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March 23, 2021

Ms. Kimberley A. Campbell, Chief Clerk  
North Carolina Utilities Commission  
430 N. Salisbury Street  
Raleigh, NC 27603

***RE: Response to WLI Investment, LLC's Petition to Intervene  
NCUC Docket No. W-1305, Sub 29; Docket No. W-1300, Sub  
69***

Dear Ms. Campbell:

On behalf of Old North State Water Company, LLC ("ONSWC"), I am writing to respond to certain allegations made by WLI Investments, LLC d/b/a Logan Developers ("WLI") in its Petition to Intervene ("Petition") filed with the Commission on March 8, 2021. WLI is the developer of the planned subdivision of 338 single-family residences to be known as Salter's Haven at Lea Marina ("Salter's Haven Subdivision") and the Lea Tract, which is adjacent to the Salter's Haven Subdivision, in Pender County, North Carolina. Specifically, I am responding to (1) WLI's position that it is entitled to construct a low pressure wastewater collection system, rather than a gravity wastewater collection system to serve the Lea Tract, and (2) WLI's allegation that ONSWC's failure to expand the capacity in the Majestic Oaks wastewater treatment plant ("Majestic Oaks WWTP") might cause harm to WLI. As discussed in detail below, WLI's allegations should be rejected as without merit.

I. Wastewater service to WLI's planned Salter's Haven Subdivision and the Lea Tract

A. Contract between ONSWC and WLI

On December 13, 2018, ONSWC and WLI entered into a contract ("Contract" or "December 13, 2018 Contract") for ONSWC to provide wastewater service to the Salter's Haven Subdivision and the extended service area ("ESA"), which is known as the Lea Tract and is understood to be an area adjacent to the Salter's Haven Subdivision where 30 single family residences are to be constructed. On January 4, 2019, in Docket

Ms. Kimberley A. Campbell

March 23, 2021

Page 2

No. W-1300, Sub 56, ONSWC filed a Notification to Begin Operations in Area Contiguous to Present Service Area so that it could provide wastewater service to the Salter's Haven Subdivision. The December 13, 2018 Contract was included with ONSWC's contiguous extension Notification, and it is attached hereto as Exhibit A. The Commission has not yet recognized ONSWC's contiguous extension as to the Salter's Haven Subdivision.

Previously, ONSWC had planned to expand the capacity of the Majestic Oaks WWTP from 60,000 gallons per day to 200,000 gallons per day to continue serving the Majestic Oaks Subdivision, Majestic Oaks West, and the Hampstead Shopping Center, and to serve Southside Commons (formerly Grey Bull) and the Salter's Haven Subdivision, all in Pender County. These developments are collectively referred to as the "Service Area."

B. Contract for Pluris Hampstead to provide wastewater service to Salter's Haven Subdivision and other developments

On September 11, 2020, ONSWC and Pluris Hampstead, LLC ("Pluris Hampstead") entered into an Asset Purchase Agreement ("APA") for Pluris Hampstead to purchase the wastewater systems serving or to serve the Service Area and the utility franchises. Pluris Hampstead will construct a lift station and facilities necessary to connect the collection systems in the Service Area to the force main (the "Interconnection") in order to treat the wastewater from the properties in the Service Area at Pluris Hampstead's 500,000 gallons per day ("gpd") membrane bio-reactor treatment plant in Hampstead ("Hampstead Plant"). The Hampstead Plant was issued a special use permit by Pender County, allowing expansion of that plant up to 3 million gpd. Upon Pluris Hampstead's treatment of the wastewater from properties in the Service Area in the Hampstead Plant, the Majestic Oaks WWTP will no longer be needed for wastewater treatment services for properties in the Service Area.

II. WLI is required to construct a gravity wastewater system

In WLI's Petition, WLI argues that it should be permitted to construct a low pressure wastewater collection system for the Lea Tract, rather than a gravity wastewater collection system. WLI contend that ONSWC agreed to allow WLI to construct a low pressure collection system in the Lea Tract, and that the Contract allows it to do so. Neither is true. Specifically, WLI states in its Petition:

During July 2018 and as part of those negotiations [between ONSWC and WLI for the wastewater treatment system to serve the Salter's Haven

Ms. Kimberley A. Campbell

March 23, 2021

Page 3

Subdivision], emails were exchanged between WLI and representatives of ONSWC, including Michael Myers and John McDonald. The emails discussed both a pump station force main system and low-pressure system. Although ONSWC indicated that it preferred a pump station force main system, it indicated a willingness to utilize a low pressure system if it provided advantages to Petitioner.

Prior to filing the Petition, WLI's attorney had requested that ONSWC agree to the use of a low pressure collection system to serve the Lea Tract. ONSWC informed WLI that it would not agree to a low pressure system because: (1) the December 13, 2018 Contract between WLI and ONSWC does not allow a low pressure system for the Lea Tract and instead provides for a gravity system with a force main to serve the Lea Tract; and (2) Pluris Hampstead, purchaser of the wastewater systems serving or to serve the Service Area, has made it clear that it will not accept a low pressure collection system for the Lea Tract. WLI's objective in seeking to install a low pressure system, rather than a gravity system, is simply to reduce the developer's costs. While a low pressure collection system is a less expensive system to construct and install, there are operational issues associated with low pressure systems. Despite WLI's interest in saving cost for itself, ONSWC never agreed to allow a low pressure system and the Contract does not provide for such.

