DR.
CARRBORO, NC 27510

Anita Prather Harvell, Heir of Druscilla Prather
210 S. BROAD STREET
SACKETT HARBOR, NY 13685

Marion Clark
Johnnie Clark
2600 BOLTON BOUNE DR, BLDG 2, Apt. 216
DE SOTO, TX 75115

Walter Clark, Heir of Kathleen Clark
2618 COUNCIL ST
LITHONIA, GA

Each such mailed notice or communication shall be deemed to have been given to, or served upon, the party to which addressed on the date as the same is deposited in the United States registered or certified mail, return receipt requested, postage prepaid, properly addressed in the manner above provided. Each such delivered notice or communication shall be deemed to have been given to, or served upon the party to whom delivered, upon the delivery thereof in the manner above provided. Any party hereto may change its address for the service of notice hereunder by delivering written notice of said change to the other party hereunder, in the manner above specified ten (10) days prior to the effective date of such change.

13. Captions. Paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.

14. Entire Agreement Modification. This Agreement constitutes the entire and complete agreement between the parties hereto and supersedes any prior or oral written agreements between the parties with respect to the contemplated purchase and sale. It is expressly agreed that there are no verbal understandings or agreements which in any way change the terms, covenants and

conditions herein set forth, and that no modification of this Agreement and no waiver of any of its terms or conditions shall be effective unless made in writing and duly executed by the parties hereto.

15. Binding Effect. All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and permitted assigns.

16. Controlling Law. This Agreement has been made and entered into under the laws of the State of North Carolina, and said laws should control the interpretation hereof.

17. Construction of Terms. Where appropriate, any word denoting the singular shall be deemed to denote the plural, and vice versa. Where appropriate, any word denoting or referring to one gender shall be deemed to include the other gender.

18. Memorandum of Agreement. Upon request by Buyer, Sellers shall execute a memorandum of this Agreement suitable for recording in the public records. Buyer shall bear the cost of preparing and recording this instrument.

19. Condemnation. Should all or any part of the Subject Property be condemned by any governmental or quasi-governmental body at or prior to closing, Buyer shall have any of the following options:

- (a) Terminate this Agreement; or
- (b) Close on all of the Easement not condemned, adjusting the purchase price pro-rata based on acreage, in which case Seller shall retain the condemnation award.

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Easement Purchase Agreement to be executed as of the day and year first above written.

BUYER:

NNP BRIAR CHAPEL, LLC

By: *Mitch Blanton*
MITCH BLANTON
ASST V.P.

SELLERS:

James Fearnington (SEAL)
James Fearnington

Catherine Fearnington (SEAL)
Catherine Fearnington

STATE OF NORTH CAROLINA

COUNTY OF Orange

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:

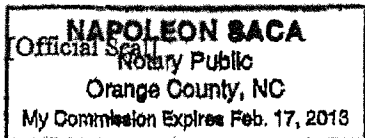
JAMES FEARNINGTON, CATHERINE FEARNINGTON
[INSERT NAME(S) OF INDIVIDUAL(S) SIGNING IN BLANK ABOVE]

Date: 6-3-08

Napoleon Saca
Notary Public

Print Name: Napoleon Saca

My commission expires: FEB. 17, 2013



Clara Daniels (SEAL)
Clara Daniels

STATE OF NORTH CAROLINA

COUNTY OF Orange

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:

Clara Daniels
[INSERT NAME(S) OF INDIVIDUAL(S) SIGNING IN BLANK ABOVE]

Date: 4/2/08

Laurie Terrell
Notary Public

Print Name: Laurie Terrell

[Official Seal]

My commission expires: 3/4/12



Anita Prather Harvell (SEAL)
Anita Prather Harvell, Heir of Druscilla Prather

STATE OF ~~NORTH CAROLINA~~ New York
COUNTY OF Jefferson

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:

Anita D. Prather Harvell
[INSERT NAME(S) OF INDIVIDUALS SIGNING IN BLANK ABOVE]

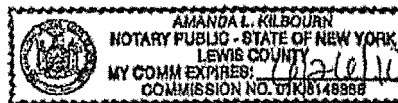
Date: 6/26/10

Amanda L. Kilbourn
Notary Public

Print Name: Amanda L. Kilbourn

[Official Seal]

