

SANFORD LAW OFFICE, PLLC
Jo Anne Sanford, Attorney at Law

April 22, 2022

Ms. A. Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

Via Electronic Filing

Re: Application for Transfer of Public Utilities Franchise and for Approval of Rates, Filed by Water Resource Management, Inc. (W-1073, Sub 7) and Carolina Water Service, Inc. of North Carolina (W-354, Sub 396)

Dear Ms. Dunston:

Attached please for filing an Application for Transfer of Public Utility Franchise and for Approval of Rates filed by Water Resource Management, Inc., (“Water Resource”), the Seller, and Carolina Water Service, Inc., of North Carolina (“CWSNC”), the Purchaser. The Application is being filed in Docket Nos. W-1073, Sub 7 and W-354, Sub 396.

As always, thank you and your staff for your assistance; please feel free to contact me if there are any questions or suggestions.

Sincerely,

Electronically Submitted

/s/Jo Anne Sanford
Attorney for Carolina Water Service,
Inc. of North Carolina

cc: Parties of Record

SELLER DOCKET NO. W-1073, Sub 7
PURCHASER DOCKET NO. W-354, Sub 396
FILING FEE RECEIVED _____

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

INSTRUCTIONS

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

SELLER

- 1. Trade name used for utility business Water Resource Management, Inc.
- 2. Mailing address 151 Mr Bish Boulevard, Boone, NC, 28607
- 3. Business telephone number 828-963-7600

PURCHASER

- 4. Trade name used for utility business Carolina Water Service, Inc. of North Carolina
- 5. Name of owner (if different from trade name) Corix Regulated Utilities, Inc.
- 6. Business mailing address P.O. Box 240908
City and state Charlotte, NC Zip code 28224
- 7. Business street address (if different from mailing address) 4944 Parkway Plaza Blvd., Suite 375, Charlotte, NC 28217
- 8. Business telephone number 704-525-7990
- 9. If corporation, list the following:
President Donald Denton Vice President Allen Wilt
Secretary Allen Wilt Treasurer Jim Andrejko
Three (3) largest stockholders and percent of voting shares held by each
Corix Regulated Utilities, Inc. 100%
- 10. If partnership, list the owners and percent of ownership held by each
N/A
- 11. Is the purchaser acquiring the utility assets or stock? Assets
(No filing fee required if stock transfer only.)

PROPOSED AND PRESENT RATES

	<u>Proposed Rates</u>	<u>Present Rates</u>
12. Metered Residential Service:		
Water:	<u>CWSNC Uniform Rate Group</u>	<u>N/A</u>
Sewer:	<u>CWSNC Uniform Rate Group</u>	<u>N/A</u>
13. Flat Rate Residential Service:		
Water:	<u>CWSNC Uniform Rate Group</u>	<u>\$20 monthly flat rate</u>
Sewer:	<u>CWSNC Uniform Rate Group</u>	<u>\$28.20 monthly flat rate</u>
14. Nonresidential Service (explain):		
Water:	<u>CWSNC Uniform Rate Group</u>	<u>N/A</u>
Sewer:	<u>CWSNC Uniform Rate Group</u>	<u>N/A</u>
15. Tap-on fees:		
Water:	<u>See APA.</u>	<u>\$300</u>
Sewer:	<u>See APA.</u>	<u>\$200</u>

OTHER PROPOSED RATES

- 16. Finance charge for late payment: 1% per month for bills past due 25 days after billing cycle
(NCUC Rule R12-9) specifies not more than one percent (1.0%) per month will be applied to the unpaid balance of all bills still past due 25 days after billing date.)
- 17. Reconnection charge if water service cut off by utility as specified in NCUC Rule R7-20: \$27.00
- 18. Reconnection charge if water service discontinued at customer's request: \$27.00
- 19. Reconnection charge if sewer service cut off by utility as specified in NCUC Rule R10-16: Actual Cost
- 20. Other charges: Other charges as approved for CWSNC Uniform Rate Group
- 21. What date are the proposed rates to become effective: Effective date on approval by the Commission.
- 22. How long have the present rates been in effect? 12/16/2015 Effective Date

PURCHASER'S PROPOSED BILLING

1. Frequency of billing shall be (monthly, quarterly, etc.) Monthly
2. Billing shall be for service (in advance or arrears) Arrears
3. Bills past due 45 days after billing dates: (NCUC Rule R12-9 specifies that bills shall not be past due less than fifteen (15) days after billing date).
4. Will regular billing be by written statement? (yes or no) Yes
5. Will the billing statement contain the following? (Indicate yes or no for each item)
 - (a) Meter reading at beginning and end of billing period Yes
 - (b) Date of meter readings Yes
 - (c) Gallons used, based on meter readings Yes
 - (d) Amount due for current billing period listed as a separate amount Yes
 - (e) Amount due from previous billing period listed as a separate amount Yes
 - (f) Amount due for each special charge (i.e., deposits, tap fees, etc.) listed as a separate amount . Yes
6. Show how the following will appear on the billing statement:
 - (a) Mailing address of Company: PO Box 70723 Philadelphia PA 19176-0723
 - (b) Address where bill can be paid in person: Not Applicable
 - (c) Name and phone number of alternative persons to contact for emergency service after business hours:
Donald Denton, Tony Konsul – 704-525-5049
7. Is service already metered? (yes or no) No
8. Does the Purchaser understand the provisions for establishing credit and collecting customer deposits set forth in NCUC Rules and Regulations, Chapter 12? (yes or no) Yes
(Customer deposits must be refunded to customers having not more than two (2) bills overdue during a 12-month period and who are not then delinquent on the payment of their bills, per NCUC Rule R12-5.)
9. List the amount of customer deposits still held by Seller:
Water: \$19,647 Sewer: \$10,578

PURCHASER'S SERVICE ORGANIZATION

	<u>NAME</u>	<u>ADDRESS</u>	<u>TELEPHONE</u>
10. General Manager	Donald Denton	4944 Parkway Plaza, Suite 375 Charlotte NC 28217	800-525-7990
11. Complaints or Billing	Karen Sasic	200 Weathersfield Ave Altamonte Springs, FL	321-972-0368
12. Engineering Operations	Donald Denton	4944 Parkway Plaza, Suite 375 Charlotte NC 28217	800-525-7990
13. Emergency Service	Customer Service	4944 Parkway Plaza, Suite 375 Charlotte NC 28217	800-525-7990
14. Accounting	Phil Drennan	500 W Monroe St Ste 3600, Chicago, IL 60661	704-319-0502

15. Are the names and phone numbers shown above listed in the phone book by each of the proposed service areas? (yes or no) No
16. Will customers be able to make telephone calls for service without being charged for a long distance phone call? (yes or no) Yes
17. Will persons designated to receive phone calls for emergency service, after regular business hours, have authority to provide the needed repairs without first contacting owner? (yes or no) Yes
18. List the qualifications of the person in charge of the utility system:
Harold Ken Whitaker – NC A Treatment Well
Ronnie Neil Reece – NC A Distribution
19. List the date(s) and describe any DENR violation(s) since the last application for franchise, transfer, or rate increase: Please see attached Exhibit A

SERVICE AREA

Fill in one column for each Subdivision or Service Area.

	(1)	(2)
1. Name of Subdivision(s) or Service Area(s)	Echota	Seven Devils
2. County (or Counties)	Watauga	Watauga
3. Type of service (water, sewer, etc.)	Water	Sewer
4. If water is purchased, list from whom	N/A	N/A
5. Source of water supply (wells, etc.)	Wells	N/A
6. Number of wells in service	9	N/A
7. Pumping capacity of each pump in service	345 gpm	N/A
8. Elevated storage tank capacity (gals.)	220,000	N/A
9. Pressure tank capacity (gals.)	N/A	N/A
10. Types of water treatment (chlorine, etc.)	Chlorine	N/A
11. Number of fire hydrants installed	25	N/A
12. Is sewage disposal by septic tank or by sewer system?	Sewer System	Sewer System
13. If disposal is by sewer system, is sewage treated by utility company or by others?	Others	Utility
14. Capacity of Company's sewage treatment plant (gallons per day)	N/A	
15. Is service metered? (yes or no)	No	No
16. Number of water meters in use	N/A	
17. Number of service taps in use (list number of each size)	Water 613 – 3/4" Sewer N/A	N/A 149 - 4"
18. Number of customers at the end of test year	Water 613 Sewer N/A	N/A 149
19. Number of customers that can be served by mains already installed (including present customers, vacant lots, etc.)	Water 750 Sewer N/A	N/A 200
20. Number of customers that can be served by pumping capacity	Water 750	200
21. Number of customers that can be served by storage tank capacity	Water 750	N/A
22. Number of customers that can be served by treatment plant capacity	Sewer N/A	200
23. Name nearest water/sewer utility system	Hound Ears	Hound Ears
24. Distance to nearest water/sewer utility system	<1 mile	<1 mile
25. Does any other person or utility seek to furnish the service(s) proposed herein? (yes or no)	No	No
26. Has the system been offered for sale to the customers, county, or municipality? (yes or no)	No	No
If not, why not?	No municipal in area	No municipal in area
27. a. DENR System I.D. No.	Water NC30-95-002	N/A
b. NPDES or Nondischarge Permit No.	Sewer N/A	NC0035149

FINANCIAL STATEMENT

1. Will a separate set of books be maintained for the utility business?
Yes

2. Will a separate bank account be maintained for the utility business?
No

3. Are the revenues and expenses listed below based on past operations or are they estimated for future operations?
(actual or estimated) Actuals for past operations (WRM 2021 Annual Report). Estimates for future operations are provided in the attached addendum at proposed rates.

REVENUES AND EXPENSES

For 12 Months Ended December 31, 2021 (Date)

<u>Revenues</u>	<u>Water</u>	<u>Sewer</u>
4. Residential service (flat rate)	\$ 145,286	\$ 50,422
5. Residential service (metered rate)	\$ _____	\$ _____
6. Nonresidential service (flat rate)	\$ _____	\$ _____
7. Nonresidential service (metered rate)	\$ _____	\$ _____
8. Other revenues (describe in remarks below)	\$ 4,200	\$ 0
9. Total Revenues (Lines 4 thru 8)	<u>\$ 149,486</u>	<u>\$ 50,422</u>
10. Total salaries (except owner)	\$ 54,730	\$ 25,733
11. Salaries paid to owner	\$ _____	\$ _____
12. Administrative and office expense (except salaries)	\$ 25,264	\$ 5,506
13. Maintenance and repair expense (except salaries)	\$ 236,692	\$ 3,342
14. Transportation expenses	\$ 0	\$ _____
15. Electric power expense	\$ 37,248	\$ 3,880
16. Chemicals expense	\$ 3,266	\$ 834
17. Testing fees	\$ 7,335	\$ 265
18. Permit fees	\$ _____	\$ _____
19. Purchased water/sewer treatment	\$ 230,852	\$ 420
20. Annual depreciation	\$ 1,344	\$ 695
21. Taxes: State income taxes	\$ _____	\$ _____
22. Federal income taxes	\$ _____	\$ _____
23. Gross receipts (or franchise tax)	\$ 150	\$ 53
24. Property taxes	\$ _____	\$ 137
25. Payroll taxes	\$ _____	\$ _____
26. Other taxes	\$ 192	\$ 68
27. Interest on debt during year	\$ 1	\$ _____
28. Other expenses (describe in remarks below)	\$ 1,797	\$ _____
29. Total Expenses (Lines 10 thru 28)	<u>\$ 598,870</u>	<u>\$ 40,933</u>
30. Net Income (Line 9 minus Line 29)	<u>\$ (449,384)</u>	<u>\$ 9,489</u>

Remarks

31. Line 8 – Tap Fees
32. Line 28 – Lift Station & Pump Telemetry
33. _____
34. _____
35. _____

NUMBER OF CUSTOMERS SERVED

	<u>Water</u>		<u>Sewer</u>	
	<u>Flat Rate</u>	<u>Metered</u>	<u>Flat Rate</u>	<u>Metered</u>
36. Customers at beginning of year	<u>599</u>	_____	<u>149</u>	_____
37. Customers at end of year	<u>613</u>	_____	<u>149</u>	_____
38. Average gallons used per customer	<u>Unmetered</u>	_____	_____	_____

PURCHASER'S COST OF UTILITY SYSTEM

1. List Purchaser's cost of utility systems:

Water: 59,416

Sewer: 36,393

ORIGINAL COST OF UTILITY SYSTEM

As of Year Ended December 31, 2021 (Date)

Note: List the total original cost to construct and establish the system, whether or not paid for by the Seller.

	<u>Utility Property in Service</u>	
	<u>Water</u>	<u>Sewer</u>
2. Land and rights-of-way	\$ _____	\$ _____
3. Structures and site improvement	\$ _____	\$ <u>21,523</u>
4. Wells	\$ <u>27,654</u>	\$ _____
5. Pumping equipment	\$ <u>25,542</u>	\$ <u>14,870</u>
6. Treatment equipment	\$ <u>6,220</u>	\$ _____
7. Storage tanks	\$ _____	\$ _____
8. Mains (excluding service connections)	\$ _____	\$ _____
9. Service connections	\$ _____	\$ _____
10. Meters (including spare meters)	\$ _____	\$ _____
11. Office furniture and equipment	\$ _____	\$ _____
12. Transportation equipment	\$ _____	\$ _____
13. Other utility property in service (describe in remarks below)	\$ _____	\$ _____
14. Total utility property in service (Lines 2 thru 13)	\$ <u>59,416</u>	\$ <u>36,393</u>
15. Less: acquisition adjustments (difference between original cost above and cost to Seller)	\$ _____	\$ _____
16. Less: Seller's accumulated depreciation	\$ <u>(39,169)</u>	\$ <u>(23,992)</u>
17. Less: Seller's accumulated tap fees and other contributions in aid of construction	\$ _____	\$ _____
18. Seller's net investment in utility property (Line 14 minus 15, 16, & 17)	\$ <u>20,247</u>	\$ <u>12,401</u>

	<u>Utility Property Not in Service</u>	
	<u>Water</u>	<u>Sewer</u>
19. Construction work in progress	\$ _____	\$ _____
20. Property held for future use	\$ _____	\$ _____
21. Other (describe in remarks below)	\$ _____	\$ _____

Remarks

22. Seller provided original costs that match annual reports
23. _____
24. _____
25. _____

ANNUAL DEPRECIATION

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

27. If annual depreciation is claimed using individual rates for each type of equipment, show rates of depreciation used: Current approved for CWSNC – W-354, Sub 364

OTHER FINANCIAL INFORMATION

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

a. Capital structure as of December 31, 2021

b. Capital structure balances:

	<u>Amount</u>	<u>Percent Of Total Capital</u>
Long-term debt/loans	\$ <u>324,498,571</u>	<u>48.37</u>
Preferred stock (if any)	\$ _____	_____
Common equity:		
Common stock	\$ <u>110</u>	_____
Retained earnings	\$ <u>346,306,810</u>	<u>51.63</u>
Total common equity	\$ <u>346,306,920</u>	<u>51.63</u>
 Total capital	 \$ <u><u>670,805,491</u></u>	 <u>100%</u>

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

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

g. Description of other: Cash Purchase

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

a. Brief description: AMI Meter installation

- b. Financing:
- (1) Long-term debt \$ _____
 - (2) Short-term debt \$ _____
 - (3) Common stock \$ _____
 - (4) Retained earnings \$ _____
 - (5) Other (please describe below on Line (7)) \$ _____
 - (6) Total improvements/additions \$ _____

(7) Description of other: Additions will be financed with cash from debt and equity financing.

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

0 - 5 years - no replacement expected

5 - 10 years - routine replacement of pumps/meters

10 - 20 years - routine replacement of pumps/meters

20 - 40 years - routine replacement of pumps/meters

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

0 - 5 years - no replacement expected

5 - 10 years - routine replacement of pumps/meters

10 - 20 years - routine replacement of pumps/meters

20 - 40 years - routine replacement of pumps/meters

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

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

EXHIBITS

THE FOLLOWING EXHIBITS SHALL BE ATTACHED TO THE APPLICATION:

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

FILING INSTRUCTIONS

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

SIGNATURES

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

Signature [Handwritten Signature]
Purchaser

Date 4/14/22

Signature _____
Seller

Date _____

13. (Typed or Printed Name) DONALD DENTON

personally appearing before me and, being first duly sworn, says that the information contained in this application and in the exhibits attached hereto are true to the best of his/her knowledge and belief.

This the 22nd day of APRIL, 2022.

Notary Public [Handwritten Signature]

Address 8508 PARK RD (CHARLOTTE NC 28210)

My Commission Expires: NOVEMBER 7th 2026
Date

Seth Bradbury
Notary Public
Mecklenburg County
My Commission Expires 11/7/26

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APR 22 2022

Echota

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

Projected Income Statement - Water Operations

Line No.	Item	Year 1	Year 2	Year 3	Year 4	Year 5
<u>Operating revenue</u>						
1	Metered service revenue	\$247,363	\$493,901	\$493,901	\$493,901	\$493,901
2	Flat rate service revenue	-	-	-	-	-
3	EPA testing surcharge	-	-	-	-	-
4	Re-connect fees	0	0	0	0	0
5	Return check charge	0	0	0	0	0
6	Late payment charges	0	0	0	0	0
7	Other operating revenue	2,478	4,948	4,948	4,948	4,948
8	Total operating revenue (Sum of Line 1 thru Line 7)	249,841	498,849	498,849	498,849	498,849
<u>Operating expenses</u>						
9	Total salaries and wages (employees only)	37,230	74,336	74,336	74,336	74,336
10	Outside labor expense (non-employees)	0	0	0	0	0
11	Administrative and office expense	3,387	6,763	6,763	6,763	6,763
12	Maintenance and repair expense	12,846	25,649	25,649	25,649	25,649
13	Purchased water	-	-	-	-	-
14	Purchased sewage treatment	-	-	-	-	-
15	Electric power expense (exclude office)	10,896	21,756	21,756	21,756	21,756
16	Chemicals expense	3,642	7,272	7,272	7,272	7,272
17	Testing fees	2,655	5,301	5,301	5,301	5,301
18	Transportation expense	2,394	4,780	4,780	4,780	4,780
19	Other operating expenses	43,905	87,664	87,664	87,664	87,664
20	Total operation and maintenance expenses (Sum of Lines 9 thru 19)	116,955	233,521	233,521	233,521	233,521
21	Annual depreciation expense	4,614	9,227	9,227	9,227	9,227
22	Property taxes paid on utility property	2,268	4,528	4,528	4,528	4,528
23	Payroll taxes	2,886	5,762	5,762	5,762	5,762
24	Franchise (gross receipts) tax	0	0	0	0	0
25	Annual NCUC regulatory fee	325	649	649	649	649
26	Total operating expenses (Sum of Line 20 thru Line 25)	127,048	253,687	253,687	253,687	253,687
<u>Income taxes</u>						
27	State income taxes	3,070	6,129	6,129	6,129	6,129
28	Federal income taxes	25,142	50,197	50,197	50,197	50,197
29	Total income taxes (Line 27 + Line 28)	28,212	56,326	56,326	56,326	56,326
30	Net operating income (loss) (Line 8 - Line 26 - Line 29)	\$94,581	\$188,836	\$188,836	\$188,836	\$188,836
31	Interest expense	-	-	-	-	-
32	Net income (loss) (Line 30 - Line 31)	\$94,581	\$188,836	\$188,836	\$188,836	\$188,836

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Apr 22 2022

Echota

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

Statement of Cash Flows - Water Operations

Line No.	Item	Year 1	Year 2	Year 3	Year 4	Year 5
<u>Cash Flows From Operating Activities</u>						
1	Pre-tax operating income (loss):					
2	Total operating revenue	\$249,841	\$498,849	\$498,849	\$498,849	\$498,849
3	Less: Operation and maintenance expenses	116,955	233,521	233,521	233,521	233,521
4	Less: Taxes other than income	5,479	10,939	10,939	10,939	10,939
5	Pre-tax operating income (loss)	127,407	254,389	254,389	254,389	254,389
6	Income tax calculation:					
7	Pre-tax operating income (loss)	127,407	254,389	254,389	254,389	254,389
8	Plus: Contributions in aid of construction	-	-	-	-	-
9	Less: Tax depreciation	6,735	13,470	13,470	13,470	13,470
10	Less: Interest expense	-	-	-	-	-
11	Taxable income (loss)	120,672	240,919	240,919	240,919	240,919
12	State income tax	3,017	6,023	6,023	6,023	6,023
13	Federal income tax	24,708	49,328	49,328	49,328	49,328
14	Total income taxes to be paid	27,724	55,351	55,351	55,351	55,351
15	Net cash provided by (used in) operating activities	\$99,683	\$199,038	\$199,038	\$199,038	\$199,038
<u>Cash Flows From Investing Activities</u>						
16	Purchases of utility plant	\$336,760	-	-	-	-
17	Plus: Cash bonds posted	-	-	-	-	-
18	Less: Contributions in aid of construction	0	-	-	-	-
19	Less: Proceeds from disposal of utility plant	-	-	-	-	-
20	Net cash used (provided) by investing activities	336,760	-	-	-	-
<u>Cash Flows From Financing Activities</u>						
21	Proceeds from issuing short term debt	-	-	-	-	-
22	Less: Principal repayment of short term debt	-	-	-	-	-
23	Plus: Proceeds from issuing long term debt	-	-	-	-	-
24	Less: Principal repayment of long term debt	-	-	-	-	-
25	Less: Interest payment for short and long term debt	-	-	-	-	-
26	Plus: Proceeds from issuing stock	-	-	-	-	-
27	Less: Dividends paid	-	-	-	-	-
28	Plus: Funds provided by owner	-	-	-	-	-
29	Net cash provided (used) by financing activities	-	-	-	-	-
30	Net increase (decrease) in cash	(\$237,077)	\$199,038	\$199,038	\$199,038	\$199,038
31	Cash balance at beginning of year	-	(\$237,077)	(\$38,040)	\$160,998	\$360,036
32	Cash balance at end of year	(\$237,077)	(\$38,040)	\$160,998	\$360,036	\$559,074

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Apr 22 2022

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

Instructions

1. These schedules should reflect all revenues, costs, investment, etc. associated with or to be associated with the utility system for which the subject franchise application is being submitted, exclusively.
2. For purposes of forecasting future expenses, as a simplifying assumption, it may be assumed that increases in such costs due to increases in general price levels, (i.e., inflation) will on average be offset by concurrent rate increases. Thus, no provision(s) for such offsetting changes will need to be made in forecasting costs.
3. A written detailed narrative explanation of all assumptions underlying the information and data contained in this addendum and five (5) copies of all workpapers developed in completing the addendum are to be filed with the Commission's Chief Clerk concurrent with the filing of the franchise application.
4. Computations for Statement of Cash Flows (Page 2 of Addendum)
 - (a) Line 2 should agree with Addendum Page 1 - Projected Income Statement, Line 8.
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Seven Devils
ADDENDUM TO APPLICATION FOR TRANSFER OF PUBLIC UTILITY FRANCHISE AND FOR APPROVAL OF RATES

Projected Income Statement - Sewer Operations

Line No.	Item	Year 1	Year 2	Year 3	Year 4	Year 5
<u>Operating revenue</u>						
1	Metered service revenue	\$0	\$0	\$0	\$0	\$0
2	Flat rate service revenue	\$76,608	\$152,195	\$152,195	\$152,195	\$152,195
3	EPA testing surcharge	-	-	-	-	-
4	Re-connect fees	0	0	0	0	0
5	Return check charge	0	0	0	0	0
6	Late payment charges	0	0	0	0	0
7	Other operating revenue	428	851	851	851	851
8	Total operating revenue (Sum of Line 1 thru Line 7)	77,036	153,046	153,046	153,046	153,046
<u>Operating expenses</u>						
9	Total salaries and wages (employees only)	7,967	15,828	15,828	15,828	15,828
10	Outside labor expense (non-employees)	0	0	0	0	0
11	Administrative and office expense	686	1,362	1,362	1,362	1,362
12	Maintenance and repair expense	7,280	14,462	14,462	14,462	14,462
13	Purchased water	-	-	-	-	-
14	Purchased sewage treatment	-	-	-	-	-
15	Electric power expense (exclude office)	3,026	6,011	6,011	6,011	6,011
16	Chemicals expense	1,649	3,275	3,275	3,275	3,275
17	Testing fees	1,123	2,231	2,231	2,231	2,231
18	Transportation expense	460	913	913	913	913
19	Other operating expenses	9,909	19,686	19,686	19,686	19,686
20	Total operation and maintenance expenses (Sum of Lines 9 thru 19)	32,100	63,768	63,768	63,768	63,768
21	Annual depreciation expense	941	1,882	1,882	1,882	1,882
22	Property taxes paid on utility property	89	177	177	177	177
23	Payroll taxes	617	1,226	1,226	1,226	1,226
24	Franchise (gross receipts) tax	0	0	0	0	0
25	Annual NCUC regulatory fee	100	199	199	199	199
26	Total operating expenses (Sum of Line 20 thru Line 25)	33,847	67,252	67,252	67,252	67,252
<u>Income taxes</u>						
27	State income taxes	1,080	2,145	2,145	2,145	2,145
28	Federal income taxes	8,843	17,566	17,566	17,566	17,566
29	Total income taxes (Line 27 + Line 28)	9,923	19,711	19,711	19,711	19,711
30	Net operating income (loss) (Line 8 - Line 26 - Line 29)	\$33,266	\$66,083	\$66,083	\$66,083	\$66,083
31	Interest expense	-	-	-	-	-
32	Net income (loss) (Line 30 - Line 31)	\$33,266	\$66,083	\$66,083	\$66,083	\$66,083

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Statement of Cash Flows - Sewer Operations

Line No.	Item	Year 1	Year 2	Year 3	Year 4	Year 5
<u>Cash Flows From Operating Activities</u>						
1	Pre-tax operating income (loss):					
2	Total operating revenue	\$77,036	\$153,046	\$153,046	\$153,046	\$153,046
3	Less: Operation and maintenance expenses	32,100	63,768	63,768	63,768	63,768
4	Less: Taxes other than income	806	1,602	1,602	1,602	1,602
5	Pre-tax operating income (loss)	44,130	87,676	87,676	87,676	87,676
6	Income tax calculation:					
7	Pre-tax operating income (loss)	44,130	87,676	87,676	87,676	87,676
8	Plus: Contributions in aid of construction	-	-	-	-	-
9	Less: Tax depreciation	1,394	2,789	2,789	2,789	2,789
10	Less: Interest expense	-	-	-	-	-
11	Taxable income (loss)	42,736	84,887	84,887	84,887	84,887
12	State income tax	1,068	2,122	2,122	2,122	2,122
13	Federal income tax	8,750	17,381	17,381	17,381	17,381
14	Total income taxes to be paid	9,819	19,503	19,503	19,503	19,503
15	Net cash provided by (used in) operating activities	\$34,311	\$68,173	\$68,173	\$68,173	\$68,173
<u>Cash Flows From Investing Activities</u>						
16	Purchases of utility plant	\$69,720	-	-	-	-
17	Plus: Cash bonds posted	-	-	-	-	-
18	Less: Contributions in aid of construction	0	-	-	-	-
19	Less: Proceeds from disposal of utility plant	-	-	-	-	-
20	Net cash used (provided) by investing activities	69,720	-	-	-	-
<u>Cash Flows From Financing Activities</u>						
21	Proceeds from issuing short term debt	-	-	-	-	-
22	Less: Principal repayment of short term debt	-	-	-	-	-
23	Plus: Proceeds from issuing long term debt	-	-	-	-	-
24	Less: Principal repayment of long term debt	-	-	-	-	-
25	Less: Interest payment for short and long term debt	-	-	-	-	-
26	Plus: Proceeds from issuing stock	-	-	-	-	-
27	Less: Dividends paid	-	-	-	-	-
28	Plus: Funds provided by owner	-	-	-	-	-
29	Net cash provided (used) by financing activities	-	-	-	-	-
30	Net increase (decrease) in cash	(\$35,409)	\$68,173	\$68,173	\$68,173	\$68,173
31	Cash balance at beginning of year	-	(\$35,409)	\$32,765	\$100,938	\$169,111
32	Cash balance at end of year	(\$35,409)	\$32,765	\$100,938	\$169,111	\$237,284

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Exhibit 4

**Water Resource Management, LLC
Utility Asset Purchase Agreement**

THIS UTILITY ASSET PURCHASE AGREEMENT (“Agreement”) is made and entered into as of the 12 day of October, 2021 (the “**Effective Date**”), by and between **CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA**, a North Carolina corporation with an address of 500 West Monroe St., Suite 3600, Chicago, IL 60661 (the “**Buyer**”), and **WATER RESOURCE MANAGEMENT, LLC**, a North Carolina limited liability company, with an address of 151 Mr. Bish Boulevard, Boone, NC 28607 (the “**Seller**”) (collectively, the “**Parties**”).

W I T N E S S E T H:

WHEREAS, Seller owns, maintains, and operates utility assets that consist generally of: 9 wells, used for water production; booster stations; (4) ground storage tanks, and distribution facilities, including water mains, valves, service lines and wastewater collection mains, service laterals including manholes, pumping stations, a .020 MGD sewer treatment plant and disposal facilities—all used to provide water and wastewater utility service in the Service Area;

WHEREAS, Buyer is a public utility, regulated by the North Carolina Utilities Commission (“**NCUC**”) under N.C. General Statutes, Chapter 62, that furnishes retail water and wastewater services to the public in various portions of the State of North Carolina; and

WHEREAS, Buyer desires to purchase, and Seller desires to sell, the Purchased Assets upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, conditions, representations, warranties, and agreements contained herein, the Parties agree as follows:

ARTICLE I

DEFINITIONS AND CONSTRUCTION SECTION

As used in this Agreement, the following terms shall have the meanings as defined herein unless the context requires otherwise:

“**Assigned Permits**” has the meaning set forth in Section 2.02(A)(6).

“**Business**” means the Utility System and the Purchased Assets.

“**Business Day**” means any day except Saturday and Sunday or any other day on which commercial banks located in Foscoe, North Carolina are authorized or required by law to be closed for business.

“**Certificate**” or “**CPCN**” means the certificate of public convenience and necessity issued by the NCUC.

“**Closing**” or “**Closing Date**” has the meaning set forth in Section 9.01 of this Agreement.

“**Connection Charges**” means the funds collected from new customers of the Utility System at or prior to initial connection to the Utility System in order to defray the cost of making utility service available.

“**Customer Deposits**” means all funds or deposits required to be made by customers of the Utility System to Seller upon becoming a customer, which deposit shall be returned to customers upon termination of services to said customer if said customer does not have any outstanding indebtedness owed to the Utility System upon termination. Said funds are being held by Seller. A listing of said Customer Deposits is attached hereto as **Exhibit F** and incorporated herein by this express reference. Said list shall be updated at Closing to reflect additions and subtractions from said listing from the Effective Date until the Closing Date.

“**Easements**” means easements not within a plat or dedicated roadway as set forth in **Exhibit B**.

“Encumbrance” means any charge, claim, condition, equitable interest, lien, option, pledge, security interest, mortgage, right of way, easement, encroachment, servitude, right of first option, right of first refusal, or similar restriction, including any restriction on use, voting (in the case of any security or equity interest), transfer, receipt of income, or exercise of any other attribute of ownership.

“Excluded Assets” means those assets, properties, and rights, both tangible and intangible, real and personal, listed in **Exhibit C**.

“Fee Parcels” means the fee simple real property listed in **Exhibit D** and all fixtures and appurtenant interests belonging or appertaining thereto.

“Governmental Authorization” means any approval, authorization, license, order, CPCN, registration or permit issued, granted, given or otherwise made available by or under the authority of any Governmental Body.

“Governmental Body” means any governmental authority of any nature, including, but not limited to, the U.S. Environmental Protection Agency (“EPA”), the NCUC, and the North Carolina Department of Environmental Quality (“DEQ”).

“NCDEQ” means the North Carolina Department of Environmental Quality.

“NCUC” means the North Carolina Utilities Commission.

“Permitted Real Estate Encumbrances” means all rights of way, easements and covenants of record pertaining to the Fee Parcels and the Easements so long as the same do not materially impair the use, value, or marketability of any Fee Parcel or Easement. Materiality of impairment shall be determined by Buyer at its sole, reasonable discretion. Permitted Real Estate Encumbrances shall not include any equitable interest, lien, option, pledge, security interest, mortgage, right of first option, right of first refusal or similar restriction, including any restriction

on voting (in the case of any security or equity interest), transfer, receipt of income, or exercise of any other attribute of ownership.

“Personal Property” means the personal property that is owned and used by Seller in operation of the Utility System and identified in **Exhibit E**.

“Purchased Assets” has the meaning set forth in Section 2.02 hereof.

“Service Area” means the service areas identified in **Exhibit A** as Echota for water service and as Seven Devils for wastewater service.

“Title Commitment” means the title insurance commitment with respect to the Fee Parcels in an amount selected by Buyer in its discretion and not to exceed the Purchase Price, issued by the Title Company committing the Title Company to issue and deliver the Title Policy to Buyer upon compliance with the requirements stated in Schedule B, Section 1 thereof, subject to the terms and conditions contained therein.

“Title Company” means the company identified by Buyer to issue the Title Commitment and Title Policy.

“Title Policy” means the ALTA owner's policy of title insurance, issued by the Title Company in accordance with the Title Commitment that meets the requirements of Section 3.03 of this Agreement.

“Utility System” means (1) the Fee Parcels, (2) the Easements, and (3) the Personal Property used to provide water and wastewater utility service in the Service Area.

“Wastewater Utility System” means (1) the Fee Parcels, (2) the Easements, and (3) the Personal Property used to provide wastewater utility service in the Service Area.

“Water Utility System” means the (1) the Fee Parcels, (2) the Easements, and (3) the Personal Property used to provide water utility service in the Service Area.

ARTICLE II

PURCHASE AND SALE OF ASSETS

SECTION 2.01. PURCHASE AND SALE COVENANT. At Closing, Buyer shall purchase from Seller, and Seller shall sell to Buyer, the Purchased Assets, upon the terms and subject to the conditions set forth in this Agreement.

SECTION 2.02. PURCHASED ASSETS.

- (A) The Purchased Assets consist of the following:
- (1) The Fee Parcels.
 - (2) The Easements, together with any other easement or right-of-way rights possessed by Seller at Closing, whether identified prior to or after Closing.
 - (3) The Governmental Authorizations.
 - (4) The Personal Property, including, but not limited to, all water production, treatment, storage, supply and distribution facilities and all wastewater collection, treatment and disposal facilities, collection mains, lift stations, pumps, pumping stations, tanks, plants, wells, transmission mains, distribution mains, supply pipes, pipelines, storage tanks, standpipes, hydrants, valves, meters, meter boxes, service connections, machinery, equipment, parts, tools, chemicals, supplies, inventories, office buildings and all other physical facilities, equipment, appurtenances and property installations used in the operation of the Utility System, plans, and third-party warranties that relate to the Personal Property that has been completed or is in the progress of construction.
 - (5) To the extent transferable under applicable law or with the consent of any third party, if necessary and obtained, any intellectual property related to the Business owned by Seller including (i) patents, patent disclosures, trademarks, service marks, trade dress, trade names, logos, copyrights and mask works, and all registrations, applications and goodwill associated with

the foregoing, (ii) trade secrets, know-how and confidential business information (including current and planned methods and processes, client and customer lists and files, billing history for each customer, current and anticipated client and customer requirements, vendor and supplier lists and files, price lists, and financial data), and (iii) rights in electronic mail addresses and in telephone, facsimile, cable or similar numbers used by Seller in connection with the Business.

