

**Utility Management Service Agreement
Between CV-WWT, LLC and
Envirolink, Inc.**

Dated: January 1, 2016

OFFICIAL COPY

Mar 26 2024

**Utility Management Service Agreement
Between CV-WWT, LLC, and
Envirolink, Inc.**

This Utility Management Service Agreement (hereinafter referred to as the “Agreement”) is made as of this 1st day of January, 2016 by and between **Envirolink, Inc.**, a North Carolina Corporation (hereinafter called “Envirolink”), and **CV-WWT, LLC**, a North Carolina limited liability company (hereinafter called “Owner” or “CV”). In this Agreement, Envirolink and the Owner are referred to collectively as the “Parties” and individually as a “Party”.

Witnesseth

WHEREAS, Owner provides water and wastewater utility services to the Carolina Village Subdivision, and

WHEREAS, the Owner owns certain water and wastewater assets more fully described in Exhibit A, and

WHEREAS, the Owner is required under the laws of the State of North Carolina to provide the managerial, technical, financial, operational and maintenance capabilities as a condition of ownership of water and wastewater assets, and

WHEREAS, the Owner has Authority under the laws of the State of North Carolina and desires to enter into a professional services contract for the management of water and wastewater facilities described in Exhibit A, and

WHEREAS, Envirolink is in the business of providing the managerial, technical, financial, operational and maintenance services to Utility owners, and

WHEREAS, Envirolink is capable of operating, maintaining, and managing the Owner’s Water and Wastewater facilities, and

WHEREAS, Owner desires to engage Envirolink to provide such professional services, and

NOW THEREFORE in consideration of the premises and of the right, powers and duties hereinafter set forth to be performed by each, Owner and Envirolink mutually agree to the following terms and conditions.

ARTICLE 1: DEFINITIONS

Definitions: As used in this Agreement, the terms listed in this Article shall have the following meanings:

A. “Additional Services” shall mean those Utility Operation, Management and Maintenance Services that are not included in the Scope of Services as set forth in Exhibit B (attached hereto and incorporated herein to this Agreement).

B. Intentionally Left Blank

C. “Certified Operator” or “Operator” shall mean personnel, employees or agents of Envirolink certified by the North Carolina Department of Environment and Natural Resources (“DENR”) Water Treatment Facility Operators Certification Board or Water Pollution Control System Operators Certification Commission, to operate and maintain water supply, wastewater purification and related facilities.

D. Intentionally Left Blank

E. “Contract Start Date” shall begin on January 1, 2016.

F. “Facilities” shall mean the water and wastewater systems, as more fully described in Exhibit A.

G. “Utility Operation, Management, and Maintenance Services” or “Scope of Services” or “Services” shall mean those professional services provided by Envirolink to the Owner as set forth in Article 2 and in Exhibit B.

H. “State” shall mean the State of North Carolina.

I. “Uncontrollable Circumstance” shall include, without limitation, earthquake, hurricane, tornado, tropical storm, flood, ice storm, explosion, fire, lightning, landslide, and other similarly cataclysmic occurrences.

J. “Wastewater Facilities” shall mean the wastewater assets described in Exhibit A.

K. “Water Facilities” shall mean the water assets described in Exhibit A.

ARTICLE 2 - SCOPE OF SERVICES BY ENVIROLINK

Owner engages Envirolink and Envirolink agrees to be engaged by Owner to provide the Scope of Services, as set forth in Exhibit B (attached hereto and incorporated herein to this Agreement) and to be performed in accordance with the terms and conditions set forth herein.

In addition to the Scope of Services, Envirolink may perform Additional Services at the written request of the Owner, or Envirolink may perform Additional Services if such Additional Services are needed as a result of an Uncontrollable Circumstance or the existence of an unanticipated circumstance, situation or event not included in the Scope of Services. Envirolink shall be paid for such Additional Services on the basis set forth in Article 7.

ARTICLE 3 – RESPONSIBILITIES OF OWNER

Owner shall provide Envirolink with the items and assistance set forth in Exhibit C (attached hereto and incorporated herein to this Agreement), in accordance with the terms and conditions set forth herein.

Owner shall provide compensation and payment to Envirolink in accordance with the terms and conditions set forth in Article 7.

ARTICLE 4 – INDEPENDENT CONTRACTOR

Envirolink shall be deemed to be an independent contractor. Envirolink shall have no power or right to enter into contracts or commitments on behalf of the Owner unless specifically authorized in writing by the Owner to do so.

ARTICLE 5 – TERM OF AGREEMENT

Subject to the other provisions of this Agreement, the initial term of this Agreement shall be for a period of five (5) years and ending on the fifth (5th) anniversary of the contract date (“Initial Term”). Thereafter, this Agreement shall be automatically renewed for an additional term of five (5) years, unless canceled in writing by either party no less than one hundred and twenty (120) days prior to expiration of the Initial Term. The Contract Start Date shall be January 1, 2016.

ARTICLE 6 - TERMINATION

6.1 Termination for Default. Either party (the “Terminating Party”) may terminate this Agreement if a material breach of any provision of this Agreement has been committed by the other party (the “Breaching Party”) through no fault of the Terminating Party, provided that the following procedure is strictly adhered to:

6.1.1. If Owner fails to provide compensation and payment to Envirolink in accordance with the terms and conditions set forth in Article 7, Envirolink may declare Owner in default by issuing a Declaration of Default stating the effective termination date of the Agreement.

6.1.2 In all other instances of default other than Owner’s failure to provide compensation and payment to Envirolink, the Terminating Party must give the Breaching Party written notice setting forth in detail the alleged deficiencies and a reasonable opportunity to correct them in accordance with provisions of this Article.

6.1.3 If the deficiencies are not corrected within the time specified, the Terminating Party shall advise the Breaching Party that a Declaration of Default is imminent by sending written notice (a “Notice of Imminent Default”) which shall set forth a description of the deficiencies constituting breach of this Agreement and provide the Breaching Party a period of not less than ninety (90) days within which to correct such conditions. Provided, however, if the nature of the alleged default is such that additional time is required to correct such default, then, provided that the party receiving such notice (i) promptly presents a plan to the Terminating Party for correcting the default and (ii) takes immediate and substantial steps toward correcting the default, then the period for effecting a correction shall be reasonably extended in accordance with the plan presented by the party allegedly in default.

6.1.4 If such deficiencies are not corrected within the ninety (90)-day period, as the same may be extended, the Terminating Party may declare the Breaching Party in default by issuing a Declaration of Default stating the effective termination date of the Agreement.

6.1.5 In the event that the Owner disputes that Envirolink has corrected the deficiencies, a professional engineer licensed to practice in the State of North Carolina will be selected and retained by Envirolink to be the judge of whether said deficiencies have been corrected.

6.2 Termination for Convenience. Either party may at any time cancel this contract upon sixty (60) days written notice to the other party.

ARTICLE 7 - COMPENSATION AND PAYMENT TO ENVIROLINK

For the services within the Scope of Services, Owner shall pay Envirolink compensation for each year during the Initial Term and each year during any renewal period as set forth in Exhibit D (“Annual Fee”) (attached hereto and incorporated herein to this Agreement).

Owner shall pay Envirolink one-twelfth (1/12) of the Annual Fee for the current year within fifteen (15) days of issuance of an invoice from Envirolink for services provided during the preceding month. Owner shall pay Envirolink interest at an annual rate equal to one and one-half percent (1.5%) per month, on payments not paid and received on the due date of the payment. Envirolink shall provide each invoice on or about the first day of the month for services provided during the preceding month.

For Additional Services that Envirolink can provide in-house (*i.e.*, Envirolink does not have to enlist the services of a contractor or subcontractor and Envirolink does not have to lease any equipment to provide the Additional Services), Owner shall pay Envirolink additional compensation as provided in Envirolink’s Preferred Client Rate Schedule for Additional Services that is set forth in Exhibit E (attached hereto and incorporated herein to this Agreement). The rates contained in the Preferred Client Rate Schedule for Additional Services are subject to change. For Additional Services that Envirolink cannot provide in-house (*i.e.*, Envirolink has to enlist the services of a contractor or subcontractor or Envirolink has to lease equipment to provide the Additional Services), Owner shall pay Envirolink additional compensation based upon Envirolink’s actual costs (including overhead, equipment, materials and labor), plus fifteen percent (15%) of that cost.

ARTICLE 8 – INDEMNIFICATION

Envirolink agrees to indemnify and hold harmless the Owner, its officers, agents, servants, and employees from and against any and all suits, actions, legal proceedings, claims, demands, damages, fines, civil penalties, cost, expenses, and attorney’s fee to the extent resulting from the negligence or willful misconduct of Envirolink, its officers, agents, servants and employees in the performance of this Agreement; provided, however, that Envirolink shall not be liable for any suits, actions, legal proceedings, claims, demands, fines, civil penalties, damages,

costs, expenses, and attorney’s fees arising out of the negligence or willful misconduct of the Owner, its officers agents, servants, and employees. Envirolink shall be given full authority to contest such suits, actions, legal proceedings, claims, demands, fines, civil penalties, and violations of this Agreement.

Owner agrees to defend, indemnify and hold Envirolink, and its affiliates, together with its officers, directors, employees, and agents, harmless from any liability for damage or claims that may arise from an environmental claim, Uncontrollable Circumstance, the failure of Owner to perform its responsibilities under Article 3, any discharge, dispersal, release, or escape from the Facilities; any flow into or upon land, the atmosphere or any water course or body of water, or any acts, errors or omissions by any elected or appointed officer of Owner, except to the extent caused by Envirolink’s negligence or willful misconduct.

Neither Party nor its affiliates shall be liable to the other Party for any special, consequential, indirect or incidental damages relating in any way to this Agreement or the Facilities, loss of actual or anticipated profits or revenue or cost of claims of customers.