My commission expires: 6/26/10



Marion Clark (SEAL)
Marion Clark

Johnnie Clark (SEAL)
Johnnie Clark

STATE OF NORTH CAROLINA

COUNTY OF DALLAS

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:

Marion Clark + Johnnie Clark
[INSERT NAME(S) OF INDIVIDUAL(S) SIGNING IN BLANK ABOVE]

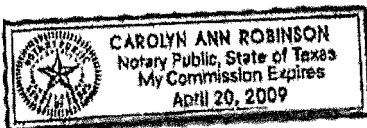
Date: 6-4-08

Carolyn Ann Robinson
Notary Public

Print Name: Carolyn Ann Robinson

My commission expires: April 20, 2009

[Official Seal]



Walter Clark (SEAL)
Walter Clark, Heir of Kathleen Clark

Georgia
STATE OF ~~NORTH CAROLINA~~
COUNTY OF DeKalb

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:

Walter Clark
[INSERT NAME(S) OF INDIVIDUAL(S) SIGNING IN BLANK ABOVE]

Date: 6-4-08

Lynn M. Colquitt
Notary Public

Print Name: Lynn M. Colquitt

My commission expires: 4/2/2012

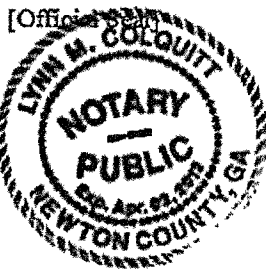
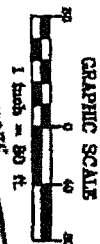


EXHIBIT A

[See attached diagram of easement]

KCBM: 245001.2

EASEMENT LINE TABLE				LINE TABLE			
LINE	BEARING	LENGTH	LINE	BEARING	LENGTH	LINE	BEARING
E1	N 78°17'32" E	4.327	L7	N 40°56'05" W	10.267		
E2	S 78°55'32" W	12.257	L8	N 45°17'41" W	48.007		
E3	N 45°18'56" W	10.27	L9	N 43°28'09" W	48.617		
E4	S 43°55'23" W	27.287	L10	N 40°03'32" W	46.577		
E5	N 40°48'48" E	36.947					
E6	N 45°18'56" W	18.07					