(6) To the extent transferable under applicable law or with the consent of any third party, all permits, authorizations, filings, approvals and licenses possessed by Seller, or through which Seller has rights, that are used, useable or useful in the operation of the Business or the use or enjoyment or benefit of the Purchased Assets (collectively, “**Assigned Permits**”).

(7) All Connection Charges collected by Seller prior to Closing for initial connections to the Utility System that have not occurred prior to Closing.

(8) All records, documents and knowledge, whether written, electronic, recorded or any other form, related to the Business, including all production records, engineering records, purchasing and sales records, copies of filings made with the NCUC and submissions made to Public Staff in the course of any investigation or discussion of the systems, accounting records, budgets, contracts, cost and pricing information, correspondence, prospective client information, customer and vendor lists and data, property records and other data, information, records and files, wherever located (including any such records maintained in connection with any computer system) related to the Business. Seller may retain copies of any records it deems necessary to substantiate any government or business returns or reports filed or due to be filed, including tax returns, which relate to events prior to Closing. Seller, at its expense, will provide originals of such records to Buyer upon Buyer’s request.

(9) All purchase order forms, forms, labels, stationery, shipping materials, catalogues, brochures, artwork, photographs and advertising materials which relate to the Business.

(10) All rights and choses in action of Seller arising out of occurrences before or after the Closing relating to the Business, except those rights expressly retained by Seller under this Agreement.

(B) No later than the Closing, Seller shall provide Buyer (or provide Buyer with unrestricted, 24-hour access to) copies of current customer records, as-built surveys and water and wastewater plans, plats, engineering and other drawings, designs, blueprints, plans and specifications, maintenance and operating manuals, engineering reports, calculations, studies, reports made to Governmental Bodies, Assigned Permits, permit applications, non-corporate accounting, and non-corporate business records, controlled by or in the possession of Seller that relate to the description and operation of the Utility System.

SECTION 2.03. EXCLUDED ASSETS. Notwithstanding any other provision of this Agreement that may be construed to the contrary, the Purchased Assets do not include the Excluded Assets as shown on **Exhibit C**.

SECTION 2.04. PURCHASE PRICE. The purchase price for the Purchased Assets is Seventy Thousand Dollars (\$70,000), subject to prorations and adjustments set forth in this Agreement (“Purchase Price”). The Purchase Price shall be payable by Buyer to Seller in immediately available funds at Closing, by wire transfer, pursuant to wire instructions to be provided by Seller to Buyer at or prior to Closing. In addition to the Purchase Price of \$70,000, additional payments will be paid for lots as shown in **Exhibit A** future phase IV at a rate of Seven Hundred and Six Dollars (\$706) per new customer connection up to 184 connections to the Utility

System (each an “**Incentive Payment**”) that are made semi-annually for a period not to exceed ten (10) years following the Closing (the “**Incentive Period**”). Each Incentive Payment based on the number of new connections will be remitted semi-annually in arrears, based on the number of new connections in the preceding six (6) month period. Any due Incentive Payments will be submitted within sixty (60) Business Days following the last day of each six (6) month period. Buyer will provide Seller with a summary listing of service addresses added as substantiation with each Incentive Payment. All payments shall be due and payable in immediately available funds by wire transfer at the intervals described in this Section 2.04 pursuant to wire instructions to be provided to Buyer by Seller at or prior to Closing. In consideration of the Developer’s substantial investment and contribution in the infrastructure for the 184 future connections, Buyer agrees to waive the connection fees for said lots as shown in **Exhibit A** of future phase IV of Echota.

SECTION 2.05. ASSUMED OBLIGATIONS. With the sole exception of Buyer’s agreement to provide water and wastewater service to individual customers through the Utility System following the Closing, Buyer shall not assume and shall not be liable for any debt, liabilities or contractual obligations of any other Party of any nature whatsoever. Seller shall remain fully and solely liable for any and all debts, obligations or liabilities arising from the Purchased Assets and/or Seller’s operation of the Utility System prior to the Closing.

SECTION 2.06. WITHHOLDING TAX. Buyer shall be entitled to deduct and withhold from the Purchase Price all taxes that Buyer may be required to deduct and withhold under any provision of any applicable federal, state, or other tax law or regulation. All such withheld amounts shall be treated as delivered to Seller hereunder. All withholding tax issues will be determined by Buyer and submitted to Seller at least fifteen (15) days before Closing.

SECTION 2.07. REQUIREMENTS OF WATER UTILITY SYSTEM. Buyer acknowledges that Seller’s Water Utility System has been engineered and designed to meet the

daily flow of 400 gallons per connection. Buyer shall not require the existing service connections or future service connections to the Water Utility System to meet daily flow requirements that are more stringent than 400 gallons per connection.

ARTICLE III

DUE DILIGENCE ISSUES

SECTION 3.01. PROVISION OF INFORMATION AND COOPERATION BY SELLER.

(A) Seller has provided or will provide to Buyer within fifteen (15) days after the Effective Date an inventory, updated through the Effective Date, of equipment, parts and other Personal Property used by Seller in connection with the operation of the Utility System.

(B) After the Effective Date, Seller shall cooperate with Buyer in providing updated information, financial and other reports to Buyer's representatives during normal business hours upon reasonable advance notice.

(C) After the Effective Date, Seller will give to Buyer, its officers, directors, employees, accountants, counsel and other representatives free and full access to and the right to inspect, during normal business hours, the Utility System and all of the premises, properties, assets, records, contracts and other documents relating to its Business and operations, and shall permit them to consult with the officers, employees, accountants, counsel and agents of Seller for the purpose of making such investigation of the Business and operations of Seller as Buyer shall desire to make, provided that such investigation shall not unreasonably interfere with the Business or operations of Seller and Buyer shall provide reasonable advance notice.

(D) After the Effective Date, Seller shall make any existing plats, surveys, plans or specifications for the Utility System in Seller's possession available to Buyer, or its representatives, for inspection during normal business hours upon reasonable advance notice.

(E) After the Effective Date, Seller shall cooperate with any request by Buyer to test the levels of Per- and polyfluoroalkyl substances (“PFAS”) in the Utility System and/or the Purchased Assets, such testing may include, but is not limited to, testing the levels of PFOA, PFOS, GenX, HFPO-DA, and testing for any other chemicals deemed necessary by Buyer.

SECTION 3.02. DUE DILIGENCE DETERMINATIONS.

Buyer shall have one hundred (100) Business Days from the Effective Date within which to conduct its due diligence. Thereafter, Buyer shall have fifteen (15) Business Days within which to terminate this Agreement in its sole discretion by delivering notice of its termination as provided in Section 11.02; otherwise, Buyer and Seller shall proceed to Closing as set forth in Article IX. Upon a termination of this Agreement under Section 3.02, Seller and Buyer shall have no liability and no further obligation to each other under this Agreement.

SECTION 3.03. CURRENT EVIDENCE OF TITLE.

(A) Buyer shall order from the Title Company within thirty (30) days after the Effective Date, at Buyer’s expense, the following:

(1) A Title Commitment issued by the Title Company to insure title to each parcel listed therein in an amount selected by Buyer in its discretion, naming Buyer as the proposed insured and having the effective date as set forth therein, wherein the Title Company will have agreed to issue an ALTA form owner's title insurance policy, with North Carolina modifications; and

(2) Copies of all recorded documents listed as special Schedule B-2 exceptions thereunder and all deeds vesting title in and to the Seller.

(B) The Title Commitment shall include the Title Company's requirements for issuing the Title Policy, which shall be met by Seller as provided in Section 3.03(E) on or before the Closing Date (including those requirements that must be met by releasing or satisfying monetary Encumbrances but excluding Encumbrances that will remain after Closing as agreed to by the Buyer).

(C) If any of the following occur, they shall constitute a Title Objection:

(1) The Title Commitment or other evidence of title or search of the appropriate real estate records discloses that any party other than Seller has title to the insured estate covered by the Title Commitment.

(2) Any title exception is disclosed in Schedule B to any Title Commitment that is not one of the Permitted Real Estate Encumbrances; or

(3) Any current survey discloses any matter that Buyer reasonably believes could materially and adversely affect Buyer's material use and enjoyment of the Fee Parcels described therein; then Buyer shall notify Seller in writing of such matters within thirty (30) days prior to the Closing Date.

(D) Seller shall use its best efforts to cure each Title Objection and take all steps required by the Title Company to eliminate each Title Objection as an exception to the Title Commitment including the payment of money to cure any such Title Objections that may require such payment or the escrow of funds with the Title Company as may be required by the Title Company. Any Title Objection that the Title Company is willing to insure over, on terms acceptable to Seller and Buyer, is herein referred to as an **"Insured Exception."** The Insured Exceptions, together with any title exception or matters disclosed by any survey and not objected to by the Buyer in the manner aforesaid, shall be deemed to be acceptable to Buyer. In the event Seller is unable to cure a Title Objection and/or Buyer objects to an Insured Exception, Buyer shall have the

right to terminate this Agreement and shall have no liability or further obligation under this Agreement.

(E) Seller shall use its best efforts to comply with the requirements of Schedule B, Section 1 of the Title Commitment. At the Closing, Seller shall identify any Schedule B, Section 1 requirements that cannot be satisfied as of the Closing (“**Post-Closing Schedule B Requirements**”). If agreeable to Buyer, in its sole discretion, Buyer and Seller shall agree on a post-Closing process to satisfy these requirements. Seller shall indemnify Buyer as to all Post-Closing Schedule B Requirements that are not satisfied in accordance with the agreed upon post-Closing process. Seller shall cooperate with Buyer in satisfying the Post-Closing Schedule B Requirements.

(F) Buyer shall have the right, but not the obligation, to do such surveys on the Fee Parcels as Buyer desires. Surveys procured by Buyer shall be at the sole cost and expense of Buyer.

(G) If Buyer desires to have any standard survey exceptions deleted or modified in the Title Policy, Buyer may obtain, at its sole cost and expense, properly certified and current original surveys of the specified Fee Parcels that comply with North Carolina law.

SECTION 3.04. ENVIRONMENTAL PROVISIONS.

(A) For purposes of this Agreement, the following terms shall have the following meanings:

(1) “**Hazardous Materials**” means any substance or material subject to regulation by any federal, state or local Governmental Body under any Environmental Law as a hazardous material, hazardous substance, hazardous waste, pollutant, contaminant, toxic waste, toxic substance as those terms or terms of similar import are defined, identified or regulated under any Environmental Laws, and any petroleum and petroleum products, by-products or breakdown

products and any substance or material present in concentrations which exceed applicable standards or allowable limits implemented and enforced by any Governmental Body with authority to implement and/or enforce Environmental Laws;

(2) “**Environmental Laws**” shall include all federal, state and local environmental statutes, laws, regulations, ordinances, injunctions, judgments, orders, or other decrees of any governmental authority pertaining to the protection of the environment and including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; the Clean Water Act, also known as the Federal Water Pollution Control Act; the Safe Drinking Water Act; the Oil Pollution Act of 1990; the Toxic Substances Control Act; the Superfund Amendments and Reauthorization Act of 1986; the Clean Air Act; the Emergency Planning and Community Right-to-Know Act; the Federal Insecticide, Fungicide and Rodenticide Act; the Endangered Species Act; and any comparable state statute, law, regulation, ordinance, injunction, judgment, order, or other decree. Any reference to a legislative act or regulation shall be deemed to include all amendments thereto and all regulations, orders, decrees, judgments, opinions, directives or notices issued thereunder.

(3) “**Environmental Condition**” shall mean any condition or circumstance related to the Purchased Assets, whether created by Seller or any other party, which (1) required or requires abatement or correction under an Environmental Law, or (2) has given or may give rise to any civil or criminal liability under an Environmental Law, or (3) has created or may create a public or private nuisance, including the presence of asbestos, PCB's, hazardous substances, petroleum products, radioactive waste or radon, on, in or about the Purchased Assets.

(B) Schedule 3.04(B) sets forth all environmental permits and other Governmental Authorizations required to operate the Business. After diligent inquiry and investigation, Seller represents and warrants to Buyer that it has obtained and continues to possess all environmental

permits and other Governmental Authorizations that are required under Environmental Laws in connection with the Business and operation of the Utility System, has filed such timely and complete renewal applications as may be required prior to the Closing Date, and also has complied with all reporting and record keeping requirements under Environmental Laws.

(C) Except as set forth in Schedule 3.04(C), after diligent inquiry and investigation, Seller represents and warrants to Buyer that: (1) the Utility System has been and is in full compliance with all applicable Environmental Laws and environmental permits and there are no past or present events, conditions, circumstances, activities, practices, incidents, actions or plans pertaining or relating to the Purchased Assets which may impede or prevent continued compliance with the Environmental Laws or which may give rise to any civil or criminal liability under any of the Environmental Laws; (2) Seller has been and is in compliance with all orders, decrees, judgments and notices issued against Seller under or in connection with any of the Environmental Laws; and (3) there are no Environmental Conditions. Except as set forth in Schedule 3.04(C), Seller has no knowledge of any basis for a violation, alleged violation, or liability.

(D) Except as set forth in Schedule 3.04(D), after diligent inquiry and investigation, Seller represents and warrants to Buyer that it has not received notice of any violation, alleged violation or liability arising under any applicable federal, state or local statutes, laws and regulations (including, without limitation, any applicable environmental, building, zoning, or other law, ordinance or regulation) materially or adversely affecting the Purchased Assets or Utility System.

(E) Except as set forth in Schedule 3.04(E), after diligent inquiry and investigation, Seller represents and warrants to Buyer that there are no Hazardous Materials present on, in, or under, or in the environment of the Utility System that are not in compliance with the Environmental Laws, including any Hazardous Materials contained in barrels, aboveground or

underground storage tanks, equipment (whether moveable or fixed), or other containers, either temporary or permanent. Seller has not disposed of any Hazardous Materials on the Fee Parcels or Easements, nor has Seller removed Hazardous Materials from the Fee Parcels or Easements, except as provided by law.

(F) Buyer, at its expense, may perform assessments, as it deems appropriate, including Phase I Environmental Site Assessments (“ESA”) pursuant to applicable ASTM standards and Phase II Environmental Site Assessments for recognized environmental conditions identified in the Phase I Environmental Site Assessments. Seller shall cooperate with Buyer and its agents by providing reasonable access to the Utility System and Fee Parcels so that Buyer or its agents may conduct any Environmental Site Assessments.

(G) If any ESA reveals Hazardous Materials on the Fee Parcels or Easements that require remedial action, Buyer, in its sole discretion, shall either: (a) demand that Seller take prompt action as necessary to expeditiously remediate the reported Hazardous Materials and provide the Buyer with copies of all documentation verifying that all remediation has occurred and applicable regulatory requirements have been satisfied; (b) attempt to negotiate with Seller a lesser Purchase Price for the Purchased Assets and proceed to Closing under the terms contained herein; provided, however, that if Seller and Buyer are unable to negotiate a lesser Purchase Price within twenty (20) days of Buyer's first offer to Seller, Buyer may terminate this Agreement; or (c) terminate this Agreement. Seller shall be required to remediate under Section 3.04(G)(a) unless the cost is estimated to exceed \$10,000, in which case Seller shall have the option to terminate this Agreement, or renegotiate the purchase price with Buyer in accordance with Section 3.04(G)(b). Upon any termination under this Section 3.04, Seller and Buyer shall have no liability and no further obligation to each other under this Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.01. REPRESENTATIONS AND WARRANTIES OF SELLER. Seller represents and warrants to Buyer as follows:

(A) Seller is duly organized, validly existing, and has an active status under the laws of the State of North Carolina. Seller has the power and authority to enter into this Agreement and all related agreements and to consummate and perform the terms and conditions and transactions contemplated hereby and has duly and validly authorized the execution of this Agreement and all related documents and agreements by all necessary corporate action. This Agreement and all related agreements constitute the valid and binding obligation of Seller.

(B) Except as set forth in Schedule 4.01(B), there are no pending or threatened legal actions, claims, suits, mediations, arbitrations, investigations, or other legal or administrative proceedings pending or threatened against Seller that could affect the Purchased Assets or Seller's ability to purchase and transfer the Purchased Assets and there exist no facts that might result in any action, claim, suit, mediation, arbitration, investigation, or other proceedings that might result in any adverse change in the Purchased Assets.

(C) Except as set forth in Schedule 4.01(C), Seller holds all necessary Governmental Authorizations to operate the Utility System, is not in default under any Governmental Authorization, and Seller has not received notice of any claim of default with respect to any Governmental Authorization. Seller is not in default with respect to any judgment, order, writ, verdict, injunction, decree or award applicable to it of any court or other government instrumentality or arbitrator having jurisdiction over it as pertaining to the Purchased Assets.

(D) The execution and performance of this Agreement by Seller does not and will not violate or result in the breach of any term or condition, or require the consent of any person not a

party hereto under: (i) the by-laws of Seller or (ii) any Governmental Authorization or material mortgage, indenture, contract, lease, license or other instrument, document or understanding, oral or written, to which Seller is a party or subject. This Agreement does not require any further approvals of any other party, other than the NCDEQ and the NCUC, does not violate any law, ordinance or regulation, and does not conflict with any order or decree.

(E) Except as set forth in Schedule 4.01(E), all agreements, contracts, commitments, leases, certificates, permits and other instruments related to the Purchased Assets or to which Seller is a party are valid and enforceable in accordance with their terms, are in good standing, and the parties thereto are in compliance with the provisions thereof. Except as set forth in Schedule 4.01(E), no party is in default in the performance, observance or fulfillment of any obligation, covenant or condition contained therein, and no event has occurred, which with or without the giving of notice or lapse of time, or both, would constitute a default thereunder.

(F) All returns of taxes, information, and other reports required to be filed in any jurisdiction by Seller have been timely filed and all such tax returns are true, correct, and complete in all material respects. All taxes applicable to Seller for the Purchased Assets that are due and payable have been paid and there are presently no claims for tax deficiencies pending against Seller by any taxing authority, nor does Seller know of any basis for the making of any claim by any taxing authority for any tax deficiency against Seller.

(G) Seller has not dealt with a broker, salesman, or finder in connection with any part of the transaction contemplated by this Agreement, and, insofar as it knows, no broker, salesman, or other person is entitled to any commission or fee with respect to such transaction as a result of Seller's actions.

(H) Except as set forth in Schedule 4.01(H) and the Permitted Real Estate Encumbrances, and without limiting the generality of any other provision of this Section 4.01,

Seller warrants that Seller is the sole legal owner and has full right, power, and ability to convey the fee simple absolute interest and good and marketable title to the Fee Parcels, free and clear of all liens, claims, Encumbrances and interests in the Fee Parcels.

(I) Except as set forth in Schedule 4.01(I), and without limiting the generality of any other provision of this Section 4.01, Seller warrants that, as of Closing, Seller is the sole legal owner and has full right, power, and ability to convey to Buyer clear title to all of the Purchased Assets. Except as set forth in Schedule 4.01(I), Seller has good and marketable title to the Purchased Assets, free and clear of all liens, claims, Encumbrances and interests.

(J) Seller has all agreements, contracts, commitments, leases, and other instruments required to conduct the Business as it has been and is now being conducted and to own and operate the Business.

(K) Seller is not party to, or subject to the provision of, any judgment, order, writ, injunction, or decree of any court or of any governmental official, agency, or instrumentality relating to the Utility System and/or the Purchased Assets.

(L) Seller's environmental representations and warranties contained in Section 3.04 are true and accurate and incorporated by reference into this Section 4.01.

(M) Except as set forth in Schedule 4.01(M), there are no liabilities or obligations of Seller, either accrued, absolute, contingent or otherwise, relating to the Purchased Assets. For purposes of this Agreement, the term liabilities shall include, without limitation, any direct or indirect indebtedness, guaranty, endorsement, claim, loss, damage, deficiency, accounts payable, cost, expense, obligation or responsibility either accrued, absolute, contingent or otherwise.

(N) The Purchased Assets and the Utility System are in compliance and at the time of Closing shall be in compliance in all material respects with all Governmental Body requirements applicable to the Utility System and Purchased Assets, including without limitation all

governmental requirements pertaining to health, safety or environmental matters. Except as set forth in Schedule 4.01(N), Seller has not received any notice from the NCDEQ, the NCUC, the EPA, or any other Governmental Body having jurisdiction over the Utility System of any violation or alleged non-compliance with any governmental requirements applicable to Seller, the Purchased Assets, or the Utility System.

(O) Seller has duly and timely filed all reports, responses, assessments, and other filings required of it with the NCDEQ, the NCUC, and any other Governmental Body having jurisdiction over Seller and the operation and maintenance of the Utility System.

(P) Seller maintains in effect general liability insurance coverage with limits of liability of not less than \$1,000,000 per occurrence/\$1,000,000 in aggregate per policy year.

(Q) All leases, licenses, rights of way, and easements related in any manner to the Purchased Assets and all other instruments, documents and agreements pursuant to which Seller has obtained the right to use any real property in connection with the Purchased Assets are in good standing, valid, effective and assignable in accordance with their respective terms, and with respect thereto, there is no existing default or event which could constitute a default. Seller possesses and will assign to Buyer at Closing all such property rights necessary to operate the Purchased Assets.

(R) All Easements required or necessary to operate the Utility System and Purchased Assets as currently configured have been lawfully obtained and maintained by Seller and are validly in existence and of public record in the Offices of the Recorder of Deeds in and for Watauga County, North Carolina and are transferable to Buyer in accordance with their terms and without cost to Buyer. Seller has good and valid rights to occupy and to obtain access to the areas where the distribution lines and other facilities of the Purchased Assets are located.

(S) Seller has not concealed from Buyer any facts which Seller knows to be material to the Purchased Assets or the Utility System or the operation and maintenance thereof. Seller has

disclosed to Buyer all agreements and contracts affecting the Purchased Assets or the Utility System or the operation and maintenance thereof, whether such agreements and contracts are being transferred or assigned to Buyer. No representation or warranty made by Seller in this Agreement and no information or Schedule furnished by Seller to Buyer (i) contains any untrue statement of a material fact or (ii) omits a material fact the statement of which is necessary in order to make the statements contained in this Agreement or in such information or Schedule, in light of the circumstances under which they are made, not misleading.

(T) Except as expressly disclosed herein, the Utility System and Purchased Assets are in good operating condition and repair relative to their age and type.

(U) There are no conditions or developments existing or, to the knowledge of Seller, threatened which would have a material adverse effect on the Purchased Assets.

(V) Seller is not in any violation of any law, ordinance or governmental rule or regulation to which it or its business, operations, assets, or properties is subject and has not failed to obtain, or to adhere to the requirements of any certificate or other Governmental Authorization necessary to the ownership of its assets and properties or to the conduct of its business.

(W) Seller is not a party to any contract for the purchase of, or payment for supplies, equipment or for services related to the Purchased Assets, except such contracts that shall not survive Closing.

(X) Seller has no funds, loans, developer contributions, parent company contributions, other liabilities or equity contributions that could be considered contributions in aid of construction or advances in aid of construction.

(Y) Seller is not a party to any contract for future payment of refunds under any extension agreement, customer deposit agreement, or similar agreement with respect to the Purchased Assets.

(Z) As of the Closing, (if applicable) Seller's bonds, if any, will be defeased, and any and all liens and encumbrances on the Purchased Assets will have been removed. The defeasance will be done in a proper and lawful manner.

(AA) Each Exhibit and Schedule contains a true and complete list of the information described thereon.

(BB) All of the tangible property included in the Purchased Assets is usable in the regular course of business.

(CC) The data contained in the customer records provided to Buyer is true and accurate.

SECTION 4.02. REPRESENTATIONS AND WARRANTIES OF BUYER. Buyer represents, and warrants to Seller as follows:

(A) Buyer is duly organized, validly existing and has an active status under the laws of the State of North Carolina. Buyer has the power and authority to enter into this Agreement and to perform the terms and conditions of this Agreement.

(B) Buyer is not subject to, nor a party to any proceeding, legal requirement, or any other restriction of any kind or character that would prevent consummation of the transactions contemplated by this Agreement.

(C) Buyer has not dealt with a broker, salesman, or finder in connection with any part of the transaction contemplated by this Agreement, and, insofar as it knows, no broker, salesman, or other person is entitled to any commission or fee with respect to such transaction as a result of Buyer's actions.

(D) The execution and performance of this Agreement by Buyer does not and will not violate or result in the breach of any term or condition, or require the consent of any person not a party hereto under: (i) the by-laws of Buyer; or (ii) any material mortgage, indenture, contract,

lease, license or other instrument, document or understanding, oral or written, to which Buyer is a party or subject.

ARTICLE V

ISSUANCE AND TRANSFER OF GOVERNMENTAL AUTHORIZATIONS

SECTION 5.01. ISSUANCE AND TRANSFER OF GOVERNMENTAL AUTHORIZATIONS. Within thirty (30) days of the expiration of the due diligence period provided in Section 3.02 above, Seller and Buyer jointly shall apply for, and thereafter diligently seek and pursue, the issuance, cancellation and/or transfer of all Governmental Authorizations necessary for Buyer to own and operate the Utility System. Each Party shall be responsible for its own fees and costs in this regard. Any filing fees incurred in seeking such Governmental Authorizations shall be split evenly between the Parties.

ARTICLE VI

CONDITIONS PRECEDENT TO THE BUYER'S OBLIGATION TO CLOSE

Buyer's obligation to purchase the Purchased Assets and to take the other actions required to be taken by Buyer at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by the Buyer, in whole or in part):

SECTION 6.01. SELLER'S PERFORMANCE. All of the covenants and obligations that Seller is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of these covenants and obligations (considered individually), shall have been duly performed and complied with in all material respects.

SECTION 6.02. SELLER'S REPRESENTATIONS AND WARRANTIES. All representations and warranties made by Seller in this Agreement shall be true, correct, and complete as of the Effective Date, and no breach or violation of such representations and warranties shall have occurred from the Effective Date up to and including the Closing Date.

SECTION 6.03. ADDITIONAL DOCUMENTS. Seller shall have caused the documents and instruments required by this Agreement and the following documents to be delivered (or made available) to the Buyer, in a form reasonably satisfactory to the Buyer:

(A) Certified copies of any required resolutions reflecting approval of this Agreement by Seller;

(B) Certified copies of any required additional resolutions of Seller and/or minutes of the meetings of the board of directors of Seller as Buyer may reasonably request;

(C) Such other documents as Buyer may reasonably request for the purpose of:

(1) Evidencing the performance by Seller of, or the compliance by Seller with, any covenant or obligation required to be performed or complied with by Seller; or

(2) Evidencing the release of all liens, security interests, and other encumbrances other than Permitted Real Estate Encumbrances.

SECTION 6.04. NO CONFLICT; NO LITIGATION AFFECTING CLOSING.

Neither the consummation nor the performance of this Agreement will, directly or indirectly, materially contravene or conflict with or result in a material violation of or cause Buyer to suffer any material adverse consequence under any applicable Governmental Authorization or other legal order. On the Closing Date, there shall not have been issued and in effect any injunction or similar legal order prohibiting or restraining consummation of any of the transactions contemplated in this Agreement and no legal action or governmental investigation or inquiry which might reasonably be expected to result in any such injunction or order shall be pending or threatened before any court or governmental agency and no suit, action or proceeding to obtain damages or other relief in connection with this Agreement shall be pending or threatened before any court or governmental agency.

SECTION 6.05. GOVERNMENTAL AUTHORIZATIONS. Buyer shall have received all Governmental Authorizations needed for the transfer of the Purchased Assets, including, but not limited to, adoption and approval of an Order from the NCUC, authorizing: (a) the transfer of the Purchased Assets as contemplated by this Agreement; (b) Buyer to provide water and wastewater services to the existing customers in the respective Service Area; and (c) Seller to abandon such Service Area. Such Governmental Authorizations, orders, authorizations and approvals by the NCDEQ, the NCUC, and other Governmental Bodies shall be in form and substance satisfactory to Buyer in its sole discretion. All Governmental Authorizations shall have been issued, cancelled, or transferred, as the case may be, in accordance with Article V on terms satisfactory to Buyer.

SECTION 6.06. MATERIAL DAMAGE. The Purchased Assets shall not be, or be threatened to be, materially adversely affected by fire, explosion, earthquake, disaster, accident, cessation or interruption of utility or other services, flood, drought, lack of water supply, contamination of water supply, embargo, riot, civil disturbance, uprising, activity of armed forces or act of God or public enemy, or any other event or occurrence.

SECTION 6.07. TESTING. Buyer shall be satisfied in its sole discretion with the test results of any testing of the levels of **PFAS** in the Utility System and/or the Purchased Assets, including, but not limited to testing of the levels of PFOA, PFOS, GenX, HFPO-DA and testing for any other chemicals deemed necessary by Buyer.

SECTION 6.08. SATISFACTION OF BUYER. All actions, proceedings, resolutions, instruments and documents required to carry out this Agreement or incidental hereto and all other related matters shall have been approved on the Closing Date by Buyer in the exercise of its reasonable judgment.

ARTICLE VII

CONDITIONS PRECEDENT TO SELLER'S OBLIGATION TO CLOSE

Seller's obligation to sell the Purchased Assets and to take the other actions required to be taken by Seller at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Seller in whole or in part):

SECTION 7.01. BUYER'S PERFORMANCE. All of the covenants and obligations that Buyer is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of these covenants and obligations (considered individually), shall have been performed and complied with in all material respects.

SECTION 7.02. BUYER'S REPRESENTATIONS AND WARRANTIES. All representations and warranties made by Buyer in this Agreement shall be true, correct and complete as of the Effective Date, and no breach or violation of such representations and warranties shall have occurred from the Effective Date up to and including the Closing Date.

SECTION 7.03. NO LITIGATION AFFECTING CLOSING. On the Closing Date, there shall not have been issued and in effect any injunction or similar legal order prohibiting or restraining consummation of any of the transactions contemplated in this Agreement and no legal action or governmental investigation or inquiry which might reasonably be expected to result in any such injunction or order shall be pending or threatened before any court or governmental agency and no suit, action or proceeding to obtain damages or other relief in connection with this Agreement shall be pending or threatened before any court or governmental agency.

ARTICLE VIII

COVENANTS OF SELLER

SECTION 8.01. OPERATION OF THE BUSINESS OF SELLER. Between the Effective Date and the Closing, Seller shall:

(A) Conduct the Business in the ordinary course of business consistent with past practice;

(B) Confer with Buyer prior to implementing operational decisions relating to the Utility System of a material nature;

(C) Maintain and service the Purchased Assets in a state of repair and condition such that they will be in proper working order at Closing, that complies with legal requirements and is consistent with the requirements and normal conduct of Seller's business;

(D) Comply with all laws, ordinances, rules, regulations, orders and legal requirements and contractual obligations applicable to the operation of Seller's business;

(E) Use its best efforts to maintain its relations and good-will with its suppliers, customers and any others having business relations with it;

(F) Cooperate with Buyer and assist Buyer in identifying the Governmental Authorizations required by Buyer to operate the business from and after the Closing Date and either (i) transferring existing Governmental Authorizations of Seller to Buyer, where permissible, or (ii) assisting Buyer in obtaining new Governmental Authorizations;

(G) Use best efforts to obtain, and cooperate promptly with Buyer's efforts to obtain, all Governmental Authorizations or other consents and approvals and actions required of either Seller or Buyer to complete the transactions contemplated by this Agreement;

(H) Upon request from time to time, execute and deliver all documents, make all truthful oaths, testify in any proceedings, whether before or after Closing, and do all other acts that may be reasonably necessary to consummate this Agreement, all without further consideration;

(I) Maintain all books and records of Seller relating to Seller's business in the ordinary course of business;

(J) Notify and consult with Buyer prior to the initiation, development, or execution of any plans for expansion of or improvements to the Utility System;

(K) Cooperate with Buyer in sending any customer notices that in Buyer's judgment are necessary or desirable in connection with the transactions contemplated herein (provided, however, that, except for any notices required by any Governmental Body, no such notices shall be sent to customers unless and until Seller has determined to proceed with Closing under this Agreement);

(L) Not allow the levels of raw materials, supplies or other materials included in the Purchased Assets to vary materially from the levels customarily maintained;

(M) Conduct the Business in such a manner that at the Closing the representations and warranties of Seller contained in this Agreement shall be true as though such representations and warranties were made on and as of such date. Furthermore, Seller will use its best efforts to cause all of the conditions to this Agreement to be satisfied on or prior to the Closing Date

(N) Not make any material modification to any Governmental Authorization that relates to the Purchased Assets and maintain in full force and effect until Closing all Governmental Authorizations necessary to operate the Utility System; and

(O) Promptly notify Buyer in writing of (i) any actions, suits, claims, disputes, arbitrations, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving or otherwise affecting Seller or the Business that relate to the consummation of the transactions contemplated by this Agreement or of the occurrence of any event (exclusive of general economic factors affecting business in general) of a nature that is or may be materially adverse to the business, operations, properties, assets, prospects or condition (financial or otherwise) of Seller; (ii) the damage or destruction by fire or other casualty of any material portion of the Purchased Assets or if any material portion of Purchased Assets becomes

the subject of any proceeding or, to the knowledge of Seller, threatened proceeding, for the taking thereof or any part thereof or of any right relating thereto by condemnation, eminent domain or other similar governmental action; and (iii) all events between the Effective Date and Closing which could render any representation or warranty under the Agreement, if restated and republished as of Closing, untrue or incorrect in any material respect.

SECTION 8.02. NOTIFICATION. Between the Effective Date and Closing, Seller shall promptly notify Buyer, in writing, if it becomes aware of (a) any fact or condition that causes or constitutes a breach of this Agreement or (b) the occurrence after the Effective Date of any fact or condition that would or would be reasonably likely to (except as expressly contemplated by this Agreement) cause or constitute a breach of this Agreement. During the same period, Seller also shall promptly notify the Buyer of the occurrence of any breach of any covenant of Seller in this Agreement or the occurrence of any event that may make the satisfaction of the conditions in this Agreement impossible or unlikely.

SECTION 8.03. PAYMENT OF LIABILITIES. Seller shall pay or otherwise satisfy in the ordinary course of business all of its liabilities and obligations as they come due.

ARTICLE IX

CLOSING AND RELATED PROCEDURES AND ADJUSTMENTS

SECTION 9.01. CLOSING DATE AND PLACE. The Closing shall be held at such place as is mutually agreed upon by the Parties, commencing at 10:00 a.m. local time, unless a different time is mutually agreed to by the Parties, within thirty (30) days after approval by the NCUC. The effective time of the legal transfer hereunder shall be 12:01 a.m. on the Closing Date. Notwithstanding the foregoing, if the Closing has not occurred on or before December 31, 2021, either Party shall have the right to terminate this Agreement, provided that such termination shall be without prejudice to the rights of either Party which has performed its obligations under this

Agreement if Closing does not occur because of a material breach of this Agreement by the other Party. By mutual agreement of the Parties hereto, the Closing Date may be extended for a period of up to one hundred twenty (120) days beyond December 31, 2021. Consent to the extension of the Closing Date shall not be unreasonably withheld.

SECTION 9.02. RECORDING FEES AND TAXES.

(A) Fees to record the deeds and any other instruments necessary to deliver title to Buyer shall be paid by Buyer.

(B) To the extent that taxes or other charges are due and payable with respect to the deeds and other instruments necessary to deliver title to the Purchased Assets to Buyer, said transfer taxes shall be paid by Seller. Any income taxes due and payable by Seller as a result of the sale of the Purchased Assets shall be paid by Seller.

**SECTION 9.03. ACCOUNTS RECEIVABLE; ACCOUNTS PAYABLE;
CUSTOMER DEPOSITS.**

(A) All accounts receivable generated for services provided to customers prior to the Closing Date shall belong to Seller and Seller shall have the right and obligation to collect such accounts receivable. All accounts receivable generated for services provided to customers on and after the Closing Date shall belong to Buyer and Buyer shall have the right and obligation to collect such accounts receivable.