ARTICLE 9 - INSURANCE

Envirolink shall maintain at its own expense Worker’s Compensation, Commercial General Liability, and Automobile Liability insurance policies for the duration of this Agreement in the following amounts:

<u>Type of Insurance</u>	<u>Limits of Liability</u>
Workers’ Compensation	Statutory Workers’ Compensation
Commercial General Liability	\$1,000,000 limit for personal injury and property damage per occurrence and \$2,000,000 in the aggregate
Automotive Liability (Auto)	\$1,000,000 each accident or loss Combined Bodily Injury and Property Damage All Vehicles covered hired car and non-owned Automobiles.

Owner agrees to indemnify and hold harmless Envirolink in the event that any act by an agent or employee of Owner results in any claims against Envirolink. Envirolink agrees to indemnify and hold harmless Owner in the event that any act by an agent or employee of Envirolink results in any claims against Owner. Each Party agrees to include the other in any liability insurance policies it holds as a named insured, and certificates of insurance shall be provided upon request. In no event shall either Party be responsible for the intentional wrongful acts of the other. All policies of liability insurance required to be maintained by Envirolink shall provide that coverage shall not be canceled or non-renewed until at least thirty (30) days prior

notice has been given, except only ten (10) days notice shall be provided for non-payment of premium.

Owner shall procure and maintain fire, property, and boiler and machinery insurance, on an all risk basis, on the Facilities, in an amount equal to 100% of the value of their repair or replacement. On behalf of itself and its insurance carriers, the Owner agrees to provide Envirolink a waiver of subrogation.

ARTICLE 10 – UNCONTROLLABLE CIRCUMSTANCE

Except for the obligation to pay compensation, a Party's performance under this Agreement shall be excused if, and to the extent that, the Party is unable to perform due to an Uncontrollable Circumstance. In the event of an Uncontrollable Circumstance, if a Party is unable to perform certain services required by the Agreement, then that Party shall promptly notify the other Party of the existence of such Uncontrollable Circumstance and the specific services that cannot be performed. The Party unable to perform certain services shall perform all services under this Agreement which are not affected by the Uncontrollable Circumstance. The Party unable to perform shall be required to resume performance of its obligations under this Agreement upon the termination of the Uncontrollable Circumstance.

ARTICLE 11: FORCE MAJEURE

Neither Party shall be considered in default in the performance of its obligations hereunder to the extent that performance of such obligations is delayed, hindered or prevented by any cause which is beyond the reasonable control of such Party (hereinafter called "Force Majeure"). Force Majeure includes, but is not limited to, any of the following, if reasonably beyond the control of the Party claiming Force Majeure: war (declared or undeclared), blockages, hostilities, revolutions, riots, strikes, lockouts or other labor disturbances, epidemics, fires, delays or interruptions in transportation, terrorist acts, or any other cause (whether or not of kinds specifically mentioned herein) that is not reasonably within the control of the Party claiming Force Majeure.

ARTICLE 12 – DERIVATIVE IMMUNITY

The Owner acknowledges and agrees that the Owner has asked Envirolink to meet and keep certain specifications and requirements for the operation, maintenance and management of the Facilities and Envirolink has agreed to comply to those specifications and requirements, and as such, shall have, to the extent necessary and permitted by applicable law, such immunities as the Owner may have from suit and from liability to third parties in connection with the operation, maintenance and management of the Facilities. Nothing herein shall or be construed to constitute any waiver by Envirolink of any claim or defense of immunity of any kind permitted by law against any third party, and Envirolink expressly intends to preserve and does preserve and retain all such rights.

ARTICLE 13 - NOTICE

For purposes of this Agreement, notices and all other communications provided for or permitted herein shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by United States certified mail or nationally recognized courier service, prepaid, return receipt requested, addressed as follows:

If to Envirolink:

Michael Myers, President
Envirolink, Inc.
P.O. Box 670
Bailey, NC 27807
Tel 252-235-4900
Fax 252-235-2132

If to the Owner:

Frank Basadre, President
Carolina Village NC, LLC
6487 Basa Lake Lane
Harrison, TN 37341

Or to such other addresses as either party may furnish to the other in writing in accordance herewith, except that notices of changes of address shall be effective only upon receipt. The parties must provide written notice of any changes to the authorized representatives in advance of such change.

The following individuals are the point of contact for the administration of this Agreement:

Envirolink:

Ms. Heather Adams, Director of Operations
Envirolink, Inc.
P.O. Box 670
Bailey, NC 27807
Tel 252-235-4900
Fax 252-235-2132

Owner:

Frank Basadre, President
Carolina Village NC, LLC
6487 Basa Lake Lane
Harrison, TN 37341

ARTICLE 14 - GOVERNING LAW AND JURISDICTION

The interpretation, validity, effect, and enforcement of this Agreement are to be governed and construed in accordance with the laws of the State of North Carolina. Jurisdiction and venue for any disputes shall be exclusively in the federal or state courts within the State of North Carolina.

ARTICLE 15 - ASSIGNMENT

The benefits and obligations hereunder shall inure to, and be binding upon, the Parties hereto. This Agreement may not be assigned by either Party, either in whole or in part, without the prior written consent of the other Party, which consent shall not be unreasonably withheld, except that the Owner's consent shall not be required for any assignment by Envirolink to an affiliate of Envirolink or its parent or to a wholly owned subsidiary of Envirolink.

ARTICLE 16 - CHANGES

Owner may request changes in the Scope of Services to be performed pursuant to this Agreement. All changes to the Scope of Services must be in writing and signed by the Parties. If any such changes cause an increase in Envirolink's costs and/or increase the time required for, or the nature of performance of the Scope of Services, Envirolink shall so notify Owner within thirty (30) days of receipt of the change order notification, and an equitable adjustment shall be made in Envirolink's Compensation and Payment, and this Agreement shall be modified by a Change Order signed by Envirolink and the Owner.

Owner may from time to time assign to Envirolink "Task Orders" which would consist of work outside the scope of this Agreement but within the expertise and experience of Envirolink and which may involve special repairs or maintenance, the scope and time of completion which will be elaborated at the time of assignment. Task Orders will be assigned as written change orders and payment will be made either by lump sum, provided Envirolink has furnished a written estimate of the cost of the proposed Task Order, or by time and material charges, should both Parties agree.

ARTICLE 17- DISPUTES

Any dispute arising under this Agreement shall be heard in the appropriate court of jurisdiction in the State of North Carolina.

ARTICLE 18- SEVERABILITY

In the event any provision of this Agreement is held to be invalid, illegal or unenforceable for any reason and in any respect, such invalidity, illegality or unenforceability thereof shall not affect the remainder of this Agreement, which shall be in full force and effect, enforceable in accordance with its terms.

ARTICLE 19 – HEADINGS AND DEFINITIONS

The section headings have been inserted for purposes of convenience and shall not be used for interpretive purposes.

ARTICLE 20 – SUCCESSORS BINDING AGREEMENT

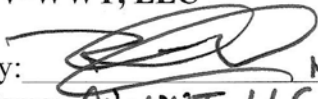
This Agreement shall be binding upon and inure the benefit of the Parties and their respective successors and permitted assigns.

ARTICLE 21 - ENTIRE AGREEMENT

This Agreement sets forth the entire agreement and understanding between the Parties as to the matters contained herein and merges and supersedes all prior discussion, proposals, presentations, agreements and understandings of every kind and nature among them. No Party shall be bound by any condition, definition or representation other than as expressly provided for in this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

CV-WWT, LLC

By:  _____
Name: CV-WWT, LLC
Title: Managing Member
Date: 12/23/15

Envirolink, Inc.

By: _____
Name: Michael J. Myers
Title: President
Date: _____

**Secretary
Envirolink, Inc.**

By: _____
Name: John D. Merritt, Jr
Title: VP/Sec/Treasurer
Date: _____

Exhibit A- NEED DESCRIPTIONS

Carolina Village Water System

- Two (2) wells
- Ground Storage Tank
- Hydropneumatic Tank
- Distribution system
- Approximately 170 active customers and 230 inactive customers

Carolina Village Wastewater Collection, Treatment and Disposal

- 0.4 MGD Biological Wastewater Treatment System
- High Rate Infiltration Pond (Offline)
- Dual purposed equalization/5 day upset pond (future)
- Effluent Pump Station
- Effluent Holding Pond (Offline)
- Five (5) sewer lift stations (no telemetry)
- Collection system
- Spray Irrigation System (existing)
- Spray Irrigation System (Proposed Temporary)
- Spray Irrigation System (Proposed Interim)

Temporary Spray Irrigation Facility

- High Rate Infiltration Pond – This pond will be repurposed for use as effluent holding.
- Diesel Powered Pump
- Spray Irrigation Reel
- Piping

EXHIBIT B

SCOPE OF SERVICES

Envirolink agrees to act and provide certain utility operation, management and maintenance services for the Facilities as described below. Pursuant to Article 16, any changes in the Scope of Services that cause an increase in Envirolink's costs and/or increases the time required for, or the nature of performance of the Scope of Services, an equitable adjustment shall be made to Envirolink's Compensation and Payment. The Scope of Services includes the following:

1. Envirolink will provide properly trained and certified staff in order to operate and manage the Facilities. Envirolink shall furnish the level of manpower needed to properly act as the Operator in Responsible Charge for the water and wastewater treatment systems, spray irrigation system, water distribution and wastewater collection system. Envirolink will provide all wages and salaries for the assigned personnel.
2. Envirolink will pay expenses as required in the performance of these duties, which include:
 - 1) Personnel costs for all staff, including overtime expenses for staff;
 - 2) Vehicles suitable for transporting equipment and operators;
 - 3) Fuel, taxes, tags, maintenance and insurance for vehicles;
 - 4) Normal operating supplies -- including tools and general supplies;
 - 5) Lab/testing (only including tests included on Exhibit F).
3. Envirolink will deal with the public and community groups in a professional manner. Any complaints received by the Owner will be acted upon immediately by the Owner, and the Owner will promptly inform an Envirolink representative of any complaints and subsequent actions.
4. All replacements, repairs, upgrades and new installations will be approved by Owner before work begins, except in cases of emergency where health, safety and violation of permit are at risk. Owner shall not unreasonably withhold, condition or delay its approval.