N/F
LEROY CLARK, JR.
DB & PC 198
8775-22-9648

LOT 6
HERNDON WOODS

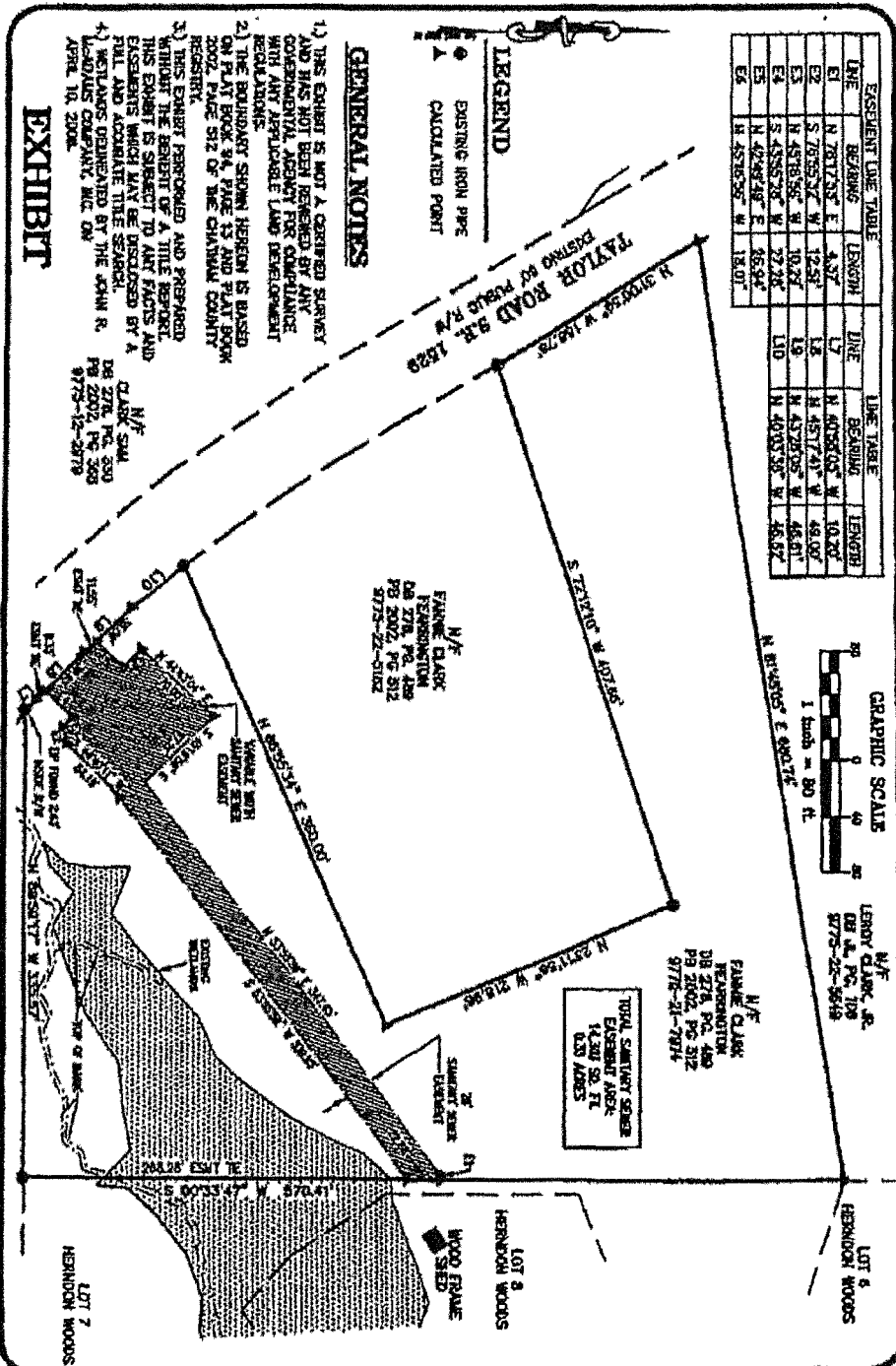
LEGEND

- EXISTING IRON PIPE
- CALCULATED POINT

GENERAL NOTES

- THIS EXHIBIT IS NOT A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY ANY GOVERNMENTAL AGENCY FOR COMPLIANCE WITH ANY APPLICABLE LAND DEVELOPMENT REGULATIONS.
- THE BOUNDARY SHOWN HEREON IS BASED ON PLAT BOOK 94, PAGE 23 AND PLAT BOOK 2002, PAGE 512 OF THE CHATHAM COUNTY REGISTER.
- THIS EXHIBIT PERFORMED AND PREPARED WITHOUT THE BENEFIT OF A TITLE REPORT. THIS EXHIBIT IS SUBJECT TO ANY FACTS AND EASEMENTS WHICH MAY BE DISCLOSED BY A FULL AND ACCURATE TITLE SEARCH.
- NOTARIES DESIGNATED BY THE JOHN R. McADAMS COMPANY, INC. ON APRIL 10, 2008.

EXHIBIT



PROJECT NO. NEW-05002

PLAN NO. NEW05002-13

SCALE 1"=80'

BOOK 13-50

FANNIE CLARK FEARRINGTON

PROPOSED SANITARY SEWER

EASEMENT EXHIBIT

CHATHAM COUNTY, NORTH CAROLINA

THE JOHN R. McADAMS COMPANY, INC.

1115

1115

1115

STATE OF NORTH CAROLINA
COUNTY OF CHATHAM

**EASEMENT PURCHASE
AGREEMENT**

THIS EASEMENT PURCHASE AGREEMENT (the "Agreement"), made and entered into this 24th day of September, 2008, by and between NNP BRIAR CHAPEL, LLC, a North Carolina limited liability company ("Buyer"), and BRENDA A. MOORE (collectively, the "Seller");

WITNESSETH:

WHEREAS, Seller owns a tract of land located in Chatham County, North Carolina known as Lot 8, Herndon Woods (the "Master Tract"); and

WHEREAS, Buyer is the owner of those certain tracts of land (the "Adjoining Tracts") lying to the west of Master Tract known as Briar Chapel.