(B) All bills for services, materials and supplies rendered in connection with the operation of the Utility System prior to the Closing Date (“Accounts Payable”), shall be paid by Seller.

(C) Seller shall be responsible for all ad valorem or property taxes, prorated through the Closing Date. Taxes due thereafter, if any, shall be paid by Buyer.

(D) Seller shall refund all customer deposits, with interest if such interest is required to be paid by law, regulation or administrative order. Deposits shall not be transferred to Buyer.

SECTION 9.04. CONNECTION CHARGES.

(A) Connection Charges collected by Seller prior to the Closing Date for which the connection was not completed prior to Closing shall be a Purchased Asset.

(B) Connection Charges collected from and after Closing shall be Buyer's sole and separate property.

SECTION 9.05. METER READINGS. Buyer and Seller agree that final meter readings shall be conducted within seven (7) days immediately prior to Closing. These readings shall be utilized by Seller for the purpose of issuing final bills, and shall constitute the opening readings for Buyer. Buyer shall use these readings to begin the billing cycle for its new customers following Closing, and shall not be responsible for the collection of any amounts due Seller for bills issued by Seller as a result of Seller's final meter reading

SECTION 9.06. COSTS AND PROFESSIONAL FEES.

(A) Each Party shall be responsible for securing its own counsel and advisors for representation in connection with the negotiation of this Agreement and all other matters associated with performance, cancellation or closing hereunder, unless otherwise specified herein. Each Party shall be responsible for the payment of the fees of its own attorneys, bankers, engineers, accountants, and other professional advisors or consultants in connection herewith. Seller's attorney will be responsible for the recording of the deeds and other instruments necessary to deliver title to Buyer.

SECTION 9.07. RISK OF LOSS. At all times prior to and through the time of Closing, Seller shall maintain adequate fire and extended insurance coverage for the cost of any repairs to the Purchased Assets that may be required as a result of casualty damage. The risk of loss to the

Utility System prior to Closing shall be borne by Seller. The risk of loss to the Utility System after Closing shall be borne by Buyer.

SECTION 9.08. TRANSFER OF UTILITIES. Seller and Buyer will cooperate to transfer utility service, including telephone, electric and gas service providing such service to any of the Purchased Assets as of the Closing Date. In the event service cannot be transferred in the name of Buyer as of the Closing Date, the bills shall be pro-rated as of the Closing Date, and Buyer shall retain from the Purchase Price its estimate of the amount of such bills not yet paid by Seller. In the event that the actual amount of such bills is less than the estimate, Buyer shall provide reimbursement to Seller of the difference.

SECTION 9.09. CLOSING PROCEDURE.

(A) On or prior to the Closing Date, Seller and Buyer shall execute all documents necessary to close the transaction.

(B) At the Closing, Seller shall deliver to Buyer the tangible Purchased Assets in substantially the same operating condition and repair, ordinary wear and tear excepted, as of the Effective Date.

(C) At Closing, the appropriate Party shall execute and deliver or cause to be executed and delivered to the Closing the following documents in final form, together with any exhibits or appendices (“Transfer Documents”):

(1) General warranty deed(s) for the conveyance of Fee Parcels to be conveyed, substantially in the same form as set forth in **Exhibit H**;

(2) Assignment of Easements conveying the Easements to Buyer, substantially in the same form as set forth in **Exhibit I**;

(3) If necessary, general assignment of any Government Authorizations;

(4) Bills of Sale or other documents of assignment and transfer, with full warranties of title to the personal property portion of Purchased Assets, substantially in the same form as set forth in **Exhibit G**;

(5) Post closing agreements, affidavits, assignment certificates, estoppel certificates, corrective instruments, releases, satisfactions or terminations necessary or required pursuant to this Agreement;

(6) Title Commitments consistent with Section 3.03 of this Agreement;

(7) Non-foreign affidavit;

(8) Any affidavits, assignments, certificates, estoppel certificates, corrective instruments, releases, satisfactions, terminations or waivers necessary to close, including, but not limited to, a no lien affidavit, a “gap” affidavit and those instruments identified by the Title Company insuring the Fee Parcels; and

(9) Documents, in a form reasonably satisfactory to the Buyer, evidencing the release of all liens, security interests, and other encumbrances other than Permitted Real Estate Encumbrances.

(D) Following execution and delivery of the Transfer Documents, Seller shall also deliver keys to any and all buildings and gates to Buyer and simultaneously with such delivery, all such steps shall be taken as may be required to put Buyer in actual possession and operating control of the Purchased Assets.

SECTION 9.10. REMEDY. Seller acknowledges that the Purchased Assets are unique and not otherwise available and agrees that Buyer may seek specific performance of this Agreement by Seller.

SECTION 9.11. DOCUMENTS AFTER THE CLOSING. From time-to-time after the Closing, each Party hereto shall, upon request of the other, execute, acknowledge and deliver, or

shall cause to be executed, acknowledged and delivered, all such further acts, deeds, assignments, bills of sale, transfers or other documentation for (1) confirming or correcting title in the name of Buyer or its successor(s) or perfecting possession by Buyer or its successor(s) of any or all of the Purchased Assets, including the establishment of a record of Easements without resort to litigation, expenditure of monies or other extraordinary means, for all facilities that are a part of the Utility System in existence or use at the time of Closing, or (2) otherwise fulfilling the obligations of the parties hereunder. Further, from time-to-time after Closing, should the parties discover that certain land parcels, easements, or other rights owned or enjoyed by Seller at Closing and necessary to the proper operation and maintenance of the Utility System were not included in the appendices hereto, and thus not transferred to the Buyer or its successor(s) at Closing in accordance with this Agreement, then the parties agree that Seller shall execute or cause to be executed the documents including, but not limited to, acts of sale or transfer, deeds, easements and bills of sale necessary to convey such ownership or rights to Buyer or its successor(s), at no cost to Buyer, provided such conveyances may be accomplished without resort to litigation, expenditure of monies or other extraordinary means.

ARTICLE X

INDEMNITY AND ATTORNEYS' FEES

SECTION 10.01. INDEMNIFICATION OF BUYER

From and after the Closing, Seller agrees to reimburse, indemnify (or defend at Buyer's sole option) and hold Buyer, its affiliates, and their officers, directors and employees, successors and assigns harmless from and against any liability, obligation, loss, claim, action, suit, audit, deficiency, damage, fine, cost or expense (including attorney's fees and costs) resulting from, relating to, arising out of or attributable to:

(A) any act or omission of Seller or its agents, employees or contractors relating to Seller's ownership, maintenance, or operation of the Utility System prior to Closing;

(B) any misrepresentation, or breach or non-fulfillment of any representation, warranty, covenant or agreement on the part of Seller under this Agreement, or from any misrepresentation in, or omission from, any Exhibit or Schedule or information furnished to Buyer pursuant to this Agreement or in connection with the negotiation, execution or performance of this Agreement;

(C) any liabilities or obligations of Seller of any nature whatsoever except for those liabilities and obligations of Seller which Buyer specifically assumes pursuant to this Agreement;

(D) the provision of water and/or wastewater service by Seller for the period prior to the Closing Date;

(E) issues of regulatory compliance and claims by third parties for events that are attributable to events that occurred prior to Closing;

(F) Seller's failure to perform any of its covenants following Closing; and/or

(G) Seller's tax liability.

SECTION 10.02. INDEMNIFICATION OF SELLER

From and after the Closing, Seller agrees to reimburse, indemnify (or defend at Buyer's sole option) and hold Buyer, its affiliates, and their officers, directors and employees, successors and assigns harmless from and against any liability, obligation, loss, claim, action, suit, audit, deficiency, damage, fine, cost or expense (including attorney's fees and costs) resulting from, relating to, arising out of or attributable to any misrepresentation, or breach or non-fulfillment of any representation, warranty, covenant or agreement on the part of Buyer under this Agreement.

SECTION 10.03. GENERAL

Buyer shall provide the Seller with reasonable notice of any claims arising under this Section 10. The indemnification rights of the Buyer under this Section 10 are independent of and

in addition to such rights and remedies as the Buyer may have at law or in equity or otherwise for any misrepresentation, breach of representation, warranty, or failure to fulfill any agreement or covenant hereunder.

SECTION 10.04. ATTORNEY'S FEES

In the event litigation or any action is necessary to resolve any dispute arising under this Agreement or to enforce the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees, expenses and costs as well as any other damages occasioned by the breach of the terms of this Agreement to the extent allowed by North Carolina law.

ARTICLE XI

GENERAL PROVISIONS

SECTION 11.01. APPLICABLE LAW; JURISDICTION AND VENUE. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of North Carolina excluding any choice of law rules that may direct the application of the laws of any other jurisdiction with venue in Watauga County, North Carolina.

SECTION 11.02. NOTICE.

(A) All notices, requests, demands, waivers, consents, approvals, certificates or other communications which are required or permitted hereunder shall be in writing and shall be deemed sufficiently given when hand delivered or mailed by registered or certified mail, postage prepaid, or by courier service, charges prepaid, or when delivered by facsimile transmission to the parties at the following addresses or fax numbers:

To Seller:	Water Resource Management, LLC James E. Harrill II, Executive Manager 151 Mr. Bish Blvd. Boone, NC 28607-7842 Phone: (828) 963-7600 Facsimile: (828) 963-4458
------------	--

Email: randy@foscoecompanies.com (William R. Carter, General Manager)

To Buyer: Carolina Water Service Inc., of North Carolina
500 West Monroe St., Suite 3600,
Chicago, IL 60661
Attn: Donald H. Denton III, President
Phone: 704-525-5049
Cell: 704-995-7640

with a copy to: Corix Regulated Utilities (US) Inc.
500 West Monroe St., Suite 3600
Chicago, IL 60661
Attn: Vice President and General Counsel
Phone: (775) 300-1628

(B) Any written notice given to one person in subsection (A) of this Section shall also be copied and provided to all other persons identified in subsection (A).

(C) The parties may, by notice in writing given to the others, designate any future or different addresses or fax numbers to which the subsequent notices, requests, demands, waivers, consents, approvals, certificates or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand, courier, or by facsimile transmission or five (5) days after the date mailed.

SECTION 11.03. ASSIGNMENT AND JOINDER.

(A) This Agreement may not be assigned without the prior written consent of the non-assigning party, which consent shall not be unreasonably withheld.

(B) This Agreement shall be construed as solely for the benefit of Seller and Buyer and their successors and assigns and no claim or cause of action shall accrue to or for the benefit of any other party.

(C) This Agreement shall be binding on, shall inure to the benefit of and be enforceable by the parties to it and their respective successors and permitted assigns.

SECTION 11.04. AMENDMENTS AND WAIVERS. Except as otherwise provided in this Agreement, no amendment, supplement, modification or waiver of this Agreement shall be binding upon any party hereto unless executed in writing by such party. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision of this Agreement, whether or not similar, unless otherwise expressly provided in writing.

SECTION 11.05. ENTIRE AGREEMENT. This Agreement is the entire agreement between the parties and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions of the agreements, understandings, negotiations and discussions of the parties, whether oral or written, pertaining to the subject matter hereof, and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof, except as specifically set forth herein.

SECTION 11.06. TERMINATION EVENTS. By notice given prior to or at the Closing, this Agreement may be terminated as follows:

(A) Without limiting the rights and remedies available to Buyer arising from Seller's failure to comply with its obligations under this Agreement, if the Governmental Authorizations set out in Article V, or if all conditions precedent to Buyer's obligation to close set out in Article VI have not been satisfied within fourteen (14) months after the Effective Date, Buyer shall have the right of termination, without further recourse by or liability to Seller, by delivery of written notice to Seller.

(B) Without limiting the rights and remedies available to Seller arising from Buyer's failure to comply with its obligations under this Agreement, if the Governmental Authorizations set out in Article V, or if all conditions precedent to Seller's obligation to close set out in Article

VII have not been satisfied within fourteen (14) months after the Effective Date, Seller shall have the right of termination, without further recourse by or liability to Buyer, by delivery of written notice to Buyer.

(C) As otherwise provided in this Agreement.

(D) By mutual written agreement of Buyer and Seller.

(E) If, between the Effective Date and the Closing, any of the Purchased Assets shall be destroyed or damaged in whole or in part by fire, earthquake, flood, other casualty or any other cause (“**Casualty**”), then Buyer shall have the option to: (a) acquire such Purchased Assets on an “as is” basis and take an assignment from Seller of all insurance proceeds payable to Seller in respect of the Casualty, or (b) in the event that the Casualty would have a material adverse effect on the value or use of the Purchased Assets, terminate this Agreement.

SECTION 11.07. EFFECT OF TERMINATION.

(A) Each Party's right of termination under Section 11.06 is in addition to any other rights it may have under this Agreement or otherwise and the exercise of such right of termination is not an election of remedies. If this Agreement is terminated pursuant to Section 11.06, all obligations of the Parties under this Agreement shall terminate unless otherwise stated in this Agreement; provided, however, that if this Agreement is terminated because of a breach of this Agreement by the non-terminating Party or because one or more of the conditions to the terminating party's obligations under this Agreement is not satisfied as a result of the other Party's failure to comply with its obligations under this Agreement, the terminating party's right to pursue all legal remedies will survive such termination unimpaired.

(B) Neither Seller nor Buyer shall be liable to the other in the event that after the Effective Date there occurs (1) a change of law that prevents the Closing, (2) any action by an

unrelated third party that prevents the Closing, or (3) any legal order that prevents the Closing. Both Parties shall diligently defend against a third party's attempt to prevent a Closing or Governmental Authorization.

(C) If a material breach of any provision of this Agreement has been committed by Buyer and such breach has not been waived by Seller, but does not result in termination of the Agreement, Seller retains all remedies available to it at law or in equity with respect to such breach.

(D) If a material breach of any provision of this Agreement has been committed by Seller and such breach has not been waived by Buyer, but does not result in termination of this Agreement, Buyer retains all remedies available to it at law or in equity with respect to such breach.

SECTION 11.08. COUNTERPARTS. This Agreement may be executed in counterparts, each of which when executed and delivered shall be considered an original and all of which counterparts taken together shall constitute but one and the same instrument. The Parties expect that the Seller will execute this Agreement before execution by the Buyer. Seller understands and agrees that Buyer will not execute this Agreement without the prior approval of its Board of Directors, whose discretion to accept or reject this Agreement prior to execution by Buyer shall in no way be limited by Seller's execution hereof. This Agreement shall become binding when one or more counterparts taken together shall have been executed and delivered by all signatories. It shall not be necessary in making proof of this Agreement or any counterpart hereof to produce or account for any of the other counterparts.

SECTION 11.09. SECTION HEADINGS, GENDER, ETC. Any headings preceding the texts of the several articles, sections or exhibits in this Agreement shall be solely for the convenience of reference and shall not constitute a part of this Agreement, nor affect its interpretation, meaning, construction or effect. Words used herein, regardless of the number and

gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

SECTION 11.10. SEVERABILITY. In the event any term or provision of this Agreement is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement and the remainder of this Agreement shall be construed to be in full force and effect. Any such invalidity, illegality or unenforceability in any jurisdiction or under any circumstance shall not invalidate or render unenforceable such provision in any other jurisdiction or under any other circumstance, unless, in either event, the invalid, illegal or unenforceable provision causes this Agreement to fail of its essential purpose.

SECTION 11.11. EXHIBITS AND SCHEDULES. All exhibits, schedules and attachments referred to herein are intended to be and hereby are made specifically a part of this Agreement.

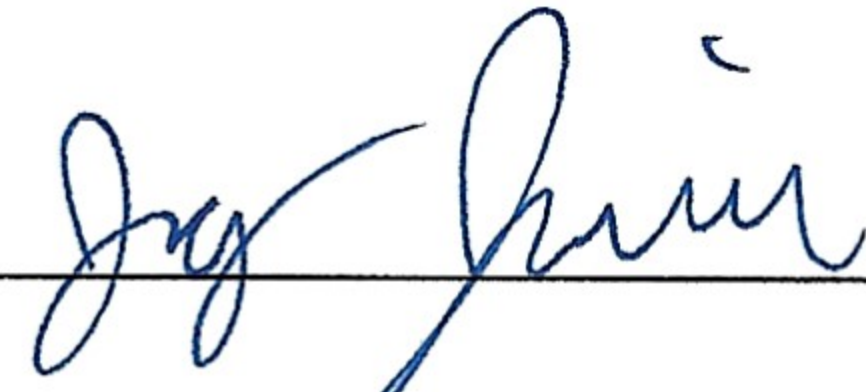
SECTION 11.12. INTERPRETATION. Each Party agrees that (a) it has participated substantially in the negotiation and drafting of this Agreement and is thoroughly aware of all of the terms of this Agreement and the intent of same, and (b) all presumptions and/or burdens of proof concerning any interpretation of this Agreement shall not be affected by any statutory or judicial principles casting such presumptions against and/or burdens of proof on a party responsible for the drafting and/or written form of an agreement or contract.

SECTION 11.13. SURVIVAL OF REPRESENTATIONS, WARRANTIES COVENANTS AND AGREEMENTS. All representations, warranties, covenants and agreements made by the parties in this Agreement or in any agreement, document, statement or certificate furnished hereunder, delivered in support of this Agreement or in connection with the negotiation, execution and performance of this Agreement shall be deemed to have been material

certifications and further assurances as Buyer may reasonably require in order to vest in Buyer, and/or to place Buyer fully in possession of, all of the Purchased Assets. Each of the Parties hereto, without additional compensation, will cooperate with the other and execute and deliver to the other such instruments and documents and take such actions as may be reasonably requested from time to time by any other Party hereto as necessary to carry out, evidence and confirm the purposes of this Agreement.

IN WITNESS WHEREOF, the Seller and Buyer have caused this Agreement to be duly executed and entered into on the date first above written.

Water Resource Management, LLC

By: 

Name: James E Harrill II

Title: Exec. Manager

Carolina Water Service, Inc. of North Carolina

By: _____

Name:

Title:

By:  _____

Name: Donald H. Denton III

Title: President

OFFICIAL COPY

Apr 22 2022

Exhibit A – Service Area

Exhibit B – Easements

Exhibit C – Excluded Assets

Exhibit D – Fee Parcels

Exhibit E – Personal Property

Exhibit F – Customer Deposits

Exhibit G – Bill of Sale

Exhibit H – General Warranty Deed

Exhibit I – Assignment of Easements

Exhibit K – NOT USED

Exhibit L – NOT USED

Schedule 3.04(B) – Environmental Permits & Governmental Authorizations

Schedule 3.04(C) – Environmental Compliance

Schedule 3.04(D) – Violations

Schedule 3.04(E) – Hazardous Materials

Schedule 4.01(B) – Pending or Threatened Legal Actions

Schedule 4.01(C) – Default of Government Authorizations

Schedule 4.01(E) – Agreements Not in Good Standing and Defaults

Schedule 4.01(H) – Conveyance of Fee Parcels

Schedule 4.01(I) – Conveyance of Purchased Assets

Schedule 4.01(M) – Liabilities or Obligations of Seller Relating to the Purchased Assets

Schedule 4.01(N) – Notice of Violations from a Governmental Body

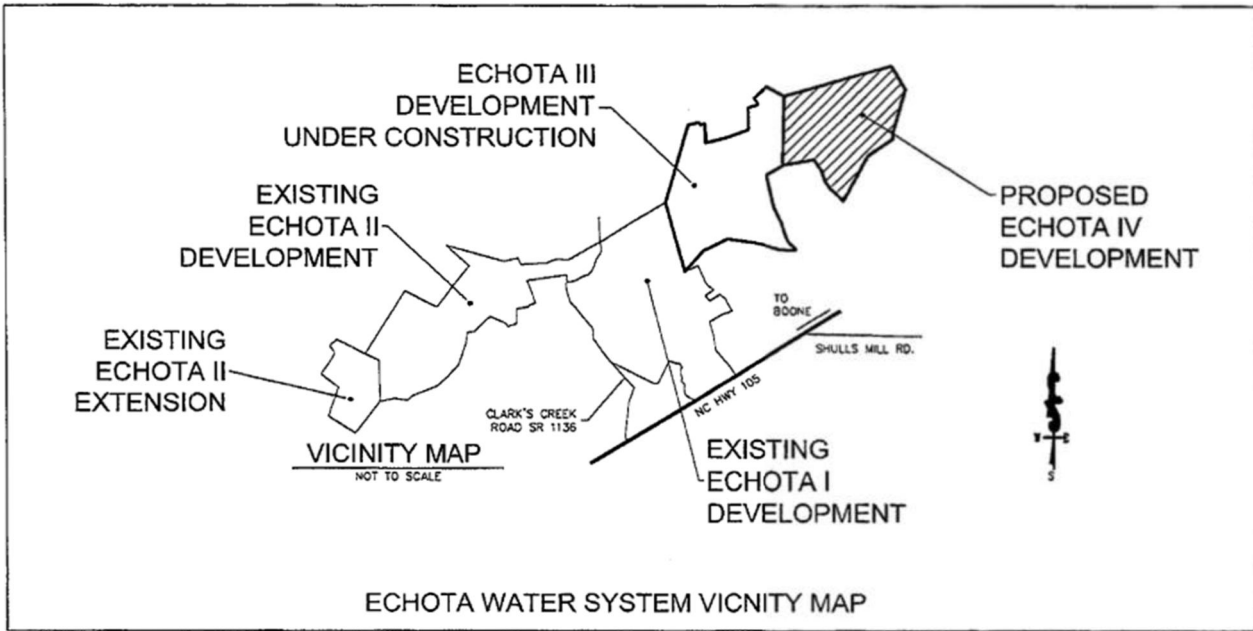
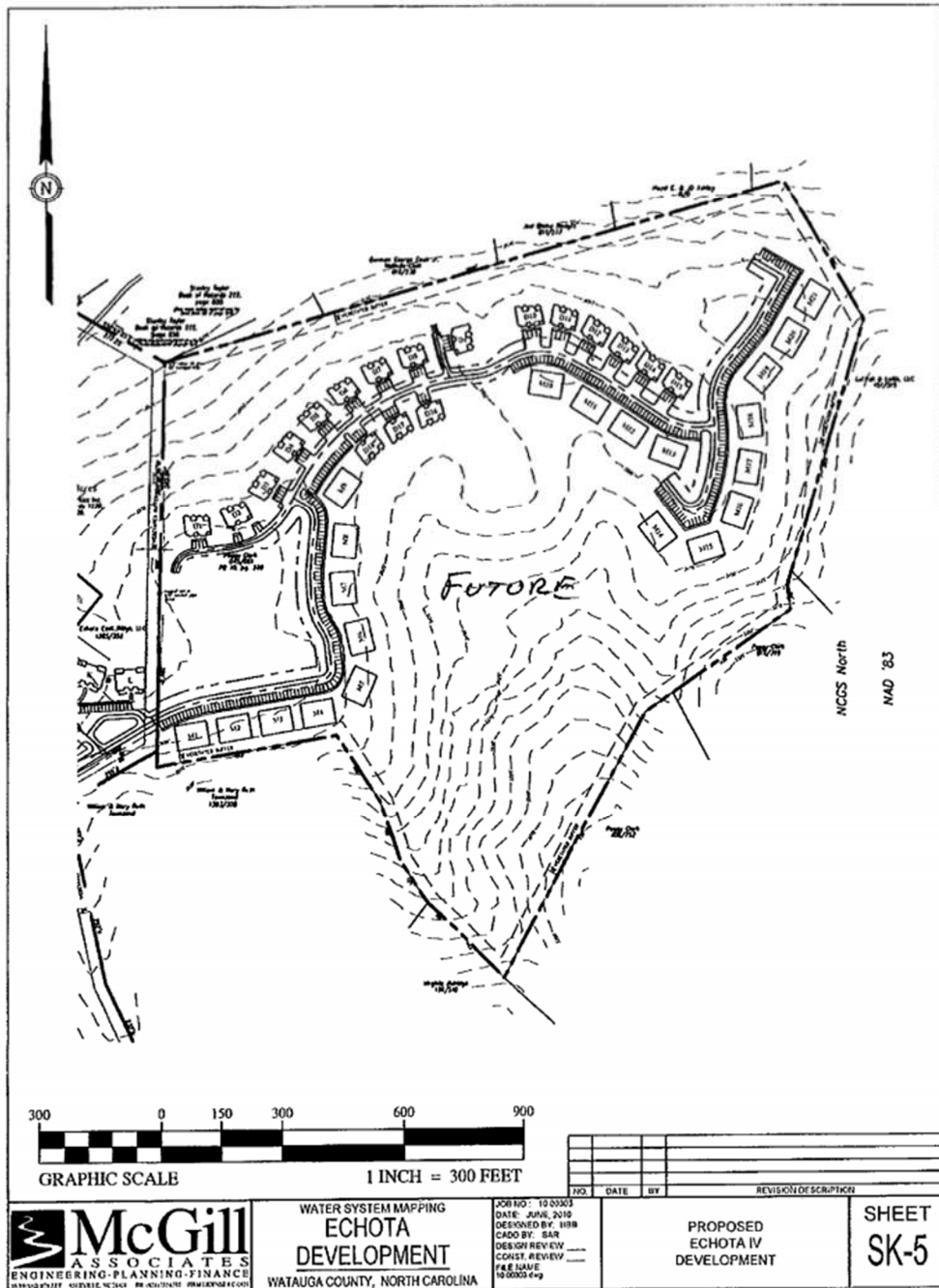


Exhibit A
Service Area

OFFICIAL COPY
OFFICIAL COPY
Nov 20 2014
Apr 22 2022



Seven Devils Wastewater Service Area

APPENDIX A

SCHEDULE OF RATES

for

WATER RESOURCE MANAGEMENT, INC.

for providing sewer utility service in

THE TOP OF SEVEN CONDOMINIUMS,
THE CITY HALL FOR SEVEN DEVILS,
THE SEVEN DEVILS LAKE RESORT CLUB,
ONE RESIDENTIAL CUSTOMER,
THE LAKES COMMUNITY,
HAWKS PEAK CONDOMINIUMS,
AND HAWKS PEAK SOUTH CONDOMINIUMS

Watauga County, North Carolina

<u>Monthly Flat Rate for Sewer Service:</u>	\$ 28.20
<u>Tap on Fee:</u>	\$200.00
<u>Returned Check Charge:</u>	\$ 14.10
<u>Bills Due:</u>	On billing date
<u>Bills Past Due:</u>	25 days after billing date
<u>Billing Frequency:</u>	Shall be monthly for service in arrears
<u>Finance Charge for Late Payment:</u>	1% per month will be applied to the unpaid balance of all bills still past due 25 days after billing date.

NOTE: Customers who ask to be reconnected within nine months of disconnection will be charged the flat rate charge for the service periods that they were disconnected.

Issued in Accordance with Authority Granted by the North Carolina Utilities Commission in Docket No. W-1073, Sub 5, on this the 13th day of February, 2015.

Exhibit B
Easements

FILED: Jofan Tolson
Register of Deeds, Watauga Co., NC
Fee Ref: 577.1K

✓
ROBER* B. ANGLE JR

9K 1779 Pg 70 (7)
Rec'd: 11/12/20 4 41 33:27, 18 PM
Doc No: 631786 Kind: 522Jk51



WATER SYSTEM DEED OF CONVEYANCE AND EASEMENT

STATE OF NORTH CAROLINA }
 }
COUNTY OF WATAUGA }

This Deed of Conveyance is entered into this 11 day of November, 2014. The Lakes Community Development Company, Inc. ("Grantor") does hereby transfer to Water Resource Management, Inc. ("Grantee") all right, title and interest in that certain property described hereafter. And, Grantee does accept said conveyance pursuant to the terms and conditions contained herein.

WITNESSETH:

The Grantor, for valuable consideration paid by the Grantee, receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee, in fee simple, all right, title and interest in and to the water system, including but not limited to the underground and above ground lines, water tanks, well houses, pumps and all other equipment connected thereto where currently located within the area known as "ECHOTA" which is within the boundaries described in that certain deed recorded in Book 1744 at Page 376 of the Watauga County Registry and more particularly described on Exhibit "A" attached hereto.

And, Included herewith is the easement and right of the Grantee to go upon lands of the Grantor for purposes of servicing, repairing, maintaining and replacing water equipment as the same may be necessary. Grantee covenants with the Grantor that in the event of such repair, maintenance, or replacement,

BK 1779 PG 071 DOC# 831786

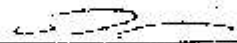
EK 1779 Pg 71
Doc No: 831786 K111 EEC-1151

the Grantee shall restore the land to its condition prior to such repair or replacement and, Grantee further covenants in exchange for this conveyance, it shall maintain the water system, including the underground and above ground lines, water tanks, well houses, pumps and all other equipment connected thereto in good working order. Grantee is granted a perpetual easement to enter upon the lands of the Grantor for the purposes herein stated, the same to be appurtenant to and run with the lands of the Grantor as herein above described.



This Deed of Conveyance shall be binding upon the parties hereto, their successors and assigns.

IN TESTIMONY WHEREOF, the parties have set their hand and seal the day and year first written above.

THE LAKES COMMUNITY DEVELOPMENT COMPANY, INC.

By:  (SEAL)
Mark E. Harrill, President

WATER RESOURCE MANAGEMENT, INC.

By:  (SEAL)
President

Print Name

BK 1779 PG 072 DOC# 831785

BK 1779 PG 72
Doc No 831785 EDoc 8611467

State of North Carolina, County of Watauga

I, Teri S. Frank a Notary Public of said county and State, do hereby certify that Mark E. Harrill, President of The Lakes Community Development Company, Inc., a North Carolina Corporation, personally appeared before me this day, voluntarily signed and acknowledged the execution of the foregoing instrument on behalf of the company, and I further certify that I received satisfactory evidence of identity from the President or have personal knowledge of him.

WITNESS my hand and official seal this the 11 day of November, 2014.



Teri S. Frank
Notary Public Signature

Teri S. Frank
Printed or typed name of Notary Public

My commission expires: 10/20/16

State of North Carolina, County of Watauga

I, Teri S. Frank a Notary Public of said county and State, do hereby certify that Mark E. Harrill, President of Water Resource Management, Inc., a North Carolina Corporation, personally appeared before me this day, voluntarily signed and acknowledged the execution of the foregoing instrument on behalf of the company, and I further certify that I received satisfactory evidence of identity from the President or have personal knowledge of them.

WITNESS my hand and official seal this the 11 day of November, 2014.