Operation, Maintenance, and Management of the Wastewater Treatment Plant

Envirolink will operate, maintain, and manage the Wastewater Treatment Plant for the Owner as follows:

- Provide a Primary Operator in Responsible Charge (Grade III or greater);
- Provide a Back-up Operator in Responsible Charge (Grade II or greater);
- Attendance at regulatory agency inspections and meetings;
- Purchase the analytical testing over the term of the contract for those parameters listed on the sample schedule in Exhibit F. For additional testing above this amount, Envirolink shall receive an equitable adjustment to the Agreement;
- Coordination with North Carolina regulatory agencies regarding the operation of the wastewater treatment plant;
- Monitor and record key operational control parameters;

- Monitor inventory levels of parts and supplies and coordinate replenishment;
- Maintain an operator log that records all operational adjustments and maintenance activities;
- Preparation of a wastewater performance annual report;
- Notify the Owner of any permit violations, specific equipment issues or capital requirements immediately upon discovery. Envirolink will indicate the reason for the violation or problems and provide an opinion of options and recommendation based on its experience in managing utilities;
- Lubricate equipment as needed;
- Monitor inventory levels of chemicals, parts and supplies and replenish;
- Test audio-visual alarms and telemetry;
- Respond to customer inquiries concerning the wastewater treatment plant; and
- *Adjustment to the Wastewater System.* No adjustment will be made to the process control of the wastewater system by personnel other than Envirolink employees or its contractors.

Operation, Maintenance, and Management of the Water Supply Wells and Water Treatment Systems

Envirolink will operate, maintain, and manage the Water Supply Wells for the Town. The following outlines the services included with the operation, maintenance, and management of the Water Supply Wells and Water Treatment Plant:

- Provide Primary Operator in Responsible Charge (Class C);
- Provide Back-up Operator in Responsible Charge (Class C or greater);
- Preparation, coordination and submittal of monthly chlorine and water usage reports;
- Preparation and submittal of the annual consumer confidence report;
- Attendance at regulatory agency inspections and meetings;
- Coordination with North Carolina Regulatory agencies regarding the operation of the water system;
- Purchase the analytical testing over the term of the contract for those parameters listed on the sample schedule in Exhibit F. For additional testing above this amount, Envirolink shall receive an equitable adjustment to the Agreement;
- Track compliance monitoring and collect and deliver to a certified laboratory (exhibit F) those parameters required according to the North Carolina Public Water Supply Section;
- Monitor and record key operational and process control parameters;
- Monitor inventory levels of chemicals, parts and supplies and replenish;
- Maintain an operator log that records all operational adjustments and maintenance activities;
- Notify the Owner of any permit violations or specific equipment issues or capital requirements immediately upon discovery. Envirolink will indicate the reason for the violation or problems and provide an opinion of options and recommendation based on its experience in managing utilities;
- Inspect the water treatment system components and processes;

- Lubricate equipment as needed;
- Adjustment to the Water System. No adjustment will be made to the process control of the water system by personnel other than Envirolink employees or its contractors.

Operation, Maintenance, and Management of the Wastewater Collection System:

Envirolink will operate, maintain, and manage the wastewater collection system as follows:

- Provide Primary Operator in Responsible Charge (Grade II);
- Provide Back-up Operator in Responsible Charge (Grade I or greater);
- Inspect five (5) lift stations two days during the week. Owner will be responsible for five day a week visitation including all weekends and holidays;
- Respond to sanitary sewer overflows and issue verbal reports within 24 hours and written notification and report to NCDENR within 5 days;
- Annual visual inspection of collection system and semi-annual inspection of high priority lines;
- Attendance at regulatory agency inspections and meetings;
- Coordination with North Carolina Regulatory agencies regarding the operation of the wastewater system; and
- Bi-annual inspection of high priority lines (if any) on the wastewater collection system.
- Respond to customer inquiries concerning the wastewater collection system;

Operation, Maintenance, and Management of the Water Distribution System

Envirolink will operate, maintain, and manage the water distribution system for the Community. The following outlines the services included with the operation, maintenance, and management of the water distribution system:

- Provide Primary Operator in Responsible Charge;
- Provide Back-up Operator in Responsible Charge;
- Attendance at regulatory agency inspections and meetings;
- Coordination with North Carolina regulatory agencies regarding the operation of the water system;
- Purchase the analytical testing over the term of the contract for those parameters listed on the sample schedule in Exhibit F. For additional testing above this amount, Envirolink shall receive an equitable adjustment to the Agreement;
- Upon testing of chlorine levels, collect bacteriological samples from the distribution system per the sample site plan (exhibit F) and deliver to a certified laboratory for analysis;
- Comply with the requirements of the lead and copper program, including distribution of lead and copper educational material and coordination of lead and copper sampling, as required by North Carolina Public Water Supply Section;
- Purchase the analytical testing over the term of the Agreement for those parameters listed on the attached sample schedule. For additional testing above this amount, Envirolink shall receive an equitable adjustment to the Agreement;

- Track compliance monitoring and collect and deliver to a certified laboratory those parameters required according to the North Carolina Public Water Supply Section;
- Monitor and record key operational and process control parameters;
- Monitor inventory levels of chemicals, parts and supplies and coordinate replenishment;
- Maintain an operator log recording all operational adjustments and maintenance activities;
- Notify the Owner of any permit violations or specific equipment issues or capital requirements immediately upon discovery. Envirolink will indicate the reason for the violation or problems and provide an opinion of options and recommendation based on its experience in managing utilities;
- Lubricate equipment as needed; and
- Adjustment to the Water System. No adjustment will be made to the process control of the water system by personnel other than Envirolink employees or its contractors, unless approved by Envirolink.

Design, Construction, Operation, Maintenance, and Management of the Temporary Spray Irrigation System

Envirolink will design, construct, operate, maintain, and manage a Temporary Spray Irrigation System as described in Section A. The following outlines the services included with the operation, maintenance, and management of the water distribution system:

- Provide diesel powered pump capable of spraying up to 35,000 gpd on to designated sprayfields;
- Provide one (1) spray irrigation reel capable of spraying up to 35,000 gpd at instantaneous rates ranging from 0.25 inches per hour to 0.5 inches per hour;
- Operate, maintain and manage the Temporary Spray Irrigation system until the Interim Spray Irrigation Facilities can be placed into service;

EXHIBIT C

Owner will supply the following:

1. An employee to act as a contracting officer representative responsible for coordinating operational matters and quality assurance for the services provided;
2. An employee to act as a contracting officer responsible for rendering decisions that affect pricing or contract terms. No oral or written statements of any unauthorized person(s) shall modify or otherwise affect the terms, conditions, Scope of Work, or drawings of the contract or contract. All modifications to the contract must be in writing by the contracting officer;
3. Emergency power generation;
4. Rehabilitative and correction of substandard conditions are the responsibility of the Owner.
5. Parts, materials and labor associated with replacement, repair, remedial, upgrades and new installation performed by Envirolink, at the request of the Owner, shall be invoiced monthly.
6. Owner agrees to use only qualified contractors or personnel for the repair, maintenance, replacements, renewal or renovation of any water and/or sewer facilities. This specifically requires the use of properly licensed personnel for any and all electrical work.
7. Supplies for the proper operation of the facilities shall be purchased by owner.
8. Owner will maintain all permits and licenses by NCDENR for both the water and wastewater treatment facilities.
9. Maintain all easements, licenses, and equipment warranties for the mutual benefit of both the Owner and Envirolink
10. Owner agrees to maintain a spare parts inventory and pay for all upgrades and modifications required by State or Federal regulatory agencies.
11. Owner agrees to provide immediate notice to Envirolink regarding any sewage spill at the facilities without regard to amount, time of day/night or perceived harmful effects.
12. Owner agrees to provide Envirolink with copies of all correspondence issued by Local, State, or Federal regulatory agencies concerning the facilities' compliance or noncompliance with laws, rules, standards, limitations, etc. within seven (7) days of receipt of same from and such agency.
13. Owner authorizes Envirolink to take or cause to take, and Envirolink, shall take or cause to take, immediate corrective action in the event of any malfunction, damage, or loss to any part of the facilities during the term of this agreement.
14. All utilities including water, sewer, electricity, internet and telecommunications services at no charge to Envirolink;
15. Owner will pay for all application and annual inspection fees for the facilities;
16. The Owner shall grant access and use of equipment as may be necessary for the operation and maintenance of the facilities;
17. Perform facilities modifications or safety measures required for compliance with OSHA regulations or findings; and facilities ground maintenance;
18. Maintain a spare parts inventory and pay for all upgrades and modifications required by State or Federal regulatory agencies;

19. Be responsible for any snow removal from the access roads to the wastewater treatment facilities;
20. Be responsible for any landscaping or vegetation control located at the wastewater treatment facilities;
21. Be responsible for sludge removal and or land application of sludge and large solids. The owner will pay for off-site hauling and disposal of solids that result from the operation of the wastewater treatment plant;
22. Reimburse Envirolink for any chemicals needed for treatment at the facilities. Envirolink will help the Owner procure chemicals needed for treatment at the wastewater treatment plant;
23. Provide 24 hour, seven day a week on-call emergency response for the facilities
24. Owner will visit the five (5) lift stations seven (7) times per week including all weekends and holidays. Owner will direct owner staff to utilize Envirolink standard forms and documentation as directed by the Operator in Responsible Charge.
25. Owner agrees to direct maintenance personnel that water & sewer matters, are first priority over any and all other duties and that they are make themselves available to the Operator in Responsible Charge and follow the directives of the Operator in Responsible Charge as it relates to preventive or corrective maintenance at the facility.
26. Owner shall be responsible for complying with all provisions of the Special Order by Consent in a timely manner;
27. Owner agrees to assume full liability against the theft or loss of Temporary Spray Irrigation System;
28. Owner shall pay for all fuel needed for the Temporary Spray Irrigation Facility, & Temporary Backup Power;
29. Owner shall provide temporary equalization for the wastewater system;
30. Owner shall provide temporary backup power for the wastewater treatment system;
31. Owner shall provide backup power in the event of an emergency;
32. Owner shall comply with the provisions of the Temporary Operating Plan attached hereto as Exhibit G. Any failure by Owner to comply with the provision of the Temporary Operating Plan shall be grounds for immediate termination of this agreement and forfeiture of any deposits or escrow monies;