WHEREAS, Buyer desires to construct a gravity sewer main across a portion of the Master Tract, the locations of which are shown as a hatched area on Exhibit A attached hereto and incorporated herein by reference (the "Easement Areas"), and Seller desires to sell to Buyer an easement over the Easement Area in the form attached as Exhibit B;

NOW, THEREFORE, in consideration of the sum of Five Thousand Dollars (\$5,000.00) paid by Buyer to the Sellers, the receipt of which is hereby acknowledged, Sellers do hereby contract and agrees to sell and convey, and Buyer does hereby agree to purchase at the price and upon the terms and conditions hereinafter set forth, the Easement across, over and through the portion of the Master Tract as shown on Exhibit A all pursuant to the terms and conditions hereinafter more specifically set forth:

1. **Closing**. Closing hereunder shall occur no later than September 30, 2008 (the "Closing Date") at the offices of Kennon, Craver, Belo, Craig & McKee, PLLC, 4011 University Drive, Suite 300, Durham, North Carolina 27707. The Closing Date and place may be changed by written agreement signed by the parties. Sellers shall deliver possession of the Easement to Buyer on the Closing Date. Prior to closing, all risk of loss shall be borne by Sellers.

2. **Development of Master Tract**. In consideration of the grant of the Easement, Buyer shall, within one (1) year of the Closing Date construct one (1) service stub which contains a sewer line adequate to serve the existing dwelling on the Master Tract.

3. **Closing Documentation**. At closing, Seller shall execute and deliver to Buyer the following:

- (a) The Easement in the form attached as Exhibit B. The title to the Easement shall be marketable and insurable (at regular title insurance rates), free and clear of all liens, charges and encumbrances except general utility easements. The Easement shall be assignable by Buyer.

- (b) An owners and contractors affidavit on a form sufficient for use by Buyer in obtaining title insurance on the Easement free and clear of any mechanics' or materialmen's lien exception.
- (c) An affidavit affirming that on the Closing Date there are no outstanding and unsatisfied judgments, tax liens, or bankruptcies against or involving the Seller and that there are no unrecorded interests in the Master Tract of any kind.
- (d) A statement from Seller certifying that all of the representations and warranties contained in paragraph 8 hereof, to the best of Seller's knowledge, are true and correct as of the Closing Date.
- (e) Such other documentation as may be reasonably requested by Buyer.

4. Closing Costs. Buyer shall pay all costs to record the Easement.

5. Ad Valorem Taxes. Buyer shall have no liability for City-County ad valorem taxes on the Property at closing or in the future; and, Sellers acknowledge and agree that it and its successors or assigns will remain liable for City-County ad valorem taxes on the Property, if any.

6. Title Examination. At any time prior to fifteen (15) days before closing, Buyer shall cause its attorney to examine the title to the Master Tract and advise Seller in writing of any objections to said title (which objection shall not include the lien of City-County ad valorem taxes for the year in which closing occurs and general utility easements), and Seller shall have a period of seven (7) days from the date of notice of said objections within which to remedy said objections to the reasonable satisfaction of Buyer and its attorney. In the event said objections are not cured or remedied within said seven (7) day period, the Buyer, at its election, shall have the right to either (a) accept such title subject to the objections or (b) terminate this Agreement. Seller agrees to cause any liens on the Master Tract to be subordinated to the Easement prior to or at Closing.

7. Survey. Prior to closing, Buyer shall cause a North Carolina licensed surveyor or engineer to prepare an accurate survey of the Master Tract and the Easement Area. The parties agree that the legal description of the Easement Area conveyed in the Easement shall be drawn from said survey.

8. Representation and Warranties by Seller. Seller represents and warrants to Buyer that:

- (a) Seller has all requisite power and authority to execute this Agreement, the closing instruments listed in paragraph 4 hereof, and all other instruments required to be delivered by Seller under the terms of this Agreement.