Teri S. Frank
Notary Public Signature

Teri S. Frank
Printed name of Notary Public

My commission expires: 10/20/16

EXHIBIT A

TRACT 1

Being the same first part of land conveyed by State-Plantes Heck C. Cameron and Trust, of Richmond, Virginia and Joseph A. Aldis, Executor and Trustee under the will of Katherine M. Aldis, deceased, to John N. Adams, Jr., et al., as recorded in Deed Book 100, Page 273; TOGETHER with a portion of that same parcel of land conveyed by Katherine M. Adams, widow, to John N. Adams, Jr., et al., as recorded in Deed Book 91, Page 257 all of the office of the Register of Deeds of Wake County, North Carolina, and more particularly described as follows:

ACQUISING to a point in the center of N.C. Highway 105, having 4123.6, 00 hundredths of North 02° 01' 49" West Book 1, 185,433.462 acre and being located South of 10 degrees 33 minutes 35 seconds West 257.53 feet from N.C.S. monument "Rebels" and being further located North 13 degrees 21 minutes 59 seconds West 22.96 feet from a 3/4 inch iron rod found on the eastward side of said road; THENCE with the center of said road the following courses and distances: (1) South 47 degrees 04 minutes 14 seconds West, 45.62 feet to a point; (2) South 55 degrees 06 minutes 42 seconds West 96.50 feet to a point; (3) South 55 degrees 10 minutes 03 seconds West 96.25 feet to a point; (4) South 55 degrees 17 minutes 16 seconds West 91.28 feet to a point; (5) South 55 degrees 36 minutes 42 seconds West 93.03 feet to a point; (6) South 55 degrees 42 minutes 27 seconds West 94.25 feet to a point; (7) South 55 degrees 53 minutes 14 seconds West 95.90 feet to a point; (8) South 56 degrees 06 minutes 06 seconds West 94.73 feet to a point; and (9) South 53 degrees 19 minutes 02 seconds West 118.24 feet to a point; thence leaving the road and with the line of the 4.527 acre tract the following courses and distances: (1) North 29 degrees 23 minutes 46 seconds West, 57.90 feet to a 3/4 inch iron pipe found in the northeast corner of said tract; (2) North 29 degrees 23 minutes 49 seconds West 95.33 feet to a 3/4 inch iron pipe found; (3) North 45 degrees 11 minutes 49 seconds West 51.46 feet to a 3/4 inch iron pipe found; (4) North 15 degrees 49 minutes 26 seconds West 59.07 feet to a 3/4 inch iron pipe found; (5) North 64 degrees 05 minutes 38 seconds East 119.96 feet to a 3/4 inch iron pipe found; (6) North 49 degrees 25 minutes 24 seconds West 71.71 feet to a 3/4 inch iron pipe found; and (7) North 20 degrees 21 minutes 35 seconds East 48.80 feet to a 3/4 inch iron pipe found in the eastern corner of the tract; thence continuing with the line of the 4.527 acre tract and with the corner of said tract the following courses and distances: (1) North 19 degrees 48 minutes 14 seconds West 104.7 feet to a point; (2) North 08 degrees 38 minutes 21 seconds East 97.05 feet to a point; (3) North 57 degrees 09 minutes 26 seconds East 36.51 feet to a point; (4) North 40 degrees 10 minutes 11 seconds West 84.49 feet to a point; (5) North 01 degree 02 minutes 47 seconds West 92.23 feet to a point; and (6) North 60 degrees 32 minutes 16 seconds West 93.10 feet to a point; thence leaving the tract South 27 degrees 02 minutes 20 seconds West, 415.24 feet to a 3/4 inch iron pipe found in a southern corner with Charlotte Village, Tract 10; thence with the line of said Village the following courses and distances: (1) South 37 degrees 36 minutes 04 seconds West 56.91 feet to a 3/4 inch iron pipe found; (2) North 53 degrees 24 minutes 47 seconds West 786.49 feet to a 3/4 inch iron pipe found; and (3) North 67 degrees 13 minutes 36 seconds West 42.29 feet to a 3/4 inch iron pipe found, a common corner with Edward Thomas (Deed Book 111, page 561); thence with Thomas' line the following courses and distances: (1) North 38 degrees 28 minutes 23 seconds West, 192.09 feet to a 3/4 inch iron pipe and; (2) North 34 degrees 58 minutes 32 seconds West 716.40 feet to a 3/4 inch iron pipe set in the easterly right-of-way, Lane of Clark's Creek Road (Deed Book 116); and (3) North 74 degrees 30 minutes 32 seconds West 79.63 feet to a point near the center of said tract in the line of Eddy C. Hoburn (Deed Book 105, page 54.); thence with Hoburn's line the following courses and distances: (1) North 20 degrees 58 minutes 34 seconds West, 151.27 feet to a 3/4 inch iron pipe set on the westerly side of said road; and (2) North 38 degrees 23 minutes 33 seconds West 165.69 feet to a point in the center of said road, a common corner with Rebecca E. Jeffrey (Deed Book 290, page 540) and Charles Calloway (Deed Book 106, page 185); THENCE with Calloway's line the following courses and distances: (1) leaving the road North 38 degrees 25 minutes 52 seconds West 61.52 feet to a 3/4 inch iron pipe set in the northerly right-of-way (Easement of said road); (2) leaving said North 38 degrees 25 minutes 52 seconds West, 261.79 feet to a 3/4 inch iron pipe set on the westerly side of Charles Creek Road (Deed Book 115); and (3) North 71 degrees 13 minutes 16 seconds West 79.20 feet to a point in the eastern corner of said tract and in the line of Samuel James Subalivision (Deed Book 11, page 157); thence with the corner of said tract and with the line of said tract the following courses and distances: (1) North 72 degrees 05 minutes 05 seconds to the right, leaving a southerly angle of 83 degrees 44 minutes 49 seconds,

radius of 1,000.00 feet, an arc length of 65.30 feet, a chord bearing of North 22 degrees 37 minutes 12 seconds West and a chord distance of 65.25 feet to a point, said point being located North 83 degrees 24 minutes 17 seconds East 26.05 feet from a 3/4 inch iron rod found; (2) with the use of a circular curve to the right, having a central angle of 95 degrees 03 minutes 17 seconds, a radius of 1,000.00 feet, an arc length 54.48 feet, a chord bearing of North 37 degrees 31 minutes 18 seconds West and a chord distance of 54.47 feet to a point; (3) with the use of a circular curve to the right, having a central angle of 72 degrees 54 minutes 34 seconds, a radius of 1,000.00 feet, an arc length of 225.35 feet, a chord bearing of North 11 degrees 10 minutes 18 seconds West and a chord distance of 224.68 feet to a point of compound curves, and (4) with the use of a circular curve to the right, having a central angle of 39 degrees 40 minutes 09 seconds, a radius of 50.00 feet, an arc length of 34.75 feet, a chord bearing of North 15 degrees 11 minutes 15 seconds East and a chord distance of 34.64 feet to a 3/4 inch iron pipe set on the northwesterly side of said road, a corner corner of Southern Bell Gas Subdivision of Southern Bell Gas Development Co., Inc. (Record Book 223, Page 236) said point being located South 54 degrees 54 minutes 43 seconds East 22.74 feet and South 33 degrees 35 minutes 24 seconds West 101.36 feet from a 3/8 inch iron rod found; that to with the center of said road and with the use of Southern Bell Gas Development Co., the following distances: (1) North 64 degrees 05 minutes 24 seconds East 33.27 feet to a point; (2) North 79 degrees 55 minutes 51 seconds East 53.61 feet to a point; (3) North 68 degrees 03 minutes 01 seconds East 51.19 feet to a point; (4) South 54 degrees 47 minutes 20 seconds East 55.25 feet to a point; (5) North 55 degrees 08 minutes 30 seconds East 57.66 feet to a point; (6) North 64 degrees 24 minutes 33 seconds East 55.25 feet to a point; (7) North 71 degrees 38 minutes 30 seconds East 56.11 feet to a point; (8) North 61 degrees 18 minutes 14 seconds East 53.27 feet to a point; (9) North 44 degrees 21 minutes 27 seconds East 47.22 feet to a point; (10) North 39 degrees 26 minutes 59 seconds East 53.22 feet to a point; (11) North 21 degrees 01 minute 09 seconds East 55.11 feet to a point; (12) North 15 degrees 49 minutes 34 seconds East 57.43 feet to a point; (13) North 22 degrees 35 minutes 49 seconds East 55.84 feet to a point; (14) North 31 degrees 39 minutes 11 seconds East 58.23 feet to a point; (15) North 22 degrees 35 minutes 28 seconds East 58.22 feet to a point; (16) North 24 degrees 01 minutes 36 seconds East 58.12 feet to a point; (17) North 01 degree 35 minutes 34 seconds West 60.77 feet to a point; (18) North 10 degrees 34 minutes 01 seconds West 54.84 feet to a point; and (19) North 11 degrees 07 minutes 31 seconds West 27.10 feet to a point, a corner corner of Adams Township (Deed Book 172, Page 298) and Henry Clay Township (Deed Book 89, Page 25), said point being located North 33 degrees 11 minutes 18 seconds East 26.64 feet from a 3/4 inch iron rod found; these with a surrounding marked line and fence and with Henry Clay Township's land the following two (2) corners and distances: (1) North 50 degrees 11 minutes 18 seconds East 61.49 feet to a 3/4 inch iron pipe set in the westerly right-of-way line of said road; and (2) containing North 38 degrees 11 minutes 15 seconds East 60.74 feet to a 3/4 inch iron pipe found, a corner corner of Charles W. Bondel (Deed Book 136, Page 48); THENCE with an old tunnel line and with Koehn's line the following three (3) corners and distances: (1) South 25 degrees 11 minutes 42 seconds East 602.61 feet to a 6 inch iron pipe found; (2) North 87 degrees 30 minutes 21 seconds East 199.34 feet to a 3/4 inch iron pipe found at a 30 inch angle; and (3) South 39 degrees 10 minutes 52 seconds East 70.93 feet to a 3/4 inch iron pipe found at a point, a corner corner of Wagon Run Overlook Tunnel (P.A. 7, Page 12); these with the top of the ridge and with the Hijo Gas Subdivision the following five (5) corners and distances: (1) South 46 degrees 57 minutes 50 seconds East 217.74 feet to a 3/4 inch iron pipe set, said point being found North 14 degrees 26 minutes 29 seconds West 15.97 feet from a 10 inch iron pipe set; (2) South 39 degrees 02 minutes 23 seconds East 158.95 feet to a 3/4 inch iron pipe set, said point being located North 16 degrees 55 minutes 35 seconds West 9.35 feet from a 3/4 inch iron pipe set and (3) South 21 degrees 55 minutes 08 seconds East 151.53 feet to a 3/4 inch iron pipe found; (4) South 63 degrees 04 minutes 36 seconds East 199.89 feet to a 3/4 inch iron pipe found; (5) South 61 degrees 32 minutes 03 seconds East 185.92 feet to a 3/4 inch iron pipe set; (6) North 48 degrees 38 minutes 08 seconds East 193.04 feet to a 3/4 inch iron pipe set; (7) South 15 degrees 47 minutes 08 seconds East 54.59 feet to a 3/4 inch iron pipe set; (8) South 18 degrees 29 minutes 19 seconds East 119.01 feet to a 3/4 inch iron pipe set; (9) South 14 degrees 04 minutes 26 seconds East 109.87 feet to a 3/4 inch iron pipe set at an oak stump, a corner corner of David R. Ford (Deed Book 236, Page 123) thence with Ford's line the following six (6) corners and distances: (1) North 63 degrees 30 minutes 41 seconds East 254.73 feet to a 3/4 inch iron pipe set at an oak stump; (2) South 27 degrees 14 minutes 53 seconds East 628.18 feet to a 3/4 inch iron pipe set; (3) North 46 degrees 21 minutes 59 seconds East 223.04 feet to a 3/4 inch iron pipe set; (4) South 23 degrees 21 minutes 39 seconds East 26.84 feet to a point; (5) South 22 degrees 33 minutes 21 minutes 30 seconds East 126.33 feet to a 3/4 inch iron pipe set; and (6) South 22 degrees 33 minutes 21 minutes 30 seconds East 126.33 feet to a 3/4 inch iron pipe set on the westerly side of

BK 1779 PG 075 DOC# 837783

Doc No: 1779 Pg: 75
Doc No: 401748 Kites: 86141421

N.C. Highway 107 and (6) South 89 degrees 21 minutes 39 seconds East 46.36 feet to the point of BEGINNING, containing 103,767 acres, more or less.

This survey was made for the recreation of right of ways established in the historical records of Book of Records 639, Page 447, and Book of Records 639, Page 428, Watauga County, North Carolina, Public Registry.

There is excepted from Tract 1, described above, five (5) parcels or parcels of land containing .89 acres and being more fully described as follows:

Being a portion of land conveyed by George A. Atkins, et al, to Bullock, LLC as recorded in Record Book 609, Page 447 of the Office of the Register of Deeds of Watauga County, North Carolina and more particularly described as follows:

LOT 1000000 on a part of the route of N.C. Highway 107, having a 130 foot right of way, a certain area of Mary Ann Anderson (Record Book 551, Page 252), being 80149 acoustics of N. 289.661, 705' and S. 1, 154, 344.939', said point being corner South 57 degrees 52 minutes 00 seconds West 1094.49 feet from N02578 monument "Kaine's" chain with Anderson's line the following two (2) courses and distances, (1) North 59 degrees 57 minutes 40 seconds West 57.50 feet to a 24 inch iron pipe found in the northwest right of way line of said highway, (2) continuing South 59 degrees 57 minutes 40 seconds West 96.51 feet to a 36 inch iron pipe found there and four (4) new lines through Kaine's property the following courses and distances, (1) North 33 degrees 54 minutes 40 seconds East 41.65 feet to a 36 inch iron pipe set, (2) North 45 degrees 15 minutes 40 seconds East 167.86 feet to a 36 inch iron pipe set, (3) North 45 degrees 57 minutes 29 seconds East 28.86 feet to a 36 inch iron pipe set, (4) North 61 degrees 59 minutes 27 seconds East 59.31 feet to a 36 inch iron pipe set in the westerly right of way line of Loblade Parkway, having a 65 foot right of way, there will be a right of way the following two (2) courses and distances, (1) along the line of Loblade curve to the right having a central angle of 88 degrees 43 minutes 11 seconds, a radius of 71.74 feet, a chord of 141.20 feet and a central bearing and distance of South 19 degrees 02 minutes 22 seconds East 14.33 feet to a point, (2) South 15 degrees 18 minutes 24 seconds West 139.17 feet to a point, to a 36 inch iron pipe set, there will be a right of way line of N.C. Highway 107, there will continue South 15 degrees 29 minutes 00 seconds East 52.23 feet to a point in the center of said highway, there will be the corner of said highway the following two (2) courses and distances, (1) South 29 degrees 08 minutes 00 seconds West 14.33 feet to a point, (2) South 58 degrees 19 minutes 00 seconds West 115.24 feet to the POINT OF BEGINNING. A SURVEYING AND PLATTING BY: Leslie Cole, P.E. & S., D.A. No. 78458.

Containing 0.891 acres, more or less.

Situate, being in the town of Watauga Township, Watauga County, North Carolina.

Together with a comprehensive perpetual right-of-way there is a segment for the purpose of ingress, egress and regress over and across the road from its intersection with N.C. Highway 107 as shown on the plot recorded in Book 639, Page 447 (Sheet 1-3), Watauga County, North Carolina, Public Registry.

TRACT 10:

BEING 107, 108, 20, 21, 22, 24, 25, 26, 130, 131, 132, 135, 106, 135 and 106 of Watauga River Overbank Subdivision as shown on public map in Plot Book 4, Pages 109, 190, 191, and 192 of the Watauga County, North Carolina, Public Registry, reference to which plot is hereby made for a full and complete description.

This conveyance is made subject to those rights reserved on the Watauga River Overbank Subdivision recorded in Deed Book 146, Page 766, Watauga County, North Carolina, Public Registry and Book of Records 36, Page 501, Watauga County, North Carolina, Public Registry.

This conveyance is made subject to the sewer and storm sewer system for Watauga River Overbank Subdivision.

BK 1779 PG 076 DOC# 631768

BK 1779 Pg 76

Doc No: 631768 Find: 630768

TRACTS:

Being a portion of the same parcel of land conveyed by Charles W. Woods, and wife, Lucie A. Wood to Ethel Helen (Gibbs) and wife, Helen Lee Griffin as Record Book 628, Page 227 of the office of the Register of Deeds of Watauga County, North Carolina and being more particularly described as follows:

BEFORE-INCORPORATED 3/4 inch iron pipe fence, common corner of Lot 21 & 22, WATKINS BURNELL OVERLOOK (aka: Book 7, Page 18) and Lot 11, ALKIN, Jr., (First Part, Dec. Book 14, Page 29), BEBBOCK with Adkins' First and wife, the old and true line the following (7) courses and distances, (1) North 19 degrees 30 minutes 52 seconds West 170.91 feet to a 3/4 inch iron pipe hole and a 3/8 inch iron pipe (diameter 1 1/2 inches), (2) South 69 degrees 09 minutes 31 seconds West 359.58 feet to a 3/4 inch iron pipe (diameter 2 1/2 inches), (3) North 25 degrees 18 minutes 43 seconds West 622.61 feet to a 3/4 inch iron pipe hole and a 3/8 inch iron pipe in the line of Henry Clay Townsend (Dec. Book 80, Page 25), TOWNSEND with Townsend's line North 41 degrees 19 minutes 43 seconds East 613.71 feet to a 3/4 inch iron pipe hole and a 3/8 inch iron pipe, a common corner of Henry Clay Townsend and Lillie C. Townsend (Book 168, Page 10); TOWNSEND with a new line through the GLENN property, South 15 degrees 21 minutes 26 seconds East 691.40 feet to a point in BEBBOCK, containing 0.669 acres, more or less, as surveyed in May 25, 1900, by Cyrus L. Cole, RLS L-1247.

Title to Tracts I and III are subject to that certain Right-of-Way and Easement Agreement recorded in Book of Records 622, Page 463, Watauga County, North Carolina, 1944's Register.

Exhibit B - 2

FILED Carol Townsend
Register of Deeds, Watauga Co. NC
Fee Ref 676 03

Bk 1779 Pg 77 (5)
Recorded: 11/27/2014 at 09:27:11 PM
Doc No: 024787 Kind: SEE DET



✓
ROBERT M. HAVALE JR.

WATER SYSTEM DEED OF CONVEYANCE AND EASEMENT

STATE OF NORTH CAROLINA)
))
COUNTY OF WATAUGA)

This Deed of Conveyance is entered into this 11 day of November, 2014. EDCOTR, Inc. ("Grantor") does hereby transfer to **Water Resource Management, Inc.** ("Grantee") all right, title and interest in that certain property described hereafter. And, Grantee does accept said conveyance pursuant to the terms and conditions contained herein.

WITNESSETH:

The Grantor, for valuable consideration paid by the Grantee, receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee, in fee simple, all right, title and interest in and to the water system, including but not limited to the underground and above ground lines, water tanks, well houses, pumps and all other equipment connected thereto where currently located within the area known as "ECHOTA ON THE RIDGE" which is within the boundaries described in that certain deed recorded in Book 893 at Page 212 of the Watauga County Registry and more particularly described on Exhibit "A" attached hereto.

And, included herewith is the easement and right of the Grantee to go upon lands of the Grantor for purposes of servicing, repairing, maintaining and replacing water equipment as the same may be necessary. Grantee covenants with the Grantor that in the event of such repair, maintenance, or replacement,

BK 1779 PG 073 DOC# 831787


BK 1779 Pg 78
Doc No: 831787 File: 8010481

the Grantee shall restore the land to its condition prior to such repair or replacement and, Grantee further covenants in exchange for this conveyance, it shall maintain the water system, including the underground and above ground lines, water tanks, well houses, pumps and all other equipment connected thereto in good working order. Grantee is granted a perpetual easement to enter upon the lands of the Grantor for the purposes herein stated, the same to be appurtenant to and run with the lands of the Grantor as herein above described.


This Deed of Conveyance shall be binding upon the parties hereto, their successors and assigns.

IN TESTIMONY WHEREOF, the parties have set their hand and seal the day and year first written above.

EDCOTR, INC.

By:  (SEAL)
Mark E. Harrill, President

WATER RESOURCE MANAGEMENT, INC.

By:  (SEAL)
President

Mark E. Harrill
Print Name

3K 1778 PG 079 DOC# 831787

3K 1778 Pg 79
Doc # 831787 Kind BEE/146

OFFICIAL COPY

Apr 22 2022

State of North Carolina, County of Watauga

I, Terri S. Frank a Notary Public of said county and State, do hereby certify that Mark E. Harrill, President of EDCOTR, Inc., a North Carolina Corporation, personally appeared before me this day, voluntarily signed and acknowledged the execution of the foregoing instrument on behalf of the company, and I further certify that I received satisfactory evidence of identity from the President or have personal knowledge of them.

WITNESS my hand and official seal this the 11 day of November, 2014.



Terri S. Frank
Notary Public Signature
Terri S. Frank
Printed or typed name of Notary Public

My commission expires: 10/22/16

State of North Carolina, County of Watauga

I, Terri S. Frank a Notary Public of said county and State, do hereby certify that Mark E. Harrill, President of Water Resource Management, Inc., a North Carolina Corporation, personally appeared before me this day, voluntarily signed and acknowledged the execution of the foregoing instrument on behalf of the company, and I further certify that I received satisfactory evidence of identity from the President or have personal knowledge of them.

WITNESS my hand and official seal this the 11 day of November, 2014.



Terri S. Frank
Notary Public Signature
Terri S. Frank
Printed name of Notary Public

My commission expires: 10/22/16

BK 1779 PG 080 DOC# 631787

Doc 1779 Pg 80
Doc ID: 631787 Kind: PLAT

EXHIBIT A
DEED OF CONVEYANCE
ECHOTA ON THE RIDGE

Being that same parcel of land conveyed by Marjorie Brown Smith and husband, William Paul Smith, Jr. to Camp Rainbow, Inc., a N. C. corporation, as recorded in Record Book 784, Page 404; TOGETHER WITH a portion of that same parcel of land conveyed by L. S. Byrd and wife, Margaret M. Byrd to the Trustees of The Grand Chapter of North Carolina Order of The Eastern Star as recorded in Deed Book 72, Page 519, both of the Office of the Register of Deeds of Watauga County, North Carolina, and more particularly described as follows:

BEGINNING on a concrete monument found, in the line of Luther H. Jeffcoat (Deed Book 77, Page 461), having NCGS NAD 83 coordinates of N. 891,960.50' and E. 1,182,434.14', said point being located, N.58° 54'10"W., 3,615.89 feet from NCGS Monument 'Ronnie'; **THENCE** with Jeffcoat's line, N.70°03'48"E., 48.38 feet to a 5/8" iron rod found, a common corner of Christopher A. Calloway (Record Book 558, page 75); **THENCE** with Calloway's line the following two (2) courses and distances, 1.) N.59° 48'24"E., 574.82 feet to a 5/8" iron rod found on the westerly bank of Clarks Creek Road, N.C.S.R. 1136 having a 60' right-of-way, 2.) N.58° 11'18"E., 26.04 feet to a point in the center of said road; **THENCE** with the center of Clarks Creek Road the following nineteen (19) courses and distances, 1.) S.12° 07'33"E., 27.10 feet, 2.) S.10° 34'21"E., 54.85 feet, 3.) S.01°56'36"E., 80.77 feet, 4.) S.24° 01'36"W., 58.12 feet, 5.) S.32° 35'24"W., 58.23 feet, 6.) S.31°03'11"W., 58.20 feet, 7.) S.22° 39'45"W., 55.89 feet, 8.) S.16° 07'54"W., 57.48 feet, 9.) S.21°01'07"W., 55.11 feet, 10.) S.29° 26'59"W., 53.22 feet, 11.) S.44° 31'27"W., 54.22 feet, 12.) S.64°18'14"W., 53.27 feet, 13.) S.71° 58'30"W., 56.13 feet, 14.) S.64° 23'33"W., 55.23 feet, 15.) S.55°08'20"W., 57.66 feet, 16.) S.54° 47'20"W., 55.25 feet, 17.) S.78° 43'04"W., 53.38 feet, 18.) S.79°55'51"W., 53.81 feet, 19.) S.64° 05'34"W., 33.37 feet to a point, the most eastern corner of Tract Twelve, SOUTHERN SKIES, Phase One (Plat Book 12, Page 36b); **THENCE** with the line of Tracts 7, 8, 9, 10, 11 and 12 the following ten (10) courses and distances, 1.) N.54° 54'43"W., 22.71 feet to a 3/4" iron pipe found, 2.) N.03° 55'24"E., 101.36 feet to a 5/8" iron rod found, 3.) S.82° 04'10"W., 711.67 feet to a 5/8" iron rod found, 4.) S.20°56'11"E., 276.85 feet to a concrete monument found, 5.) S.20°36'16"E., 154.35 feet to a 3/4" iron pipe set, 6.) S.71°45'12"W., 91.80 feet to a .5" iron rod found, 7.) S.50°29'52"W., 63.14 feet to a 5/8" iron rod found, 8.) S.79°44'02"W., 263.62 feet to a 5/8" iron rod found, 9.) S.01°24'56"W., 262.49 feet to a 3/4" iron pipe set, 10.) S.68°55'44"W., 168.68 feet to a 5/8" iron rod found, a common corner of Tract 7 and Tract 30, Southern Skies, Phase 2 (Plat Book 14, Page 228); **THENCE** with the line of Tracts 26, 28 and 30 the following seven (7) courses and distances, 1.) N. 10°30'31"W., 50.53 feet to a .5" iron pipe found, 2.) N 64°54'30"W., 324.52 feet to a 3/4" iron pipe found, 3.) S.45°04'11"W., 395.88 feet to a 3/4" iron pipe found, 4.) N.85°00'49"W., 112.30 feet to a .5" iron pipe found, 5.) S.07°08'20"W., 53.01 feet to a .5" iron pipe found, 6.) S.06°59'45"W., 108.04 feet to a .5" iron pipe found, 7.) S.18°40'13"W., 82.80 feet to a 5/8" iron rod found, a common corner of Tracts 26 and Tract 25, Southern Skies, Phase Two (Plat Book 13, Page 86); **THENCE** with the line of Tract 25 the following two (2) courses and distances, 1.) S.18°23'32"W., 88.64 feet to a .5" iron

DK 1779 FG 031 DOC# 631787

Bk 1778 Pg 61

Doc No: 331737 Kind: SECT/PLAT

pipe found, 2.) S.19°53'51"W., 285.65 feet to a .5" iron pipe found, a common corner of The Grand Chapter of The North Carolina Order of The Eastern Star (Deed Book 72, Page 519); THENCE with a new line through The Grand Chapter of The North Carolina Order of The Eastern Star, S.43°40'32"W., 466.20 feet to a .5" iron pipe found, a common corner of Nancy A. Chamblin (Deed Book 155, Page 360); THENCE with Chamblin's line the following three (3) courses and distances, 1.) S.55°52'12"W., 108.53 feet to a .5" iron pipe found, 2.) S.68°26'52"W., 433.34 feet to a .5" iron pipe found, 3.) S.53°40'36"W., 17.09 feet to a .5" iron pipe found, a common corner of Suzanne Crum (Plat Book 10, Page 53) and Neil D. Hollyfield (Tract 1, Record Book 54, Page 11); THENCE with Hollyfield's line the following two (2) courses and distances, 1.) S.48°17'17"W., 97.96 feet to a 3/4" iron pipe found, 2.) N.82°49'40"W., 225.93 feet to a 1/4" iron rod found, a common corner of Grady T. Hicks (Tract 3, Deed Book 182, Page 631); THENCE with Hicks' line, S.78°39'47"W., 270.83 feet to a 30" marked oak, a common corner of Eric L. Morgan (Record Book 42, Page 925); THENCE with Morgan's line the following two (2) courses and distances, 1.) N.01°05'17"W., 744.37 feet to a 3/4" iron pipe found at a 15" maple, 2.) N.64°49'19"W., 273.83 feet to a 3/4" iron pipe found, a common corner of E. J. Messenkopf (Record Book 289, Page 592); THENCE with Messenkopf's line the following four (4) courses and distances, 1.) N.32°16'11"E., 1326.15 feet to a 3/4" iron pipe set in the branch, 2.) S.62°43'49"E., 631.37 feet to a 3/4" iron pipe found at a marked maple, 3.) N.38°11'46"E., 940.83 feet to a 3/4" iron pipe found at a 17" maple, 3.) N.47°56'52"W., 545.98 feet to a .5" iron pipe found at a 27" marked blackgum, a common corner of Ronald K. Mitchell, et al (Second Tract, Record Book 141, Page 66); THENCE with Mitchell's line, S.74°27'47"E., 1059.49 feet to a .5" iron pipe found, a common corner of Helen Morgan (Deed Book 47, Page 91); THENCE with Morgan's line, N.76°46'56"E., 254.03 feet to a nail found in a stump, a common corner of, now or formerly, I. S. Byrd (Deed Book 63, Page 240); THENCE with Byrd's line, S.70°56'11"E., 137.04 feet to a point in the center of a 10' farm road, said point being located, N.20°56'11"W., 25.00 feet from a 3/4" iron pipe found; THENCE continuing with Byrd's line and with the center of said farm road the following seven (7) courses and distances, 1.) N.74°03'35"E., 28.94 feet to a point, 2.) N.78°46'39"E., 44.06 feet to a point, 3.) N.84°40'11"E., 133.50 feet to a point, 4.) S.89°48'43"E., 82.69 feet to a point, 5.) N.88°30'49"E., 125.74 feet to a point, 6.) N.80°49'38"E., 50.73 feet to a point, 7.) N.66°21'59"E., 95.52 feet to a point in the line of Luther H. Jeffcoat (Deed Book 77, Page 461); THENCE leaving said road and with Jeffcoat's line the following two (2) courses and distances, 1.) S.88°15'31"E., 20.00 feet to a 5/8" iron rod found, 2.) continuing, S.88°16'3"E., 186.20 feet to the POINT OF BEGINNING. As surveyed and platted by LESLIE COLE, P.L.S., P.A. on 6/3/2003. Project - GCNCOES.pro and GCNCOFS2.pro.

Containing 97.004 acres, more or less.

RECORDED

Exhibit B – 3

FILED John Townsend
Register of Deeds, Watauga Co. NC
Fee Amt: \$20.00

Br 1779 Pg 02 (5)
Registered 11/22/2014 at 10:21:12 AM
Doc No 02768 Kind: DEEDS



✓
ROBERT B ANGLE JR

WATER SYSTEMS DEED OF CONVEYANCE AND EASEMENT

STATE OF NORTH CAROLINA)
)
COUNTY OF WATAUGA)

This Deed of Conveyance is entered into this 11 day of November, 2014. Echota East Ridge, LLC ("Grantor") does hereby transfer to Water Resource Management, Inc. ("Grantee") all right, title and interest in that certain property described hereafter. And, Grantee does accept said conveyance pursuant to the terms and conditions contained herein.

WITNESSETH:

The Grantor, for valuable consideration paid by the Grantee, receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee, in fee simple, all right, title and interest in and to the water system, including but not limited to the underground and above ground lines, water tanks, well houses, pumps and all other equipment connected thereto where currently located within the area known as "CHALAKEE", as described in the attached "Exhibit A", and which system is within the boundaries described in that certain deed recorded in Book 1283 of Records at page 766; Book 1285 of Records at page 010; Book 1285 of Records at page 352 and all of Tract One of Plat Book 22 at page 196; bounded on the north by Lee Roy Townsend 9PB 018, pg. 129, Clyde Platt (BoR 478, pg. 874) Crystal Ellis (BoR 550, pg. 719) and Stanley Taylor (BoR 222, pg. 850), on the east by the Clark Family Partnership (BoR 1248, pg. 424); on the south by William Ralph Townsend (PB 022 at page 196) and by the Watauga River Overlook (PB 07, pg. 192), on the west by the Lakes Community Development Co. (BoR 739 at page 543), Tract Three of the Ridge at Echota (PB 017, pg. 058), Wilma Townsend (BoR 1214, pg. 069) and by Henry Clay Townsend

BK 1779 PG 083 DOC# 631788

Bk 1779 Pg 83
Doc No: 631788 Title: SEE/MDT

(DB 389, pg. 025) of the Watauga County Registry and more particularly described on Exhibit "A" attached hereto.

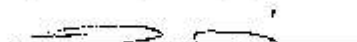
And, included herewith is the easement and right of the Grantee to go upon lands of the Grantor for purposes of servicing, repairing, maintaining and replacing water equipment as the same may be necessary. Grantee covenants with the Grantor that in the event of such repair, maintenance, or replacement, the Grantee shall restore the land to its condition prior to such repair or replacement and, Grantee further covenants in exchange for this conveyance, it shall maintain the water system, including the underground and above ground lines, water tanks, well houses, pumps and all other equipment connected thereto in good working order. Grantee is granted a perpetual easement to enter upon the lands of the Grantor for the purposes herein stated, the same to be appurtenant to and run with the lands of the Grantor as herein above described.

This Deed of Conveyance shall be binding upon the parties hereto, their successors and assigns.

IN TESTIMONY WHEREOF, the parties have set their hand and seal the day and year first written above.


ECROTA EAST RIDGE, LLC

By: Harrill Properties, Inc., Member/Manager


By: Mark E. Harrill, Member/Manager

WATER RESOURCE MANAGEMENT, INC.

By:   (SEAL)
President


Print Name

Bk 1778 PG 084 DOC# 631738

Bk 1778 Pg 84
Doc No: 621779 Date: 05/17/14

State of North Carolina, County of Watauga

I, Teri S. Frank a Notary Public of said county and State, do hereby certify that Mark E. Harrill, personally appeared before me this day and acknowledged that he is the President of Harrill Properties, Inc., a corporation, Member/Manager of Echota East Ridge, LLC, a North Carolina Limited Liability Company, and that he, as President, being authorized to do so, executed the forgoing on behalf of the corporation.

WITNESS my hand and official seal this the 11 day of November, 2014.

(Seal)



Teri S. Frank

Notary Public Signature

Teri S. Frank

Printed name of Notary Public

My commission expires: 10/20/16

State of North Carolina, County of Watauga

I, Teri S. Frank a Notary Public of said county and State, do hereby certify that Mark E. Harrill, President of Water Resource Management, Inc., a North Carolina Corporation, personally appeared before me this day, voluntarily signed and acknowledged the execution of the foregoing instrument on behalf of the company, and I further certify that I received satisfactory evidence of identity from the President or have personal knowledge of them.

WITNESS my hand and official seal this the 11 day of November, 2014.

(Seal)



Teri S. Frank

Notary Public Signature

Teri S. Frank

Printed name of Notary Public

My commission expires: 10/20/16

BK 1778 PG 035 DOC# 631788

PK 1778 Pg 65
Doc No: 631788 Kind: RES/145T

**EXHIBIT A
DEED OF CONVEYANCE**

A COMPOSITE DESCRIPTION FOR ECHOTA EAST RIDGE, LLC, 65.632 ACRES

Watauga Township, Watauga County, North Carolina

... a 65.632 acre tract situated on NCSR 1138 (George Eggers Road) and being all of the property described in Book 1283 of Records at page 756; Book 1285 of Records at page 010; Book 1285 of Records at page 352 and all of Tract One of Plat Book 22 at page 196; bounded on the north by Lee Roy Townsend 9PB 018, pg. 129, Clyde Platt (BoR 478, pg. 874) Crystal Ellis (BoR 550, pg. 719) and Stanley Taylor (BoR 222, pg. 850), on the east by the Clark Family Partnership (BoR 1248, pg. 424); on the south by William Ralph Townsend (PB 022 at page 196) and by the Watauga River Overlook (PB 07, pg. 192), on the west by the Lakes Community Development Co. (BoR 739 at page 543), Tract Three of the Ridge at Echota (PB 017, pg. 058), Wilma Townsend (BoR 1214, pg. 069) and by Henry Clay Townsend (D9 089, pg. 025); said 65.632 acres being more particularly described as:

BEGINNING on a 1 inch drill bit found, a common corner of Echota Properties and Tommy Daniels in the Ellis line along the southern side of Pleasant Valley Road and being located North 70 degrees 22 minutes 25 seconds East 634.07 feet from a 5/8 inch rebar set opposite the intersection of said road with NCSR 1138 and the beginning point also being located North 67 degrees 45 minutes 45 seconds East 6,797.06 feet from NCGS monument "NETTLE" (N-891,630.26 E- 1,178,932.19 NAD '83); THENCE from the beginning and along the line of Ellis along the southern side of said road, North 70 degrees 35 minutes 45 seconds East 138.31 feet to a 3/8 inch conduit pipe found; THENCE crossing said road, North 26 degrees 35 minutes 20 seconds West 96.44 feet to a 1/2 inch conduit pipe found at a 20 inch birch tree; THENCE North 45 degrees 28 minutes 40 seconds East 228.07 feet to a 1/2 inch conduit pipe found; THENCE along the line of Taylor, South 60 degrees 32 minutes 10 seconds East 277.32 feet to a 5/8 inch rebar found 3 feet from a 12 inch hemlock tree; THENCE along the line of Clark, South 01 degrees 16 minutes 16 seconds West 564.51 feet to a MagNail set in a 1/2 inch conduit pipe found, said iron being located North 60 degrees 45 minutes 40 seconds East 562.87 feet from a 3/8 inch pipe found, the common corner of Viola Daniels and Echota East Ridge, LLC; THENCE continuing along the Clark line, South 00 degrees 55 minutes 30 seconds West 383.74 feet to a 3/8 inch rod; THENCE North 79 degrees 23 minutes 25 seconds East 451.07 feet to a 5/8 inch rebar found; THENCE South 32 degrees 20 minutes 05 seconds East 195.80 feet to a 1/2 inch pipe found; THENCE South 29 degrees 43 minutes 50 seconds East 200.35 feet to a 5/8 inch rebar set and being located North 29 degrees 43 minutes 15 seconds West 107.57 feet from an existing 3/8 inch pipe; THENCE along the line of William Ralph Townsend, South 71 degrees 35 minutes 45 seconds West 848.24 feet to a 5/8 inch rebar set, said iron being located South 67 degrees 16 minutes 45 seconds East 131.60 feet from the southeastern corner of the Echota East Ridge, LLC condominium building B, Phase II; THENCE South 12 degrees 13 minutes 25 seconds East 53.68 feet to a 3/8 inch pipe found; THENCE South 25 degrees 12 minutes 15

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Apr 22 2022

BK 1779 PG 386 DOC# B31788

BK 1779 Pg 88

Doc No. BK 1788 Kind. Ref 17887

seconds East 233.21 feet to a 3/4 inch pipe found; THENCE South 17 degrees 57 minutes 10 seconds East 186.36 feet to a 3/4 inch pipe found; THENCE South 23 degrees 27 minutes 10 seconds East 111.56 feet to a 3/4 inch pipe found; THENCE South 43 degrees 43 minutes 20 seconds East 144.32 feet to a 1/2 inch pipe found; THENCE leaving Townsend and along the lines of Watauga River Overlook, South 88 degrees 04 minutes 50 seconds West 303.77 feet to a 1/2 inch pipe found; THENCE North 86 degrees 50 minutes 15 seconds West 130.98 feet to a 1/2 inch pipe found; THENCE North 72 degrees 17 minutes 05 seconds West 111.70 feet to a 1/2 inch pipe found; THENCE North 71 degrees 40 minutes 20 seconds West 145.65 feet to a 1/2 inch pipe found; THENCE North 79 degrees 37 minutes 25 seconds West 145.14 feet to a pipe; THENCE North 82 degrees 19 minutes 40 seconds West 266.29 feet to a 5/8 inch rod found; THENCE North 82 degrees 19 minutes 05 seconds West 60.00 feet to a 1/2 inch pipe found; THENCE South 61 degrees 46 minutes 45 seconds West 198.34 feet to a 1/2 inch pipe found; THENCE South 61 degrees 55 minutes 55 seconds West 19.54 feet to a pipe found; THENCE South 66 degrees 02 minutes 35 seconds West 140.52 feet to a 1/2 inch pipe found; THENCE South 40 degrees 56 minutes 15 seconds West 131.58 feet to a 1/2 inch pipe found; THENCE South 40 degrees 38 minutes 25 seconds West 262.45 feet to a 1/2 inch pipe found; THENCE leaving Watauga River Overlook and along the line of the Lakes Community Development Co. North 15 degrees 23 minutes 40 seconds West, crossing Timberwolf Trail at approximately 143 feet, in all a total distance of 358.60 feet to a 3/4 inch pipe found; THENCE along the line of Tract Three of the Ridge at Echota, North 15 degrees 13 minutes 35 seconds West, 633.10 feet to a 1/2 inch pipe found at a tall 3/4 inch galvanized guard stake, the southwestern corner of Echota Properties, Inc. THENCE along the line of Echota Properties (Tract 8) and crossing NCSR 1138 at approximately 600 feet, North 16 degrees 14 minutes 55 seconds East 1080.88 feet to a 1 inch pipe found; THENCE North 13 degrees 48 minutes 45 seconds East 33.76 feet to a railroad spike found, a corner of Lee Roy Townsend; THENCE along the Townsend line, North 76 degrees 24 minutes 20 seconds East 151.30 feet to a 1/2 inch rebar found; THENCE South 37 degrees 14 minutes 20 seconds East 39.77 feet to a 1/2 inch pipe found at a leaning maple; THENCE North 70 degrees 42 minutes 10 seconds East 59.85 feet to a 5/8 inch rebar set on the northwestern side of NCSR 1138; THENCE leaving Lee Roy Townsend and along the line of Echota Properties and Viola Daniels, South 03 degree 51 minutes 20 seconds East 273.05 feet to a 5/8 inch rebar set; THENCE leaving said line and along the line of Viola Daniels, North 74 degrees 52 minutes 30 seconds East 298.01 feet to a 2 inch drill bit found, the common corner of Viola Daniels and Tommy Daniels; THENCE along the Tommy Daniels line, North 70 degrees 23 minutes 00 seconds East 305.30 feet to a 1 inch drill bit found; THENCE along the common line of Tommy Daniels and Echota Properties, North 00 degrees 40 minutes 55 seconds East 305.19 feet to the BEGINNING, bearings being relative to the North Carolina Geodetic Survey system, NAD '83 and all measurements being horizontal.