In its Petition, WLI neglected to mention the plain language of the Contract that resolves this issue. The Contract contains no requirement that the collection system for the ESA be a low pressure sewer system. Instead, Section 5.3 of the Contract (which addresses the facilities to be installed to serve the ESA), states that the wastewater service lines for the ESA shall consist of a 4-inch wastewater service tap, which is a gravity sewer tap. Also, Section 1.27 of the Contract defines Off-Site Wastewater Collection System Assets (that would include the Lea Tract collection system) as "the Lea Pump Station, Lea Forcemain, [and] Lea Pump Station Lot." The definition of Off-Site Wastewater Collection System Assets is wholly consistent with the installation of a gravity collection system to serve the Lea Tract. Moreover, a low pressure system would have a 1.5-inch or a 2-inch wastewater service tap, rather than a 4-inch line, and there would be no elder valve or clean out installed in a low pressure system. The Contract therefore makes it clear that WLI is required to install a gravity sewer system, as opposed to a low pressure sewer system, for the Lea Tract. The simple solution is that WLI needs to construct the gravity sewer system serving the Lea Tract in accordance with the requirements of the Contract.



Ms. Kimberley A. Campbell

March 23, 2021

Page 4

III. There is no need for ONSWC to increase the capacity in the Majestic Oaks WWTP

By its Petition WLI apparently seeks to require ONSWC to expand the Majestic Oaks WWTP—even though Pluris Hampstead plans to treat the wastewater from the Salter’s Haven Subdivision in the Hampstead Plant upon Commission approval to do so. WLI states that the Majestic Oaks WWTP is near capacity, and the “continued delay by ONSWC to honor its obligations under the agreement, including the failure to complete necessary permitting [to increase the capacity of the Majestic Oaks WWTP] has increased costs to WLI and threatens the efficacy of future development in the Subdivision.” There will be sufficient capacity in the Hampstead Plant for Pluris Hampstead to serve the Salter’s Haven Subdivision, along with the other properties in the Service Area.

Due to regulatory compliance issues with the Majestic Oaks WWTP, ONSWC and Pluris Hampstead entered into a First Amendment to Asset Purchase Agreement (“First Amendment to APA”) on March 4, 2021, wherein Pluris Hampstead agreed to provide bulk wastewater treatment service to ONSWC, subject to Commission approval. Pursuant to the First Amendment to APA, Pluris will proceed with construction of the lift station and other facilities necessary to establish the Interconnection of the Service Area to the Hampstead Plant so that Pluris Hampstead can provide bulk wastewater treatment service to ONSWC for the properties in the Service Area prior to the closing of the APA. On March 27, 2021, ONSWC filed a Motion to Allow Bulk Wastewater Treatment Service by Pluris Hampstead, LLC (“Motion”), requesting Commission approval for the bulk wastewater service. Once the Commission approves the Motion, Pluris Hampstead will begin constructing the lift station for the Interconnection. There is no reason that ONSWC should be required to incur the great and unnecessary expense to expand the capacity in the Majestic Oaks WWTP when the wastewater in the Service Area will be treated at Pluris’ Hampstead Plant upon completion of the Interconnection.

Should you have any questions regarding the information in this letter, please do not hesitate to contact me.





Ms. Kimberley A. Campbell

March 23, 2021

Page 5

Sincerely,

*Karen M. Kemerait*

Karen M. Kemerait

KK:bs

cc: All parties of record

OFFICIAL COPY

Mar 23 2021

## Exhibit A

### AGREEMENT

This Agreement, made this 13<sup>th</sup> day of December, 2018, by and between WLI Investments LLC., a Limited Liability Company whose business address is 60 Gregory Road, Ste 1 Belville, NC 28451 ("Developer") and OLD NORTH STATE WATER COMPANY, a North Carolina Limited Liability Corporation whose business address is 4700 Homewood Ct, Suite 108, Raleigh, North Carolina 27609 ("Utility").

### WITNESSETH

THAT WHEREAS, Developer intends to develop a residential subdivision comprised of approximately 338 single-family residences to be known as the Salters Haven at Lea Marina ("Subdivision") on certain lands located off Factory Road, in Pender County, North Carolina, as shown on that certain map by Paramounte Engineering entitled "Lot Typology Exhibit, Salters Haven at Lea Marina" attached hereto as Exhibit 1; and

WHEREAS, Developer desires to install in the Subdivision the Wastewater Collection System (defined below) to allow for wastewater utility service to all those persons now or hereafter owning or maintaining lots in the Subdivision and requiring wastewater utility service; and

WHEREAS, the Wastewater Collection System to be installed to serve the Subdivision will be interconnected to Utility's existing Majestic Oaks Wastewater Facilities (defined below); and

WHEREAS, Developer has requested Utility to purchase, own and operate said Wastewater Collection System; and

WHEREAS, Utility is agreeable to purchasing, owning and operating the completed Wastewater Collection System;

WHEREAS, the Developer has committed 30 of the 338 REUs to an area outside of the Subdivision and has committed to construction of the Wastewater Collection necessary to serve these 30 REUs;

WHEREAS, Utility agrees to provide Wastewater Service for these 30 REUs in accordance with the terms and conditions set forth herein for the Extended Service Area for the benefit of Salters Haven at Lea Marina and the extended service area ("ESA"), when ONSWC obtains a Certificate Extension from the Commission.

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

#### 1. Definitions.

1.1. “Agreement” shall mean this Agreement dated December \_\_\_\_\_ 2018, for the installation, conveyance, and operation of the Wastewater Collection System Assets (defined below) serving Salters Haven at Lea Marina (including all exhibits and schedules hereto, if any, as amended from time to time).

1.2. “As-built Drawings” shall have the meaning set forth in **Section 4.5 and 5.5.**

1.3. “Certificate” shall mean the Certificate of Public Convenience and Necessity for providing wastewater utility service in Salters Haven at Lea Marina to be issued by the Commission (defined below).

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

1.5. “Closing” shall mean each instance upon which Wastewater Collection System Assets (defined below), as the context requires, are transferred from Developer to Utility.

1.6. “Closing Date” shall mean the date of the applicable initial or subsequent Closing.

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

1.8. “County” shall mean Pender County, North Carolina.

1.9. “Declaration” shall have the meaning set forth in **Section 14.**

1.10. “Developer” shall have the meaning set forth in the preamble.