- (b) The conveyance of the Easement pursuant to this Agreement will not violate any private restriction or agreement or, to the best of the knowledge of Seller, any applicable statute, ordinance, governmental restriction or regulation.
- (c) To the best of Seller's knowledge there are no liens, easements or other encumbrances which encumber the Easement Area, other lien of City-County ad valorem taxes for the year in which closing occurs and general utility easements.
- (d) Seller has received no notice of any action, litigation, pending or threatened condemnation or other proceeding of any kind pending against Seller which relates to or affects the Easement Area or the access to the Easement Area over the Master Tract.
- (e) Seller, on the Closing Date, will have complied with all of its obligations required to be performed by that date, unless such compliance has been waived in writing by Buyer, and all warranties made hereunder shall be true and correct on the Closing Date.
- (f) Seller warrants to Buyer that, to the best of Seller's knowledge: (1) the environmental and ecological condition of the Master Tract as of the closing date will be such that the Master Tract will not be in violation of any federal, state or local law, ordinance, notice requirement, rule or regulation applicable thereto; (2) Seller neither knows of, nor has been advised of, any legal or administrative proceedings, claims or alleged claims, violations or alleged violations, infractions or alleged infractions of any federal, state or local laws, rules or regulations relating to the condition of the Master Tract; (3) the soil, surface water and groundwater of, on, under or about the Master Tract are free from solid waste, hazardous waste, petroleum or petroleum derived products, or other toxic or hazardous substances or contaminants, as those terms are defined under all applicable federal, state or local environmental laws, rules, regulations or ordinances; and (4) the Master Tract has not been used for the treatment, storage or disposal of any solid or hazardous waste materials or other toxic, hazardous or petroleum substances, as those terms are defined under all applicable federal, state or local environmental laws, rules, regulations or ordinances, and no such hazardous or toxic waste materials or substances are known to be present on or to have been buried on, or released to, the Master Tract.

Seller hereby agrees that the truthfulness of each of said representations and warranties and of all other representations and warranties herein made is a condition precedent to the performance by Buyer of its obligations hereunder, and all of said representations and warranties shall be deemed to be repeated at each closing. Upon the material breach of any thereof, or in the event any of the

conditions precedent to closing as described herein have not been satisfied or waived as of each Closing Date, or upon the material breach by Seller of any representation, warranty, condition or provision hereof, Buyer may, prior to the Closing Date, terminate this Agreement. The foregoing remedy is not intended to be an exclusive remedy of Buyer.

9. Broker's Commission. Seller and Buyer represent each to the other that no broker's or real estate commissions are due as a result of the closing of this transaction. Seller agrees to indemnify Buyer against any cost and expense (including reasonable attorneys' fees) incurred by Buyer as a result of the untruth of the foregoing representation by Seller. Buyer agrees to indemnify the Seller against any cost and expense (including reasonable attorneys' fees) incurred by Seller as a result of the untruth of the foregoing representation by Buyer.

10. Assignment. The Buyer may assign its rights, duties and obligations hereunder to any entity affiliated with Buyer without the consent of the Seller. The Seller may not assign its rights, duties and obligations hereunder without the written consent of Buyer.

11. Survival. All of the terms, covenants, conditions, representations, warranties, and agreements of this Agreement shall survive and continue in full force and effect and shall be enforceable after the Closing Date.

12. Notices. All notice or election required or permitted to be given or served by any party hereto upon any other party shall be deemed given or served in accordance with the provisions of this Easement Purchase Agreement, if said notice or election is directed to Seller by delivering it personally to Brenda A. Moore, or if said notice or election is directed to Buyer, by delivering it personally to Mitch Barron, or if mailed in a sealed wrapper by United States registered or certified mail, return receipt requested, postage prepaid, properly addressed as follows:

if to Buyer: NNP Briar Chapel, LLC
Attn: Mitch Barron
16 Windy Knoll Circle
Chapel Hill, NC 27516

with a copy to: William T. Hutchins, Jr.
Kennon, Craver, Belo, Craig & McKee, PLLC
4011 University Dr., Ste. 300
Durham, NC 27707

if to Seller: Brenda A. Moore
384 Hubert Herndon Road
Chapel Hill, NC 27516

Each such mailed notice or communication shall be deemed to have been given to, or served upon, the party to which addressed on the date as the same is deposited in the United States

registered or certified mail, return receipt requested, postage prepaid, properly addressed in the manner above provided. Each such delivered notice or communication shall be deemed to have been given to, or served upon the party to whom delivered, upon the delivery thereof in the manner above provided. Any party hereto may change its address for the service of notice hereunder by delivering written notice of said change to the other party hereunder, in the manner above specified ten (10) days prior to the effective date of such change.

13. Captions. Paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.

14. Entire Agreement, Modification. This Agreement constitutes the entire and complete agreement between the parties hereto and supersedes any prior or oral written agreements between the parties with respect to the contemplated purchase and sale. It is expressly agreed that there are no verbal understandings or agreements which in any way change the terms, covenants and conditions herein set forth, and that no modification of this Agreement and no waiver of any of its terms or conditions shall be effective unless made in writing and duly executed by the parties hereto.