Russell C. Shaw, PLS L-2899
 New River Surveyors, PLLC
 1051 Highway 194N
 Boone, North Carolina 28607

OFFICIAL COPY

Apr 22 2022

Exhibit B - 4

FILED: Amy J. Shook
Register of Deeds, Watauga Co., NC
Fee: \$20.90

Lk 2104 Pg 632 (2)
Recorded: 07/30/2020 at 11:53:20 AM
Doc No: 682205 Kirt. EASE



✓ RETURNED TO RANDY CARTER
AT THE TIME OF RECORDING

Excise Tax: 0

PREPARED BY: Robert B. Angle, Jr.
RETURN TO: Robert B. Angle, Jr.

STATE OF NORTH CAROLINA

WATER SYSTEM AND WELLS
DEED OF EASEMENT

COUNTY OF WATAUGA

THIS WATER SYSTEM AND WELLS DEED OF EASEMENT, is made and entered into this 9th day of July, 2020, by and between **The Summit At Echota, LLC** (hereinafter referred to as "Grantor") and **Water Resource Management, Inc.**, and its successors and assigns (hereinafter referred to as "Grantee").

WITNESSETH:

WHEREAS, the Grantor owns property as described and conveyed in Deed Book 2030, Page 299; and

WHEREAS, the Grantee manages the water system for the Grantor for the all of the property owned by the Grantor, and its successors and assigns; and

WHEREAS, Grantor desires to grant the Grantee nonexclusive easements and rights of way to existing wells, water lines and equipment located on the property of the Grantor for the benefit of all properties served by said water system managed by the Grantee;

NOW, THEREFORE, the Grantor hereby conveys the following nonexclusive easements in gross to the Grantee, its successors and assigns:

The right to construct, install, lay and thereafter use, operate, inspect, repair, maintain and replace a water system, including but not limited to all water wells built and to be built, including a 100 foot protective easements around each well, water lines and equipment, together with the reasonable right of ingress, egress, and regress over said lands described and conveyed in Deed Book 2030, page 299, for all purposes necessary to install, repair and maintain said wells, equipment and water lines for the benefit of the Grantee and all customers and properties serviced by said water system. Grantor covenants with the Grantor that in the event of such repair, maintenance, or replacement, the Grantee shall restore the land to its condition prior to such repair or replacement and, Grantee further covenants in exchange for this conveyance, it shall maintain the water system, including the underground and above ground lines, water lines, well houses, pumps and all other equipment connected thereto in good working order. Grantee is granted a perpetual easement to enter upon the lands of the Grantor for the purposes herein stated, the same to be appurtenant to and run with the lands of the Grantor as herein above described.

Doc 2104 Pg 633
Doc No: 062203 Kind: MORT

NOW, THEREFORE, by and in consideration of the sum of One and No/100ths Dollars (\$1.00) and other good and valuable consideration paid by the Grantee to the Grantor, including the sealing of this instrument, the receipt and sufficiency of which are hereby acknowledged, the Grantor does hereby grant, bargain, sell and convey unto the Grantee, the nonexclusive rights of way and easements as described above.

TO HAVE AND TO HOLD, the aforesaid nonexclusive easements and all privileges and appurtenances thereto belonging to the Grantee.

IN WITNESS WHEREOF, the Grantor has hereunto set their hand and seal the day and year first above written.

The Summit At Echota, LLC

By: [Signature] (SEAL)
James E. Harrill II, Managing Member

STATE OF NORTH CAROLINA, WATAUGA COUNTY

I, Katherine E. Walsh, a Notary Public of said County and State, do hereby certify that James E. Harrill II, personally came before me this day and acknowledged that James E. Harrill II is the Managing Member of The Summit At Echota, LLC, and that he/she, being authorized as such to do so, executed the foregoing on behalf of the corporation.

WITNESS my hand and official seal this 9th day of July, 2020.

[Signature] (Notary Seal/Stamp)
Notary Public

My Commission Expires: Aug. 19, 2022



FILED 144 J. Ehlers
Register of Deeds, Johnston Co. NC
Fee Amt: \$45.00

EX 2038 Pg 298 (3)
Recorded 04/26/2022 at 09:07 AM
Doc No: 57928 KJ-P, CPED



✓ ROBERT D ANGLE, JR.

STATE OF NORTH CAROLINA

INSTRUMENT OF COMBINATION

COUNTY OF WATAUGA

This INSTRUMENT OF COMBINATION made this the 30th day of May, 2010 by

The Summit at Echota, LLC, 151 Mr. Bish Blvd., Boone, NC 28607

WITNESSETH:

THAT WHEREAS the maker(s) of this INSTRUMENT OF COMBINATION own certain properties which were acquired by the following deed(s):

General Warranty Deeds duly recorded in Book 2026, Page 516, and in Book 2026, Page 527, being two tracts consisting of an approximate 46.729 acres tract and an approximate 7.421 acres tract, for a total of 54.15 acres

and

WHEREAS said owner(s) wish to combine the abovementioned properties into a single tract of land for the purposes of complying with all applicable provisions of the Watauga County Watershed, Zoning and Subdivision Ordinances; and,

WHEREAS this is a limited special purpose instrument for the purposes specified above and is not a conveyance or modification of the ownership interests in the property hereinafter described;

WITNESAS, upon execution and recordation of this instrument, the properties acquired by the aforementioned deed(s) are hereby combined and shall hereafter be described according to the description in Exhibit A, attached hereto and hereby incorporated by reference;

IN WITNESS WHEREOF, the maker(s) have hereunto set his/her/their hand(s) and seal(s), the day and year first written above.

The Summit at Echota, LLC

By: Fuscoe Companies, Inc., Managing Member

By: [Signature]

Missy W. Herrill, President

BK 2030 PG 300 DOC# 678383

dk 2030 P# 320

Doc No: 678383 Kline: 03709

State of North Carolina, County of Watauga

I, Katherine L. Walsh a Notary Public of said county and State, do hereby certify that Missy W. Hamill, President of Poseco Companies, Inc., Managing Member of The Summit at Echota, LLC, a limited liability company, personally appeared before me this day, voluntarily signed and acknowledged the execution of the foregoing instrument on behalf of the company, and I further certify that I received satisfactory evidence of identity from the member-manager or have personal knowledge of them.

WITNESS my hand and official seal this the 30th day of May, 2019.

(Seal)



My commission expires:

Aug. 19, 2019

Katherine L. Walsh
Notary Public Signature

~~Robert D. Temple, Jr., Manager~~
(Printed or typed name of Notary Public)

Katherine L. Walsh

OFFICIAL COPY

Apr 22 2022

BK 2030 PG 301 DOC# 579353

bk 2030 Pg 301
Doc No 022363 Kind: SR&O

EXHIBIT A

BEING all of that 46.729 acres tract as conveyed and described in Deed Book 2026, Page 516, and all of the 7.421 acres tract as conveyed and described in Deed Book 2026, Page 527, recorded in the Office of the Register of Deeds of Watauga County, North Carolina.

OFFICIAL COPY

Apr 22 2022

Exhibit B - 5



20220422000000000000 DEED
Bk: 00003 Pg: 212
09/26/2009 12:02:23 PM '12

FILED Kanda C. Scott
Register of Deeds WATAUGA COUNTY, NC
BY: *Kanda C. Scott*
Depl. N

Watauga County NC 09/26/2009
State of North Carolina
Real Estate Excise Tax
Excise Tax: 2,500.00

NORTH CAROLINA GENERAL WARRANTY DEED

Excise Tax: \$2,500.00

Parcel Identifier No. _____ Verified by _____ County on the _____ day of _____, 20____

By: _____

Mail/Box to: Deed, Museley & Smith, LLP, P. O. Box 311, Boone, NC 28607

This instrument was prepared by: Deed, Museley & Smith, LLP

Brief description for the index: _____

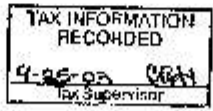
THIS DEED made this 25 day of September, 2009 by and between

GRANTOR	GRANTEE
<p>Camp Rainbow, Inc., a North Carolina non-profit corporation and The Trustees of The Grand Chapter of North Carolina Order of The Eastern Star</p>	<p>EDCOPR, Inc., a North Carolina Corporation</p> <p>151 Mt. Wish Blvd. Boone, NC 28607</p>

Enter in appropriate block for each party, name, address, and, if appropriate, character of entity, e.g. corporation or partnership. The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include single, plural, masculine, feminine or neuter as required by context.

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

THAT CERTAIN TRACT OF LAND AS DESCRIBED IN EXHIBIT A ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE.



The property hereinabove described was acquired by Grantor by instrument recorded in Book _____ page _____ A map showing the above described property is recorded in Plat Book _____ page _____

2009AC05063288383 092C
Bk: BR893 Pg: 213
09/26/2008 12:02:23PT 2/12

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances therein belonging to the Grantee in fee simple,
And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whatsoever, other than the following exceptions:

IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of this day and year first above written.

(Grantor Name) See signature pages attached (SEAL)

By: _____ (SEAL)
Title: _____

By: _____ (SEAL)
Title: _____

By: _____ (SEAL)
Title: _____

USE BLACK INK ONLY

State of North Carolina - County of _____
I, the undersigned Notary Public of the County and State aforesaid, certify that _____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed. Witness my hand and Notarial stamp or seal this _____ day of _____, 20____.

My Commission Expires: _____

Notary Public

USE BLACK INK ONLY

State of North Carolina - County of _____
I, the undersigned Notary Public of the County and State aforesaid, certify that _____ personally came before me this day and acknowledged that he is the _____ of _____ a North Carolina or _____ corporation/limited liability company/general partnership/limited partnership (whichever is applicable), and that by authority duly given and on the act of each entity, he signed the foregoing instrument in its name on its behalf as its act and deed. Witness my hand and Notarial stamp or seal this _____ day of _____, 20____.

My Commission Expires: _____

Notary Public

USE BLACK INK ONLY

State of North Carolina - County of _____
I, the undersigned Notary Public of the County and State aforesaid, certify that _____
Witness my hand and Notarial stamp or seal this _____ day of _____, 20____.

My Commission Expires: _____

Notary Public

USE BLACK INK ONLY

The foregoing Certificate(s) of _____ is/are certified to be correct.
This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the last page hereof.
By: _____ Register of Deeds for _____ County
Deputy/Assistant - Register of Deeds

NC Bar Association Form No. 3 © 1976, Revised © 1977, 2002
Printed by Agreement with the NC Bar Association - 1981

James Williams & Co., Inc.
www.JamesWilliams.com

20090825090209388 DE20
BK:BR883 Pg:214
29/05/2022 12:22:23PM 3/12

CAMP RAINBOW, INC., a North Carolina non-profit corporation

By: E. Dean Cheek
President

STATE OF NC

COUNTY OF Watson

I, LINDS P. CRITCHER, Notary Public, certify that E. Dean Cheek personally came before me this day and acknowledged that he is President of Camp Rainbow, Inc., a corporation, and that he as President, being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and official seal, this the 25 day of September, 2023.

Linds P. Critcher
Notary Public

My commission expires:

NOTARIAL SEAL:



00000023390005000 065D
SK1BR003 Pg 1215
06/26/2022 12:22:20PM 4/42

THE TRUSTEES OF THE GRAND CHAPTER
OF NORTH CAROLINA ORDER OF THE
EASTER STAR

By Catharine H. Ferguson, PM (SEAL)

STATE OF NORTH CAROLINA

COUNTY OF Forsyth

I, a Notary Public of said County and State, do hereby certify that Catharine H. Ferguson Trustee of The Grand Chapter of North Carolina Order of The Eastern Star, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

WITNESS my hand and official seal this the 22nd day of July, 2022.

Frederic B. Hall
Notary Public



288960503225388 DEED
BK: BR893 Pg: 218
09/25/2013 12:02:22PM 8/12

THE TRUSTEES OF THE GRAND CHAPTER
OF NORTH CAROLINA ORDER OF THE
EASTER STAR

By: Thomas R. Cellie (SEAL)

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, a Notary Public of said County and State, do hereby certify that Thomas R. Cellie Trustee of The Grand Chapter of North Carolina Order of The Eastern Star, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

WITNESS my hand and official seal this the 28 day of July, 2023.

Linda F. Smith
Notary Public

My commission expires:
5/13/08



20040225000235893 0000
BK: BR093 Pg: 217
09/20/2003 12:00:23PM 5/12

THE TRUSTEES OF THE GRAND CHAPTER
OF NORTH CAROLINA ORDER OF THE
EASTER STAR

By: Sidney D. Foltz, Jr. (SEAL)
Sidney D. Foltz, Jr.

STATE OF NORTH CAROLINA

COUNTY OF Wake

I, a Notary Public of said County and State, do hereby certify that
Sidney D. Foltz, Jr. Trustee of The Grand Chapter of North Carolina Order
of The Eastern Star, personally appeared before me this day and acknowledged the execution of the
foregoing instrument.

WITNESS my hand and official seal this the 26 day of July, 2008

Linda L. Smith
Notary Public

My commission expires:

3/19/08

NOTARIAL SEAL:



PLAT A

2022 04 22 10:00:00 AM
BY: J. H. H. Pg: 218
2022 04 22 12:00:00 PM

Being the same parcel of land conveyed by Margorie Brown Smith and Johnson, William Paul Smith, Jr. by Camp Rainbow, Inc., a N. C. corporation, as recorded in Record Book 784, Page 404; TOGETHER WITH a portion of the same parcel of land conveyed by L. S. Byrd and wife, Margaret M. Byrd to the Trustees of The Grand Chapter of North Carolina Order of The Eastern Star as recorded in Deed Book 72, Page 319, both of the Office of the Register of Deeds of Wakelet County, North Carolina, and more particularly described as follows:

BEGINNING on a concrete monument found, in the line of Luther H. Jett (Deed Book 77, Page 461), having NCGS NAD 83 coordinates of N. 891,950.50' and E. 1,182,454.14', said point being located N. 58° 54' 10" W., 2,615.89 feet from NCGS Monument "Romick"; THENCE with Official's line N. 70° 03' 48" E., 48.38 feet to a 3/8" iron rod found, a common corner of Christopher A. Calloway (Record Book 556, page 73); THENCE with Calloway's line the following fifteen (15) courses and distances, 1.) N. 59° 45' 24" E., 574.82 feet to a 3/8" iron rod found on the westerly bank of Clark's Creek Road, N. C. S. R. 1158 having a 60' right-of-way, 2.) N. 58° 17' 18" E., 26.04 feet to a point in the center of said road; THENCE with the center of Clark's Creek Road the following fifteen (15) courses and distances, 1.) S. 11° 07' 33" E., 27.10 feet, 2.) S. 12° 34' 21" E., 54.85 feet, 3.) S. 01° 54' 30" E., 80.79 feet, 4.) S. 24° 31' 30" W., 58.12 feet, 5.) S. 32° 35' 24" W., 58.23 feet, 6.) S. 21° 43' 11" W., 58.20 feet, 7.) S. 22° 39' 45" W., 51.89 feet, 8.) S. 16° 07' 52" W., 57.48 feet, 9.) S. 21° 01' 09" W., 55.11 feet, 10.) S. 20° 26' 59" W., 55.22 feet, 11.) S. 44° 31' 27" W., 54.21 feet, 12.) S. 64° 18' 14" W., 53.27 feet, 13.) S. 71° 38' 30" W., 26.13 feet, 14.) S. 64° 23' 33" W., 55.23 feet, 15.) S. 35° 48' 20" W., 57.66 feet, 16.) S. 64° 47' 20" W., 55.35 feet, 17.) S. 76° 43' 04" W., 53.18 feet, 18.) S. 79° 55' 51" W., 55.61 feet, 19.) S. 64° 65' 04" W., 33.37 feet to a point, the most eastern corner of Tract Twelve, SOUTHERN SITES, Phase One (Plat Book 12, Page 365); THENCE with the line of Tracts 7, 8, 9, 10, 11 and 12 the following ten (10) courses and distances, 1.) N. 54° 34' 42" W., 22.74 feet to a 3/4" iron pipe found, 2.) N. 65° 55' 24" E., 101.36 feet to a 3/8" iron rod found, 3.) S. 82° 04' 10" W., 711.45 feet to a 3/8" iron rod found, 4.) S. 21° 55' 11" E., 776.85 feet to a concrete monument found, 5.) S. 20° 36' 16" E., 151.55 feet to a 3/4" iron pipe set, 6.) S. 71° 45' 12" W., 91.80 feet to a 3/4" iron rod found, 7.) S. 50° 29' 52" W., 63.14 feet to a 3/8" iron rod found, 8.) N. 71° 44' 40" W., 293.62 feet to a 3/8" iron rod found, 9.) S. 61° 24' 56" W., 262.49 feet to a 3/4" iron pipe set, 10.) S. 68° 51' 44" W., 168.68 feet to a 3/8" iron rod found, a common corner of Tract 7 and Tract 30, Southern Sites, Phase 2 (Plat Book 14, Page 228); THENCE with the line of Tracts 26, 28 and 30 the following seven (7) courses and distances, 1.) N. 10° 30' 31" W., 50.53 feet to a 1/2" iron pipe found, 2.) N. 64° 54' 30" W., 324.52 feet to a 3/4" iron pipe found, 3.) S. 45° 04' 17" W., 395.88 feet to a 3/4" iron pipe found, 4.) N. 88° 07' 49" W., 112.10 feet to a 1/2" iron pipe found, 5.) S. 07° 08' 20" W., 53.48 feet to a 1/2" iron pipe found, 6.) S. 06° 59' 45" W., 108.04 feet to a 1/2" iron pipe found, 7.) S. 18° 42' 15" W., 82.50 feet to a 3/8" iron rod found, a common corner of Tracts 26 and Tract 25, Southern Sites, Phase 1 (Plat Book 13, Page 85); THENCE with the line of Tract 25 the following two (2) courses and distances, 1.) S. 18° 23' 32" W., 88.69 feet to a 1/2" iron pipe found, 2.) S. 19° 53' 51" W., 283.65 feet to a 3/8" iron pipe found, a common corner of The Grand Chapter of The North Carolina Order of The Eastern Star (Deed Book 72, Page 319); THENCE with a new line through The Grand Chapter of The North Carolina Order of The Eastern Star, S. 43° 40' 32" W., 465.20 feet to a 1/2" iron pipe found, a common corner of Nancy A. Chamblin (Deed Book 155, Page 569); THENCE with Chamblin's line the following three (3) courses and distances, 1.) S. 53° 52' 12" W., 108.58 feet to a 1/2" iron pipe found, 2.) S. 68° 26' 32" W., 438.34 feet to a 1/2" iron pipe found, 3.) S. 53° 40' 30" W., 17.09 feet to a 1/2" iron pipe found, a common corner of Suzanne Crum (Plat Book 10, Page 53) and David D. Hollyfield (Tract 1, Record Book 54, Page 11); THENCE with Hollyfield's line the following two (2) courses and distances, 1.) S. 48° 7' 17" W., 97.96 feet to a 3/4" iron pipe found, 2.) N. 82° 49' 40" W., 223.93 feet to a 1/4" iron rod found, a common corner of Grady T. Hiska (Tract 3, Deed Book 182, Page 631); THENCE with Hiska's line, S. 78° 39' 47" W., 220.83 feet to a 30" marked oak, a common corner of Eric F. Morgan (Record Book 42, Page 925); THENCE with Morgan's line the following two (2) courses and distances, 1.) N. 01° 05' 17" W., 744.37 feet to a 3/4" iron pipe found at a 15" maple, 2.) N. 64° 49' 19" W., 273.87 feet to a 3/4" iron pipe found, a common corner of R. J. Messerkopf (Record Book 289, Page 392); THENCE with Messerkopf's line the following four (4) courses and distances, 1.) N. 32° 16' 11" E., 1326.15 feet to a 3/4" iron pipe set in the branch, 2.) S. 62° 63' 49" E., 631.37 feet to a 3/4" iron pipe found at a marked maple, 3.) N. 33° 11' 46" E., 946.88 feet to a 3/4" iron pipe found at a 17" maple, 3.) N. 47° 56' 52" W., 545.98 feet to a 1/2" iron pipe found at a 27" marked blackgum, a common corner

20220422062356016 0:22
06:08:03 Pg: 210
20220422 2:02 PM 0/12

of Donald K. Mitchell, et al (Second Trail, Record Book 141, Page 66); THENCE with Mitchell's line, S.74°27'47"E., 1059.49 feet to a 1/2" iron pipe found, a corner on line of Helen Murgan (Deed Book 47, Page 91); THENCE with Murgan's line, N.76°46'56"E., 234.93 feet to a nail found in a stump, a common corner of, Low or formerly, L. S. Byrd (Deed Book 63, Page 240); THENCE with Byrd's line, S.20°56'11"W., 137.04 feet to a point in the center of a 10' farm road, said point being located, N.20°56'11"W., 25.00 feet from a 3/4" iron pipe found; THENCE continuing with Byrd's line and with the center of said farm road the following seven (7) courses and distances, (1.) N.74°03'35"E., 28.94 feet to a point, 2.) N.78°46'29"E., 44.06 feet to a point, 3.) N.S4°40'11"W., 113.50 feet to a point, 4.) S.88°48'43"W., 92.69 feet to a point, 5.) N.88°50'49"E., 125.74 feet to a point, 6.) N.80°49'38"E., 50.75 feet to a point, 7.) N.66°21'59"E., 93.52 feet to a point in the line of Lurion H. Jeffcoat (Deed Book 77, Page 46); THENCE leaving said road and with Jeffcoat's line the following two (2) courses and distances, 1.) S.E8°16'31"W., 20.00 feet to a 5/8" iron rod found, 2.) continuing, S68°16'31"E., 186.20 feet to the POINT OF BEGINNING. As surveyed and plotted by LESLIE COLE, P.L.S., P.A. on 6/3/2003. Project - GCNCOFS.pro, and GCNCOFS2.pro.

Containing 97.004 acres, more or less.

Situate, lying and being in Watauga Township, Watauga County, North Carolina.

There is also conveyed herewith that certain right-of-way over the lands of Dilard J. Skorie as conveyed in that certain deed from L. S. Byrd and wife, Margaret M. Byrd to The Trustees of The Grand Chapter of North Carolina Order of the Eastern Star recorded in Deed Book 72, Page 519, Watauga County, North Carolina, Public Registry.

There is also conveyed herewith that certain right-of-way and easement by and between Christopher A. Calloway and wife, Diana P. Calloway as Camp Rainbow, Inc. and The Trustees of The Grand Chapter of North Carolina Order of the Eastern Star as Grantee recorded in Book of Records 856, Page 294, Watauga County, North Carolina, Public Registry.

There is also conveyed herewith that certain right-of-way and easement made and entered into between William K. Jeffcoat and wife, Virgilia G. Jeffcoat and Doreilly L. Jeffcoat as Grantor and Camp Rainbow, Inc. and The Grand Chapter of North Carolina Order of the Eastern Star as Grantee recorded in Book of Records 856, Page 293, Watauga County, North Carolina, Public Registry.

There is also conveyed herewith a perpetual right-of-way and easement to erect, construct, install, lay, and thereafter use, amend, inspect, repair, maintain, and replace a water system, including four water wells and all equipment and accessories relating thereto, together with water lines running over, across and through the lands of Grantor which join the property conveyed herein and constitute the remaining portion of the property described in Deed Book 72, Page 519, Watauga County, North Carolina, Public Registry. Three of the four water wells have been installed on Grantor's property, and the location of said water wells is depicted on Exhibit B attached hereto. The proposed location of the fourth water well is also depicted on Exhibit B attached hereto. The easement for the water lines running from said water well shall be 30 feet in width and shall run from said well along the eastern boundary line of Grantor's property until said easement reaches the near common boundary line between the property retained by Grantor and the property conveyed herein, described above. The location of said 30 foot easement is also depicted on Exhibit B. There is also conveyed a perpetual right-of-way and easement to install and thereafter maintain, repair and replace an underground electric utility line to serve any pumps associated with the operation of the water wells, the location of said underground utility line to be within the existing driveway on Seller's retained property or another reasonable location to be agreed upon between Grantor and Grantee, their successors and assigns. There is also conveyed a perpetual 100 foot radius buffer easement for each of the four wells in order to meet the requirements of North Carolina law pertaining to public water systems. The parties agree to cooperate with each other in executing any further documents as may be required by the State of North Carolina with pertain to the easements for said wells.

It is understood that Grantor, in constructing, maintaining and repairing said water system and water lines, shall remove all surface earth and subside as little as is reasonably possible with any improvements located on the land of Grantor.

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Wed Jul 27 10:40:32 AM 2022

It is understood and agreed that the water system to be installed by Grantco upon the lands of Grantor shall be used in common by and between Grantee and Grantor. Grantee has agreed that the water system shall be designed and installed at Grantee's sole expense as set forth in the Offer to Purchase and Contract between the parties hereto dated February 14, 2003 and any and all addenda thereto (collectively, the "Contract"); the terms and provisions of which are incorporated herein by reference.

It is understood and agreed between the parties that Grantee, in consideration for Grantor's conveyance of the herein-described property and grant of the easements for the water system as set forth in this deed, shall supply sufficient water, at no charge, to Grantor's remaining property which adjoins the property hereby conveyed to Grantee, including the existing girl's camp and up to 28 additional two bedroom living units which may be constructed later. In addition, Grantee or Grantee's successors in interest shall also be obligated to perpetually repair and maintain (i) the water system, (ii) the existing roadway constructed by Grantee from Grantor's existing driveway to the water wells, which shall be used to maintain and inspect such water wells and water system, (iii) the facilities located within the above-described electric utility easement to serve the water system, and (iv) the facilities within the Grantee's hereby-described required easement to the below described water tank(s) on Grantee's property, all at Grantee's sole expenses. Grantee shall be obligated to complete the portion of the water system serving Grantor's remaining property no later than September 10, 2008. Grantee shall have the right and option to install the remaining portion of the water system which shall serve Grantee's property, including all infrastructure serving Grantee's property, provided that Grantee shall be obligated to install all infrastructure to serve Grantee's property no later than September 10, 2013. In the event the portion of the water system to serve Grantee's property is not installed prior to September 10, 2013, then, in addition to all remedies available to Grantor if Grantor's portion of the water system was not constructed by September 10, 2013 (if applicable), Grantee shall relinquish and terminate all rights in and to the water wells installed on Grantor's property and the easements granted by Grantor to Grantee for the water system shall be null and void. In such event, Grantor is hereby authorized to execute and record a notice of such termination in the Watauga County Registry.

The parties agree that the water system shall be designed, located and installed so that it will serve both the property of Grantee and the remaining property of Grantor. It is further understood that the water system shall provide an adequate water supply for the improvements currently located on Grantor's retained property and for up to 28 additional two bedroom living units. For purposes of the foregoing sentence, sufficiency will be determined pursuant to applicable DENR regulations. Grantee shall pay all costs associated with completion of the water system. The water system infrastructure will be installed in accordance with Exhibit B attached hereto and incorporated herein by reference. It is understood between the parties that, provided the adequacy requirements set forth above are satisfied, a water line running from the holding tanks on the property hereby conveyed to Grantee (a "descending line") shall not be required; rather, pressure reducer valves may be installed by Grantee at the point established by the project engineer along with a lateral line to serve Grantor's remaining property. In the event Grantee elects to initially install only the infrastructure for the water system required to provide water to Grantor's remaining property, Grantee may install a tank for the benefit of Grantor's remaining property within the 100 foot radius of the existing well as shown on the drawing attached hereto as Exhibit B.

Grantee agrees that upon installation of all infrastructure associated with the water system, all disturbed areas shall be restored by Grantor's contractor. The parties agree that there will be no construction activities during the 5 weeks that Camp Rainbow is open during the summer.

Notwithstanding anything herein to the contrary, Grantor hereby reserves a perpetual right-of-way and easement over the property hereby conveyed to Grantee in order to maintain, and if Grantee fails to do so, operate, inspect, repair, maintain and replace (i) any water tank(s) installed by Grantee on the property hereby acquired from Grantor and (ii) the water lines running from the water wells constructed on Grantee's retained property to such tank(s). The easement shall be a radius of forty (40) feet from the center of any such tank and 20 feet in width with 15 feet being on each side of the water lines installed by Grantee and running from the above described water holding tank(s) to the next facilities of the water system easement conveyed by Grantor to Grantee and described above. In the event the parties describe the above-referenced water system in a new instrument as set forth

119677-01

RECORDED & INDEXED
BY: 888888888888
2019 APR 22 10:12 AM

above, such new instrument shall also include an exact description of the easement hereby reserved by Grantor.

The easements conveyed herein and reserved herein shall be appurtenant to and shall run with the title to the property conveyed to Grantee described herein and the remaining property of Grantor described herein. The rights and obligations of Grantor and Grantee shall inure to the benefit of and be binding upon Grantor and Grantee, their successors and assigns.

It is understood between Grantor and Grantee that the locations of the easement areas shown on Exhibit B are approximate locations. In the event it becomes necessary to relocate the easement areas, Dean Cheek on behalf of Grantor and Mark Hatill on behalf of Grantee shall mutually agree upon the changes in location, with the understanding that any changes in location of the easement areas will not unreasonably interfere with Grantor's development of its remaining property and will be accessible to serve Grantor's improvements on his property without unreasonable expense. Upon completion of the installation of the water system provided for herein, upon request of either party, the parties shall cause a new instrument to be recorded establishing the exact location of the easement areas provided for herein. The costs associated with such new instrument, including survey, attorney's fees and recording fees shall be considered as one of the installation expenses to be paid as described above.

IN WITNESS WHEREOF, Grantor and Grantee have hereunto set their hands and seals this 22nd day of April, 2022.

125570101.1

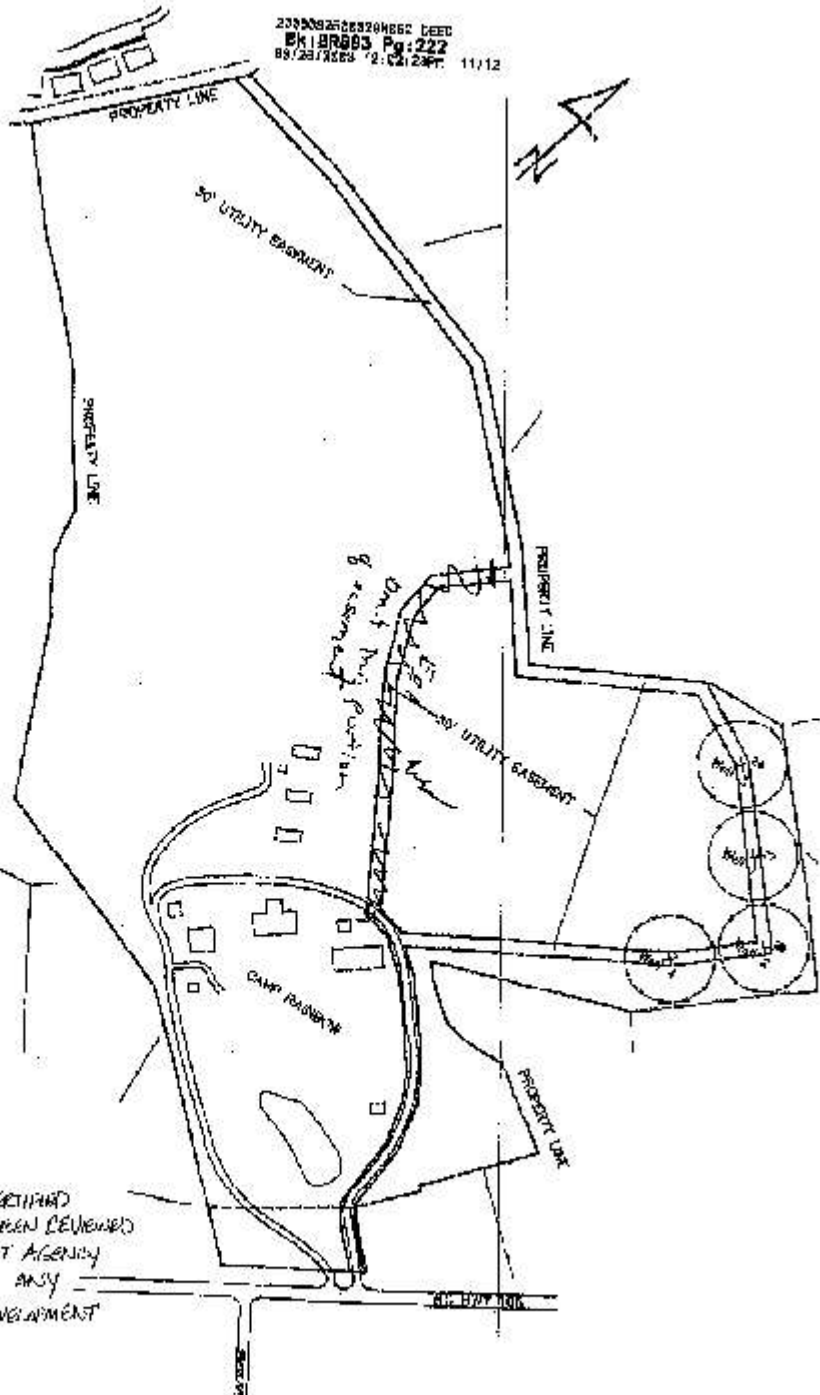


EXHIBIT B
SCALE: 1" = 300'

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

20000025-330206803 DEED
BK:0888 Pg:223
00/20/2008 12 02 25PM 12/12

NORTH CAROLINA - WATAUGA COUNTY

The foregoing certificate(s) of
Fradrick O'Kelley, Notary Public, Beaufort County, NC,
Linda J. Smith, Notary Public, Wake County, NC,
Linda P. Critcher, Notary Public, Watauga County, NC,
is (are) certified to be correct.

This the 25th day of September 2003.