1.11. “DWR” shall mean the Division of Water Resources of the North Carolina Department of Environment and Natural Resources.

1.12. “ESA” shall mean an extended service area located outside, but in the general vicinity of Salters Haven at Lea Marina.

1.13. “GPD” means gallons per day.

1.14. “Grinder Pump Station” shall mean the wastewater grinder pump, tank, and controls that may be located at certain 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.

1.15. “Grinder Pump Valve Box” shall mean a box located near the collection main on a residential lot or in a commercial area served by a Grinder Pump Station which contains a valve that can be used to isolate a Grinder Pump Station from the Wastewater Collection System.

1.16. “Off-site Pump Station” shall mean the wastewater pump station to be constructed by Developer that will receive all wastewater produced from homes within the Subdivision and will transfer such wastewater to the Majestic Oaks Wastewater Facilities.

1.17. “Off-site Pump Station Lot” shall mean the parcel of land to be conveyed by Developer to Utility on which the Off-Site Pump Station will be constructed. Located at 1188 Factory Road, Hampstead, NC 28443

1.18. “Off-Site Forcemain” shall mean the 4” & 6” forcemain to be constructed by the developer that will convey the wastewater produced from the homes within the Subdivision to the Majestic Oaks Wastewater Facilities.

1.19. “Majestic Oaks Wastewater Facilities” shall mean the Utility’s existing wastewater facilities constructed in the Majestic Oaks Subdivision, including the wastewater treatment plant, and all associated equipment, lift stations, and combined gravity and low pressure wastewater collection systems used in the collection, treatment, holding and disposal of the wastewater, and to which the Wastewater Collection System will be connected.

1.20. “Majestic Oaks Wastewater Facilities Expansion” shall mean the expansion of the Majestic Oaks Wastewater Subdivision, including construction of additional disposal area sufficient to treat and dispose of up to 200,000 gpd.

1.21. “REU” shall mean one Residential Equivalent Unit, as defined as follows:

(a) If there is no water or wastewater meter for such Unit: 210 GPD per residence, or 70 GPD per bedroom.

(b) If there is a water and/or a wastewater meter:

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

1.22. “Sewer Extension Permit” shall mean the permit issued by DWR to ONSWC for the construction and operation of the Wastewater Collection System Permit, including all modifications thereto.

1.23. “Single Family Residential Equivalent” or “SFRE” shall mean a single family residential connection based on 210 gpd per single family resident regardless of the number of bedrooms

1.24. “Subdivision” shall have the meaning set forth in the preamble.



1.25. "Utility" shall have the meaning set forth in the preamble.

1.26. "Off-Site Wastewater Collection System" shall mean the Off-Site Wastewater Pump Station, Off-Site Wastewater Forcemain, Off-Site Wastewater Pump Station Lot and the Off-Site Wastewater Forcemain Easement (defined below), and all appurtenant equipment that will deliver wastewater conveyed by the On-Site Wastewater Collection System and the ESA to the Majestic Oaks Wastewater Treatment Facility. Off-Site Wastewater Collection System shall not include that portion of the sewer system within the community.

1.27. "Off-Site Wastewater Collection System Assets" shall mean the Lea Pump Station, Lea Forcemain, Lea Pump Station lot

1.28. "On-Site Wastewater Collection System" shall mean the Wastewater Service Lines (defined below), pressure sewer lines, gravity sewer lines, force mains, lift stations, sewer clean outs, and all appurtenant equipment that will deliver wastewater produced by the houses within the Subdivision. Wastewater Collection System shall not include that portion of sewer line extending from the house to the sewer cleanout.

1.29. "On-Site Wastewater Collection System Assets" shall mean the Wastewater Collection System, and the Wastewater Collection System Easements (defined below).

1.30. "Wastewater Collection System Easement Areas" shall mean those areas within the Subdivision that are subject to the Wastewater Collection System Easements (defined below).

1.31. "Wastewater Collection System Easements" shall mean (i) a perpetual easement within the rights of way of all publicly dedicated streets and roads within each phase of development of the Subdivision for ingress, egress, regress, and access for the installation, operation, maintenance, repair and replacement of the Wastewater Collection System; (ii) to the extent any portion of the Wastewater Collection System is not within publicly dedicated rights of way, a perpetual easement, with a total width of fifteen (15) feet centered on the Wastewater Collection System main, for ingress, egress, regress, and access to install, operate, maintain, repair and replace such portion of the Wastewater Collection System; and (iii) for each Wastewater Service Line a perpetual easement with a total width of ten (10) feet centered on the Wastewater Service Line and a fifteen (15) foot diameter circle centered at the center of the residential lot cleanup or grinder pump station.

1.32. "Wastewater Collection System Phase" shall mean any discrete portion of the Wastewater Collection System constructed during a particular phase of development of the Subdivision.

1.33. "Wastewater Collection System Plans" are all plans and specifications for the Wastewater Collection System prepared by Developer's engineer.

1.34. "Wastewater Service Line" shall mean the portion of individual household wastewater line for which ONSWC shall assume ownership and maintenance responsibilities. The Service Line shall include only that portion of the wastewater line that extends from the

wastewater clean-out or Grinder Pump Valve Box to ONSWC's wastewater main located at or near the street. The portion of the line extending from the home or commercial building to the wastewater clean-out or Grinder Pump Station and Grinder Pump Valve Box shall not be included in the term "Service Line."

## **2. Representations And Warranties Of Developer.**

Developer hereby represents and warrants as follows:

2.1. Organization: Good Standing; Power. Developer is a limited liability company duly formed, validly existing and in good standing under the laws of the State of North Carolina 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 Developer have been duly and effectively authorized by all necessary action. This Agreement has been duly executed by Developer and, to Developer's knowledge, and assuming that the representations and warranties in Section 3.2 are accurate, is a valid and legally binding obligation of 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 the 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 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 DWR, (ii) to Developer's knowledge, 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 articles of formation and operating agreement.