**EXHIBIT D
 CONTRACT COMPENSATION**

1. MONTHLY OPERATING FEE

a) Owner shall pay Envirolink a monthly operating fee according to the following schedule:

Contract Line Item #	Description of Service	Monthly Payments	Number of Monthly Payments	Annual Payment
0001	Carolina Village Monthly Service Charge	\$4,000	12	\$48,000.00
0002	Irrigation Reel	\$2,000.00	Unknown	
0003	Diesel Powered Pumping Unit	\$1,500.00	Unknown	
0004	Piping	\$70 for 200ft	Unknown	
0005	35 KW Diesel Generator for WWTP	\$2,000.00	Unknown	
	Total	\$	12	\$

b) For the purposes of calculating the required deposit, chemicals are estimated at \$6,000 per year. Owner shall reimburse Envirolink for all chemicals purchased on behalf of Carolina Village.

c) For the purposes of calculating the required deposit, sludge hauling is estimated at \$6,000 per year. Owner shall pay sludge hauling cost directly.

d) Prior to the initiation of service, Owner shall provide Envirolink with a deposit of \$10,000 for first and last months service & reimbursable charges. Envirolink shall invoice Owner monthly for services provided for the previous month. Payment is required within 15 days. The deposit will be used to credit any outstanding balance after 25 days and Owner will be required to restore the balance of the deposit to its full amount. If Owner fails to maintain a full deposit or fails to pay Envirolink for any reason, Envirolink shall be permitted to immediately terminate this agreement regardless of any other provision in this agreement.

- e) Prior to the initiation of service, Owner shall provide \$5,570 for the first months rent on the backup generator and spray irrigation system.
- f) This fee shall be payable and due ten days after invoicing. Invoicing is expected to occur on or around the first day of each month for services rendered for the previous month.
- g) After 90 days, Owner shall maintain a Renewal & Replacement Account. Owner shall be required to maintain a Renewal & Replacement Account in the amount of \$20,000.00. These funds shall be dedicated to Renewal & Replacement of components to the water and wastewater system. Except in the case of an emergency, Envirolink shall provide owner with an estimate and obtain approval prior to the initiation of Renewal and Repair.
- h) To ensure continued use of the temporary hydro-pneumatic tank, Owner shall pay Southern Corrosion any outstanding balances for use of the hydro-pneumatic tank provided by Southern Corrosion. Additionally, owner shall engage Southern Corrosion for continued use of the hydro-pneumatic tank until the permanent tank can be delivered, installed and placed into service.

2. ADJUSTMENTS AND ADDITIONS TO MONTHLY OPERATING FEE

- a) Maintenance, replacement, repair, upgrade, rehabilitation and new installation outside the scope of the Operator in Responsible Charge (as approved by the Owner) shall be invoiced separately and will be based on time and materials needed for the job, payable to Envirolink within 15 days of invoice date. Failure to pay shall constitute authorization for escrow agent to use available funds for payment of said services.
- b) For additional services beyond the in-house capabilities of Envirolink, a markup of 15% will be made to all subcontractor labor and equipment, as well as purchased material, supplies and travel expenses.

3. ANNUAL ADJUSTMENTS

Annual fee adjustments will be based on the Consumer Price Index (CPI), Employment Cost Index (ECI) and Producer Price Index (PPI), and will be initiated on January 1st of each calendar year.

- a) CPI shall be used for all non-labor and chemical related expenses.
- b) ECI shall be used for personnel related expenses.

4. TASK ORDER AUTHORIZATION FOR ADDITIONAL WORK

All additional work under this Agreement, except for emergency situations, must be pre-approved and authorized by a representative of the Owner.

EXHIBIT E

Envirolink Preferred Client 2015 Labor Rates

Position	Hourly Rate
Director of Utility	\$120.00
Project Manager	\$80.00
Office/Billing Manager	\$43.00
Office Assistant	\$33.00
Inspector	\$55.00
Serviceperson II - Foreman	\$45.00
Serviceperson I - Skilled	\$40.00
Laborer	\$35.00
Grade A - Water	\$50.00
Grade B - Water	\$45.00
Grade C - Water	\$40.00
Cross Connection Operator	\$42.00
Laboratory Technician - Water	\$33.00
Grade IV - Wastewater	\$52.00
Grade III - Wastewater	\$47.00
Grade II - Wastewater	\$42.00
Grade I - Wastewater	\$40.00
Spray Irrigation System Operator	\$47.00
Physical/Chemical Operator	\$47.00
Subsurface Operator	\$42.00
Land Application Operator	\$42.00

*These rates are good during normal hours of operation (8AM-5PM)
Rates will be at 1.5x for labor outside of normal hours of operation.

Envirolink Preferred Client 2015 Equipment Rate Sheet

Equipment	Regular	Per
140 kw Generator	\$352.00	day
Loader	\$320.00	day
Mini Excavator	\$288.00	day
Air Compressor	\$288.00	day
Rubber Tire Backhoe	\$256.00	day
Crane Truck (3 ton)	\$216.00	day
Maintenance Truck	\$192.00	day
Chipper	\$160.00	day
Support Hose and PPE	\$108.00	day
Operator Truck	\$96.00	day
6" Godwin bypass pump	\$96.00	day
Leaf Truck	\$96.00	day
4" Trash Pump	\$72.00	day
2" Trash Pump	\$64.00	day
3" Trash Pump	\$64.00	day
Leak Detection	\$60.00	day
CFE PPE & Equipment	\$60.00	day
6 kw Generator	\$36.00	day
Smoke Testing Equipment	\$28.00	day
GPS Unit	\$28.00	day
Flow Monitoring - Sewer	\$20.00	day
6'x20' Suction hose	\$20.00	day
6"x50' Discharge hose	\$20.00	day
Combination Truck	\$120.00	hour
Vacuum Truck	\$100.00	hour
Mainline Camera	\$88.00	hour
Jetter	\$80.00	hour
Push Camera	\$60.00	hour
Confined Space Entry	\$60.00	entry

Mobilization Costs	
0-30 Miles	\$50.00
31-60 Miles	\$75.00
61-90 Miles	\$100.00
91-120 Miles	\$125.00

Envirolink Preferred Client 2015 Service Rate Sheet

Service (includes labor)	Rate	Per
Lateral Camera	\$2.50	ft
Mainline Camera (Readily accessible) - 2 man crew ¹	\$1.10	ft
Mainline Camera (Not Readily accessible) - 3 man crew ¹	\$4.80	ft
Jet&CCTV - 3 man crew ¹	\$1.80	ft
Jetting - 2 man crew ¹	\$1.10	ft
Smoke Testing ¹	\$0.45	ft
Manhole Inspections	\$54.00	Manhole
GPS Locating with Attribute data collection	\$9.00	Feature
Flow Test	\$300.00	Hydrant
First Response for Emergency Response ²	\$300.00	Response
Emergency Repairs/Corrective Action ^{3,4}		

1. For projects greater than 1,000 ft, otherwise see Equipment sheet for Hourly/Day Rates
2. Site must be less than 50 miles from Envirolink office. Includes only the response and assessment
3. Billed based on T&M for labor and equipment rates.
4. Subcontracted services billed at cost + 15%

OFFICIAL COPY
Mar 26 2024

Exhibit F- Sample Schedule

OFFICIAL COPY

Mar 26 2024

Utility Management Service Agreement
Envirolink, Inc. and
Equity First NC, LLC, CV-WWT, LLC, and Carolina Village NC, LLC

Dated: October 21, 2019

OFFICIAL COPY

Mar 26 2024

**Utility Management Service Agreement
Envirolink, Inc. and
Equity First NC, LLC, CV-WWT, LLC and Carolina Village NC, LLC**

This Utility Management Service Agreement (hereinafter referred to as the "Agreement") is made as of this 21st day of October, 2019 by and between Envirolink, Inc., a North Carolina Corporation (hereinafter called "Envirolink"), and **Equity First NC, LLC**, a North Carolina limited liability company ("EFNC"), **CV-WWT, LLC**, a North Carolina limited liability company ("CV-WWT") and **Carolina Village NC, LLC** (hereinafter called "CVNC"), a North Carolina limited liability company (hereinafter EFNC, CV-WWT and CVNC collectively called "Owner"). In this Agreement, Envirolink and the Owner are referred to collectively as the "Parties" and individually as a "Party". **Currituck Water and Sewer, LLC**, a North Carolina limited liability company ("CWS"), joins in the execution of this Agreement to confirm their agreements, indemnities, and guaranties set forth in Article 9.

Witnesseth

WHEREAS, CVNC owns and operates a mobile home community in the State of North Carolina;

WHEREAS, CV-WWT provides certain services to its tenants, including before the date of this Agreement water and wastewater utility services; and

WHEREAS, CV-WWT and EFNC own certain assets more fully described in Exhibit A; and

WHEREAS, CV-WWT, as permittee, is required under the laws of the State of North Carolina to provide the managerial, technical, financial, operational and maintenance capabilities as a condition of ownership of water and wastewater treatment systems; and

WHEREAS, Owner has authority under the laws of the State of North Carolina and desires to enter into a professional services contract for the management of utility assets described in Exhibit A; and

WHEREAS, Envirolink is in the business of providing the managerial, technical, financial, operational and maintenance services to utility owners; and

WHEREAS, Envirolink can render professional utility management services for the Owner; and

WHEREAS, Owner desires to engage Envirolink to provide such professional services, such that from and after the date of this Agreement, Envirolink will provide water and wastewater utility operation, maintenance and management services; and

WHEREAS, CWS has a direct or indirect monetary interest in the projected contemplated in the APA and joins in the execution of this Agreement to confirm its agreements, indemnities, and guaranties set forth in Article 9, as an inducement to Owner to enter in this Agreement, without which Owner would not enter into this Agreement.