Wanda C. Scott, Register of Deeds

BY: Joan Oransend
Deputy

Exhibit C
Excluded Assets

There are no Excluded Assets

Exhibit D
Fee Parcels

SEWER PLANT

03447062

FILED
WANDA G. SCOTT
REGISTER OF DEEDS
03 OCT -3 AM 9:55
BY *Wanda G. Scott*
DEPUTY
WAYNESVILLE, NC

12/30/21

Book No. _____ Page No. _____
Parcel Identifying No. _____
County as the _____ Day of _____ 20____

Mail after recording by Miller and Mosler, Atty's at Law, P. O. Box 69, Boone, NC 28604
Title insurance was prepared by Miller and Mosler
Brief description for the taxes

NORTH CAROLINA GENERAL WARRANTY DEED

THIS DEED is made this _____ day of _____ 20____ by and between
GRANTOR GRANTOR'S

for Lake Country Development, Company, Inc.

WATER RESOURCES MANAGEMENT, INC.
P. O. Box 5427
Boone, NC 28607

Grantor agrees that for each parcel herein and if appropriate Registrar of Deeds, at expense of grantor,
This Deed for Grantor and Grantee or their heirs shall include all poles, line hairs, easements, and covenants, and
shall include all rights, claims, interests, tenures or other as may be set by contract.
WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby
acknowledged, has sold by these presents to the Grantee, to have and to enjoy, unto the Grantee, his heirs, and assigns,
all that certain parcel of land situated in the City of _____ State of _____ containing _____ acres, to-wit:

THAT QUINCY TRACT OF LAND AS DESCRIBED IN PARAGRAPHS 4 & 5 ATTACHED
HEREIN AND INCORPORATED HEREBY BY REFERENCE.

INFORMATION
RECORDED
Wanda G. Scott
DEPUTY

303440068

The property described herein was acquired by Grantor by inheritance recorded in _____
Book of Records 343, Page 209, Washington County, North Carolina, Public Registry.

And Grantor hereby certifies that the property is conveyed to His Heirs _____
TO HAVE AND TO HOLD the above said parcel of land and all rights and appurtenances thereto belonging to
His Grantee in fee simple.

And the Grantee covenants with the Grantor that Grantor is void of all claims or liens and that Grantor has the right to convey
the same in fee simple that this is true and that Grantor and all persons claiming under him are not and
shall not be liable for the taxes, duties, or other charges whatsoever except for the arrears hereof due and
paid by the property heretofore conveyed or subject to the following exceptions:

BY THESE COVENANTS, the Grantor covenants with the Grantee that the Grantor is void of all claims or liens and that Grantor has the right to convey the same in fee simple that this is true and that Grantor and all persons claiming under him are not and shall not be liable for the taxes, duties, or other charges whatsoever except for the arrears hereof due and paid by the property heretofore conveyed or subject to the following exceptions:

FOR THE PURPOSES OF THIS INSTRUMENT, THE GRANTOR COVENANTS WITH THE GRANTEE THAT THE GRANTOR IS VOID OF ALL CLAIMS OR LIENS AND THAT GRANTOR HAS THE RIGHT TO CONVEY THE SAME IN FEE SIMPLE THAT THIS IS TRUE AND THAT GRANTOR AND ALL PERSONS CLAIMING UNDER HIM ARE NOT AND SHALL NOT BE LIABLE FOR THE TAXES, DUTIES, OR OTHER CHARGES WHATSOEVER EXCEPT FOR THE ARREARS HEREOF DUE AND PAID BY THE PROPERTY HERETOFORE CONVEYED OR SUBJECT TO THE FOLLOWING EXCEPTIONS:

1. For any taxes, duties, or other charges whatsoever except for the arrears hereof due and paid by the property heretofore conveyed or subject to the following exceptions:

2. For any taxes, duties, or other charges whatsoever except for the arrears hereof due and paid by the property heretofore conveyed or subject to the following exceptions:

3. For any taxes, duties, or other charges whatsoever except for the arrears hereof due and paid by the property heretofore conveyed or subject to the following exceptions:

4. For any taxes, duties, or other charges whatsoever except for the arrears hereof due and paid by the property heretofore conveyed or subject to the following exceptions:

5. For any taxes, duties, or other charges whatsoever except for the arrears hereof due and paid by the property heretofore conveyed or subject to the following exceptions:

6. For any taxes, duties, or other charges whatsoever except for the arrears hereof due and paid by the property heretofore conveyed or subject to the following exceptions:

7. For any taxes, duties, or other charges whatsoever except for the arrears hereof due and paid by the property heretofore conveyed or subject to the following exceptions:

8. For any taxes, duties, or other charges whatsoever except for the arrears hereof due and paid by the property heretofore conveyed or subject to the following exceptions:

9. For any taxes, duties, or other charges whatsoever except for the arrears hereof due and paid by the property heretofore conveyed or subject to the following exceptions:

10. For any taxes, duties, or other charges whatsoever except for the arrears hereof due and paid by the property heretofore conveyed or subject to the following exceptions:



WITNESSED by the Grantor and Grantee on this _____ day of _____, 2022.

Grantor: _____
Grantee: _____

Notary Public: _____
Notary Seal: _____

W-354, Sub 396, W-1073, Sub 7, © 1977-2022, Washington County, North Carolina

903447064

RECORD & TO BECOME CANNOT BE REPRODUCED WITHOUT THE
WRITING OF THE LANDLORDS ASSOCIATION OF THE CITY OF
MEMPHIS, TENNESSEE
DATE: SEPTEMBER 12, 1985

EXISTING at an iron located on the edge of a 20 foot easement, corner to West
of Miller Development, Inc., and iron being located South 50 degrees 40 minutes
East 30.35 feet from an iron located on corner of Devil's Lake Drive, thence from
the beginning corner, South 22 degrees 18 minutes East 130 feet to an iron;
thence South 67 degrees 05 minutes East 30 feet to an iron; thence North 35
degrees 25 minutes East 22.24 feet to an iron, located at the edge of a 20 foot
easement; thence along the edge of said easement, South 64 degrees 45 minutes East
19.11 feet to the point of BEGINNING, and being located on the orange
plumb mark.

Also conveyed herewith is a perpetual right-of-way and easement to repair,
maintain, and replace any and all existing water lines which are located on the
property of Church.

RECORDED IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF THE CITY OF MEMPHIS, TENNESSEE, ON SEPTEMBER 12, 1985.

WATAUGA COUNTY TAX ADMINISTRATOR
PO BOX 603
MOUNT AIRY NC 27633-0603



PROPERTY TAX BILL

IMPORTANT - PLEASE READ FRONT
AND BACK OF NOTICE CAREFULLY

Bill Due On September 1, 2020
Past Due After January 5, 2021

WATAUGA COUNTY 5-DIGIT 20607
MOUNT AIRY NC 27633-0603



WATER RESOURCE MANAGEMENT INC
191 MR BIGH BLVD
BOONE NC 28607-7842



Phone: (828) 266-8038
Fax: (828) 266-8037

ONLINE PAYMENTS
Website: www.wataugacounty.org

PAY BY PHONE: 828-266-8038

CREDIT CARDS:



YEAR	PARCEL ID	ACCOUNT ID	PARCEL ACCOUNT NUMBER	TAX RATE	PROPERTY DESCRIPTION
2020	7600	1536947	1878-09-5010-000	0.23	SEWAGE PLANT

DESCRIPTION OF CHARGES:

TAX DISTRICT	TAX RATE	TAX AMOUNT	ASSESSED VALUES
001	0.412	60.45	Real Estate 16,000 Deferred 0 Exemption 0 Net Real Estate 6,000 Personal Property 0
CURRENT YEAR TAX		60.45	
PAY THIS AMOUNT		60.45	
Note: The Watauga County property tax rate for 2020 - 2021 is \$403 per \$100 valuation.			TAXABLE VALUE 15,000

BILLING INFORMATION:

DATE	AMOUNT	DATE	AMOUNT
08/01/2020		09/01/2020	60.45

Retain This Portion For Your Records

Exhibit E
Personal Property

Personal Property, includes, but is not limited to, all water production, treatment, storage, supply and distribution facilities and all wastewater collection, treatment and disposal facilities, collection mains, lift stations, pumps, pumping stations, tanks, plants, wells, transmission mains, distribution mains, supply pipes, pipelines, odor control devices, storage tanks, standpipes, hydrants, valves, meters, meter boxes, service connections, machinery, equipment, parts, chemicals, supplies, inventories, pump house buildings and all other physical facilities, equipment, appurtenances and property installations used in the operation of the Utility System, plans and third party warranties that relate to the Personal Property or completed or in progress construction.

Exhibit F
Customer Deposits

There are no Customer Deposits

OFFICIAL COPY

Apr 22 2022

Exhibit G
Bill of Sale

“FORM OF BILL OF SALE”

This Bill of Sale is made this [NTD: update date as needed and update on final version for closing] ___ day of _____, 2020, BETWEEN Water Resource Management, LLC, a North Carolina limited liability corporation (“**Seller**”), and Carolina Water Service, Inc. of North Carolina, a North Carolina corporation (“**Buyer**”). Capitalized terms not otherwise defined herein shall have the meaning provided in the Utility Asset Purchase Agreement dated [NTD: insert date of Purchase Agreement] _____, 2020 (the “**Purchase Agreement**”) between Seller and Buyer.

Seller, in consideration of One (\$1.00) Dollar and other good and valuable consideration in hand paid by Buyer, the receipt and sufficiency of which is hereby acknowledged, has hereby granted, bargained, sold, transferred and delivered unto Buyer, its successors and assigns, the following described personal property, to-wit:

All of the Purchased Assets constituting personal (movable) property that are used in the operation of the sewage, water or wastewater systems for service areas as shown in Exhibit A of the Purchase Agreement, it being the intent of the parties hereto to include in this conveyance all personal property described in Exhibit E and elsewhere in the Purchase Agreement, together with all sewer, water, and wastewater systems and all appurtenant parts, including, but not limited to, all pumps, blowers, pipes, lines, valves, grinders, meters and meter installations, back-flow devices, pumping equipment, power generation equipment, sewerage and/or wastewater treatment equipment, tools, chemicals, supplies, force mains, tanks, injectors, control panels, and all other equipment, whether mentioned herein or not, necessary or convenient to operate the systems which are being conveyed herewith.

Seller for itself, its successors and assigns, hereby covenants and agrees that, at any time and from time to time upon the written request of Buyer, Seller will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably required by Buyer in order to assign, transfer, set over, convey, assure and confirm unto and vest in Buyer, its successors and assigns, title to the assets sold, conveyed and transferred by this Bill of Sale.

[Signature Page Follows]

IN WITNESS WHEREOF, the said Seller has hereunto set its hand and seal, the day and year first above written.

Water Resource Management, LLC, a North
Carolina limited liability corporation

By: _____

Print: _____

Title: _____

STATE OF _____
COUNTY OF _____

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

Date: _____

Official Signature of Notary: _____

Notary's Printed or Typed Name: _____, Notary Public

My Commission Expires: _____

(Official Seal)

Exhibit H
General Warranty Deed

NORTH CAROLINA GENERAL WARRANTY DEED

Excise Tax:	
Parcel ID:	
Mail/Box to:	
Prepared by:	
Brief description for the Index:	

THIS GENERAL WARRANTY DEED ("Deed") is made on the ____ day of _____, 20____, by and between:

GRANTOR	GRANTEE

Enter in the appropriate block for each Grantor and Grantee their name, mailing address, and, if appropriate, state of organization and character of entity, e.g. North Carolina or other corporation, LLC, or partnership. Grantor and Grantee includes the above parties and their respective heirs, successors, and assigns, whether singular, plural, masculine, feminine or neuter, as required by context.

FOR VALUABLE CONSIDERATION paid by Grantee, the receipt and legal sufficiency of which is acknowledged, Grantor by this Deed does hereby grant, bargain, sell and convey to Grantee, in fee simple, all that certain lot, parcel of land or condominium unit in the City of _____, _____ Township, _____ County, North Carolina and more particularly described as follows (the "Property"):

All or a portion of the Property was acquired by Grantor by instrument recorded in Book _____ page _____.

All or a portion of the Property includes or does not include the primary residence of a Grantor.

A map showing the Property is recorded in Plat Book _____ page _____.

TO HAVE AND TO HOLD the Property and all privileges and appurtenances thereto belonging to Grantee in fee simple. Grantor covenants with Grantee that Grantor is seized of the Property in fee simple, Grantor has the right to convey the Property in fee simple, title to the Property is marketable and free and clear of all encumbrances, and Grantor shall warrant and defend the title against the lawful claims of all persons whomsoever, other than the following exceptions:

IN WITNESS WHEREOF, Grantor has duly executed this North Carolina General Warranty Deed, if an entity by its duly authorized representative.

Name:

Entity Name

Name:

By: _____

Name:

Name:

Title:

Name:

By: _____

Name:

Title:

STATE OF _____, COUNTY OF _____

I _____, a Notary of the above state and county, certify that the following person(s) personally appeared before me on the ____ day of _____ 20__ each acknowledging to me that he or she signed the foregoing document, in the capacity represented and identified therein (if any): _____.

Affix Notary Seal/Stamp

Notary Public (Official Signature)

My commission expires: _____

Exhibit I
Assignment of Easements

**WATER SYSTEM DEED OF CONVEYANCE, EASEMENT AND
ASSIGNMENT**

Drawn by Robert B. Angle, Jr.

STATE OF NORTH CAROLINA)
)
COUNTY OF WATAUGA)

This Water System Deed of Conveyance, Easement and Assignment is entered into this ____ day of _____, 2021, by and between Camp Rainbow, Inc., EDCOTR, Inc., The Lakes Community Development Company, LLC, (formerly known as The Lakes Community Development Company, Inc.), Echota East Ridge, LLC, The Summit At Echota, LLC, and Water Resource Management, LLC (formerly known as Water Resource Management, Inc.) ("Grantors") do hereby transfer to Carolina Water Service, Inc. of North Carolina ("Grantee") all of their rights, title and interest in all of those deeds, easements and water service rights they may own, including but not limited to those rights described in the instruments to be set forth and described hereafter and in all deeds and easements conveyed to the Grantors. Grantee does accept said conveyance pursuant to the terms and conditions contained herein.

WITNESSETH:

WHEREAS, Camp Rainbow, Inc. deeded and conveyed to EDCOTR, Inc. approximately 94 acres of land as further described in the Deed recorded in Book of Records 893, Page 212, in the Office of the Register of Deeds of Watauga County, North Carolina, which deed and legal description conveyed and retained

water rights, easements, and obligations to provide for water rights for the land being conveyed and retained; and

WHEREAS, EDCOTR, Inc. conveyed all their interests in all of their water systems to Water Resource Management, Inc., in Book of Records 1779, Page 77; and

WHEREAS, The Lakes Community Development Company, Inc. conveyed all their interest to all of their water systems, to Water Resource Management, Inc. in Book of Records 1779, Page 70; and

WHEREAS, The Echota East Ridge, LLC conveyed all their interest to all of their water systems to Water Resource Management, Inc. in Book of Records 1779, Page 70; and

WHEREAS, The Summit at Echota, LLC conveyed all their interest to all of their water systems to Water Resource Management, Inc. in Book of Records 2104, Page 632; and

WHEREAS, the Grantors and their assigns, have developed multiple subdivisions in and around Echota, which have subdivisions have installed wells, water lines and systems to serve said subdivisions; and

WHEREAS, Grantors have entered in to an agreement to sale, transfer and convey all rights, title and interests they may have to the water system and systems that have been developed over the years, to the Grantee.

NOW THEREFORE, the Grantors, for valuable consideration paid by the Grantee, receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey and assign unto the Grantee, in fee simple, all right, title and interest in and to any and all water systems, including but not limited to the underground and above ground lines, water tanks, well houses, pumps and all other equipment connected thereto where currently located within the area they own or have owned in and around the "Lakes" or the area known as "ECHOTA" which is within their boundaries described in and around the properties conveyed in the above described conveyances and more particularly described on Exhibit "A" attached hereto.

And, included herewith is these conveyances, reservations and easements is the right of the Grantee to go upon lands of the Grantors for purposes of servicing, repairing, maintaining and replacing all of components of the water equipment and systems described above as the same may be necessary. Grantee covenants with the Grantors that in the event of such repair, maintenance, or replacement, the Grantee shall restore the land to its condition prior to such repair or replacement and, Grantee further covenants in exchange for this conveyance, it shall maintain the water system, including the underground and above ground lines, water tanks, well houses, pumps and all other equipment connected thereto in good working order. Grantee is granted a perpetual easement to enter upon the lands of the Grantors for the purposes herein stated, the same to be appurtenant to and run with the lands of the Grantors as herein above described.

This Deed of Conveyance shall be binding upon the parties hereto, their successors and assigns.

IN TESTIMONY WHEREOF, the parties have set their hand and seal the day and year first written above.

Camp Rainbow, Inc.,

By: _____
Dean Cheek, President

State of North Carolina, County of Watauga

I, _____ a Notary Public of said county and State, do hereby certify that Dean Cheek, President of Camp Rainbow, Inc., a North Carolina Non-Profit Corporation, personally appeared before me this day, voluntarily signed and acknowledged the execution of the foregoing instrument on behalf of the company, and I further certify that I received satisfactory evidence of identity from the President or have personal knowledge of him.

WITNESS my hand and official seal this the ___ day of July, 2021.

(Seal)

Notary Public Signature

Printed or typed name of Notary Public

My commission expires: _____

EDCOTR, Inc.,

By: _____
Melissa W. Harrill, President

State of North Carolina, County of Watauga

I, _____ a Notary Public of said county and State, do hereby certify that Melissa W. Harrill, President of EDCOTR, Inc., a North Carolina Corporation, personally appeared before me this day, voluntarily signed and acknowledged the execution of the foregoing instrument on behalf of the company, and I further certify that I received satisfactory evidence of identity from the President or have personal knowledge of him.

WITNESS my hand and official seal this the ____ day of July, 2021.

(Seal)

Notary Public Signature

Printed or typed name of Notary Public

My commission expires: _____

**THE LAKES COMMUNITY DEVELOPMENT
COMPANY, LLC**

By: _____
_____, Manager

State of North Carolina, County of Watauga

I, _____ a Notary Public of said county and State, do hereby certify that _____, Manager of The Lakes Community Development Company, LLC, a North Carolina Corporation, personally appeared before me this day, voluntarily signed and acknowledged the execution of the foregoing instrument on behalf of the company, and I further certify that I received satisfactory evidence of Identity from the Manager or have personal knowledge of him.

WITNESS my hand and official seal this the ___ day of July, 2021.

(Seal)

Notary Public Signature

Printed or typed name of Notary
Public

My commission expires: _____

Echota East Ridge, LLC,

By: Harrill Properties, LLC

By: _____
_____, Manager

State of North Carolina, County of Watauga

I, _____ a Notary Public of said county and State, do hereby certify that _____, Manager of Harrill Properties, LLC, a North Carolina Limited Liability Company, personally appeared before me this day, voluntarily signed and acknowledged the execution of the foregoing instrument on behalf of the company, and I further certify that I received satisfactory evidence of identity from the Manager or have personal knowledge of him.

WITNESS my hand and official seal this the ___ day of July, 2021.

(Seal)

Notary Public Signature

Printed or typed name of Notary
Public

My commission expires: _____

THE SUMMIT AT ECHOTA, LLC, LLC

**By: _____
James Edward Harrill, Jr., Manager**

State of North Carolina, County of Watauga

I, _____ a Notary Public of said county and State, do hereby certify that James Edward Harrill, Jr., Manager of The Summit at Echota, LLC, a North Carolina Limited Liability Company, personally appeared before me this day, voluntarily signed and acknowledged the execution of the foregoing instrument on behalf of the company, and I further certify that I received satisfactory evidence of identity from the Manager or have personal knowledge of him.

WITNESS my hand and official seal this the ____ day of July, 2021.

(Seal)

Notary Public Signature

Printed or typed name of Notary Public

My commission expires: _____

Water Resource Management, LLC

By: _____
James Edward Harrill, II, Manager

State of North Carolina, County of Watauga

I, _____ a Notary Public of said county and State, do hereby certify that James Edward Harrill, Manager of Water Resource Management, LLC, a North Carolina Limited Liability Company, personally appeared before me this day, voluntarily signed and acknowledged the execution of the foregoing instrument on behalf of the company, and I further certify that I received satisfactory evidence of identity from the President or have personal knowledge of them.

WITNESS my hand and official seal this the ___ day of July, 2021.

(Seal)

My commission expires: _____

Notary Public Signature

Printed name of Notary Public

Carolina Water Service, Inc. of North Carolina

By: _____
Donald Denton, President

State of North Carolina, County of Watauga

I, _____ a Notary Public of said county and State, do hereby certify that Donald Denton, President of Carolina Water Service, Inc. of North Carolina, a North Carolina Corporation, personally appeared before me this day, voluntarily signed and acknowledged the execution of the foregoing instrument on behalf of the company, and I further certify that I received satisfactory evidence of identity from the President or have personal knowledge of them.

WITNESS my hand and official seal this the ___ day of July, 2021.

Notary Public Signature

Printed name of Notary Public

(Seal)

My commission expires: _____

Exhibit A

BEING all of the easements for wells, water lines, equipment, holding tanks, and the all needed aspects for entire water systems, conveyed and retained by Camp Rainbow, Inc., EDCOTR, Inc., The Lakes Community Development Company, Inc., Echota East Ridge, LLC, and Water Resource Management, Inc., included, but not limited to, the rights and easements described in the documents recorded in Book of Records 893, Page 212, Book of Records 1779, Page 77, Book of Records 1779, Page 70, Book of Records 2104, Page 632, and Book of Records 1779, Page 82.

It is the intent of the all of the above-described Grantors to convey, and in the case of Camp Rainbow, Inc., retain, any and all rights, title and interests, they may have in all of the water systems described herein. This conveyance and assignment specifically conveys and assigns all easements, including any easement which may be considered an easement in gross.

Exhibit K

Not Used

Exhibit L

Not used

Schedule 3.04(B)
Environmental Permits & Governmental Authorizations

Permit to Operate a Community Public Water System issued by the State of North Carolina Department of Environmental Quality, Division of Water Resources, Public Water Supply Section

Permit to Discharge Wastewater Under the National Pollutant Discharge Elimination System issued by the State of North Carolina Department of Environmental Quality, Division of Water Resources, NPDES Permit NC0035149

Certificate of Public Convenience and Necessity issued by the North Carolina Utilities Commission

OFFICIAL COPY

Apr 22 2022

Schedule 3.04(C)
Environmental Compliance

None

OFFICIAL COPY

Apr 22 2022

Schedule 3.04(D)
Violations

None

Schedule 3.04(E)
Hazardous Materials

None

Schedule 4.01(B)
Pending or Threatened Legal Actions

None

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Apr 22 2022

Schedule 4.01(C)
Default of Government Authorizations

None

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Apr 22 2022

Schedule 4.01(E)
Agreements Not in Good Standing and Defaults

None

Schedule 4.01(H)
Conveyance of Fee Parcels

None

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Apr 22 2022

Schedule 4.01(I)
Conveyance of Purchased Assets

None

Schedule 4.01(M)
Liabilities or Obligations of Seller Relating to the Purchased Assets

None

Schedule 4.01(N)
Notice of Violations from a Governmental Body

None

OFFICIAL COPY

Apr 22 2022

SEWER PLANT

BK0344PG062

12/347

FILED
WANDA G. SCOTT
REGISTER OF DEEDS

95 OCT -3 AM 9:55

BY Alan Townsend
DEPUTY
WATAUGA COUNTY, NC

Excise Tax -0-

Recording Time, Book and Page

Tax Lot No. Parcel Identifier No.
Verified by County on the day of, 19.....
by

✓ Mail after recording to Miller and Moseley, Attys. at Law, P. O. Box 49, Boone,
NC 28607

This instrument was prepared by Miller and Moseley

Brief description for the Index

NORTH CAROLINA GENERAL WARRANTY DEED

THIS DEED made this 28 day of September, 1995, by and between

GRANTOR

GRANTEE

The Lakes Community Development Company, Inc.

Water Resource Management, Inc.
P. O. Box 3437
Boone, NC 28607

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

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

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

THAT CERTAIN TRACT OF LAND AS DESCRIBED IN EXHIBIT A ATTACHED
HEREYO AND INCORPORATED HEREIN BY REFERENCE.

TAX INFORMATION
RECORDED
12-03-95 B. Ch...
Tax Supervisor

OFFICIAL COPY

Apr 22 2022

The property hereinabove described was acquired by Grantor by instrument recorded in
Book of Records 340, Page 169, Watauga County, North Carolina, Public Registry

A map showing the above described property is recorded in Plat Book page.....

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

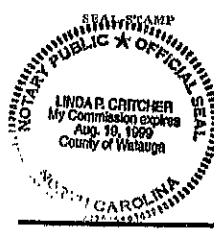
And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever except for the exceptions hereinafter stated. Title to the property hereinabove described is subject to the following exceptions:

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal, or if corporate, has caused this instrument to be signed in his corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.
THE LAKES COMMUNITY DEVELOPMENT COMPANY,
INC.

(Corporate Name) (SEAL)
By: *[Signature]* (SEAL)
..... President (SEAL)
ATTEST: *[Signature]* (SEAL)
..... Secretary (Corporate Seal) (SEAL)

USE BLACK INK ONLY

SEAL-STAMP NORTH CAROLINA, County.
I, a Notary Public of the County and State aforesaid, certify that Grantor,
personally appeared before me this day and acknowledged the execution of the foregoing instrument. Witness my
hand and official stamp or seal, this day of 19.....
My commission expires: Notary Public



Use Black Ink
NORTH CAROLINA, Watauga County.
I, a Notary Public of the County and State aforesaid, certify that *Melissa W. Harrill*
personally came before me this day and acknowledged that he is Secretary of
THE LAKES COMMUNITY DEVELOPMENT COMPANY, INC. a North Carolina corporation, and that by authority duly
given and as the act of the corporation, the foregoing instrument was signed in its name by its
President, sealed with its corporate seal and attested by *herself* as its Secretary.
Witness my hand and official stamp or seal, this *21* day of *October*, 19*95*.
My commission expires:
NORTH CAROLINA WATAUGA COUNTY *Linda P. Critcher* Notary Public

The foregoing Certificate(s) of *Linda P. Critcher, Notary Public, Watauga County, NC.*

is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

By *Wanda C. Scott* REGISTER OF DEEDS FOR *Watauga* COUNTY
[Signature] Deputy/Assistant - Register of Deeds

9K0344PB064

EXHIBIT A TO NORTH CAROLINA GENERAL WARRANTY DEED
FROM THE LAKES COMMUNITY DEVELOPMENT COMPANY, INC.
TO WATER RESOURCE MANAGEMENT, INC.
DATED SEPTEMBER 28, 1995

BEGINNING at an iron located at the edge of a 30 foot easement, corner to Hoot N' Holler Development, Ltd., said iron being located South 50 degrees 48 minutes East 58.39 feet from an iron located on corner of Devil's Lake Drive; thence from the beginning corner, South 22 degrees 15 minutes West 120 feet to an iron; thence South 67 degrees 45 minutes East 70 feet to an iron; thence North 35 degrees 23 minutes East 123.24 feet to an iron, located at the edge of a 30 foot easement; thence along the edge of said easement, North 67 degrees 45 minutes 35 seconds West 98 feet to the point of BEGINNING, and being known as the sewage plant tract.

Also conveyed herewith is a perpetual right-of-way and easement to repair, maintain, and replace any and all existing sewer lines which are located on the property of Grantor.

WATAUGA COUNTY TAX ADMINISTRATOR
 PO BOX 986
 MOUNT AIRY NC 27030-0986



PROPERTY TAX BILL

W-1073, Sub 7
 IMPORTANT - PLEASE READ FRONT AND BACK OF NOTICE CAREFULLY

Bill Due On September 1, 2020
 Past Due After January 5, 2021

*****AUTO**5-DIGIT 28607
 9128692 5400-PTN 20763 1 1 1



WATER RESOURCE MANAGEMENT INC
 151 MR BISH BLVD
 BOONE NC 28607-7842



Phone: (828) 265-8036
 Fax: (828) 265-8087

ONLINE PAYMENTS
 Website: www.wataugacounty.org

PAY BY PHONE: 828-265-8036

CREDIT CARD:



YEAR	BILL #	ACCOUNT	PARCEL/ACCOUNT	ACREAGE	PROPERTY DESCRIPTION
2020	7860	1536847	1878-69-5010-000	0.23	SEWAGE PLANT

DESCRIPTION OF CHARGES:

TAXING DISTRICT	RATE	TAX/FEE	ASSESSED VALUES
G01 GENCO	0.403	60.45	Real Estate 15,000 Deferred 0 Exemption 0 Net Real Estate 15,000 Personal Property 0
CURRENT YEAR TAX		60.45	
PAY THIS AMOUNT		60.45	
Note: The Watauga County property tax rate for 2020 - 2021 is \$.403 per \$100 valuation.			TAXABLE VALUE 15,000

BILLING INFORMATION:

BILLING DATE	DUE DATE	PAST DUE	PAYMENTS/CREDITS	AMOUNT DUE
09/01/2020	09/01/2020	01/06/2021		60.45

Retain This Portion For Your Records

OFFICIAL COPY

APR 22 2022

5400EPTN

6/29/20

PMS 348, Yellow 012, K

3.5

Exhibit 6



20030925000295000 DEED
Bk: BR893 Pg: 212
09/25/2003 12:02:23PM 1/12

FILED Wanda C. Scott
Register of Deeds WATAUGA COUNTY, NC
BY *Wanda C. Scott*
Deputy

OFFICIAL COPY

APR 22 2022

Watauga County NC 09/25/2003
State of North Carolina
Real Estate Excise Tax
Excise Tax: 2,500.00

NORTH CAROLINA GENERAL WARRANTY DEED

Excise Tax: \$2,500.00

Parcel Identifier No. _____ Verified by _____ County on the _____ day of _____, 20____
By: _____

Mail/Box to: Deal, Moseley & Smith, LLP, P. O. Box 311, Boone, NC 28607

This instrument was prepared by: Deal, Moseley & Smith, LLP

Brief description for the Index: _____

THIS DEED made this 25 day of September, 2003 by and between

GRANTOR

Camp Rainbow, Inc., a North Carolina non-profit corporation and The Trustees of The Grand Chapter of North Carolina Order of The Eastern Star

GRANTEE

EDCOTR, Inc., a North Carolina Corporation

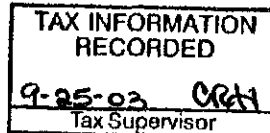
151 Mr. Bish Blvd.
Boone, NC 28607

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

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

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

THAT CERTAIN TRACT OF LAND AS DESCRIBED IN EXHIBIT A ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE.



The property hereinabove described was acquired by Grantor by instrument recorded in Book _____ page _____.

A map showing the above described property is recorded in Plat Book _____ page _____.

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple. And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever, other than the following exceptions:

IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written.

(Entity Name) See signature pages attached (SEAL)
By: _____ (SEAL)
Title: _____
By: _____ (SEAL)
Title: _____
By: _____ (SEAL)
Title: _____
USE BLACK INK ONLY

USE BLACK INK ONLY State of North Carolina - County of _____
I, the undersigned Notary Public of the County and State aforesaid, certify that _____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed. Witness my hand and Notarial stamp or seal this _____ day of _____, 20__.
My Commission Expires: _____
Notary Public

USE BLACK INK ONLY State of North Carolina - County of _____
I, the undersigned Notary Public of the County and State aforesaid, certify that _____ personally came before me this day and acknowledged that he is the _____ of _____ a North Carolina or _____ corporation/limited liability company/general partnership/limited partnership (strike through the inapplicable), and that by authority duly given and as the act of each entity, he signed the forgoing instrument in its name on its behalf as its act and deed. Witness my hand and Notarial stamp or seal this _____ day of _____, 20__.
My Commission Expires: _____
Notary Public

USE BLACK INK ONLY State of North Carolina - County of _____
I, the undersigned Notary Public of the County and State aforesaid, certify that _____
Witness my hand and Notarial stamp or seal this _____ day of _____, 20__.
My Commission Expires: _____
Notary Public

The foregoing Certificate(s) of _____ is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

Register of Deeds for _____ County
By: _____ Deputy/Assistant - Register of Deeds

20030925000295080 DEED
Bk: BR893 Pg: 214
09/25/2003 12:02:23PM 3/12

CAMP RAINBOW, INC., a North Carolina non-profit corporation

By: E. Dean Cheek
President

STATE OF NC

COUNTY OF Watauga

I, LINDA P CRITCHER Notary Public, certify that E. Dean Cheek personally came before me this day and acknowledged that he is President of Camp Rainbow, Inc., a corporation, and that he as President, being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and official seal, this the 25 day of September, 2013.

Linda P. Critcher
Notary Public

My commission expires:

NOTARIAL SEAL:



20030925000295080 DEED
Bk:BR893 Pg:215
09/25/2009 12:02:23PM 4/12

OFFICIAL COPY

Apr 22 2022

THE TRUSTEES OF THE GRAND CHAPTER
OF NORTH CAROLINA ORDER OF THE
EASTER STAR

By Carolyn H. Ferguson (SEAL)

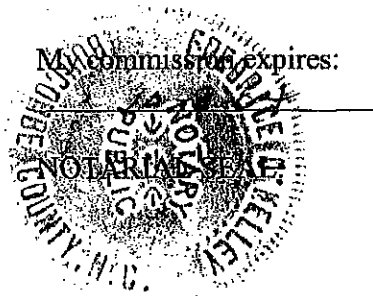
STATE OF NORTH CAROLINA

COUNTY OF Ramseur

I, a Notary Public of said County and State, do hereby certify that
Carolyn H. Ferguson Trustee of The Grand Chapter of North Carolina Order
of The Eastern Star, personally appeared before me this day and acknowledged the execution of the
foregoing instrument.

WITNESS my hand and official seal this the 12th day of July, 2023.

Fredrene O'Kelly
Notary Public



20030925000295000 DEED
Bk: BR893 Pg: 216
09/25/2003 12:02:23PM 5/12

OFFICIAL COPY

Apr 22 2022

THE TRUSTEES OF THE GRAND CHAPTER
OF NORTH CAROLINA ORDER OF THE
EASTER STAR

By: Thomas R. Collie (SEAL)

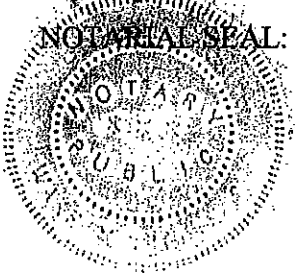
STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, a Notary Public of said County and State, do hereby certify that
Thomas R. Collie Trustee of The Grand Chapter of North Carolina Order
of The Eastern Star, personally appeared before me this day and acknowledged the execution of the
foregoing instrument.

WITNESS my hand and official seal this the 28 day of July, 2003.

Linda J. Smith
Notary Public

My commission expires:
3/13/08



20030825000295080 DEED
Bk: BR893 Pg: 217
09/25/2003 12:02:23PM 6/12

OFFICIAL COPY

Apr 22 2022

THE TRUSTEES OF THE GRAND CHAPTER
OF NORTH CAROLINA ORDER OF THE
EASTER STAR

By: Sidney A. Foltz, Jr. (SEAL)
Grand Trustee

STATE OF NORTH CAROLINA

COUNTY OF Wake

I, a Notary Public of said County and State, do hereby certify that
Sidney A. Foltz, Jr. Trustee of The Grand Chapter of North Carolina Order
of The Eastern Star, personally appeared before me this day and acknowledged the execution of the
foregoing instrument.