## **3. Representations and Warranties of Utility.**

Utility hereby represents and warrants as follows:

3.1. Organization: Good Standing; Power. Utility is a limited liability company duly formed, validly existing and in good standing under the laws of the State of North Carolina, and has all requisite corporate 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 have been duly and effectively authorized by all necessary corporate action. This Agreement has been duly executed by Utility and is a valid and legally binding obligation of Utility 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, or (ii) to the extent the 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 Utility 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 DWR, (ii) violate, with or without the giving of notice or the passage of time or both, any provisions of law now applicable to Utility, or (iii) result in a violation of Utility's articles of formation or operating agreement.

#### **4. Design, Permitting, and Installation of On-Site Wastewater Collection System.**

4.1. Design and Permit Requirements. For each On-Site Wastewater Collection Phase, Developer, at Developer's cost and expense, shall (i) engage a qualified, licensed engineer to prepare the Wastewater Collection System Plans and a Sewer Extension Permit; (ii) obtain Utility's approval of the On-Site Wastewater Collection System Plans, such approval not to be unreasonably withheld, conditioned or delayed; (iii) file a Sewer Extension Permit application with DWR; and (iv) if required, seek the County's approval of the On-Site Wastewater Collection System Plans. Utility shall cooperate fully with Developer and Developer's engineer to expedite issuance of the Sewer Extension Permit by DWR (including by providing Developer with written confirmation that Utility has allocated 64,680 GPD of capacity in the expanded Majestic Oaks Wastewater Facilities to Developer to serve the residential units within the Subdivision and 3204 gpd in the expanded Majestic Oaks Wastewater Facilities to Developer to serve the other amenities within the subdivision) and approval by the County of the On-Site Wastewater Collection System Plans, if required.

4.2. Installation Requirements. Developer, at Developer's cost and expense, shall cause to be installed in the Subdivision, a complete On-Site Wastewater Collection System, which shall include interconnection of such system to the Off-Site Pump Station. Utility reserves the right to make periodic inspections of the On-Site Wastewater Collection System's installation; provided, however, that such inspection should not be considered a substitute for the Developer's engineer's duties and responsibilities to inspect the installation. Developer shall pay for the installation costs of all the necessary components of the On-Site Wastewater Collection System to provide wastewater utility service to all lots in the Subdivision. The On-Site Wastewater Collection System shall be constructed in such a manner as to restrict entry of groundwater and surface waters into the Wastewater Collection System to at least the minimum standards established by the DWR regulations for infiltration/inflow. Developer acknowledges that failure to install a "tight" collection system could result in infiltration/inflow causing the WWTP to exceed its permitted flow limit, which could limit the number of connections that can be served by the Utility.

4.3. On-Site Wastewater Service Line. Developer shall provide a On-Site Wastewater Service Line to each house within the Subdivision. This On-Site Wastewater Service Line shall consist of a 4" wastewater service tap, a service pipe of adequate size to serve the residence, a clean out at the easement or right of way line, and an elder valve. Developer shall use its best efforts to ensure that its employees, contractors and subcontractors under its control do not break, damage or bury these cleanouts.

4.4. On-Site Wastewater Collection System Contractors and Construction Guarantee. Prior to the commencement of work on the On-Site Wastewater Collection System, Developer shall obtain Utility's approval of all contractors and subcontractors who will perform work on the installation of the On-Site Wastewater Collection System including, but not limited to, On-Site Wastewater Service Lines. Developer or Developer's contractor shall provide to Utility a one-year warranty on all On-site Wastewater Collection System components and workmanship. This warranty shall begin from the date of Closing.

4.5. Engineering Certification of Completion & Record Drawings. Developer, at Developer's cost and expense, shall require its engineer to furnish DWR and Utility with a signed and sealed copy of the DWR-required letter from Developer's engineer certifying that the On-site Wastewater Collection System has been installed in compliance with the Sewer Extension Permit and the approved On-Site Wastewater Collection System Plans. Said letter shall specify if the certification of completion issued by the engineer is a final or partial certification and shall include the number of the Sewer Extension Permit issued by DWR. Developer, at Developer's cost and expense, shall require its engineer to supply Utility with an electronic copy of engineering record drawings of the On-Site Wastewater Collection System ("As-built Drawings"). The electronic version of the As-built Drawings shall be submitted to Utility in '.dwg' format and shall also include, two spatial references. The signed and sealed copy of the As-built Drawings shall be submitted to Utility in '.pdf' format and shall depict the seal of the professional engineer responsible for issuing the As-built Drawings.

## **5. Design, Permitting, and Installation of ESA Wastewater Collection System.**

5.1. Design and Permit Requirements. For each ESA Wastewater Collection Phase, Developer, or Developer's designee, at no cost and expense to Utility, shall (i) engage a qualified, licensed engineer to prepare the Wastewater Collection System Plans and a Sewer Extension Permit; (ii) obtain Utility's approval of the ESA Wastewater Collection System Plans, such approval not to be unreasonably withheld, conditioned or delayed; (iii) file a Sewer Extension Permit application with DWR; and (iv) if required, seek the County's approval of the ESA Wastewater Collection System Plans. Utility shall cooperate fully with Developer and Developer's, or Developer designee's, engineer to expedite issuance of the Sewer Extension Permit by DWR (including by providing Developer, or Developer's designee, with written confirmation that Utility has allocated 6,300 GPD of capacity in the expanded Majestic Oaks Wastewater Facilities to the ESA) and approval by the County of the ESA Wastewater Collection System Plans, if required.