15. Binding Effect. All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and permitted assigns.

16. Controlling Law. This Agreement has been made and entered into under the laws of the State of North Carolina, and said laws should control the interpretation hereof.

17. Construction of Terms. Where appropriate, any word denoting the singular shall be deemed to denote the plural, and vice versa. Where appropriate, any word denoting or referring to one gender shall be deemed to include the other gender.

18. Memorandum of Agreement. Upon request by Buyer, Seller shall execute a memorandum of this Agreement suitable for recording in the public records. Buyer shall bear the cost of preparing and recording this instrument.

19. Condemnation. Should all or any part of the Subject Property be condemned by any governmental or quasi-governmental body at or prior to closing, Buyer shall have any of the following options:

- (a) Terminate this Agreement; or
- (b) Close on all of the Easement not condemned, adjusting the purchase price pro-rata based on acreage, in which case Seller shall retain the condemnation award.

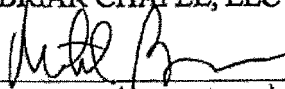
[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Easement Purchase Agreement to be executed as of the day and year first above written.

BUYER:

NNP BRIAR CHAPEL, LLC

By:


MITZ BARRON

SELLER:

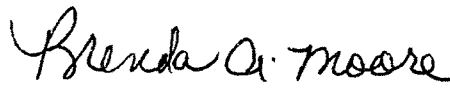
 (SEAL)
Brenda A. Moore

EXHIBIT A

[See attached diagram of easement]

GENERAL NOTES

- 1.) THIS EXHIBIT IS NOT A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY ANY GOVERNMENTAL AGENCY FOR COMPLIANCE WITH ANY APPLICABLE LAND DEVELOPMENT REGULATIONS.
- 2.) THE BOUNDARY SHOWN HEREON IS BASED ON PLAT BOOK 84, PAGE 13 OF THE CHATHAM COUNTY REGISTRY.
- 3.) THIS EXHIBIT PERFORMED AND PREPARED WITHOUT THE BENEFIT OF A TITLE REPORT. THIS EXHIBIT IS SUBJECT TO ANY FACTS AND EASEMENTS WHICH MAY BE DISCLOSED BY A FULL AND ACCURATE TITLE SEARCH.
- 4.) WETLANDS DELINEATED BY THE JOHN R. McADAMS COMPANY, INC. ON APRIL 10, 2008.

CURVE TABLE						
CURVE	RADIUS	LENGTH	CHORD BEARING	CH. DIST.	DELTA	TANGENT
C1	50.00'	30.87'	S 46°23'45" E	30.48	35°28'35"	16.00'

LINE TABLE		
LINE	LENGTH	BEARING
E1	10.01'	S 60°13'01" W
E2	159.69'	S 22°28'03" W
E3	130.78'	S 78°17'53" W
L4	10.51'	S 88°16'56" E
L5	30.51'	N 67°28'51" E
L6	41.02'	S 57°01'52" W