WITNESS my hand and official seal this the 26 day of July, 2003

Linda J. Smith
Notary Public

My commission expires:

3/13/08

NOTARIAL SEAL:



2003092500295080 DEED
BK: BR893 Pg: 218
09/25/2003 12:02:23PM 7/12

EXHIBIT A

OFFICIAL COPY

APR 22 2022

Being that same parcel of land conveyed by Marjorie Brown Smith and husband, William Paul Smith, Jr. to Camp Rainbow, Inc., a N. C. corporation, as recorded in Record Book 784, Page 404; TOGETHER WITH a portion of that same parcel of land conveyed by L. S. Byrd and wife, Margaret M. Byrd to the Trustees of The Grand Chapter of North Carolina Order of The Eastern Star as recorded in Deed Book 72, Page 519, both of the Office of the Register of Deeds of Watauga County, North Carolina, and more particularly described as follows:

BEGINNING on a concrete monument found, in the line of Luther H. Jeffcoat (Deed Book 77, Page 461), having NCGS NAD 83 coordinates of N. 891,960.50' and E. 1,182,434.14', said point being located, N.58° 54'10"W., 3,615.89 feet from NCGS Monument "Romie"; THENCE with Jeffcoat's line, N.70°03'48"E., 48.38 feet to a 5/8" iron rod found, a common corner of Christopher A. Calloway (Record Book 556, page 75); THENCE with Calloway's line the following two (2) courses and distances, 1.) N.59° 45'24"E., 574.82 feet to a 5/8" iron rod found on the westerly bank of Clarks Creek Road, N.C.S.R. 1136 having a 60' right-of-way, 2.) N.58° 11'18"E., 26.04 feet to a point in the center of said road; THENCE with the center of Clarks Creek Road the following nineteen (19) courses and distances, 1.) S.11° 07'33"E., 27.10 feet, 2.) S.10° 34'21"E., 54.85 feet, 3.) S.01° 56'36"E., 80.77 feet, 4.) S.24° 01'36"W., 58.12 feet, 5.) S.32° 35'24"W., 58.23 feet, 6.) S.31° 03'11"W., 58.20 feet, 7.) S.22° 39'45"W., 55.89 feet, 8.) S.16° 07'54"W., 57.48 feet, 9.) S.21° 01'07"W., 55.11 feet, 10.) S.29° 26'59"W., 53.22 feet, 11.) S.44° 31'27"W., 54.22 feet, 12.) S.64° 18'14"W., 53.27 feet, 13.) S.71° 58'30"W., 56.13 feet, 14.) S.64° 23'33"W., 55.23 feet, 15.) S.55° 08'20"W., 57.66 feet, 16.) S.64° 47'20"W., 55.25 feet, 17.) S.78° 43'04"W., 53.18 feet, 18.) S.79° 55'51"W., 53.61 feet, 19.) S.64° 05'34"W., 33.37 feet to a point, the most eastern corner of Tract Twelve, SOUTHERN SKIES, Phase One (Plat Book 12, Page 365); THENCE with the line of Tracts 7, 8, 9, 10, 11 and 12 the following ten (10) courses and distances, 1.) N.54° 54'43"W., 22.74 feet to a 3/4" iron pipe found, 2.) N.03° 55'24"E., 101.36 feet to a 5/8" iron rod found, 3.) S.82° 04'10"W., 711.67 feet to a 5/8" iron rod found, 4.) S.20°56'11"E., 276.85 feet to a concrete monument found, 5.) S.20°36'16"E., 154.35 feet to a 3/4" iron pipe set, 6.) S.71°45'12"W., 91.80 feet to a 1/2" iron rod found, 7.) S.50°29'52"W., 63.14 feet to a 5/8" iron rod found, 8.) S.79°44'02"W., 203.62 feet to a 5/8" iron rod found, 9.) S.01°24'56"W., 262.49 feet to a 3/4" iron pipe set, 10.) S.68°55'44"W., 168.68 feet to a 5/8" iron rod found, a common corner of Tract 7 and Tract 30, Southern Skies, Phase 2 (Plat Book 14, Page 228); THENCE with the line of Tracts 26, 28 and 30 the following seven (7) courses and distances, 1.) N.10°30'31"W., 50.53 feet to a 1/2" iron pipe found, 2.) N.64°54'30"W., 324.52 feet to a 3/4" iron pipe found, 3.) S.45°04'17"W., 395.88 feet to a 3/4" iron pipe found, 4.) N.89°00'49"W., 112.30 feet to a 1/2" iron pipe found, 5.) S.07°08'20"W., 53.04 feet to a 1/2" iron pipe found, 6.) S.06°59'45"W., 108.04 feet to a 1/2" iron pipe found, 7.) S.18°40'13"W., 82.80 feet to a 5/8" iron rod found, a common corner of Tracts 26 and Tract 25, Southern Skies, Phase Two (Plat Book 13, Page 86); THENCE with the line of Tract 25 the following two (2) courses and distances, 1.) S.18°23'32"W., 88.69 feet to a 1/2" iron pipe found, 2.) S.19°53'51"W., 285.65 feet to a 1/2" iron pipe found, a common corner of The Grand Chapter of The North Carolina Order of The Eastern Star (Deed Book 72, Page 519); THENCE with a new line through The Grand Chapter of The North Carolina Order of The Eastern Star, S.43°40'32"W., 466.20 feet to a 1/2" iron pipe found, a common corner of Nancy A. Chamblin (Deed Book 155, Page 360); THENCE with Chamblin's line the following three (3) courses and distances, 1.) S.55°52'12"W., 108.58 feet to a 1/2" iron pipe found, 2.) S.68°26'52"W., 433.34 feet to a 1/2" iron pipe found, 3.) S.53°40'36"W., 17.09 feet to a 1/2" iron pipe found, a common corner of Suzanne Crum (Plat Book 10, Page 53) and Neil D. Hollyfield (Tract 1, Record Book 54, Page 11); THENCE with Hollyfield's line the following two (2) courses and distances, 1.) S.48°17'17"W., 97.96 feet to a 3/4" iron pipe found, 2.) N.82°49'40"W., 225.93 feet to a 1/4" iron rod found, a common corner of Grady T. Hicks (Tract 3, Deed Book 182, Page 631); THENCE with Hicks' line, S.78°39'47"W., 270.83 feet to a 30" marked oak, a common corner of Eric L. Morgan (Record Book 42, Page 925); THENCE with Morgan's line the following two (2) courses and distances, 1.) N.01°05'17"W., 744.37 feet to a 3/4" iron pipe found at a 15" maple, 2.) N.64°49'19"W., 273.83 feet to a 3/4" iron pipe found, a common corner of E. J. Messenkopf (Record Book 289, Page 592); THENCE with Messenkopf's line the following four (4) courses and distances, 1.) N.32°16'11"E., 1326.15 feet to a 3/4" iron pipe set in the branch, 2.) S.62°43'49"E., 631.37 feet to a 3/4" iron pipe found at a marked maple, 3.) N.38°11'46"E., 940.88 feet to a 3/4" iron pipe found at a 17" maple, 3.) N.47°56'52"W., 545.98 feet to a 1/2" iron pipe found at a 27" marked blackgum, a common corner

of Ronald K. Mitchell, et al (Second Tract, Record Book 141, Page 66); THENCE with Mitchell's line, S.74°27'47"E., 1059.49 feet to a 1/2" iron pipe found, a common corner of Helen Morgan (Deed Book 47, Page 91); THENCE with Morgan's line, N.76°46'56"E., 254.03 feet to a nail found in a stump, a common corner of, now or formerly, L. S. Byrd (Deed Book 63, Page 240); THENCE with Byrd's line, S.20°56'11"W., 137.04 feet to a point in the center of a 10' farm road, said point being located, N.20°56'11"W., 25.00 feet from a 3/4" iron pipe found; THENCE continuing with Byrd's line and with the center of said farm road the following seven (7) courses and distances, 1.) N.74°03'35"E., 28.94 feet to a point, 2.) N.78°46'39"E., 44.06 feet to a point, 3.) N.84°40'11"E., 133.50 feet to a point, 4.) S.89°48'43"E., 82.69 feet to a point, 5.) N.88°30'49"E., 125.74 feet to a point, 6.) N.80°49'38"E., 50.73 feet to a point, 7.) N.66°21'59"E., 95.52 feet to a point in the line of Luther H. Jeffcoat (Deed Book 77, Page 461); THENCE leaving said road and with Jeffcoat's line the following two (2) courses and distances, 1.) S.88°16'31"E., 20.00 feet to a 5/8" iron rod found, 2.) continuing, S88°16'31"E., 186.20 feet to the POINT OF BEGINNING. As surveyed and platted by LESLIE COLE, P.L.S., P.A. on 6/3/2003. Project - GCNCOES.pro. and GCNCOES2.pro.

Containing 97.004 acres, more or less.

Situate, lying and being in Watauga Township, Watauga County, North Carolina.

There is also conveyed herewith that certain right-of-way over the lands of Dillard J. Storie as conveyed in that certain deed from L. S. Byrd and wife, Margaret M. Byrd to The Trustees of The Grand Chapter of North Carolina Order of the Eastern Star recorded in Deed Book 72, Page 519, Watauga County, North Carolina, Public Registry.

There is also conveyed herewith that certain right-of-way and easement by and between Christopher A. Calloway and wife, Diana P. Calloway to Camp Rainbow, Inc. and The Trustees of The Grand Chapter of North Carolina Order of the Eastern Star as Grantee recorded in Book of Records 856, Page 294, Watauga County, North Carolina, Public Registry.

There is also conveyed herewith that certain right-of-way and easement made and entered into between William E. Jeffcoat and wife, Virginia G. Jeffcoat and Dorothy L. Jeffcoat as Grantor and Camp Rainbow, Inc. and The Grand Chapter of North Carolina Order of the Eastern Star as Grantee recorded in Book of Records 856, Page 299, Watauga County, North Carolina, Public Registry.

There is also conveyed herewith a perpetual right-of-way and easement to erect, construct, install, lay, and thereafter use, operate, inspect, repair, maintain, and replace a water system, including four water wells and all equipment and accessories relating thereto, together with water lines running over, across and through the lands of Grantor which adjoin the property conveyed herein and constitute the remaining portion of the property described in Deed Book 72, Page 519, Watauga County, North Carolina, Public Registry. Three of the four water wells have been installed on Grantor's property, and the location of said water wells is depicted on Exhibit B attached hereto. The proposed location of the fourth water well is also depicted on Exhibit B attached hereto. The easement for the water lines running from said water well shall be 30 feet in width and shall run from said wells along the eastern boundary line of Grantors' property until said easement reaches the new common boundary line between the property retained by Grantor and the property conveyed herein, described above. The location of said 30 foot easement is also depicted on Exhibit B. There is also conveyed a perpetual right-of-way and easement to install and thereafter maintain, repair and replace an underground electric utility line to serve any pumps associated with the operation of the water wells, the location of said underground utility line to be within the existing driveway on Seller's retained property or another reasonable location to be agreed upon between Grantor and Grantee, their successors and assigns. There is also conveyed a perpetual 100 foot radius buffer easement for each of the four wells in order to meet the requirements of North Carolina law pertaining to public water systems. The parties agree to cooperate with each other in executing any further documents as may be required by the State of North Carolina as it pertains to the easements for said wells.

It is understood that Grantee, in constructing, maintaining and repairing said water system and water lines, shall remove all surplus earth and interfere as little as is reasonably possible with any improvements located on the land of Grantor.

It is understood and agreed that the water system to be installed by Grantee upon the lands of Grantor shall be used in common by and between Grantee and Grantor. Grantee has agreed that the water system shall be designed and installed at Grantee's sole expense as set forth in the Offer to Purchase and Contract between the parties hereto dated February 14, 2003 and any and all addenda thereto (collectively, the "Contract"), the terms and provisions of which are incorporated herein by reference.

It is understood and agreed between the parties that Grantee, in consideration for Grantor's conveyance of the herein-described property and grant of the easements for the water system as set forth in this deed, shall supply sufficient water, at no charge, to Grantor's remaining property which adjoins the property hereby conveyed to Grantee, including the existing girl's camp and up to 28 additional two bedroom living units which may be constructed later. In addition, Grantee or Grantee's successors in interest shall also be obligated to perpetually repair and maintain (i) the water system, (ii) the existing roadway constructed by Grantee from Grantor's existing driveway to the water wells, which shall be used to maintain and inspect such water wells and water system, (iii) the facilities located within the above-described electric utility easement to serve the water system, and (iv) the facilities within the Grantor's below-described retained easement to the below-described water tank(s) on Grantee's property, all at Grantee's sole expense. Grantee shall be obligated to complete the portion of the water system serving Grantor's remaining property no later than September 10, 2008. Grantee shall have the right and option to install the remaining portion of the water system which shall serve Grantee's property, including all infrastructure serving Grantee's property, provided that Grantee shall be obligated to install all infrastructure to serve Grantee's property no later than September 10, 2013. In the event the portion of the water system to serve Grantee's property is not installed prior to September 10, 2013, then, in addition to all remedies available to Grantor if Grantor's portion of the water system was not constructed by September 10, 2008 (if applicable), Grantee shall relinquish and terminate all rights in and to the water wells installed on Grantor's property and the easements granted by Grantor to Grantee for the water system shall be null and void. In such event, Grantor is hereby authorized to execute and record a notice of such termination in the Watauga County Registry.

The parties agree that the water system shall be designed, located and installed so that it will serve both the property of Grantee and the remaining property of Grantor. It is further understood that the water system shall provide an adequate water supply for the improvements currently located on Grantor's retained property and for up to 28 additional two bedroom living units. For purposes of the foregoing sentence, sufficiency will be determined pursuant to applicable DENR regulations. Grantee shall pay all costs associated with completion of the water system. The water system infrastructure will be installed in accordance with Exhibit B attached hereto and incorporated herein by reference. It is understood between the parties that, provided the adequacy requirements set forth above are satisfied, a water line running from the holding tanks on the property hereby conveyed to Grantee (a "descending line") shall not be required; rather, a pressure reducer valve may be installed by Grantee at the point established by the project engineer along with a lateral line to serve Grantor's remaining property. In the event Grantee elects to initially install only the infrastructure for the water system required to provide water to Grantor's remaining property, Grantee may install a tank for the benefit of Grantor's remaining property within the 100 foot radius of the existing well as shown on the drawing attached hereto as Exhibit B.

Grantee agrees that upon installation of all infrastructure associated with the water systems, all disturbed areas shall be restored by Grantee's contractor. The parties agree that there will be no construction activities during the 5 weeks that Camp Rainbow is open during the summer.

Notwithstanding anything herein to the contrary, Grantor hereby reserves a perpetual right-of-way and easement over the property hereby conveyed to Grantee in order to use, and if Grantee fails to do so, operate, inspect, repair, maintain and replace (i) any water tank(s) installed by Grantee on the property hereby acquired from Grantor and (ii) the water lines running from the water wells constructed on Grantor's retained property to such tank(s). The easement shall be a radius of forty (40) feet from the center of any such tank and 30 feet in width with 15 feet being on each side of the water lines installed by Grantee and running from the above described water holding tank(s) to the north terminus of the water system easement conveyed by Grantor to Grantee and described above. In the event the parties describe the above-referenced water system in a new instrument as set forth

above, such new instrument shall also include an exact description of the easement hereby reserved by Grantor.

The easements conveyed herein and reserved herein shall be appurtenant to and shall run with the title to the property conveyed to Grantee described herein and the remaining property of Grantor described herein. The rights and obligations of Grantor and Grantee shall inure to the benefit of and be binding upon Grantor and Grantee, their successors and assigns.

It is understood between Grantor and Grantee that the locations of the easement areas shown on Exhibit B are approximate locations. In the event it becomes necessary to relocate the easement areas, Dean Cheek on behalf of Grantor and Mark Harrill on behalf of Grantee shall mutually agree upon the changes in location, with the understanding that any changes in location of the easement areas will not unreasonably interfere with Grantor's development of its remaining property and will be accessible to serve Grantor's improvements on his property without unreasonable expense. Upon completion of the installation of the water system provided for herein, upon request of either party, the parties shall cause a new instrument to be recorded establishing the exact location of the easement areas provided for herein. The costs associated with such new instrument, including survey, attorney's fees and recording fees shall be considered as one of the installation expenses to be paid as described above.

G:\Linda\REALEST\LEGALS\GrandChapter.LakesDeed.wpd

20030925000295080 DEED
BK: BR893 Pg: 222
09/25/2003 12:02:23PM 11/12

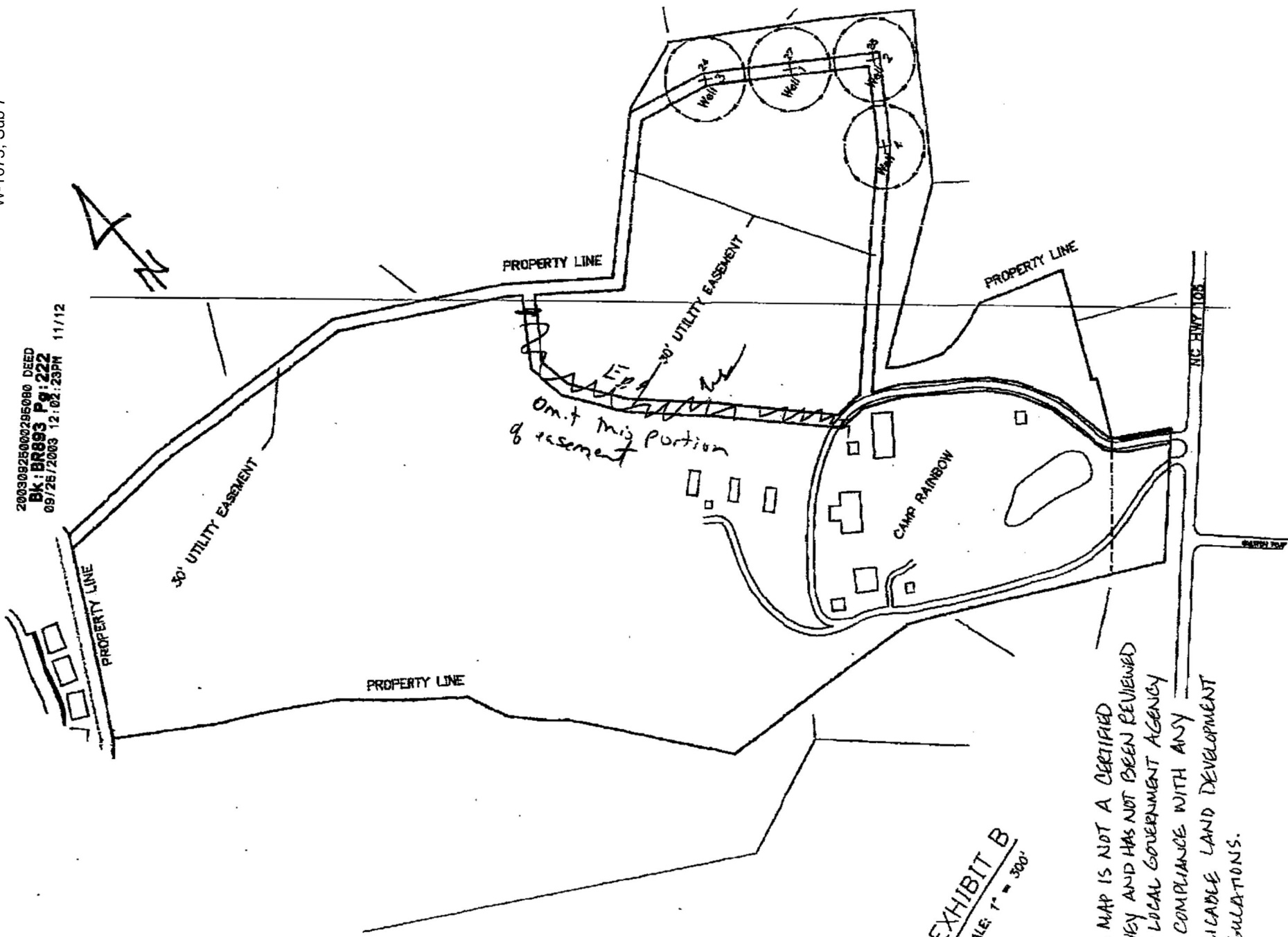


EXHIBIT B
SCALE: 1" = 300'

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

20030925000295000 DEED
Bk: BR893 Pg: 223
09/25/2003 12:02:23PM 12/12

NORTH CAROLINA - WATAUGA COUNTY

The foregoing certificate(s) of
Fredrice O'Kelley, Notary Public, Buncombe County, NC,
Linda J. Smith, Notary Public, Wake County, NC,
Linda P. Critcher, Notary Public, Watauga County, NC,
is (are) certified to be correct.

This the 25 th day of September 2003.

Wanda C. Scott, Register of Deeds

BY: *Jan Townsend*
Deputy

OFFICIAL COPY

Apr 22 2022

the Grantee shall restore the land to its condition prior to such repair or replacement and, Grantee further covenants in exchange for this conveyance, it shall maintain the water system, including the underground and above ground lines, water tanks, well houses, pumps and all other equipment connected thereto in good working order. Grantee is granted a perpetual easement to enter upon the lands of the Grantor for the purposes herein stated, the same to be appurtenant to and run with the lands of the Grantor as herein above described.

This Deed of Conveyance shall be binding upon the parties hereto, their successors and assigns.


IN TESTIMONY WHEREOF, the parties have set their hand and seal the day and year first written above.

THE LAKES COMMUNITY DEVELOPMENT COMPANY, INC.

By:  (SEAL)
Mark E. Harrill, President

WATER RESOURCE MANAGEMENT, INC.

By:  (SEAL)
President

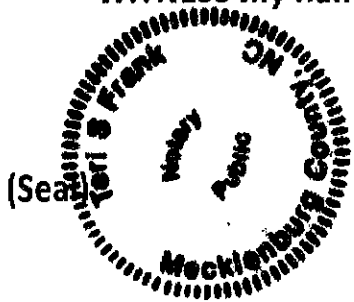
 Mark E. Harrill
Print Name

OFFICIAL COPY
Apr 22 2022

State of North Carolina, County of Watauga

I, Teri S. Frank a Notary Public of said county and State, do hereby certify that Mark E. Harrill, President of The Lakes Community Development Company, Inc., a North Carolina Corporation, personally appeared before me this day, voluntarily signed and acknowledged the execution of the foregoing instrument on behalf of the company, and I further certify that I received satisfactory evidence of identity from the President or have personal knowledge of him.

WITNESS my hand and official seal this the 11 day of November, 2014.



Teri S. Frank
Notary Public Signature
Teri S. Frank
Printed or typed name of Notary Public

My commission expires: 10/20/16

State of North Carolina, County of Watauga

I, Teri S. Frank a Notary Public of said county and State, do hereby certify that Mark E. Harrill, President of Water Resource Management, Inc., a North Carolina Corporation, personally appeared before me this day, voluntarily signed and acknowledged the execution of the foregoing instrument on behalf of the company, and I further certify that I received satisfactory evidence of identity from the President or have personal knowledge of them.

WITNESS my hand and official seal this the 11 day of November, 2014.



Teri S. Frank
Notary Public Signature
Teri S. Frank
Printed name of Notary Public

My commission expires: 10/20/16

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Doc No: 631786 Kind: SEE/INST

EXHIBIT A

TRACT I:

Being that same First parcel of land conveyed by State-Planters Bank Of Commerce and Trust, of Richmond, Virginia and Joseph A. Atkins, Executors and Trustees under the will of Katharine M. Atkins, deceased, to John N. Atkins, Jr., et al, as recorded in Deed Book 100, Page 276, TOGETHER with a portion of that same parcel of land conveyed by Katharine M. Atkins, widow, to John N. Atkins, Jr., et al, as recorded in Deed Book 91, Page 387 all of the office of the Register of Deeds of Watauga County, North Carolina, and more particularly described as follows:

BEGINNING on a point in the center of N.C. Highway 105, having N.C.G.S. coordinates of North 889,901.339 feet East 1,185,233.462 feet and being located South 61 degrees 35 minutes 35 seconds West 257.53 feet from N.C.G.S. monument "Romie" and being further located North 33 degrees 21 minutes 59 seconds West 53.70 feet from a 5/8 inch iron rod found on the southeast side of said road; THENCE with the center of said road the following nine (9) courses and distances: (1) South 55 degrees 04 minutes 10 seconds West, 45.82 feet to a point; (2) South 55 degrees 07 minutes 42 seconds West 96.50 feet to a point; (3) South 55 degrees 10 minutes 43 seconds West 96.25 feet to a point; (4) South 55 degrees 17 minutes 56 seconds West 91.26 feet to a point; (5) South 55 degrees 36 minutes 42 seconds West 95.03 feet to a point; (6) South 55 degrees 42 minutes 27 seconds West 94.23 feet to a point; (7) South 56 degrees 52 minutes 14 seconds West 95.90 feet to a point; (8) South 58 degrees 08 minutes 08 seconds West 94.78 feet to a point; and (9) South 58 degrees 19 minutes 02 seconds West 118.24 feet to a point; thence leaving the road and with the line of the 4.227 acre tract the following seven (7) courses and distances: (1) North 59 degrees 27 minutes 40 seconds West 57.90 feet to a 3/4 inch iron pipe found in the northwesterly right-of-way line of said road; (2) continuing North 59 degrees 27 minutes 40 seconds West 96.23 feet to a 3/4 inch iron pipe found; (3) North 43 degrees 10 minutes 46 seconds West 63.46 feet to a 3/4 inch iron pipe found; (4) North 15 degrees 39 minutes 20 seconds West 59.07 feet to a 3/4 inch iron pipe found; (5) North 04 degrees 09 minutes 38 seconds East 119.96 feet to a 3/4 inch iron pipe found; (6) North 49 degrees 35 minutes 28 seconds West 71.71 feet to a 3/4 inch iron pipe found; and (7) North 20 degrees 31 minutes 35 seconds East 48.90 feet to a 3/4 inch iron pipe found in the center of the branch; thence continuing with the line of the 4.227 acre tract and with the center of the branch the following six (6) courses and distances: (1) North 19 degrees 48 minutes 13 seconds West 104.71 feet to a point; (2) North 08 degrees 38 minutes 23 seconds East 74.05 feet to a point; (3) North 53 degrees 09 minutes 26 seconds East 26.01 feet to a point; (4) North 30 degrees 10 minutes 11 seconds West 82.49 feet to a point; (5) North 81 degrees 00 minutes 47 seconds West 88.82 feet to a point; and (6) North 68 degrees 32 minutes 16 seconds West 93.16 feet to a point; thence leaving the branch South 27 degrees 02 minutes 20 seconds West 439.98 feet to a 3/4 inch iron pipe found, a common corner with Hemlock Village, Phase III; thence with the line of said Village the following three (3) courses and distances: (1) South 87 degrees 30 minutes 08 seconds West 56.92 feet to a 3/4 inch iron pipe found; (2) North 63 degrees 28 minutes 32 seconds West 786.49 feet to a 3/4 inch iron pipe found; and (3) North 63 degrees 19 minutes 55 seconds West 42.19 feet to a 1/4 inch iron pipe found, a common corner with Edward Thomas (Deed Book 151, page 561); thence with Thomas' line the following three (3) courses and distances: (1) North 38 degrees 28 minutes 32 seconds West 192.00 feet to a 3/4 inch iron pipe set; (2) North 34 degrees 58 minutes 32 seconds West 259.40 feet to a 3/4 inch iron pipe set in the easterly right-of-way line of Clark's Creek Road (SR 1136); and (3) Continuing North 34 degrees 58 minutes 32 seconds West 59.60 feet to a point near the center of said road and in the line of Judy O. Holmes (Record Book 195, Page 341); thence with Holmes' line the following two (2) courses and distances: (1) North 00 degrees 58 minutes 32 seconds West 162.27 feet to a 3/4 inch iron pipe set on the west side of said road; and (2) North 38 degrees 28 minutes 32 seconds West 169.69 feet to a point in the center of said road, a common corner with Barbara M. Jeffcoat (Deed Book 228, Page 346) and Claude Callaway (Deed Book 76, Page 198); THENCE with Callaway's line the following three (3) courses and distances: (1) Leaving the road North 38 degrees 28 minutes 32 seconds West 60.52 feet to a 3/4 inch iron pipe set in the northerly right-of-way line of said road; (2) continuing North 38 degrees 28 minutes 32 seconds West 264.79 feet to a 3/4 inch iron pipe set on the westerly side of Clark's Creek Road (SR 1136); and (3) North 51 degrees 13 minutes 16 seconds West 79.89 feet to a point in the center of said road and in the line of Southern Skies Subdivision (Plat Book 12, Page 365); thence with the center of said road and with the line of said subdivision the following four (4) courses and distances: (1) With the arc of a circular curve to the right, having a central angle of 03 degrees 44 minutes 29 seconds, a

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radius of 1,000.00 feet, an arc length of 65.30 feet, a chord bearing of North 22 degrees 37 minutes 12 seconds West and a chord distance of 65.29 feet to a point, said point being located North 85 degrees 24 minutes 12 seconds East 26.05 feet from a 5/8 inch iron rod found; (2) with the arc of a circular curve to the right, having a central angle of 03 degrees 07 minutes 17 seconds, a radius of 1,000.00 feet, an arc length 54.48 feet, a chord bearing of North 19 degrees 11 minutes 18 seconds West and a chord distance of 54.47 feet to a point; (3) with the arc of a circular curve to the right, having a central angle of 12 degrees 54 minutes 34 seconds, a radius of 1,000.00 feet, an arc length of 225.35 feet, a chord bearing of North 11 degrees 10 minutes 18 seconds West and a chord distance of 224.88 feet to a point of compound curve; and (4) with the arc of a circular curve to the right, having a central angle of 39 degrees 48 minutes 09 seconds, a radius of 50.00 feet, an arc length of 34.73 feet, a chord bearing of North 15 degrees 11 minutes 13 seconds East and a chord distance of 34.04 feet to a 3/4 inch iron pipe set on the northwesterly side of said road, a common corner of Southern Skies Subdivision and Southern Skies Development Co., Inc. (Record Book 323, Page 536) said point being located South 54 degrees 54 minutes 43 seconds East 22.74 feet and South 03 degrees 55 minutes 24 seconds West 101.36 feet from a 5/8 inch iron rod found; thence with the center of said road and with line of Southern Skies Development Co., the following nineteen (19) courses and distances: (1) North 64 degrees 05 minutes 34 seconds East 33.37 feet to a point; (2) North 79 degrees 55 minutes 51 seconds East 53.61 feet to a point; (3) North 78 degrees 43 minutes 04 seconds East 53.18 feet to a point; (4) North 64 degrees 47 minutes 20 seconds East 55.25 feet to a point; (5) North 55 degrees 08 minutes 20 seconds East 57.66 feet to a point; (6) North 64 degrees 23 minutes 33 seconds East 55.23 feet to a point; (7) North 71 degrees 58 minutes 30 seconds East 56.13 feet to a point; (8) North 64 degrees 18 minutes 14 seconds East 53.27 feet to a point; (9) North 44 degrees 31 minutes 27 seconds East 54.22 feet to a point; (10) North 29 degrees 26 minutes 59 seconds East 53.22 feet to a point; (11) North 21 degrees 01 minute 07 seconds East 55.11 feet to a point; (12) North 16 degrees 07 minutes 54 seconds East 57.48 feet to a point; (13) North 22 degrees 39 minutes 45 seconds East 55.89 feet to a point; (14) North 31 degrees 03 minutes 11 seconds East 58.20 feet to a point; (15) North 32 degrees 35 minutes 24 seconds East 58.23 feet to a point; (16) North 24 degrees 01 minutes 36 seconds East 58.12 feet to a point; (17) North 01 degree 56 minutes 36 seconds West 80.77 feet to a point; (18) North 10 degrees 34 minutes 21 seconds West 54.85 feet to a point; and (19) North 11 degrees 07 minutes 33 seconds West 27.10 feet to a point, a common corner of Adam Townsend (Deed Book 172, Page 290) and Henry Clay Townsend (Deed Book 89, Page 25), said point being located North 58 degrees 11 minutes 18 seconds East 26.04 feet from a 5/8 inch iron rod found; thence with a meandering marked line and fence and with Henry Clay Townsend's line the following two (2) courses and distances: (1) North 58 degrees 11 minutes 18 seconds East 41.69 feet to a 3/4 inch iron pipe set in the westerly right-of-way line of said road; and (2) continuing North 58 degrees 11 minutes 18 seconds East 601.74 feet to a 1/2 inch iron pipe found, a common corner of Charles W. Roedel (Deed Book 186, Page 48); THENCE with an old marked line and with Roedel's line the following three (3) courses and distances: (1) South 25 degrees 12 minutes 45 seconds East 602.61 feet to a 1/2 inch iron pipe found; (2) North 89 degrees 09 minutes 31 seconds East 399.58 feet to a 3/4 inch iron pipe found at a 30 inch maple; and (3) South 59 degrees 10 minutes 52 seconds East 170.92 feet to a 3/4 inch iron pipe found at pointers, a common corner of Watauga River Overlook Subdivision (Plat Book 7, Page 189); thence with the top of the ridge and with the line of said subdivision the following nine (9) courses and distances: (1) South 22 degrees 57 minutes 50 seconds East 217.74 feet to a 3/4 inch iron pipe set, said point being located North 14 degrees 20 minutes 27 seconds West 15.92 feet from a 10 inch marked white pine; (2) South 09 degrees 42 minutes 23 seconds East 163.94 feet to a 3/4 inch iron pipe set, said point being located North 16 degrees 36 minutes 36 seconds West 3.35 feet from a 12 inch marked black gum and (3) South 21 degrees 59 minutes 08 seconds East 351.53 feet to a 1/2 inch iron pipe found; (4) South 05 degrees 09 minutes 08 seconds East 199.69 feet to a 1/2 inch iron pipe found; (5) South 61 degrees 02 minutes 08 seconds East 185.22 feet to a 3/4 inch iron pipe set; (6) South 48 degrees 28 minutes 08 seconds East 106.04 feet to a 3/4 inch iron pipe set; (7) South 15 degrees 47 minutes 08 seconds East 52.29 feet to a 3/4 inch iron pipe set; (8) South 15 degrees 09 minutes 19 seconds East 110.03 feet to a 1/2 inch iron pipe found; (9) South 16 degrees 04 minutes 20 seconds East 109.93 feet to a 1/2 inch iron pipe found at an oak stump, a common corner of David R. Blust (Deed Book 256, Page 513); thence with Blust's line the following six (6) courses and distances: (1) South 09 degrees 30 minutes 41 seconds East 264.79 feet to a 3/4 inch iron pipe set at an oak stump; (2) South 27 degrees 14 minutes 50 seconds East 28.00 feet to a 3/4 inch iron pipe set; (3) South 40 degrees 21 minutes 50 seconds East 323.04 feet to a 3/4 inch iron pipe set; (4) South 33 degrees 21 minutes 50 seconds East 26.94 feet to a point; (5) Continuing South 33 degrees 21 minutes 50 seconds East 136.81 feet to a 5/8 inch iron rod found on the northwesterly side of

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N.C. Highway 105; and (6) South 33 degrees 21 minutes 59 seconds East 46.36 feet to the point of BEGINNING, containing 103.787 acres, more or less.

This conveyance is subject to the reservation of right-of-ways contained in the instruments recorded in Book of Records 609, Page 447, and Book of Records 609, Page 463, Watauga County, North Carolina, Public Registry.