5.2. Installation Requirements. Developer, or Developer's designee, at no cost or expense to Utility, shall cause to be installed in the ESA, a complete ESA Wastewater Collection System, which shall include interconnection of such system to the Off-Site Pump



Station. Utility reserves the right to make periodic inspections of the ESA Wastewater Collection System's installation; provided, however, that such inspection should not be considered a substitute for the engineer's duties and responsibilities to inspect the installation. Developer, or Developer's designee, shall pay for the installation costs of all the necessary components of the ESA Wastewater Collection System to provide wastewater utility service to all lots in the ESA. The ESA Wastewater Collection System shall be constructed in such a manner as to restrict entry of groundwater and surface waters into the ESA Wastewater Collection System to at least the minimum standards established by the DWR regulations for infiltration/inflow. Developer, or Developer's designee, acknowledges that failure to install a "tight" collection system could result in infiltration/inflow causing the WWTP to exceed its permitted flow limit, which could limit the number of connections that can be served by the Utility.

5.3. ESA Wastewater Service Line. Developer, or Developer's designee shall provide a ESA Wastewater Service Line to each house within the ESA. This ESA Wastewater Service Line shall consist of a 4" wastewater service tap, a service pipe of adequate size to serve the residence, a clean out at the easement or right of way line, and an elder valve. Developer, or Developer's designee, shall use its best efforts to ensure that its employees, contractors and subcontractors under its control do not break, damage or bury these cleanouts.

5.4. ESA Wastewater Collection System Contractors and Construction Guarantee. Prior to the commencement of work on the ESA Wastewater Collection System, Developer, or Developer's designee, shall obtain Utility's approval of all contractors and subcontractors who will perform work on the installation of the ESA Wastewater Collection System including, but not limited to, ESA Wastewater Service Lines. Developer, or Developer's designee's, contractor shall provide to Utility a one-year warranty on all ESA Wastewater Collection System components and workmanship. This warranty shall begin from the date of Closing.

5.5. Engineering Certification of Completion & Record Drawings. Developer, or Developer's designee, at no cost or expense to Utility, shall require its engineer to furnish DWR and Utility with a signed and sealed copy of the DWR-required letter from Developer, or Developer's designee's, engineer certifying that the ESA Wastewater Collection System has been installed in compliance with the Sewer Extension Permit and the approved ESA Wastewater Collection System Plans. Said letter shall specify if the certification of completion issued by the engineer is a final or partial certification and shall include the number of the Sewer Extension Permit issued by DWR. Developer, or Developer's designee, at no cost or expense to Utility, shall require its engineer to supply Utility with an electronic copy of engineering record drawings of the ESA Wastewater Collection System ("As-built Drawings"). The electronic version of the As-built Drawings shall be submitted to Utility in '.dwg' format and shall also include, two spatial references. The signed and sealed copy of the As-built Drawings shall be submitted to Utility in '.pdf' format and shall depict the seal of the professional engineer responsible for issuing the As-built Drawings.

**6. Design, Permitting, and Installation of Off-Site Wastewater Collection System.**

6.1. Design and Permit Requirements. For the Off-Site Wastewater Collection System, ONSWC, at ONSWC's cost and expense, shall (i) engage a qualified, licensed engineer to prepare the Off-Site Wastewater Collection System Plans and a Sewer Extension Permit; (ii) obtain Developer's approval of the Off-Site Wastewater Collection System Plans, such approval not to be unreasonably withheld, conditioned or delayed; (iii) file a Sewer Extension Permit application with DWR and obtain approval prior to March 31, 2019; and (iv) if required, seek the County's approval of the Off-Site Wastewater Collection System Plans. Developer shall support and cooperate fully with ONSWC and ONSWC's engineer to expedite issuance of the Sewer Extension Permit by DWR and approval by the County of the Off-Site Wastewater Collection System Plans and Majestic Oaks Wastewater Facility Expansion, if required.

6.2. Installation Requirements. Developer, at Developer's cost and expense, shall cause to be installed a complete Off-Site Wastewater Collection System, which shall include interconnection of such system to the Majestic Oaks Wastewater Facility. ONSWC shall pay for the cost of upsizing the portion of the forcemain that will be upsized from 4" to 6" and the cost of installing the 6"x4"x3" tee in or around the intersection of Factory Rd and Second St. Utility reserves the right to make periodic inspections of the Off-Site Wastewater Collection System's installation. Developer shall pay for the installation costs of all the necessary components of the Off-Site Wastewater Collection System to provide wastewater utility service to all lots in the Subdivision. The Off-Site Wastewater Collection System shall be constructed prior to August 30, 2019 and constructed in such a manner as to restrict entry of groundwater and surface waters into the Wastewater Collection System to at least the minimum standards established by the DWR regulations for infiltration/inflow. Developer acknowledges that failure to install a "tight" collection system could result in infiltration/inflow causing the WWTP to exceed its permitted flow limit, which could limit the number of connections that can be served by the Utility.

6.3. Off-Site Wastewater Collection System Contractors and Construction Guarantee. Prior to the commencement of work on the Off-Site Wastewater Collection System, Developer shall obtain Utility's approval of all contractors and subcontractors who will perform work on the installation of the Off-Site Wastewater Collection System including, but not limited to, Off-Site Wastewater Service Lines. Developer or Developer's contractor shall provide to Utility a one-year warranty on all Off-site Wastewater Collection System components and workmanship. This warranty shall begin from the date of Closing.

6.4. Engineering Certification of Completion & Record Drawings. ONSWC, at ONSWC's cost and expense, shall require its engineer to furnish DWR and Developer with a signed and sealed copy of the DWR-required letter from ONSWC's engineer certifying that the Off-site Wastewater Collection System has been installed in compliance with the Sewer Extension Permit and the approved Off-Site Wastewater Collection System Plans. Said letter shall specify if the certification of completion issued by the engineer is a final or partial certification and shall include the number of the Sewer Extension Permit issued by DWR.