LEGEND

- EXISTING IRON PIPE
- ▲ CALCULATED POINT

GRAPHIC SCALE

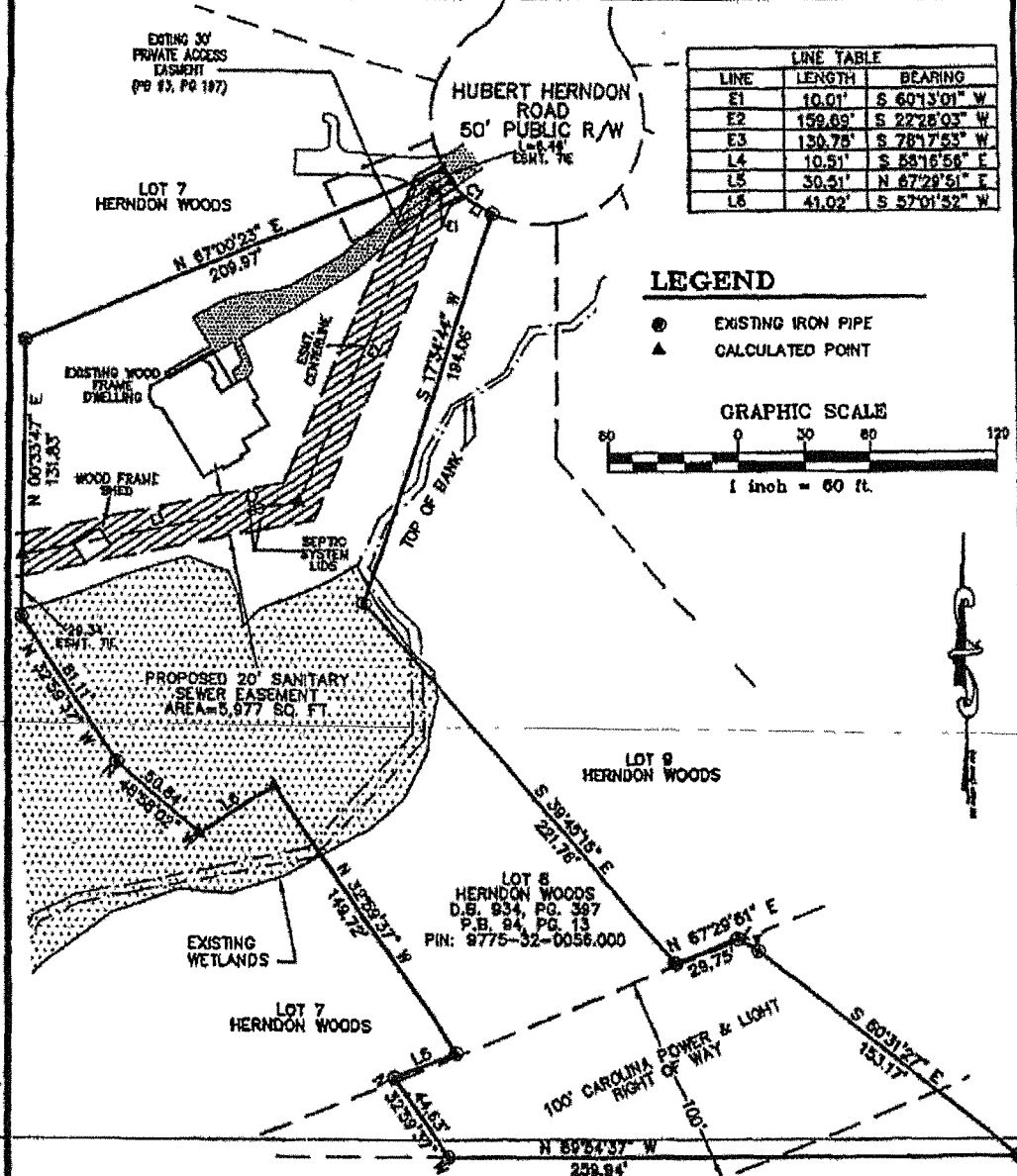
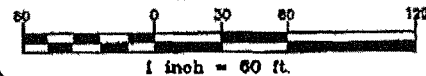


EXHIBIT A

PROJECT NO.	NEW-05002
FILE NAME	NEW05002-E1
SCALE	1"=60'
DATE	04-17-2008

BRENDA A. MOORE
PROPOSED SANITARY SEWER
EASEMENT EXHIBIT
CHATHAM COUNTY, NORTH CAROLINA

THE JOHN R. McADAMS
COMPANY, INC.
 ENGINEERS/PLANNERS/SURVEYORS
 2000 W. HICKORY HILL, NC
 P.O. BOX 14000 ZIP 27709-0000
 (919) 861-8000

EXHIBIT B

Prepared by: William T. Hutchins, Jr., 4011 University Drive, Suite 300, Durham, North Carolina 27707
RETURN TO: Grantee

NORTH CAROLINA

DEED OF EASEMENT

CHATHAM COUNTY

THIS DEED OF EASEMENT, made and entered into this the ____ day of _____, 2008, by and between BRENDA A. MOORE hereinafter referred to as the "GRANTOR", to NNP Briar Chapel, LLC, a North Carolina limited liability company hereinafter referred to as the "GRANTEE", whose mailing address is: 5850 Fayetteville Road, Ste. 201, Durham, NC 27713.