NOW THEREFORE in consideration of the premises and of the rights, powers and duties hereinafter set forth to be performed by each, Owner and Envirolink mutually agree to the following terms and conditions.

ARTICLE 1: DEFINITIONS

Definitions: As used in this Agreement, the terms listed in this Article shall have the following meanings:

A. **“Certified Operator” or “Operator”** shall mean personnel, employees or agents of Envirolink certified by the North Carolina Department of Environmental Quality (“DEQ”) Wastewater Certification Board to operate and maintain wastewater treatment and related facilities.

B. **“Contract Start Date”** shall begin on October 21, 2019.

C. **“CWS”** shall mean Currituck Water and Sewer, LLC.

D. **“Facilities,” “Facility,” or “Wastewater Facilities”** shall mean the assets described in Exhibit A.

E. **“Operation, Management, and Maintenance Services” or “Scope of Services” or “Services”** shall mean those professional services provided by Envirolink to the Owner as set forth in Article 2 and in Exhibit B. Without limiting those items expressly set forth on Exhibit B, such terms shall include all services (including all expenditures and undertakings, all repairs, replacements, and upgrades) necessary to operate the water and wastewater utility systems (including the Facilities) as are necessary to provide water and wastewater service.

F. **“State”** shall mean the State of North Carolina.

G. **“Uncontrollable Circumstance”** shall include, without limitation, earthquake, hurricane, tornado, tropical storm, flood, ice storm, explosion, fire, lightning, landslide, and other similarly cataclysmic occurrences. Uncontrollable circumstance, however, excludes changes in local, state or federal law, unless they render this Agreement unlawful as written.

ARTICLE 2 - SCOPE OF SERVICES BY ENVIROLINK

Owner engages Envirolink and Envirolink agrees to be engaged by Owner to provide the Scope of Services, as set forth in Exhibit B (attached hereto and incorporated herein to this Agreement) and to be performed in accordance with the terms and conditions set forth herein. From and after the execution hereof and until the expiration of the Term of this Agreement as set forth herein, Envirolink agrees to provide all services (including all expenditures and undertakings, all repairs, replacements, and upgrades) necessary to operate the water and wastewater utility systems (including the Facilities) as are necessary to provide water and wastewater service to EFNC and CVNC and the property owned by either in Currituck County as of the date of execution of this Agreement such that from and after execution hereof, Owners shall have no responsibility, other than procuring insurance coverage on the Facilities as required in this Agreement, (including any maintenance, repair, or replacement obligations) whatsoever with respect to the operation of the water and wastewater utility system (including the Facilities) or with respect to the provision of water and wastewater services, all of which shall be the sole obligation of Envirolink.

In addition Envirolink shall obtain an amendment to and extension of the SOC (as defined in the APA, as the same may be amended) on terms reasonably acceptable to Owner.

ARTICLE 3 – RESPONSIBILITIES OF OWNER

Owner shall provide Envirolink with the items and assistance set forth in Exhibit C (attached hereto and incorporated herein to this Agreement), in accordance with the terms and conditions set forth herein.

Owner shall provide compensation and payment to Envirolink in accordance with the terms and conditions set forth in Article 7.

ARTICLE 4 – INDEPENDENT CONTRACTOR

Envirolink shall be deemed to be an independent contractor. Envirolink shall have no power or right to enter into contracts or commitments on behalf of the Owner unless specifically authorized in prior writing by the Owner to do so.

ARTICLE 5 – TERM OF AGREEMENT

Subject only to earlier termination as set forth in Article 6 below, the term of this Agreement shall begin on the Contract Start Date and shall not end until the later of (a) transfer of the water and sewer system to a third party North Carolina Utility Commission approved regulated utility other than Owners, (b) the date that the existing wastewater Facilities are repurposed and abated by CWS as required by and in accordance with Applicable Laws (as defined below) of the regulating authorities upon installation of a new wastewater treatment facility as contemplated under the APA (as defined below), (c) connection of the Owners' property to the CWRRF (as defined in the APA) being constructed by CWS such that Owners are able to achieve full and final satisfaction of their obligations under the SOC and such that Owners have no further liabilities or obligations under the SOC, and (d) rescission of the existing NC DEQ permit WQ004696 by DEQ. It is expressly understood that items a, b and c above will occur prior to item d, and it is, therefore, anticipated that this Agreement will terminate upon the achievement of item d.

The Owner shall turn the Facilities over to Envirolink on July 16, 2019, free and clear of the rights of any other operator thereof, and Envirolink shall commence providing the Services on the Contract Start Date.

ARTICLE 6 - TERMINATION

6.1 Termination for Default. Either party (the "Terminating Party") may terminate this Agreement if a material breach of any provision of this Agreement has been committed by the other party (the "Breaching Party") through no fault of the Terminating Party, provided that the following procedure is strictly adhered to:

6.1.1 The Terminating Party must give the Breaching Party written notice setting forth in detail the alleged deficiencies and a reasonable opportunity to correct them in accordance with provisions of this Article. Reasonable opportunity is dependent on the scope and nature of the alleged breach of contract and as such shall be determined on a case by case basis. If the Parties cannot agree on a mutually acceptable time frame, then a mutually agreed upon third party shall be consulted and both parties shall be bound by the time frame established.

6.1.2 If the deficiencies are not corrected within the time specified, the Terminating Party shall advise the Breaching Party that a Declaration of Default is imminent by sending written notice (a "Notice of Imminent Default") which shall set forth a description of the deficiencies constituting breach of this Agreement and provide the Breaching Party a period of not less than forty-five (45) days within which to correct such conditions. Provided, however, if the nature of the alleged default is such that additional time is required to correct such default as determined either by mutual agreement of the parties or by the mutually agreed upon third party referenced in Section 6.1.1 above, then, provided that the party receiving such notice (i) promptly presents a plan to the Terminating Party for correcting the default and (ii) takes immediate and substantial steps toward correcting the default, then the period for effecting a correction shall be reasonably extended in accordance with the plan presented by the party allegedly in default.

6.1.3 If such deficiencies are not corrected within the forty-five (45) day period, as the same may be extended, the Terminating Party may declare the Breaching Party in default by issuing a Declaration of Default stating the effective termination date of the Agreement.

6.1.4. In the event that the Breaching Party disputes that it has corrected the deficiencies, a mutually acceptable professional engineer licensed to practice in the State of North Carolina will be selected and retained by Breaching Party to be the judge of whether said deficiencies have been corrected.

ARTICLE 7 - COMPENSATION AND PAYMENT TO ENVIROLINK

For the services within the Scope of Services, Owner shall pay Envirolink compensation for each year during the Initial Term and each year during any renewal period as set forth in Exhibit D ("Monthly Fee") (attached hereto and incorporated herein to this Agreement).

Owner shall pay Envirolink on a monthly basis the Monthly Fee for the current year within thirty (30) days of issuance of an invoice from Envirolink for services provided during the preceding month. Owner shall pay Envirolink interest at an annual rate equal to one and one-half percent (1.5%) per annum, on payments not paid and received on the due date of the payment. Envirolink shall provide each invoice on or about the first day of the month for services provided during the preceding month.

ARTICLE 8 – SETTLEMENT OF ARREARAGE

Envirolink has previously been engaged to provide services for the Facilities pursuant to an agreement dated _____, 201__ (hereinafter "Prior Agreement"). Owner has not paid Envirolink in full for services previously provided. The Parties have agreed to compromise and settle the outstanding debt on the terms outlined in this Agreement, Article 8. As such, in consideration of the payments to be made by Owner to Envirolink as set forth herein, and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged by each Party hereto, the Parties agree to settle outstanding debt as follows:

8.1 The Parties agree that, as of the date of this Agreement, the total amount due from Owner to Envirolink is \$606,772.56 (the "Arrearage"). Envirolink and Owner each acknowledge that the

amount of the Arrearage agreed upon is a compromise and settlement. Upon execution of this Agreement, Owner shall pay the arrearage as follows:

\$407,712.00 to Envirolink upon execution of this Agreement.

8.1.2 Envirolink will agree to credit an additional \$199,101.56 payment against the Arrearage upon payment at Execution of this Agreement such that Owner is required only to pay \$407,712.00 and not more.

8.1.3 EFNC and CV-WWT and Currituck Water and Sewer, LLC, a North Carolina limited liability company, are parties to that certain Asset Purchase and Utility Construction and Maintenance Agreement dated as of October 21, 2019 (the "APA"). Payment of the Arrearage hereunder is contingent upon execution of the APA.

8.1.4 Notwithstanding anything to the contrary contained herein, immediately upon payment of the Arrearage to Envirolink in accordance with this Agreement, Owners and their owners, officers, members, managers, shareholders, attorneys, successors, and assigns (the "Owner Parties") shall be released and Envirolink does hereby release, acquit, and forever discharge Owners and the Owner Parties from any and all liabilities, costs, charges, claims, damages, or obligations that Envirolink or its affiliates now have or ever have had against the Owner Parties, whether known or unknown, arising under or in connection with the Prior Agreement and any services provided or allegedly provided by Envirolink or its affiliates to the Owner Parties prior to the execution of this Agreement, whether in connection with water, wastewater, or other services (including all labor, material, and services provided in connection therewith), whether related thereto or not.

8.1.5 Upon execution hereof, the parties terminate the Prior Agreement, which shall have no further force and effect, and except only as expressly set forth in this Agreement, the parties hereby release each other from all obligations under the Prior Agreement.