**7. Design, Permitting, and Installation of Expanded Majestic Oaks Wastewater Treatment Facility.**



7.1. **Design and Permit Requirements.** For the expansion of the Majestic Oaks Wastewater Treatment Facility, ONSWC, at ONSWC's cost and expense, shall (i) engage a qualified, licensed engineer to design and permit the expansion of the Majestic Oaks Wastewater Facility; (ii) obtain Developer's approval of the expansion Plans, such approval not to be unreasonably withheld, conditioned or delayed; (iii) file a Permit application with DEQ and obtain a permit by February 28, 2019; and (iv) if required, seek the County's approval of the expanded Majestic Oaks Wastewater Facility Plans. Developer shall support and cooperate fully with ONSWC and ONSWC's engineer to expedite issuance of the Permit by DEQ and approval by the County of the Majestic Oaks Wastewater Facility Expansion, if required.

7.2. **Installation Requirements.** ONSWC, at ONSWC's cost and expense, shall cause to be constructed an expansion of the Majestic Oaks Wastewater Facility sufficient to treat a minimum of 200,000 gpd. Prior to Monthly Average Daily Flows exceeding 70% of capacity on an annual average basis, Utility shall begin construction of the expansion of the Majestic Oaks Wastewater Treatment System. Estimated timeframe for construction of said expansion shall take no more than one hundred twenty (120) days.

8. **Certificate of Public Convenience and Necessity.** Following issuance of the Sewer Extension Permit by DWR, Utility, at Utility's cost and expense, shall apply to the Commission as soon as may be practicable for a Certificate or for a Certificate Extension to provide wastewater service to the Subdivision.

9. **Wastewater Service to Subdivision.** Upon Closing of the conveyance by Developer to Utility of the Wastewater Collection System Assets for a Wastewater Collection System Phase, Utility shall supply wastewater utility service to the residents of the applicable phase of the Subdivision under the terms of such Certificate, as the same may be amended from time to time. Utility shall be obligated to reserve sufficient capacity in its expanded Majestic Oaks Wastewater facilities to serve the proposed 308 residential units of wastewater flow from the Salters Haven at Lea Marina Subdivision and the 30 residential units of wastewater flow from the Extended Service Area and shall maintain sufficient capacity in the Majestic Oaks Wastewater Facilities for that purpose.

10. **Monthly Wastewater Rates and Fees.** Utility shall seek approval from the Commission and diligently pursue for rates and fees for wastewater service to the Subdivision that are the same as its current Commission-approved wastewater rates and fees for Utility's Majestic Oaks Subdivision. Upon the granting of the Certificate or Certificate Extension, Utility shall charge for wastewater service to each resident within the Subdivision.

11. **Connection Fee.** Developer acknowledges that each residential unit within the subdivision shall pay Utility a one-time connection fee of \$4,200/SFRE for each lot to be served by the applicable On-Site Wastewater Collection System Phase and that each unit within the ESA shall pay Utility the one-time connection fee applicable prior to permitting of the ESA Wastewater Collection System. Such fee, applicable to the Subdivision, shall be payable prior to the time that Developer or a third-party obtains a building permit for such lot.

12. **Purchase Price.** Utility is purchasing from Developer the completed Wastewater Utility System, regardless of the Wastewater Utility System being installed all at one time or in

phases. The Purchase Price paid by Utility shall be 82% of the actual cost of the Off-Site Wastewater Pump Station and Off-Site Wastewater Forcemain (excluding the cost of upsizing a portion of the forcemain from 4" to 6"). Said Purchase Price payment shall be payable based on 82% of the actual cost of the Off-Site Pump Station and Off-Site Forcemain divided by 150 REUs. ONSWC shall be entitled to collect a Connection Fee in accordance with Paragraph 10. ONSWC shall not be required to make any purchase price payments to the developer for the first 150 connections from the Subdivision. Said Purchase Price payment shall be payable only after the first 150 connections and paid 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

**13. Written Certification of Costs.** Developer, at each Closing, shall deliver to Utility a written certification of all of the Developer's costs incurred in the design, permitting and construction of the applicable Wastewater Collection System Phase, which shall provide a breakdown of the various components showing the vendors or contractors for each component (where applicable). Said Written Certification of Costs Form shall be provided at Closing utilizing the form attached hereto as Exhibit 10.

**14. Declaration.** Utility acknowledges that the Subdivision will be encumbered by a declaration of covenants, conditions, and restrictions (the "Declaration") before or after Closing. Developer acknowledges that the Wastewater Collection System, and any other property owned by Utility in the Subdivision, will be exempt from all assessments, use restrictions, and architectural requirements under the Declaration. Developer shall insert into the Declaration, easement language in favor of Utility which shall allow Utility ingress, egress, regress, and access to operate, maintain, repair and replace the Wastewater Collection System and all components thereof. In addition, Developer shall include language in the Declaration advising the lot owners of their responsibilities for the sewer collection line for their residence pursuant to Section 16.6 and that the wastewater utility service provider is Old North State Water Company.

**15. Recorded Subdivision Plats.** Developer, at Developer's cost and expense, upon recordation of a plat showing each lot being served by the Wastewater Collection System shall provide Utility with a copy of such recorded plat. Said plat shall include utility and access easements in favor of Utility for ingress, egress, regress and access to operate, maintain, repair, and replace the water mains and appurtenant equipment related to the Wastewater Collection System.

**16. Conveyance of the Wastewater Collection System Assets.**

**16.1. Closing Date.** Upon receipt of the Certificate or Certificate Extension described in Section 8 and delivery by Developer to Utility of the last item described in Section 16.8, the Parties shall mutually agree upon a date for the transfer of the Wastewater Collection System Assets, which date shall not be more than 30 days from the date of delivery of the last item described below. Upon Closing, Utility shall be deemed to be the beneficial owner of the Wastewater Collection System Assets. Closing shall take place at a mutually agreed upon location or by telecopy or electronic mail exchange of documents with originals to follow by overnight delivery.