WITNESSETH:

~~WHEREAS, the Grantor is the owner of certain real property (the "Grantor Tract") located in Chatham County, North Carolina and described on Exhibit A attached hereto and incorporated herein; and~~

WHEREAS, the Grantee is the owner of certain real property (the "Grantee Tract") located in Chatham County, North Carolina and described on Exhibit B attached hereto and incorporated herein; and

NOW, THEREFORE, for valuable consideration paid to the Grantor, the receipt and sufficiency of which is hereby acknowledged, the Grantor has bargained and sold and by these presents does hereby bargain, sell and convey unto the Grantee, its successors and assigns, upon the terms and conditions set forth below, a permanent, appurtenant exclusive easement (the "Easement") over, under, across and through that certain portion of the Grantor Tract (the "Easement Area") together with the right of reasonable access to the Easement Area over the remainder of the Grantor Tract for the purposes stated below. The Easement Area shall be located on 5,977 square feet, or 0.14 acres of the Grantor Tract more particularly described in Exhibit C attached hereto and incorporated herein.

The Easement shall be appurtenant to the Grantee Tract and shall be for purposes of the construction, installation, operation, repair, maintenance, replacement and use by the Grantee, its agents, successors and assigns, for a sanitary sewer line, together with all the appurtenant facilities and equipment necessary thereto.

In the event the Grantor Tract is damaged as a result of the use of the Easement, the Grantee shall be responsible to restore the Grantor Tract in a good and workmanlike manner.

The Grantee agrees as follows:

(i) the Easement area will be returned to its pre-existing state, except that no trees or plants will be replanted within the Easement area. If the disturbed area is a hard paved surface, whether asphalt or concrete, then it will be re-paved upon completion of the sewer and manhole installation. In a non-paved area, the surface will be graded back to its original shape and planted with grass cover;

(ii) the sewer line will be 8" in diameter;

(iii) any material change to the use of the Easement, once the sewer line and station are installed, must be approved by the Grantor; and

(iv) the Grantee will indemnify and hold the Grantor harmless for any loss or damage caused by the negligent operation of the sewer system.

TO HAVE AND TO HOLD the aforesaid Easement and right of way and all privileges and appurtenances thereunto belonging to the Grantee and its successors and assigns, including without limitation, the free and full right of ingress and egress over and across the Grantor Tract and the right to remove any obstructions which may injure, endanger or interfere with the construction, operation, repair, maintenance, replacement and/or removal of the sewer line and related facilities, and also including without limitation the right to dedicate the Easement and/or the sewer line and/or related facilities to public use without the further joinder or consent of the Grantor.

And the GRANTOR covenants with the GRANTEE, that GRANTOR is seized of the premises in fee simple, have the right to convey the same in fee simple, that title is free and clear of all encumbrances, and that GRANTOR will warrant and defend the title against the lawful claims of all persons whomsoever except as hereafter stated.

IN WITNESS WHEREOF, the undersigned individuals, being duly authorized and acting on behalf of the GRANTOR, has caused this instrument to be executed under seal the day and year first above written.

Brenda A. Moore

STATE OF NORTH CAROLINA

COUNTY OF _____

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:

[INSERT NAME(S) OF INDIVIDUAL(S) SIGNING IN BLANK ABOVE]

Date: _____

Notary Public

Print Name: _____

[Official Seal]

My commission expires: _____

EXHIBIT "C"

Lot #8 Sanitary Sewer Easement

Being a 20' width sanitary sewer easement containing 0.14 acres, located in Baldwin Township, Chatham County, North Carolina, and more particularly described as follows: Commencing at an existing PK nail lying on the southwest right-of-way of Hubert Herndon Road (a 50' public right-of-way), nail also being the common corner between lands owned by Paul & Marcia Webb (Lot #7 Herndon Woods Subdivision, Plat Book 93, Page 197, Chatham County Registry), and lands owned by Brenda A. Moore (Lot #8 Herndon Woods Subdivision, Plat Book 93, Page 197, Chatham County Registry); thence with Hubert Herndon Road along a curve to the left, having a radius of 50.00 feet, an arc length of 6.46 feet, and a chord bearing and distance of South 32° 20' 58" East, 6.45 feet to the Point of Beginning; thence easement area being 10' on each side of the following centerline: South 60° 13' 01" West, a distance of 10.10 feet to a point; thence South 22° 28' 03" West, a distance of 159.69 feet to a point; thence South 78° 17' 53" West, a distance of 130.75 feet to a point on the common line between Lot #7 and Lot #8 containing 5,977 square feet or 0.14 acres, more or less.