ARTICLE 9 – INDEMNIFICATION AND GUARANTY

During the full term of this Agreement, Envirolink agrees to indemnify and hold harmless the Owner, its officers, agents, servants, and employees from and against any and all suits, actions, legal proceedings, claims, demands, damages, fines, civil penalties, cost, expenses, and attorney's fees to the extent resulting from a breach of this Agreement or to the extent resulting from the negligence or willful misconduct of Envirolink, its officers, agents, servants and employees in the performance of this Agreement; provided, however, that Envirolink shall not be liable for any suits, actions, legal proceedings, claims, demands, fines, civil penalties, damages, costs, expenses, and attorney's fees arising out of the negligence or willful misconduct of the Owner, its officers agents, servants, and employees. Envirolink shall be given full authority to contest such suits, actions, legal proceedings, claims, demands, fines, civil penalties, and violations of this Agreement from parties other than Owner.

During the full term of this Agreement, Owner agrees to indemnify and hold harmless Envirolink, its officers, agents, servants, and employees from and against any and all suits, actions, legal

proceedings, claims, demands, damages, fines, civil penalties, cost, expenses, and attorney's fees to the extent resulting from a breach of this Agreement or to the extent resulting from the negligence or willful misconduct of Owner, its officers, agents, servants and employees in the performance of Owner's obligations under this Agreement; provided, however, that Owner shall not be liable for any suits, actions, legal proceedings, claims, demands, fines, civil penalties, damages, costs, expenses, and attorney's fees arising out of the negligence or willful misconduct of the Envirolink, its officers agents, servants, and employees. Owner shall be given full authority to contest such suits, actions, legal proceedings, claims, demands, fines, civil penalties, and violations of this Agreement from parties other than Envirolink.

Neither Party nor its affiliates shall be liable to the other Party for any special, consequential, indirect or incidental damages relating in any way to this Agreement or the Facilities, loss of actual or anticipated profits or revenue; provided, however, that notwithstanding the foregoing, Envirolink will defend, indemnify and hold harmless Owner for any breach of Envirolink's obligations under the following paragraph of this Article 9, otherwise known as a compliance guarantee and indemnity.

With the understanding that the existing SOC has expired and that Envirolink intends to negotiate a new SOC on behalf of the Owners, Envirolink and CWS, jointly and severally, hereby represent, warrant, covenant, and guaranty that Envirolink will operate the water and wastewater utility system in accordance with all applicable rules, regulations, laws, and orders of governmental authorities, including without limitation any future SOC and NC DEQ permit WQ004696 (collectively the "Applicable Laws"). In accordance with the foregoing, Envirolink and CWS, jointly and severally, also agree to assume responsibility, at their sole cost and expense, of complying with the terms and conditions of any future SOC and to complete any repairs, installations, replacements, system upgrades, system repairs, component upgrades, component repairs, and equipment upgrades and repairs required by future SOC, required to comply with all terms, conditions, and obligations of the future SOC, and required to apply with all Applicable Laws. Without limiting the foregoing, Envirolink and CWS, jointly and severally, hereby represent, warrant, covenant, and guaranty that the operation of the water and wastewater system (including the Facilities) and the provision of services therefrom will comply in all respects with all Applicable Laws, including any future SOC and the DEQ permit, and Envirolink and CWS agree to indemnify and hold harmless Owner, its officers, agents, servants, and employees from and against any and all suits, actions, legal proceedings, claims, demands, damages, fines, civil penalties, costs, fees, expenses, and attorney's fees to the extent resulting from a failure of the water and wastewater utility system (including the Facilities) and the use, operations, and services thereof or therefrom to comply with all Applicable Laws, including any future SOC and the DEQ permit, whether or not due to the inaction or action of Envirolink and CWS. Envirolink and CWS, jointly and severally, hereby represent, warrant, covenant, and guaranty to indemnify Owner for any failure of the following: (a) compliance with any future SOC by Envirolink and CWS hereunder and, as applicable; (b) that all permits, other than Permit No. WQ0004696, to operate the water and wastewater utility system and the Facilities (including the CWRRF under the APA) will be changed to CWS or its affiliates as contemplated by the APA, thereby relieving Owner and their affiliates from any obligations thereunder; and (c) either Envirolink, under this Agreement, or CWS, under the APA, will provide ongoing water and wastewater services to CVNC to support its ongoing business needs up to 184 mobile homes, community common areas, clubhouse, and pool. Envirolink and CWS shall be given full authority to contest such suits, actions, legal proceedings, claims, demands, fines, civil penalties, and violations of this paragraph from parties other than Owner.

The provisions of this Article 9 shall survive a termination of this Agreement.

ARTICLE 10 – NON-DISPARAGEMENT

Subject to applicable law, each of the Parties covenants and agrees that neither it, nor any of its respective agents, subsidiaries, affiliates, successors, assigns, officers, key employees or directors, will in any way publicly disparage, call into disrepute, defame, slander or otherwise criticize the other Parties or such other Parties' subsidiaries, affiliates, successors, assigns, officers (including any current officer of a Party or a Parties' subsidiaries who no longer serves in such capacity following the execution of this Agreement), directors (including any current director of a Party or a Parties' subsidiaries who no longer serves in such capacity following the execution of this Agreement), employees, shareholders, agents, attorneys or representatives, or any of their products or services, in any manner that would damage the business or reputation of such other Parties, their products or services or their subsidiaries, affiliates, successors, assigns, officers (or former officers), directors (or former directors), employees, shareholders, agents, attorneys or representatives. Provided, however, any Party may state that the Parties executed this agreement to operate the Facilities.

ARTICLE 11 - INSURANCE

Envirolink shall maintain at its own expense Worker's Compensation, Commercial General Liability, and Automobile Liability insurance policies for the duration of this Agreement in the following amounts:

<u>Type of Insurance</u>	<u>Limits of Liability</u>
Workers' Compensation	Statutory Workers' Compensation
Commercial General Liability	\$1,000,000 limit for personal injury and property damage per occurrence and \$2,000,000 in the aggregate
Automotive Liability (Auto)	\$1,000,000 each accident or loss Combined Bodily Injury and Property Damage All Vehicles covered hired car and non-owned Automobiles.

Owner agrees to indemnify and hold harmless Envirolink in the event that any act by an agent or employee of Owner results in any claims against Envirolink. Envirolink agrees to indemnify and hold harmless Owner in the event that any act by an agent or employee of Envirolink results in any claims against Owner. Each Party agrees to include the other in any liability insurance policies it holds as a named insured, and certificates of insurance shall be provided upon request. In no event shall either Party be responsible for the intentional wrongful acts of the other. All policies of liability insurance required to be maintained by Envirolink shall provide that coverage shall not be canceled or non-renewed until at least thirty (30) days prior notice has been given, except only ten (10) days' notice shall be provided for non-payment of premium.

Owner shall maintain existing property insurance and name Envirolink as an additional insured. Owner shall provide a copy of the certificate for such policy to Envirolink. Envirolink will obtain coverage

on the water and wastewater Facilities on an all-risk or special perils basis, including wind and hail coverage, naming Owner as an additional named insured. Envirolink will provide a copy of the certificate of such policy to Owner. Owner will reimburse, promptly upon invoice with proof of the premium, Envirolink up to an annual maximum of \$10,000 in premiums for such policy on the Facilities.

ARTICLE 12 – UNCONTROLLABLE CIRCUMSTANCE

Except for the obligation to pay compensation (provided that a Party shall be relieved of any compensation required to be paid hereunder if a Party is not performing its obligations for which payment is due as a result of Uncontrollable Circumstance), a Party's performance under this Agreement shall be excused if, and to the extent that, the Party is unable to perform due to an Uncontrollable Circumstance. In the event of an Uncontrollable Circumstance, if a Party is unable to perform certain services required by the Agreement, then that Party shall promptly notify the other Party of the existence of such Uncontrollable Circumstance and the specific services that cannot be performed. The Party unable to perform certain services shall perform all services under this Agreement which are not affected by the Uncontrollable Circumstance. The Party unable to perform shall be required to resume performance of its obligations under this Agreement upon the termination of the Uncontrollable Circumstance.

ARTICLE 13: FORCE MAJEURE

Neither Party shall be considered in default in the performance of its obligations hereunder to the extent that performance of such obligations is delayed, hindered or prevented by any cause which is beyond the reasonable control of such Party (hereinafter called "Force Majeure"). Force Majeure includes, but is not limited to, any of the following, if reasonably beyond the control of the Party claiming Force Majeure: war (declared or undeclared), blockages, hostilities, revolutions, riots, strikes, lockouts or other labor disturbances, epidemics, fires, delays or interruptions in transportation, terrorist acts, or any other cause (whether or not of kinds specifically mentioned herein) that is not reasonably within the control of the Party claiming Force Majeure, but specifically excluding Applicable Laws or other governmental conditions, restrictions, or impositions.

ARTICLE 14 – DERIVATIVE IMMUNITY

The Owner acknowledges and agrees that the Owner has asked Envirolink to meet and keep certain specifications and requirements for the operation, maintenance and management of the Facilities and Envirolink has agreed to comply to those specifications and requirements, and as such, shall have, to the extent necessary and permitted by applicable law, such immunities as the Owner may have from suit and from liability to third parties in connection with the operation, maintenance and management of the Facilities; provided, however, that the foregoing shall not be deemed or interpreted to shield Envirolink from any liability to Owner, including without limitation as set forth in the indemnification provisions of this Agreement. Nothing herein shall or be construed to constitute any waiver by Envirolink of any claim or defense of immunity of any kind permitted by law against any third party, and Envirolink expressly intends to preserve and does preserve and retain all such rights.

