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From: [Edmondson, Lucy](#)
To: edfinley98@aol.com
Cc: [Junis, Charles M](#); [Coxton, Reita D](#); [Franklin, Mike](#)
Subject: Currituck Water & Sewer, LLC - MHP CPCN
Date: Wednesday, August 9, 2023 7:09:54 PM

Ed:

We had some additional questions about the Carolina Village MHP issue to assist us in our review and move this issue forward.

1. Please provide the most recent term sheet for the loan;
2. If not funded by the Stone Bank loan, please provide the sources of capital to complete purchase;
3. Please describe the service and billing arrangements between Currituck Water and Sewer, LLC, EnviroLink, mobile home park owner, mobile home park management, and Carolina Village residents;
4. Please provide any additional agreements and contracts to those provided by email on June 7, 2023, associated with the arrangements described in the item above;
5. Please confirm that currently neither Currituck nor EnviroLink is billing the MHP residents and ; and
6. Please provide the cost basis for rates proposed to be charged in the Carolina Village service area pursuant to the Amended and Restated Asset Purchase and Utility Construction and Maintenance Agreement.

Please let us know if there are questions.

Thanks,
Lucy

Lucy E. Edmondson
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Public Staff – North Carolina Utilities Commission
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From: edfinley98@aol.com
To: [Edmondson, Lucy](#); [Junis, Charles M](#); [Coxton, Reita D](#); [Franklin, Mike](#)
Cc: [Michael Myers](#)
Subject: [External] Currituck Water & Sewer responses to Public Staff questions of August 9, 2023
Date: Monday, August 14, 2023 9:31:43 AM
Attachments: [REspoones PS questions CWS. 8-14-2023.docx](#)
[5001-3 Conditional Commitment for Currituck Water and Sewer with attachment.pdf](#)
[5Y IS - WW.pdf](#)
[1st Amendment to Amended and Restated Asset Purchase Agreement.docx](#)
[5Y IS - W.pdf](#)
[OMM COS Detail.pdf](#)

CAUTION: External email. Do not click links or open attachments unless verified. Report suspicious emails with the Report Message button located on your Outlook menu bar on the Home tab.

All,

Please see the attached.

Thanks,

Ed

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The following email attachments with financial information omitted.

5Y IS – W

5Y IS – WW

5001-3 Conditional Commitment for Currituck Water and Sewer with attachment

OMM COS Detail

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FIRST AMENDMENT TO THE AMENDED AND RESTATED ASSET PURCHASE AND UTILITY CONSTRUCTION AND MAINTENANCE AGREEMENT

THIS FIRST AMENDMENT TO AMENDED AND RESTATED ASSET PURCHASE AND UTILITY CONSTRUCTION AND MAINTENANCE AGREEMENT (this "First Amendment"), is made as of the ____ day of August 9, 2023 ("Effective Date") by and between Currituck Water and Sewer, LLC, an North Carolina limited liability company ("Buyer"), and CV-WWT, LLC ("Seller"), a North Carolina limited liability company and provides as follows:

WITNESSETH

WHEREAS, Buyer, Seller and Equity First NC, a North Carolina limited liability company entered into that certain Amended and Restated Asset Purchase and Construction Management Agreement dated as of February 7, 2022 (the "Agreement");

WHEREAS, in response to questions raised by North Carolina Public Staff, the Buyer and Seller desire to amend and clarify certain provisions of the Agreement to specify the Buyer's obligations to Seller and Buyer's obligation to take possession of the Deeded Property and water and sewer assets, as more particularly hereinafter set forth.

NOW, THEREFORE, for and in consideration of the sum of One Dollar (\$1.00), cash in hand, paid by Buyer, and the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Buyer and Seller, Buyer and Seller hereby agree as follows:

TO CLARIFY, AMEND OR REPLACE CERTAIN PROVISIONS OF THE ASSET PURCHASE AND UTILITY CONSTRUCTION AND MAINTENANCE AGREEMENT, AS FOLLOWS:

1. To clarify that the thirty day requirement applies to EFNC's grant of System Easement, the 7TH WHEREAS of the Agreement has been modified to separate the two statements by replacing the comma with a semi colon and create a separate WHEREAS for the second statement to reflect the intent of this provision. As such the 7TH WHEREAS of the Agreement is hereby deleted and shall be replaced with the following:

WHEREAS, within thirty days of executing this agreement, EFNC agrees to grant or cause to be granted the System Easements to CWS in existing well sites and two future well sites as identified on a plat recorded in Deed Book 1256 page 684, Deed Book 1256 page 687 and Deed Book 1267 page 222 in the Currituck County Registry; and

WHEREAS, CWS agrees to take ownership of the Water and Wastewater Utility Systems, such that CWS can upgrade the Water Utility System to serve the approximate 184 mobile homes in the Upgraded CVNC MHC Community; and

2. To clarify how the Purchase Price is allocated among the assets, Section 4.1 of the Agreement is hereby deleted and shall be replaced with the following:

4.1 Purchase Price. The purchase price for the Deeded Property (183.24 acres), and the System Easements, Water Utility System, and Wastewater Utility System (collectively the Purchased Price) shall be \$175,000. The allocation of the purchase price shall be as follows:

| Description | Allocated Price | Purchase Price |
|---|-----------------------|----------------|
| Parcel: 0002000043A0000 (Addison Tract 2A): 59.58 Acres | \$56,891.03 (32.509%) | |

| | |
|--|-----------------------|
| Parcel: 0002000043B0000 (Addison Tract 2B): 101.16 Acres | \$96,594.44 (55.197%) |
| Parcel: 000200000500000 (Tract 2 22.5): 22.5 Acres | \$21,484.53 (12.277%) |
| Water & Sewer System Easements | \$10.00 (0.006%) |
| Water System Assets | \$10.00 (0.006%) |
| Wastewater System Assets | \$10.00 (0.006%) |
| Total | \$175,000.00 |

The Parties hereby acknowledge and agree that the Purchase Price and the other payment and consideration described in the Article IV, constitute sufficient good and valuable consideration for the Water Assets, the Wastewater Assets, the Deeded Property and the System Easements granted hereunder and the Parties respective obligations.

3. To memorialize the agreement of the Parties to extend the thirty day requirement for EFNC to convey the Deeded Property, Section 4.7 of the Agreement is hereby amended and shall be replaced with the following:
4.7 Conveyance of Deeded Property and System Easements. As soon as practical upon executing this agreement, EFNC (a) shall grant the System Easements such that CWS can operate, maintain, renew, and upgrade the Water System and (b) convey the Deeded Property such that CWS can design, permit, construct, operate, maintain, renew, replace, and upgrade the Wastewater System with the Upgraded WWWT. CWS will pay taxes and assessments following conveyance.

4. To correct the conflict between Section 5.6 and Section 5.7, Section 5.7 (a) iv has been deleted. Section 5.7 of the Agreement is hereby deleted and shall be replaced with the following:
5.7 Documents to be delivered upon execution of this Agreement.
 - a. Contemporaneous with the execution of agreement, EFNC, or CV-WWT, as applicable, shall deliver to CWS, the following documents:
 - i. Executed Bulk Services Agreement;
 - ii. Executed Operation & Management Agreement between Envirolink and CWS;
and
 - iii. Termination of Agreement between ONSWC and Sellers;
 - b. Contemporaneous with the execution of agreement, CWS shall deliver or cause to be delivered to Sellers, as applicable, the following documents:
 - i. Executed Bulk Services Agreement;
 - ii. Executed Operation & Management Agreement between Envirolink and CWS;
and
 - iii. Termination of Agreement between ONSWC and Sellers;

5. To clarify the intent of the Agreement and correct unintended confusion, Section 8.1 of the Agreement is hereby deleted and shall be replaced with the following:
8.1 Date for Closings. The Closing of the transaction between EFNC and CWS (transfer of the Deeded Property) contemplated hereunder (Closing) shall occur within thirty days and the Closing of the transaction between CV-WWT and CWS (transfer of Water and Wastewater System Assets) shall occur upon completion of the requirements contained in Section 6.1, completion of surveys, grant of easements and conveyance of Deeded Property to CWS, as required by Section 4.7.

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(d) Miscellaneous. Except as amended herein, all other terms and conditions of the Agreement are ratified and confirmed and remain as stated therein. Certain defined terms used herein, as indicated by the initial capitalization thereof, shall have the same meanings as ascribed to such terms in the Agreement. This First Amendment may be executed in counterparts. Facsimile or PDF counterparts of this First Amendment upon collation shall serve as original copies of this First Amendment.

[SIGNATURES APPEAR ON NEXT PAGE]

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Mar 26 2024

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed pursuant to due authority, all as of the date first above written.

Buyer

Currituck Water and Sewer, LLC

By: _____

Printed: _____

Title: _____

Seller

CV-WWT, LLC

By: _____

Printed: _____

Title: _____

Acknowledged by: Equity First of NC, LLC

By: _____

Printed: _____

Title: _____

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Mar 26 2024

Responses by Currituck Water and Sewer LLC- MHP to Public Staff questions dated August 9 , 2023:

1. Please provide the most recent term sheet for the loan.

[REDACTED]

2. If not funded by the Stone Bank loan, please provide the sources of capital to complete purchase.

[REDACTED]

3. Please describe the service and billing arrangements between Currituck Water and Sewer, LLC, and Envirolink, mobile home park owner, mobile home park management , and Carolina Village residents.

RESPONSE: Since May 2023, Envirolink has been operating the facilities without compensation from CWS, MHP, MHP management or residents. Prior to May 2023, Envirolink received compensation from the MHP owner.

4. Please provide any additional agreements and contracts to those provided by e-mail on June 7, 2023, associated with the arrangements described in the item above.

RESPONSE: CWS maintains their all agreements and contracts that have been executed to date have been provided; however, CWS has drafted an amendment to the agreement to hopefully address the questions/concerns raised by the Public Staff. Attached is the current draft of the agreement.

5. Please confirm that currently neither CWS nor Envirolink is billing the MHP, MHP management or residents.

RESPONSE: This is correct.

6. Please provide the cost basis for rates proposed to be charged in the Carolina Village service area pursuant to the Amended and Restated Asset Purchase and Utility Construction and Maintenance Agreement.

RESPONSE: Please see the attached five year income statement projections for Carolina Village with additional details based on January 1- December 31 , 2022.