16.2. Conveyance of Wastewater Collection System Assets. At the time and on the terms described in this Section 16, Developer shall convey to Utility at no cost to Utility, except as described in Section 8, Section 16.3 and Section 16.4, by deed, easement, or bill of sale, as appropriate, the Wastewater Collection System Assets and all rights to operate the Wastewater Collection System; provided, however, that the Wastewater Collection System may be constructed in multiple phases and conveyed by Developer to Buyer at multiple Closings. Any bill of sale shall be substantially similar in form and substance to that attached hereto as EXHIBIT 16.2.

16.3. Conveyance of Off-Site Pump Station Lot. The Off-Site Pump Station Lot shall be conveyed by Developer to Utility prior to ONSWC submitting the NC DWR Permit Application by recorded special warranty deed conveying fee simple marketable title. Prior to such conveyance, Developer, at Developer's cost and expense shall have its attorney procure a title insurance commitment in the amount of \$25,000 for the Off-Site Pump Station Lot. The title commitment shall ensure that such property is free and clear of all liens and encumbrances that would unreasonably interfere with the operation of the Off-Site Pump Station. At conveyance, Developer shall present a current final owner's title policy and Utility shall reimburse Developer for the cost of the associated title insurance premiums and up to \$1,000 dollar in attorney fees. Developer shall complete an IRS W-9 Form and deliver such form to Utility prior to the reimbursement required by the preceding sentence. The Off-Site Pump Station Lot shall front upon a publicly dedicated street to provide access to the Off-Site Pump Station. In the event the Off-Site Pump Station lot does not front upon a publicly dedicated completed street, then Developer shall convey to Utility an all-weather gravel access road with a perpetual 20-foot easement for ingress, regress, and access to the Off-Site Pump Station.

16.4. Title Insurance for the Wastewater Collection System Easement Areas. Prior to the Closing on the conveyance of any Wastewater Collection System Easement, Developer, at Developer's cost and expense, shall have its attorney procure a title insurance commitment for the applicable Wastewater Collection System Easement Area, which may be included in the title insurance commitment and policy procured by Developer pursuant to Section 16.3 or combined with title insurance commitments and policies for other Wastewater Collection System Easement Areas. Any single title insurance commitment shall be in an amount of at least \$25,000. The title commitment shall ensure that such property is free and clear of all liens and encumbrances that would unreasonably interfere with Utility's use and enjoyment of the applicable Wastewater Collection System Easement Area. At Closing, Developer shall present to Utility a current final owner's title policy and Utility shall reimburse Developer the title insurance premiums and up to \$1,000 of attorney fees. Developer shall complete an IRS W-9 Form and deliver such form to Utility prior to the reimbursement required by the preceding sentence.

16.5. Surveys for Off-Site Pump Stations Lot and Wastewater Collection System Easement Areas. At the applicable Closing, Developer shall provide a current survey for the Off-Site Pump Station Lot and the Wastewater Collection System Easement Areas. The surveys shall be signed and sealed by a registered surveyor.

16.6. Responsibilities for Grinder Pump Station and Service Lines. If applicable, installation and start up of the Grinder Pump Station shall be conducted in accordance with ONSWC's standard for Grinder Pump Station installation. After the completed initial

installation of a Grinder Pump Station by the homebuilder or WLI Investments, LLC, the lot owner shall own, operate, maintain, repair and replace the components of its Grinder Pump Station with oversight provided by ONSWC. ONSWC shall own, operate, maintain, repair and replace the Service Lines. The electric service for the Grinder Pump Stations shall be provided by each customer as part of their household electric service. WLI Investments, LLC shall require the home builder for each lot served by a Grinder Pump Station to provide notification that the lot is served by a Grinder Pump Station, along with ONSWC's requirements for the operation, maintenance, inspection, repair and replacement of the Grinder Pump Station. The notification shall inform the lot owner of their responsibilities related to the Grinder Pump Station. NEITHER ONSWC NOR WLI INVESTMENTS, LLC 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.

16.7. Closing Conditions. Utility shall not be obligated to close on the acquisition of any Wastewater Collections System Phase until all of the following events below have occurred:

- a. DWR has issued the Sewer Extension Permit for the applicable Wastewater Collection System Phase;
- b. Developer has installed the applicable Wastewater Collection System Phase in accordance with the Sewer Extension Permit and the approved Wastewater Collection System Plans; and
- c. The Commission has issued the Certificate or Certificate Extension.

16.8. Pre-Closing Deliveries of Developer. Prior to Closing Developer shall deliver to Utility for the applicable Wastewater Collection System Phase:

- a. a copy of the DWR required letter from Developer's engineer certifying that the Wastewater Collection System Phase has been installed in compliance with the Sewer Extension Permit and the approved Wastewater Collection System Plans as described in Section 4.5 and 5.5;
- b. an electronic copy of the As-built Drawings prepared by the engineer of record for the project. The electronic version of the As-built Drawings shall be submitted to Utility in '.dwg' format and the signed and sealed copy shall be submitted to Utility in '.pdf' format as required by Section 4.5 and 5.5;
- c. a completed written certification of Developer's costs as required by in Section 13;
- d. a copy of the recorded Declaration as required by Section 14;



e. the title insurance commitments for the Off-Site Pump Station Lot and the Wastewater Collection System Easement Areas, as required by Section 16.3 and Section 16.4, respectively;

f. a current survey for the Off-Site Pump Station Lot and the Wastewater Collection System Easement Areas as required by Section 16.5;

g. a list of physical addresses and lot numbers for each lot in the Subdivision that will served by the Wastewater Collection System in a form substantially similar in a substance to that attached hereto as EXHIBIT 16.8.g.