ARTICLE 15 - NOTICE

For purposes of this Agreement, notices and all other communications provided for or permitted herein shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by United States certified mail or nationally recognized courier service, prepaid, return receipt requested, addressed as follows:

If to Envirolink:

Carr McLamb
General Counsel
Envirolink, Inc.
4700 Homewood Ct., Suite 108
Raleigh, NC 27609
Tel 919-827-4631
Email: jmclamb@envirolinkinc.com

If to the Owner:

Equity First NC, LLC
CV-WWT, LLC
CVNC, LLC
53 E. Main St., Suite H
Franklin, NC 28734
Attn: Mr. Robert Miller

With copy to:

Manning, Fulton & Skinner, P.A.
Attn: Joseph B. Bass III
3605 Glenwood Ave., Ste. 500
Raleigh, NC 27612

Or to such other addresses as either party may furnish to the other in writing in accordance herewith, except that notices of changes of address shall be effective only upon receipt. The parties must provide written notice of any changes to the authorized representatives in advance of such change.

The following individuals are the point of contact for the administration of this Agreement:

Envirolink:

Mr. Carr McLamb
Envirolink, Inc
4700 Homewood Ct., Suite 108
Raleigh, NC 27609
Tel 919-827-4631
Email: jmclamb@envirolinkinc.com

Owner:

Equity First NC, LLC
CV-WWT, LLC
CVNC, LLC
53 E. Main St., Suite H
Franklin, NC 28734
Attn: Mr. Robert Miller

ARTICLE 16 - GOVERNING LAW

The interpretation, validity, effect, and enforcement of this Agreement are to be governed and construed in accordance with the laws of the State of North Carolina.

ARTICLE 17 - ASSIGNMENT

The benefits and obligations hereunder shall inure to, and be binding upon, the Parties hereto. This Agreement may not be assigned by either Party, either in whole or in part, without the prior written consent of the other Party, which consent shall not be unreasonably withheld, except that either Party's consent shall not be required for an assignment to an affiliate, parent company or to a wholly owned subsidiary of either Party.

ARTICLE 18 – CHANGES and AMENDMENTS

This Agreement may not be modified unless in writing signed by both Parties.

Owner may from time to time assign to Envirolink "Task Orders" which would consist of work outside the scope of this Agreement (i.e., not relating in any way to the provision of water and wastewater services contemplated to be provided hereunder) but within the expertise and experience of Envirolink and which may involve special repairs or maintenance, the scope and time of completion which will be elaborated at the time of assignment. Task Orders will be assigned as written change orders signed by both Parties and payment will be made either by lump sum, provided Envirolink has furnished a written estimate of the cost of the proposed Task Order, or by time and material charges, should both Parties agree.

ARTICLE 19 – ACCESS AND USE OF OWNER EQUIPMENT

Owner shall provide to Envirolink access to and use of the real property, equipment, improvements, buildings, structures, and facilities that are under the Owner's ownership or control that are presently located within the Owner's jurisdictional limits, subject to the Use Conditions (as defined below). Additionally, Owner shall provide access to and use of all real property, equipment, improvements, buildings, structures, and facilities that are under the Owner's ownership or control that are required by Envirolink to fulfill its obligations under this Agreement, subject to the Use Conditions. The "Use Conditions" as used in this Article 19 mean that any use of and access to such property shall be subject to the rights of any third parties with respect thereto, that Envirolink shall have the use of and access to such property only as necessary and only for so long as necessary to provide the services required by Envirolink to be performed hereunder, and only at reasonable times and with reasonable advanced notice to Owner (except in the event of an emergency risking imminent harm to person or property).

ARTICLE 20: DISPUTES AND VENUE

Any dispute arising under this Agreement shall be heard exclusively in the Superior Court Division of the North Carolina General Court of Justice.

ARTICLE 21 - SEVERABILITY

In the event any provision of this Agreement is held to be invalid, illegal or unenforceable for any reason and in any respect, such invalidity, illegality or unenforceability thereof shall not affect the remainder of this Agreement, which shall be in full force and effect, enforceable in accordance with its terms.

ARTICLE 22 – HEADINGS AND DEFINITIONS

The section headings have been inserted for purposes of convenience and shall not be used for interpretive purposes.

ARTICLE 23 – SUCCESSORS BINDING AGREEMENT

This Agreement shall be binding upon and inure the benefit of the Parties and their respective successors and permitted assigns.

ARTICLE 24 - ENTIRE AGREEMENT

This Agreement sets forth the entire agreement and understanding between the Parties as to the matters contained herein and merges and supersedes all prior discussion, proposals, presentations, agreements and understandings of every kind and nature among them. No Party shall be bound by any condition, definition or representation other than as expressly provided for in this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

SIGNATURE PAGES TO FOLLOW

Equity First, LLC


By: 

Name: Bob Miller

Title: Member

Date: 10/21/19

CV-WWT, LLC

By: 

Name: Bob Miller

Title: Member

Date: 10/21/19

Carolina Village NC, LLC

By: 

Name: Bob Miller

Title: Member

Date: 10/21/19

Envirolink, Inc.

By: _____

Name: Michael J. Myers

Title: President

Date: _____

SIGNATURE PAGE FOLLOWS ON NEXT PAGE

Equity First, LLC

By: _____

Name: _____

Title: _____

Date: _____

CV-WWT, LLC

By: _____

Name: _____

Title: _____

Date: _____

Carolina Village NC, LLC

By: _____

Name: _____

Title: _____

Date: _____

Envirolink, Inc.

By:  _____

Name: Michael J. Myers

Title: President

Date: 10-27-19 _____

SIGNATURE PAGE FOLLOWS ON NEXT PAGE

Currituck Water & Sewer, LLC

By: *Michael J. Myers*

Name: *Michael J. Myers*

Title: *Chairman*

Date: *10-21-19*

OFFICIAL COPY

Mar 26 2024

EXHIBIT A
Description of Owner Facilities

Carolina Village Water System

1. Three wells, all constructed around 1970:
 - a. 124 feet deep; 4-inch casing; 20-foot screen; rate is approximately 40 gpm.
 - b. 114 feet deep; 4-inch casing; 20-foot screen; rate is approximately 52 gpm.
 - c. 116 feet deep; 4-inch casing; 20-foot screen; rate is approximately 72 gpm.
2. One 100,000-gallon ground storage tank.
3. Booster pump building with transfer pumps and chemical injection.
4. One 5,000-gallon hydro-pneumatic tank.
5. Water mains (all PVC):
 - a. 2-inch: 3,500 LF
 - b. 4-inch: 9,610 LF
 - c. 6-inch: 4,620 LF
6. 184 active service connections; 441 total.

Carolina Village Sewage Collection and Treatment System:

1. Gravity Sewer (installed as vitrified clay):
 - a. 4-inch: 33,075 LF
 - b. 6-inch: 4,367 LF
 - c. 8-inch: 14,281 LF
2. 88 Manholes
3. Four Lift Stations, all equipped with 5 hp pumps.
4. Force Mains (assumed to be PVC):
 - a. 4-inch: 2,388 LF
 - b. 6-inch: 3,565 LF
5. 40,000 gallon per day wastewater treatment facility:
 - a. Equalization facility
 - b. Concrete extended aeration facility:
 - i. Aeration
 - ii. Clarification
 - iii. Filtration
 - iv. Sludge holding
 - v. Effluent pumping
 - vi. Generator with Automatic Transfer Switch
 - c. Temporary Irrigation areas
 - d. Property associated with existing and future wastewater treatment

Exhibit B Envirolink Scope of Services

Envirolink agrees to act and provide certain utility operation, management and maintenance services for the facilities as described below. Pursuant to Article 18, any changes in the Scope of Services that cause an increase in Envirolink's costs and/or increases the time required for, or the nature of performance of the Scope of Services, an equitable adjustment shall be made to Envirolink's Compensation and Payment. The Scope of Services includes the following:

1. Envirolink will operate, maintain and manage the Carolina Village water and wastewater facilities. The following outlines the services included with the operation, maintenance and management of the District.
 - a. Well System Operation, Maintenance and Management
 - b. Water Distribution System Operation, Maintenance and Management;
 - c. Wastewater Collection System Operation, Maintenance and Management;
 - d. Wastewater Treatment System Operation, Maintenance and Management.
2. Envirolink will pay expenses as required in the performance of these duties, which include:
 - 1) Personnel costs for all staff, including overtime expenses for staff;
 - 2) Vehicles suitable for transporting Envirolink equipment and personnel;
 - 3) Fuel, taxes, tags, maintenance and insurance for Envirolink vehicles;
 - 4) Normal operating supplies -- including tools and general supplies;
 - 5) Laboratory testing for compliance monitoring;
 - 6) Preventive maintenance; and
 - 7) All corrective maintenance.
3. Envirolink will provide back-up and professional support in the area of Utility Services related to functioning as the Operator in Responsible Charge;
4. Envirolink will deal with the public and community groups in a professional manner. Any complaints received by the Owner will be acted upon immediately by Envirolink, and the Owner will promptly inform an Envirolink representative of any complaints and subsequent actions.
5. Envirolink's Manager or appropriate staff will attend meetings with officials of State and Federal Regulatory Agencies, upon request by the Owner.

Operation, Maintenance, and Management of the Wastewater Treatment Plant

Envirolink will operate, maintain, and manage the Wastewater Treatment Plant for the Owner as follows:

- Provide a Primary Operator in Responsible Charge (Grade III or greater with spray irrigation certification);
- Provide a Back-up Operator in Responsible Charge (Grade II or greater with spray irrigation certification);
- 24 hour, seven days a week on call emergency response;
- Attendance at regulatory agency inspections and meetings;

- Coordination with North Carolina regulatory agencies regarding the operation of the wastewater treatment plant;
- Monitor and record key operational control parameters;
- Monitor inventory levels of parts and supplies and coordinate replenishment;
- Maintain an operator log that records all operational adjustments and maintenance activities;
- Preparation of a wastewater performance annual report;
- Notify the Owner of any permit violations, specific equipment issues or capital requirements immediately upon discovery. Envirolink will indicate the reason for the violation or problems and provide an opinion of options and recommendation based on its experience in managing utilities;
- Envirolink will be responsible for the cost associated with providing power for the Facilities;
- Lubricate equipment as needed;
- Coordinate and Execute Preventive Maintenance Activities
- Coordinate Corrective Maintenance Activities
- Execute Corrective Maintenance Activities.
- Test audio-visual alarms and telemetry;
- Respond to customer inquiries concerning the wastewater treatment plant;
- Make all necessary repairs, maintenance, and replacements to the wastewater treatment plant and all facilities related thereto in accordance with Applicable Laws up to the amount of Free Cash; and
- Adjustment to the Wastewater System. No adjustment will be made to the process control of the wastewater system by personnel other than Envirolink employees or its contractors.

Operation, Maintenance, and Management of the Wastewater Collection System:

Envirolink will operate, maintain, and manage the wastewater collection system as follows:

- Provide Primary Operator in Responsible Charge (Grade II);
- Provide Back-up Operator in Responsible Charge (Grade I or greater);
- 24 hour, seven days a week on call emergency response
- Repair and/or unclog sewer lines;
- Repair and/or unclog sewer cleanouts;
- Inspect three lift stations, as required by NCDEQ on at least a weekly basis;
- Respond to sanitary sewer overflows and issue verbal reports within 24 hours and written notification and report to NCDEQ within 5 days;
- Annual visual inspection of collection system and semi-annual inspection of high priority lines;
- Clean lift stations two times per year;
- Clean 10% of the sewer collection system per year;
- Attendance at regulatory agency inspections and meetings;
- Coordination with North Carolina Regulatory agencies regarding the operation of the wastewater system;
- Make all necessary repairs, maintenance, and replacements to the wastewater collection system and all facilities related thereto in accordance with Applicable Laws (up to the point of connection with any home or other building);

- Bi-annual inspection of high priority lines (if any) on the wastewater collection system; and
- Respond promptly including by performing all remedial action necessary (within reasonable time frames, except in the event of an emergency when Envirolink shall respond in accordance with its established procedures) to customer and Owner inquiries concerning the wastewater collection system.

Operation, Maintenance, and Management of the Water Supply Wells and Water Treatment Systems

Envirolink will operate, maintain, and manage the Water Supply Wells for the Owner. The following outlines the services included with the operation, maintenance, and management of the Water Supply Wells and Water Treatment Plant:

- Respond promptly including by performing all remedial action necessary (consistent with Envirolink's standard procedures) to customer and Owner inquiries concerning the water supply wells and the water treatment systems;
- Perform other customer service-related work orders typical of a private utility;
- Make all necessary repairs, maintenance, and replacements to the water supply wells and water treatment systems and all facilities related thereto in accordance with Applicable Laws (up to the point of connection with any home or other building);
- Provide Primary Operator in Responsible Charge (Class C);
- Provide Back-up Operator in Responsible Charge (Class C or greater);
- 24-hour, seven day a week on call emergency response;
- Preparation, coordination and submittal of monthly chlorine and water usage reports;
- Purchase chemicals for use in water treatment;
- Preparation and submittal of the annual consumer confidence report to the Owner;
- Attendance at regulatory agency inspections and meetings;
- Coordination with North Carolina Regulatory agencies regarding the operation of the water system;
- Track compliance monitoring and collect and deliver to a certified laboratory those parameters required according to the North Carolina Public Water Supply Section;
- Monitor and record key operational and process control parameters;
- Monitor inventory levels of chemicals, parts and supplies and replenish;
- Maintain an operator log that records all operational adjustments and maintenance activities;
- Notify Owner of any permit violations or specific equipment issues or capital requirements immediately upon discovery. Envirolink will indicate the reason for the violation or problems and provide an opinion of options and recommendation based on its experience in managing utilities and will undertake approved solutions;
- Inspect the water treatment system components and processes;
- Lubricate equipment as needed;
- Adjustment to the Water System. No adjustment will be made to the process control of the water system by personnel other than Envirolink employees or its contractors.

Operation, Maintenance, and Management of the Water Distribution System

Envirolink will operate, maintain, and manage the water distribution system for the Owner. The following outlines the services included with the operation, maintenance, and management of the water distribution system:

- Respond promptly including by performing all remedial action necessary (within 24 hours or less, except in the event of an emergency when Envirolink shall respond immediately consistent with Envirolink's standard procedures) to customer and Owner inquiries concerning the water distribution system (up to the point of connection with any home or other building);
- Perform other customer service-related work orders typical of a private utility;
- all necessary repairs, maintenance, and replacements to the water distribution system and all facilities related thereto in accordance with Applicable Laws;
- Provide Primary Operator in Responsible Charge (Grade B);
- Provide Back-up Operator in Responsible Charge;
- Perform point repairs on water lines to a depth of 4 feet;
- Provide a certified operator to operate and manage the Owner's water distribution system;
- 24-hour, seven day a week on call emergency response;
- Attendance at regulatory agency inspections and meetings;
- Coordination with North Carolina regulatory agencies regarding the operation of the water system;
- Upon testing of chlorine levels, collect bacteriological samples from the distribution system per the sample site plan and deliver to a certified laboratory for analysis;
- Comply with the requirements of the lead and copper program, including distribution of lead and copper educational material and coordination of lead and copper sampling, as required by North Carolina Public Water Supply Section;
- Collect and deliver to the laboratory samples according the sample site plan for disinfection by-product monitoring as required by the North Carolina Public Water Supply Section;
- Purchase the analytical testing over the term of the Agreement for those parameters required by the North Carolina Department of Environmental Quality. For additional testing above this amount, Envirolink shall receive an equitable adjustment to the Agreement;
- Track compliance monitoring and collect and deliver to a certified laboratory those parameters required according to the North Carolina Public Water Supply Section;
- Monitor and record key operational and process control parameters;
- Monitor inventory levels of chemicals, parts and supplies and coordinate replenishment;
- Maintain an operator log recording all operational adjustments and maintenance activities;
- Notify the Owner of any permit violations or specific equipment issues or capital requirements immediately upon discovery. Envirolink will indicate the reason for the violation or problems and provide an opinion of options and recommendation based on its experience in managing utilities and will undertake approved solutions;
- Lubricate equipment as needed; and
- Adjustment to the Water System. No adjustment will be made to the process control of the water system by personnel other than Envirolink employees or its contractors, unless approved by Envirolink.

Utility Management Support

Envirolink will provide the following services in providing utility management support:

- Participate in strategic planning and long-term initiative meetings;
- Provide program management for master planning activities related to the Utility Systems;
- Provide program management for water, sewer and stormwater rate review and provide recommendations. Final approval of rate recommendations shall be the responsibility of Owner leaders;
- Develop annual capital and operating and maintenance budgets;
- Monitor and report on future regulatory initiatives and changes that could potentially affect the Owner and its utility systems;
- Identify system deficiencies;
- Provide program management for capital and engineering activities related to the Utility activities;
- Provide program management for utility construction standards, including maintenance, management and enforcement of standards once developed, but does not include the initial development of utility standards;
- Attend meetings, such as, but not limited to, budget, pre-design meetings, design charettes, preconstruction meetings, construction meetings, and partnering meetings;
- On behalf of Owner, coordinate activities related to the Special Order by Consent.

Other responsibilities:

Envirolink will provide the other following services:

- Provide all services required of a utility operate under Applicable Laws;
- Shut off end user customers for non-payment, all subject to Applicable Laws;
- Turn on customers after the Owner has received payment;
- All utilities including water, sewer, electricity, and telecommunications services;
- Emergency power generation;
- Rehabilitative and correction of substandard conditions are the responsibility of the Envirolink.
- Envirolink agrees to maintain a spare parts inventory and pay for all upgrades and modifications required by State or Federal regulatory agencies.
- If applicable, Envirolink will enter into a separate lease agreement covering the use of Owner equipment.

EXHIBIT C
Owner Responsibilities

- Respond to customer inquiries concerning the water distribution system, directing inquiries to Envirolink, as necessary;
- Perform other customer service-related work orders typical of a private utility, directing inquiries and orders to Envirolink, as necessary;
- Maintain an employee to act as a contracting officer representative responsible for coordinating operational matters and quality assurance for the services provided by Envirolink;
- Maintain an employee to act as a contracting officer responsible for rendering decisions that affect pricing or contract terms. No oral or written statements of any unauthorized person(s) shall modify or otherwise affect the terms, conditions, Scope of Work, or drawings of the contract or contract. All modifications to the contract must be in writing by the contracting officer;
- Owner will maintain all permits and licenses by NCDEQ for both the water and wastewater treatment facilities, but Envirolink will coordinate activities to maintain such permits and licenses.
- The Owner shall grant access and use of utility equipment as may be necessary for the operation and maintenance of the Owner Facilities in accordance with the Agreement terms.
- Maintain all easements, licenses, and equipment warranties for the mutual benefit of both the Owner and Envirolink
- If applicable, Owner will enter into a separate lease agreement covering the use of Owner equipment.

EXHIBIT D
Pricing

1. MONTHLY OPERATING FEE

a) Owner shall pay Envirolink a Monthly Fee according to the following schedule:

Pay \$60 per month for a minimum of 159 homes, and \$70 per month for each occupied home with respect to which Owner CVNC receives a rent payment for each home over the total number of 159 homes which is occupied and for which Owner CVNC receives a rent payment. That is, if 162 homes are occupied and paying rent, then Owner would pay \$60 for 159 homes and \$70 for three homes.

b) This Monthly Fee shall be payable and due monthly thirty (30) days after invoicing. Invoicing is expected to occur on or around the fifteenth of each month for services rendered for the next month.

2. ADJUSTMENTS AND ADDITIONS TO MONTHLY OPERATING FEE

90 days prior to the one-year anniversary of this Agreement, the Parties shall mutually agree to adjust the Monthly Fee in paragraph 1 above to account for unrecovered expenses exceeding operating revenues, not to exceed a 10% increase in the Monthly Fee.