16.9. Closing Deliveries of Developer. At Closing for the applicable Wastewater Collection System Phase, Developer shall furnish Utility with:

a. a one-year construction warranty on all Wastewater Collection System components and workmanship as required by Section 4.4 and 5.4;

b. the executed bill of sale, recorded deed, and/or easements for the applicable Water Collection System Assets, as set required by Section 16.2;

c. a final owner's title insurance policy as required Section 16.3 and/or Section 16.4.

16.10. Closing Requirements of Utility. Upon Closing Utility shall (i) reimburse Developer for the title insurance premiums as required Section 16.3 and/or Section 16.4, and (ii) begin operation of the Wastewater Collection System.

17. **Property Taxes**. Utility shall not be responsible for payment of property taxes on any property with respect to which title is not conveyed to Utility. Utility shall only be responsible for the payment of property taxes which it owns.

#### **General Provisions.**

17.1. Execution of Future Agreements. After the execution of this Agreement, all new development agreements entered into by Developer with respect to development at the Subdivision shall be consistent with the terms of this Agreement with respect to the provision of wastewater utility service to the Subdivision.

17.2. Representations, Warranties, Covenants and Agreements Survive Closing. All representations and warranties of Developer and Utility 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.

17.3. Binding upon Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of Developer and Utility, and the successors and assigns of each.

17.4. 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 17.3 above.

17.5. 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.

17.6. Counterparts. This Agreement may be executed in one or more counterpart signature pages (including facsimile or electronic 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.

17.7. 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.

17.8. 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.

17.9. 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.

17.10. Entire Agreement. This writing embodies 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.

17.11. Modifications in Writing. This 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 Agreement in any other way. By mutual written agreement additional lots may be added to this Agreement.

17.12. 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.

17.13. 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.

17.14. 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 Developer, such notice shall be addressed to:

WCI Investments, LLC  
Address: 600 Gregory Road, Steel Belville, NC 28451  
Attn: D Logan  
Telephone: 910-332-3524  
Facsimile: \_\_\_\_\_

If to Utility, such notice shall be addressed to:

Old North State Water Company, LLC  
4700 Homewood Ct., Suite 108  
Raleigh, North Carolina 27609  
Telephone: (252) 235-4900  
Facsimile: (252) \_\_\_\_\_


With copies to:

John McDonald  
Integra Water, LLC  
600 University Park Place, Suite 275  
101 Birmingham, AL 35209  
Telephone: (205) 326-3200

Karen Kemerait, Esq.  
Fox Rothschild, LLP  
434 Fayetteville St. #1223  
Raleigh, NC 27601  
Telephone: (919) 819-7952  
Facsimile: (919) 755-8800

IN TESTIMONY WHEREOF, Developer has caused this instrument to be executed by its manager authorized to execute contracts on behalf of the Developer and Utility has caused this instrument to be executed by its corporate officer authorized to execute and seal this contract on behalf of the corporation, the day and year first above written.

WLI Investments, LLC

  
By: D I Logan, Manager

OLD NORTH STATE WATER COMPANY, LLC.

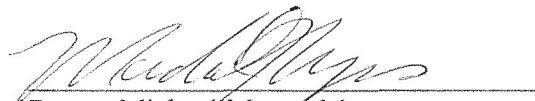
  
By: Michael Myers, Manager



EXHIBIT 1

Conceptual Land Plan -- Lea Property

OFFICIAL COPY

Mar 28 2021 9

Mar 23 2021

**Disclaimer / Not For Construction:** This site plan is a graphic representation and should be utilized for discussion purposes only. This site plan approximates existing conditions, including structures, wetlands, roads, parking, vegetation and property boundaries. These components may change based upon regulatory and municipal review and requirements at the time of approval and/or development activity.

*Lot Typology Exhibit*  
*Salters Haven at Lea Marina*  
*Hampstead, North Carolina*

**EXHIBIT 10**Written Certification of Costs Form  
Wastewater

Date: \_\_\_\_\_

Following is the information you requested for the Wastewater Collection System serving Salters Haven at Lea Marina Subdivision. This cost certification is for the assets of the Wastewater Collection System serving a total of 308 connections in the Subdivision.

QTY	UOM	DESCRIPTION	Vendor/Contractor	Total Invoiced Cost
	LS	Engineering		
	LF	Sewer Mains – “ ____ ” (force, gravity, low pressure)		
	LF	Sewer Mains – “ ____ ” (force, gravity, low pressure)		
	LF	Sewer Services		
	EA	Value of Deeded Pump Station Lot @\$500/each t		
		<b>TOTALS</b>		

I certify the above represents the actual cost for installation of the Wastewater Collection System serving the Subdivision.

\_\_\_\_\_  
Signature\_\_\_\_\_  
Printed Name

EXHIBIT 15.2

STATE OF NORTH CAROLINA  
COUNTY OF PENDER

WASTEWATER UTILITY SYSTEM  
BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS that WLI Investments, LLC (Seller), in return or valuable consideration received by the Seller from OLD NORTH STATE WATER COMPANY, 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 and interest of the Seller in and to the Wastewater Collection System for Salters Haven at Lea Marina Subdivision, Pender County, North Carolina, including but not limited to collection mains, manholes, services, controls, force mains, lift station lot, valves, and all equipment appurtenant to the sewer collection system needed to serve approximately \_\_\_\_ single family residential houses, all property conveyed hereby being referred to as the "Property."

This Bill of Sale is without any warranty of any kind and ALL WARRANTIES ARE SPECIFICALLY DISCLAIMED HEREBY, except for that certain one (1) year warranty provided by Seller to Buyer by separate document dated as of the date below. To have and to hold the Property in fee simple.

IN TESTIMONY WHEREOF, the Seller has hereunto set his hand this the \_\_\_\_ day of \_\_\_\_\_ 2018.

\_\_\_\_\_  
\_\_\_\_\_  
Title

**OFFICIAL COPY**

Mar 23, 2021

Mar 23, 2021

Mar 23, 2021

[illegible]