There is excepted from Tract I, described above, that certain tract or parcel of land containing .89 acres and being more fully described as follows:

Being a portion of that same parcel of land conveyed by George A. Atkins, et al, to Echota, LLC as recorded in record Book 609, Page 447 of the Office of the Register of Deeds of Watauga County, North Carolina and more particularly described as follows:

BEGINNING on a point in the center of N.C. Highway 105, having a 100 foot right of way, a common corner of Mary Ann Anderson (Record Book 537, Page 852), having NCGS coordinates of N. 889,441.705' and E. 1,184,544.989', said point being located South 57 degrees 32 minutes 03 seconds West 1084.49 feet from NCGS monument "Romie"; thence with Anderson's line the following two (2) courses and distances, (1) North 59 degrees 27 minutes 40 seconds West 57.90 feet to a 3/4 inch iron pipe found in the northwest right of way line of said highway, (2) continuing North 59 degrees 27 minutes 40 seconds West 96.23 feet to a 3/4 inch iron pipe found; thence with four (4) new lines through Echota's property the following courses and distances, (1) North 30 degrees 54 minutes 40 seconds East 41.65 feet to a 3/4 inch iron pipe set, (2) North 46 degrees 16 minutes 40 seconds East 167.86 feet to a 3/4 inch iron pipe set, (3) North 52 degrees 57 minutes 59 seconds East 28.66 feet to a 3/4 inch iron pipe set, (4) North 60 degrees 59 minutes 39 seconds East 50.51 feet to a 3/4 inch iron pipe set in the westerly right of way line of Echota Parkway, having a 45' right of way; thence with said right of way the following two (2) courses and distances, (1) along the arc of a circular curve to the right having a central angle of 08 degrees 48 minutes 11 seconds, a radius of 93.34 feet, an arc of 14.34 feet and a chord bearing and distance of South 19 degrees 32 minutes 28 seconds East, 14.33 feet to a point, (2) South 15 degrees 08 minutes 23 seconds East, 132.17 feet to a point in the northwest right of way line of N.C. Highway 105; thence continuing South 15 degrees 08 minutes 23 seconds East 52.21 feet to a point in the center of said highway; thence with the center of the highway the following two (2) courses and distances, (1) South 58 degrees 08 minutes 08 seconds West 34.55 feet to a point, (2) South 58 degrees 19 minutes 02 seconds West 118.24 feet to the POINT OF BEGINNING. A SURVEYED AND PLATTED BY Leslie Cole, P.L.S., P.A. on 7/24/02.

Containing 0.892 acres, more or less.

Situate, lying and being in Watauga Township, Watauga County, North Carolina.

Together with a nonexclusive perpetual right-of-way and easement for purposes of ingress, egress and regress over and across the road from its intersection with N.C. Highway 105 as shown on the plat recorded in Plat Book 24, Page 31-41 (Sheets 1-3), Watauga County, North Carolina, Public Registry.

TRACT II:

BEING all of Lots 20, 21, 22, 24, 25, 26, 100, 101, 102, 103, 104, 105 and 106 of Watauga River Overlook Subdivision as shown on plats recorded in Plat Book 7, Pages 189, 190, 191, and 192 of the Watauga County, North Carolina, Public Registry, reference to which plats is hereby made for a full and complete description.

This conveyance is made subject to those certain restrictions for Watauga River Overlook Subdivision recorded in Deed Book 146, Page 585, Watauga County, North Carolina, Public Registry and Book of Records 80, Page 531, Watauga County, North Carolina, Public Registry.

This conveyance is made subject to the access over and across the road system for Watauga River Overlook Subdivision.

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Doc No: 631786 Kind: SEE/INST

TRACT III:

Being a portion of that same parcel of land conveyed by Charles W. Roedel and wife, Leslie A. Roedel to Elbert Nolan Griffin and wife, Heide Lee Griffin as Record Book 556, Page 327 of the office of the Register of Deeds of Watauga County, North Carolina and being more particularly described as follows:

BEGINNING on a 3/4 inch iron pipe found, a common corner of Lots 27 & 28, WATAUGA RIVER OVERLOOK (Plat Book 7, Page 189) and John N. Atkins, Jr., (First Tract, Deed Book 100, page 276); THENCE with Atkins' line and with the old marked line the following three (3) courses and distances, 1.) North 59 degrees 10 minutes 52 seconds West 170.92 feet to a 3/4 inch iron pipe found at a 30 inch maple and large rock, 2.) South 89 degrees 09 minutes 31 seconds West 399.58 feet to a 1/2 inch iron pipe found at a 24 inch oak, 3.) North 25 degrees 12 minutes 45 seconds West 602.61 feet to a 1/2 inch iron pipe found at a 30 inch poplar in the line of Henry Clay Townsend (Deed Book 89, Page 25); THENCE with Townsend's line North 58 degrees 39 minutes 43 seconds East 632.73 feet to a 1/2 inch iron pipe found at a rock, a common corner of Henry Clay Townsend and Lillie C. Townsend (Book 168, Page 671); THENCE with a new line through the Griffin property, South 15 degrees 21 minutes 36 seconds East 991.40 feet to the point of BEGINNING, containing 9.689 acres, more or less, as surveyed January 23, 2001 by Cyrus L. Cote, RLS L-1287.

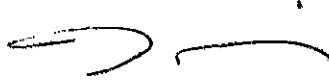
Title to Tracts I and III are subject to that certain Right-of-Way and Easement Agreement recorded in Book of Records 609, Page 463, Watauga County, North Carolina, Public Registry.

the Grantee shall restore the land to its condition prior to such repair or replacement and, Grantee further covenants in exchange for this conveyance, it shall maintain the water system, including the underground and above ground lines, water tanks, well houses, pumps and all other equipment connected thereto in good working order. Grantee is granted a perpetual easement to enter upon the lands of the Grantor for the purposes herein stated, the same to be appurtenant to and run with the lands of the Grantor as herein above described.

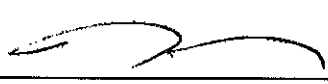
This Deed of Conveyance shall be binding upon the parties hereto, their successors and assigns.

IN TESTIMONY WHEREOF, the parties have set their hand and seal the day and year first written above.

EDCOTR, INC.

By:  (SEAL)
Mark E. Harrill, President

WATER RESOURCE MANAGEMENT, INC.

By:  (SEAL)
President

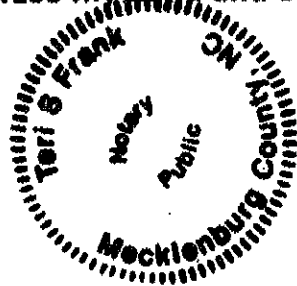
Mark E. Harrill
Print Name

State of North Carolina, County of Watauga

I, Teri S. Frank a Notary Public of said county and State, do hereby certify that Mark E. Harrill, President of EDCOTR, Inc., a North Carolina Corporation, personally appeared before me this day, voluntarily signed and acknowledged the execution of the foregoing instrument on behalf of the company, and I further certify that I received satisfactory evidence of identity from the President or have personal knowledge of them.

WITNESS my hand and official seal this the 11 day of November, 2014.

(Seal)



Teri S. Frank
Notary Public Signature

Teri S. Frank
Printed or typed name of Notary Public

My commission expires: 10/20/16

State of North Carolina, County of Watauga

I, Teri S. Frank a Notary Public of said county and State, do hereby certify that Mark E. Harrill, President of Water Resource Management, Inc., a North Carolina Corporation, personally appeared before me this day, voluntarily signed and acknowledged the execution of the foregoing instrument on behalf of the company, and I further certify that I received satisfactory evidence of identity from the President or have personal knowledge of them.

WITNESS my hand and official seal this the 11 day of November, 2014.

(Seal)



Teri S. Frank
Notary Public Signature

Teri S. Frank
Printed name of Notary Public

My commission expires: 10/20/16

Bk 1779

Pg 80

Doc No: 631787 Kind: SEE/INST

EXHIBIT A
DEED OF CONVEYANCE
ECHOTA ON THE RIDGE

Being that same parcel of land conveyed by Marjorie Brown Smith and husband, William Paul Smith, Jr. to Camp Rainbow, Inc., a N. C. corporation, as recorded in Record Book 784, Page 404; TOGETHER WITH a portion of that same parcel of land conveyed by L. S. Byrd and wife, Margaret M. Byrd to the Trustees of The Grand Chapter of North Carolina Order of The Eastern Star as recorded in Deed Book 72, Page 519, both of the Office of the Register of Deeds of Watauga County, North Carolina, and more particularly described as follows:

BEGINNING on a concrete monument found, in the line of Luther H. Jeffcoat (Deed Book 77, Page 461), having NCGS NAD 83 coordinates of N. 891,960.50' and E. 1,182,434.14', said point being located, N.58° 54'10"W., 3,615.89 feet from NCGS Monument 'Romie'; THENCE with Jeffcoat's line, N.70°03'48" E., 48.38 feet to a 5/8" iron rod found, a common corner of Christopher A. Calloway (Record Book 556, page 75); THENCE with Calloway's line the following two (2) courses and distances, 1.) N.59° 45'24"E., 574.82 feet to a 5/8" iron rod found on the westerly bank of Clarks Creek Road, N.C.S.R. 1136 having a 60' right-of-way, 2.) N.58° 11'18"E., 26.04 feet to a point in the center of said road; THENCE with the center of Clarks Creek Road the following nineteen (19) courses and distances, 1.) S.11° 07'33"E., 27.10 feet, 2.) S.10° 34'21"E., 54.85 feet, 3.) S.01°56'36"E., 80.77 feet, 4.) S.24° 01'36"W., 58.12 feet, 5.) S.32° 35'24"W., 58.23 feet, 6.) S.31°03'11"W., 58.20 feet, 7.) S.22° 39'45"W., 55.89 feet, 8.) S.16° 07'54"W., 57.48 feet, 9.) S.21°01'07"W., 55.11 feet, 10.) S.29° 26'59"W., 53.22 feet, 11.) S.44° 31'27"W., 54.22 feet, 12.) S.64°18'14"W., 53.27 feet, 13.) S.71° 58'30"W., 56.13 feet, 14.) S.64° 23'33"W., 55.23 feet, 15.) S.55°08'20"W., 57.66 feet, 16.) S.64° 47'20"W., 55.25 feet, 17.) S.78° 43'04"W., 53.18 feet, 18.) S.79°55'51"W., 53.61 feet, 19.) S.64° 05'34"W., 33.37 feet to a point, the most eastern corner of Tract Twelve, SOUTHERN SKIES, Phase One (Plat Book 12, Page 365); THENCE with the line of Tracts 7, 8, 9, 10, 11 and 12 the following ten (10) courses and distances, 1.) N.54° 54'43"W., 22.74 feet to a 3/4" iron pipe found, 2.) N.03° 55'24"E., 101.36 feet to a 5/8" iron rod found, 3.) S82° 04'10"W., 711.67 feet to a 5/8" iron rod found, 4.) S.20°56'11"E., 276.85 feet to a concrete monument found, 5.) S.20°36'16"E., 154.35 feet to a 3/4" iron pipe set, 6.) S.71°45'12"W., 91.80 feet to a .5" iron rod found, 7.) S.50°29'52"W., 63.14 feet to a 5/8" iron rod found, 8.) S.79°44'02"W., 203.62 feet to a 5/8" iron rod found, 9.) S.01°24'56"W., 262.49 feet to a 3/4" iron pipe set, 10.) S.68°55'44"W., 168.68 feet to a 5/8" iron rod found, a common corner of Tract 7 and Tract 30, Southern Skies, Phase 2 (Plat Book 14, Page 228); THENCE with the line of Tracts 26, 28 and 30 the following seven (7) courses and distances, 1.) N. 10°30'31"W., 50.53 feet to a .5" iron pipe found, 2.) N.64°54'30"W., 324.52 feet to a 3/4" iron pipe found, 3.) S.45°04'11"W., 395.88 feet to a 3/4" iron pipe found, 4.) N.89°00'49"W., 112.30 feet to a .5" iron pipe found, 5.) S.07°08'20"W., 53.04 feet to a .5" iron pipe found, 6.) S.06°59'45"W., 108.04 feet to a .5" iron pipe found, 7.) S.18°40'13"W., 82.80 feet to a 5/8" iron rod found, a common corner of Tracts 26 and Tract 25, Southern Skies, Phase Two (Plat Book 13, Page 86); THENCE with the line of Tract 25 the following two (2) courses and distances, 1.) S.18°23'32"W., 88.69 feet to a .5" iron

pipe found, 2.) S.19°53'51"W., 285.65 feet to a .5" iron pipe found, a common corner of The Grand Chapter of The North Carolina Order of The Eastern Star (Deed Book 72, Page 519); THENCE with a new line through The Grand Chapter of The North Carolina Order of The Eastern Star, S.43°40'32"W., 466.20 feet to a .5" iron pipe found, a common corner of Nancy A. Chamblin (Deed Book 155, Page 360); THENCE with Chamblin's line the following three (3) courses and distances, 1.) S.55°52'12"W., 108.58 feet to a .5" iron pipe found, 2.) S.68°26'52"W., 433.34 feet to a .5" iron pipe found, 3.) S.53°40'36"W., 17.09 feet to a .5" iron pipe found, a common corner of Suzanne Crum (Plat Book 10, Page 53) and Neil D. Hollyfield (Tract 1, Record Book 54, Page 11); THENCE with Hollyfield's line the following two (2) courses and distances, 1.) S.48°17'17"W., 97.96 feet to a 3/4" iron pipe found, 2.) N.82°49'40"W., 225.93 feet to a 1/4" iron rod found, a common corner of Grady T. Hicks (Tract 3, Deed Book 182, Page 631); THENCE with Hicks' line, S.78°39'47"W., 270.83 feet to a 30" marked oak, a common corner of Eric L. Morgan (Record Book 42, Page 925); THENCE with Morgan's line the following two (2) courses and distances, 1.) N.01°05'17"W., 744.37 feet to a 3/4" iron pipe found at a 15" maple, 2.) N.64°49'19"W., 273.83 feet to a 3/4" iron pipe found, a common corner of E. J. Messenkopf (Record Book 289, Page 592); THENCE with Messenkopf's line the following four (4) courses and distances, 1.) N.32°16'11"E., 1326.15 feet to a 3/4" iron pipe set in the branch, 2.) S.62°43'49"E., 631.37 feet to a 3/4" iron pipe found at a marked maple, 3.) N.38°11'46"E., 940.88 feet to a 3/4" iron pipe found at a 17" maple, 3.) N.47°56'52"W., 545.98 feet to a .5" iron pipe found at a 27" marked blackgum, a common corner of Ronald K. Mitchell, et al (Second Tract, Record Book 141, Page 66); THENCE with Mitchell's line, S.74°27'47"E., 1059.49 feet to a .5" iron pipe found, a common corner of Helen Morgan (Deed Book 47, Page 91); THENCE with Morgan's line, N.76°46'56"E., 254.03 feet to a nail found in a stump, a common corner of, now or formerly, L. S. Byrd (Deed Book 63, Page 240); THENCE with Byrd's line, S.20°56'11"E., 137.04 feet to a point in the center of a 10' farm road, said point being located, N.20°56'11"W., 25.00 feet from a 3/4" iron pipe found; THENCE continuing with Byrd's line and with the center of said farm road the following seven (7) courses and distances, 1.) N.74°03'35"E., 28.94 feet to a point, 2.) N.78°46'39"E., 44.06 feet to a point, 3.) N.84°40'11"E., 133.50 feet to a point, 4.) S.89°48'43"E., 82.69 feet to a point, 5.) N.88°30'49"E., 125.74 feet to a point, 6.) N.80°49'38"E., 50.73 feet to a point, 7.) N.66°21'59"E., 95.52 feet to a point in the line of Luther H. Jeffcoat (Deed Book 77, Page 461); THENCE leaving said road and with Jeffcoat's line the following two (2) courses and distances, 1.) S.88°16'31"E., 20.00 feet to a 5/8" iron rod found, 2.) continuing, S.88°16'31"E., 186.20 feet to the POINT OF BEGINNING. As surveyed and platted by LESLIE COLE, P.L.S., P.A. on 6/3/2003. Project - GCNCOES.pro and GCNCOES2.pro.

Containing 97.004 acres, more or less.

(DB 089, pg. 025) of the Watauga County Registry and more particularly described on Exhibit "A" attached hereto.

And, included herewith is the easement and right of the Grantee to go upon lands of the Grantor for purposes of servicing, repairing, maintaining and replacing water equipment as the same may be necessary. Grantee covenants with the Grantor that in the event of such repair, maintenance, or replacement, the Grantee shall restore the land to its condition prior to such repair or replacement and, Grantee further covenants in exchange for this conveyance, it shall maintain the water system, including the underground and above ground lines, water tanks, well houses, pumps and all other equipment connected thereto in good working order. Grantee is granted a perpetual easement to enter upon the lands of the Grantor for the purposes herein stated, the same to be appurtenant to and run with the lands of the Grantor as herein above described.

This Deed of Conveyance shall be binding upon the parties hereto, their successors and assigns.

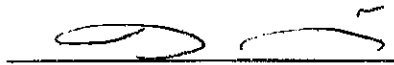
IN TESTIMONY WHEREOF, the parties have set their hand and seal the day and year first written above.

ECHOTA EAST RIDGE, LLC

By: Harrill Properties, Inc., Member/Manager


By: Mark E. Harrill, Member/Manager

WATER RESOURCE MANAGEMENT, INC.

By:  (SEAL)
President

Mark E. Harrill
Print Name

OFFICIAL COPY

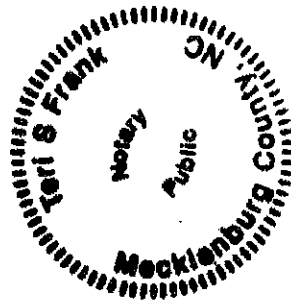
Apr 22 2022

State of North Carolina, County of Watauga

I, Teri S. Frank a Notary Public of said county and State, do hereby certify that Mark E. Harrill, personally appeared before me this day and acknowledged that he is the President of Harrill Properties, Inc., a corporation, Member/Manager of Echota East Ridge, LLC, a North Carolina Limited Liability Company, and that he, as President, being authorized to do so, executed the forgoing on behalf of the corporation.

WITNESS my hand and official seal this the 11 day of November, 2014.

(Seal)



Teri S. Frank

Notary Public Signature

Teri S. Frank

Printed name of Notary Public

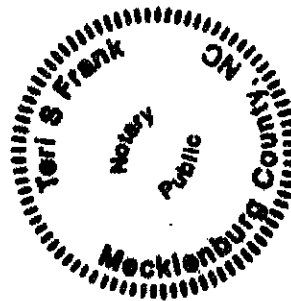
My commission expires: 10/20/16

State of North Carolina, County of Watauga

I, Teri S. Frank a Notary Public of said county and State, do hereby certify that Mark E. Harrill, President of Water Resource Management, Inc., a North Carolina Corporation, personally appeared before me this day, voluntarily signed and acknowledged the execution of the foregoing instrument on behalf of the company, and I further certify that I received satisfactory evidence of identity from the President or have personal knowledge of them.

WITNESS my hand and official seal this the 11 day of November, 2014.

(Seal)



Teri S. Frank

Notary Public Signature

Teri S. Frank

Printed name of Notary Public

My commission expires: 10/20/16

EXHIBIT A DEED OF CONVEYANCE

A COMPOSITE DESCRIPTION FOR ECHOTA EAST RIDGE, LLC. 65.632 ACRES

Watauga Township, Watauga County, North Carolina

. . . a 65.632 acre tract situated on NCSR 1138 (George Eggers Road) and being all of the property described in Book 1283 of Records at page 766; Book 1285 of Records at page 010; Book 1285 of Records at page 352 and all of Tract One of Plat Book 22 at page 196; ; bounded on the north by Lee Roy Townsend 9PB 018, pg. 129, Clyde Platt (BoR 478, pg. 874) Crystal Ellis (BoR 550, pg. 719) and Stanley Taylor (BoR 222, pg. 850), on the east by the Clark Family Partnership (BoR 1248, pg. 424); on the south by William Ralph Townsend (PB 022 at page 196) and by the Watauga River Overlook (PB 07, pg. 192), on the west by the Lakes Community Development Co. (BoR 739 at page 543), Tract Three of the Ridge at Echota (PB 017, pg. 058), Wilma Townsend (BoR 1214, pg. 069) and by Henry Clay Townsend (DB 089, pg. 025); said 65.632 acres being more particularly described as.

BEGINNING on a 1 inch drill bit found, a common corner of Echota Properties and Tommy Daniels in the Ellis line along the southern side of Pleasant Valley Road and being located North 70 degrees 22 minutes 25 seconds East 634.07 feet from a 5/8 inch rebar set opposite the intersection of said road with NCSR 1138 and the beginning point also being located North 67 degrees 45 minutes 45 seconds East 6,797.06 feet from NCGS monument "NETTLE" (N-891,680.26 E- 1,178,932.19 NAD '83); THENCE from the beginning and along the line of Ellis along the southern side of said road, North 70 degrees 35 minutes 45 seconds East 138.31 feet to a ½ inch conduit pipe found; THENCE crossing said road, North 26 degrees 35 minutes 20 seconds West 96.44 feet to a ½ inch conduit pipe found at a 20 inch birch tree; THENCE North 46 degrees 28 minutes 40 seconds East 228.07 feet to a ½ inch conduit pipe found; THENCE along the line of Taylor, South 60 degrees 32 minutes 10 seconds East 277.32 feet to a 5/8 inch rebar found 3 feet from a 12 inch hemlock tree; THENCE along the line of Clark, South 01 degrees 16 minutes 40 seconds West 564.91 feet to a MagNail set in a ½ inch conduit pipe found, said iron being located North 60 degrees 45 minutes 40 seconds East 562.87 feet from a ¾ inch pipe found, the common corner of Viola Daniels and Echota East Ridge, LLC; THENCE continuing along the Clark line, South 00 degrees 55 minutes 30 seconds West 383.74 feet to a 3/8 inch rod; THENCE North 79 degrees 23 minutes 25 seconds East 451.07 feet to a 5/8 inch rebar found; THENCE South 38 degrees 20 minutes 05 seconds East 199.80 feet to a 1/2 inch pipe found; THENCE South 29 degrees 43 minutes 50 seconds East 200.35 feet to a 5/8 inch rebar set and being located North 29 degrees 43 minutes 15 seconds West 107.57 feet from an existing ½ inch pipe; THENCE along the line of William Ralph Townsend, South 71 degrees 35 minutes 45 seconds West 848.24 feet to a 5/8 Inch rebar set, said iron being located South 67 degrees 16 minutes 45 seconds East 131.60 feet from the southeastern corner of the Echota East Ridge, LLC condominium building B, Phase II; THENCE South 12 egress 13 minutes 25 seconds East 53.68 feet to a ¾ inch pipe found; THENCE South 25 degrees 12 minutes 15

seconds East 233.21 feet to a $\frac{3}{4}$ inch pipe found; THENCE South 17 degrees 57 minutes 10 seconds East 186.36 feet to a $\frac{3}{4}$ inch pipe found; THENCE South 23 degrees 27 minutes 10 seconds East 111.56 feet to a $\frac{3}{4}$ inch pipe found; THENCE South 43 degrees 43 minutes 20 seconds East 144.32 feet to a $\frac{1}{2}$ inch pipe found; THENCE leaving Townsend and along the lines of Watauga River Overlook, South 88 degrees 04 minutes 50 seconds West 103.77 feet to a $\frac{1}{2}$ inch pipe found; THENCE North 86 degrees 50 minutes 15 seconds West 130.98 feet to a $\frac{1}{2}$ inch pipe found; THENCE North 72 degrees 17 minutes 05 seconds West 111.70 feet to a $\frac{1}{2}$ inch pipe found; THENCE North 71 degrees 40 minutes 20 seconds West 145.65 feet to a $\frac{1}{2}$ inch pipe found; THENCE North 79 degrees 37 minutes 25 seconds West 145.14 feet to a pipe; THENCE North 82 degrees 19 minutes 40 seconds West 266.69 feet to a $\frac{5}{8}$ inch rod found; THENCE North 82 degrees 19 minutes 05 seconds West 60.00 feet to a $\frac{1}{2}$ inch pipe found; THENCE South 61 degrees 46 minutes 45 seconds West 198.34 feet to a $\frac{1}{2}$ inch pipe found; THENCE South 61 degrees 55 minutes 55 seconds West 19.54 feet to a pipe found; THENCE South 66 degrees 02 minutes 35 seconds West 140.52 feet to a $\frac{1}{2}$ inch pipe found; THENCE South 40 degrees 56 minutes 15 seconds West 131.58 feet to a $\frac{1}{2}$ inch pipe found; THENCE South 40 degrees 38 minutes 25 seconds West 262.45 feet to a $\frac{3}{4}$ inch pipe found; THENCE leaving Watauga River Overlook and along the line of the Lakes Community Development Co. North 15 degrees 23 minutes 40 seconds West, crossing Timberwolf Trail at approximately 143 feet, in all a total distance of 358.60 feet to a $\frac{3}{4}$ inch pipe found; THENCE along the line of Tract Three of the Ridge at Echota, North 15 degrees 13 minutes 35 seconds West, 633.10 feet to a $\frac{1}{2}$ inch pipe found at a tall $\frac{3}{4}$ inch galvanized guard stake, the southwestern corner of Echota Properties, Inc. THENCE along the line of Echota Properties (Tract 8) and crossing NCSR 1138 at approximately 600 feet, North 16 degrees 14 minutes 55 seconds East 1080.88 feet to a 1 inch pipe found; THENCE North 13 degrees 48 minutes 45 seconds East 33.76 feet to a railroad spike found, a corner of Lee Roy Townsend; THENCE along the Townsend line, North 76 degrees 24 minutes 20 seconds East 151.30 feet to a $\frac{1}{2}$ inch rebar found; THENCE South 37 degrees 14 minutes 20 seconds East 39.77 feet to a $\frac{1}{2}$ inch pipe found at a leaning maple; THENCE North 70 degrees 42 minutes 10 seconds East 59.85 feet to a $\frac{5}{8}$ inch rebar set on the northwestern side of NCSR 1138; THENCE leaving Lee Roy Townsend and along the line of Echota Properties and Viola Daniels, South 03 degree 51 minutes 20 seconds East 273.05 feet to a $\frac{5}{8}$ inch rebar set; THENCE leaving said line and along the line of Viola Daniels, North 74 degrees 52 minutes 30 seconds East 298.01 feet to a 2 inch drill bit found, the common corner of Viola Daniels and Tommy Daniels; THENCE along the Tommy Daniels line, North 70 degrees 23 minutes 00 seconds East 305.30 feet to a 1 inch drill bit found; THENCE along the common line of Tommy Daniels and Echota Properties, North 00 degrees 40 minutes 55 seconds East 305.19 feet to the BEGINNING, bearings being relative to the North Carolina Geodetic Survey system, NAD '83 and all measurements being horizontal.

Russell C. Shaw, PLS L-2899
New River Surveyors, PLLC
1651 Highway 194N
Boone, North Carolina 28607

FILED Amy J Shook
Register of Deeds, Watauga Co, NC
Fee Amt: \$26.00

Bk 2104 Pg 632 (2)
Recorded: 07/09/2020 at 11:56:29 AM
Doc No: 692206 Kind: EASE



RETURNED TO RANDY CARTER
AT THE TIME OF RECORDING

Excise Tax:0

PREPARED BY: Robert B. Angle, Jr.
RETURN TO: Robert B. Angle, Jr.

STATE OF NORTH CAROLINA

WATER SYSTEM AND WELLS
DEED OF EASEMENT

COUNTY OF WATAUGA

THIS WATER SYSTEM AND WELLS DEED OF EASEMENT, is made and entered into this 9th day of July, 2020, by and between **The Summit At Echota, LLC** (hereinafter referred to as "Grantor") and **Water Resource Management, Inc.**, and its successors and assigns (hereinafter referred to as "Grantee").

WITNESSETH:

WHEREAS, the Grantor owns property as described and conveyed in Deed Book 2030, Page 299; and

WHEREAS, the Grantee manages the water system for the Grantor for the all of the property owned by the Grantor, and its successors and assigns; and

WHEREAS, Grantor desires to grant the Grantee nonexclusive easements and rights of way to existing wells, water lines and equipment located on the property of the Grantor for the benefit of all properties served by said water system managed by the Grantee.

NOW, THEREFORE, the Grantor hereby conveys the following nonexclusive easements in gross to the Grantee, its successors and assigns:

The right to construct, install, lay and thereafter use, operate, inspect, repair, maintain and replace a water system, including but not limited to all water wells built and to be built, including a 100 foot protective easements around each well, water lines and equipment, together with the reasonable right of ingress, egress, and regress over said lands described and conveyed in Deed Book 2030, page 299, for all purposes necessary to install, repair and maintain said wells, equipment and water lines for the benefit of the Grantee and all customers and properties serviced by said water system. Grantee covenants with the Grantor that in the event of such repair, maintenance, or replacement, the Grantee shall restore the land to its condition prior to such repair or replacement and, Grantee further covenants in exchange for this conveyance, it shall maintain the water system, including the underground and above ground lines, water tanks, well houses, pumps and all other equipment connected thereto in good working order. Grantee is granted a perpetual easement to enter upon the lands of the Grantor for the purposes herein stated, the same to be appurtenant to and run with the lands of the Grantor as herein above described.

NOW, THEREFORE, for and in consideration of the sum of One and No/100's Dollars (\$1.00) and other good and valuable consideration paid by the Grantee to the Grantor, including the sealing of this instrument, the receipt and sufficiency of which are hereby acknowledged, the Grantor does hereby grant, bargain, sell and convey unto the Grantee, the nonexclusive rights of way and easements as described above.

TO HAVE AND TO HOLD, the aforesaid nonexclusive easements and all privileges and appurtenances thereunto belonging to the Grantor.

IN WITNESS WHEREOF, the Grantor has hereunto set their hand and seal the day and year first above written.

The Summit At Echota, LLC

By: [Signature] (SEAL)
James E. Harrill II, Managing Member

STATE OF NORTH CAROLINA, WATAUGA COUNTY

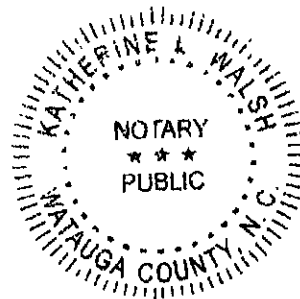
I, Katherine L. Walsh, a Notary Public of said County and State, do hereby certify that James E. Harrill II, personally came before me this day and acknowledged that James E. Harrill II is the Managing Member of The Summit At Echota, LLC, and that he/she, being authorized as such to do so, executed the foregoing on behalf of the corporation.

WITNESS my hand and official seal this 9th day of July, 2020.

[Signature]
Notary Public

(Notary Seal/Stamp)

My Commission Expires: Aug. 19, 2022



OFFICIAL COPY

Apr 22 2022

ROUTE SR1809/Seven Devils Rd PROJECT _____ COUNTY OF Watauga STATE OF NORTH CAROLINA

DEPARTMENT OF TRANSPORTATION

THREE PARTY RIGHT OF WAY
ENCROACHMENT AGREEMENT ON
PRIMARY AND SECONDARY SYSTEM

-AND-

Water Resource Management LLC

-AND-

Carolina Water Service of North Carolina

THIS AGREEMENT, made and entered into this the 22nd day of March, 20 22, by and between the Department of Transportation, party of the first part; and Water Resource Management LLC party of the second part; and Carolina Water Service of North Carolina party of the third part,

WITNESSETH

THAT WHEREAS, the party of the second part desires to encroach on the right of way of the public road designated as Route(s) SR1151 (Seven Devils Rd), located at its intersection with Devils Lake Drive in the Town of Seven Devils

with the construction and/or erection of: approximately 80 LF of existing 8" gravity sewer constructed by Water Resource Management LLC and being turned over to Carolina Water Service of North Carolina for ownership and operation of the sewer system installed and currently operated by Water Resource Management LLC

WHEREAS, it is to the material advantage of the party of the second part to effect this encroachment, and the party of the first part in the exercise of authority conferred upon it by statute, is willing to permit the encroachment within the limits of the right of way as indicated, subject to the conditions of this agreement;

NOW, THEREFORE, IT IS AGREED that the party of the first part hereby grants to the party of the second part the right and privilege to make this encroachment as shown on attached plan sheet(s), specifications and special provisions which are made a part hereof upon the following conditions, to wit:

That the installation, operation, and maintenance of the above described facility will be accomplished in accordance with the party of the first part's latest UTILITIES ACCOMMODATIONS MANUAL, and such revisions and amendments thereto as may be in effect at the date of this agreement. Information as to these policies and procedures may be obtained from the Division Engineer or State Utilities Manager of the party of the first part.

That the said party of the second part binds and obligates himself to install and maintain the encroaching facility in such safe and proper condition that it will not interfere with or endanger travel upon said highway, nor obstruct nor interfere with the proper maintenance thereof, to reimburse the party of the first part for the cost incurred for any repairs or maintenance to its roadways and structures necessary due to installation and existence of the facilities of the party of the second part, and if at any time the party of the first part shall require the removal of or changes in the location of the said facilities, that the said party of the second part binds himself, his successors and assigns, to promptly remove or alter the said facilities, in order to conform to the said requirement, without any cost to the party of the first part.

That the party of the second part agrees to provide during construction and any subsequent maintenance proper signs, signal lights, flagmen and other warning devices for the protection of traffic in conformance with the latest Manual on Uniform Traffic Control Devices for Streets and Highways and Amendments or Supplements thereto. Information as to the above rules and regulations may be obtained from the Division Engineer of the party of the first.

That the party of the second part hereby agrees to indemnify and save harmless the party of the first part from all damages and claims for damage that may arise by reason of the installation and maintenance of this encroachment.

That the party of the second part agrees to restore all areas disturbed during installation and maintenance to the satisfaction of the Division Engineer of the party of the first part. The party of the second part agrees to exercise every reasonable precaution during construction and maintenance to prevent eroding of soil; silting or pollution of rivers, streams, lakes, reservoirs, other water impoundments, ground surfaces or other property; or pollution of the air. There shall be compliance with applicable rules and regulations of the North Carolina Division of Environmental Management, North Carolina Sedimentation Control Commission, and with ordinances and regulations of various counties, municipalities and other official agencies relating to pollution prevention and control. When any installation or maintenance operation disturbs the ground surface and existing ground cover, the party of the second part agrees to remove and replace the sod or otherwise reestablish the grass cover to meet the satisfaction of the Division Engineer of the party of the first part.

That the party of the second part agrees to assume the actual cost of any inspection of the work considered to be necessary by the Division Engineer of the party of the first part.

That the party of the second part agrees to have available at the construction site, at all times during construction, a copy of this agreement showing evidence of approval by the party of the first part. The party of the first part reserves the right to stop all work unless evidence of approval can be shown.

Provided the work contained in this agreement is being performed on a completed highway open to traffic; the party of the second part agrees to give written notice to the Division Engineer of the party of the first part when all work contained herein has been completed. Unless specifically requested by the party of the first part, written notice of completion of work on highway projects under construction will not be required.

That in the case of noncompliance with the terms of this agreement by the party of the second part, the party of the first part reserves the right to stop all work until the facility has been brought into compliance or removed from the right of way at no cost to the party of the first part.

That it is agreed by both parties that this agreement shall become void if actual construction of the work contemplated herein is not begun within one (1) year from the date of authorization by the party of the first part unless written waiver is secured by the party of the second part from the party of the first part.

During the performance of this contract, the second party, for itself, its assignees and successors in interest (hereinafter referred to as the "contractor"), agrees as follows:

- a. Compliance with Regulations: The contractor shall comply with the Regulations relative to nondiscrimination in Federally-assisted programs of the U. S. Department of Transportation, Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time, (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.
- b. Nondiscrimination: The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.
- c. Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
- d. Information and Reports: The contractor shall provide all information and reports required by the Regulations, or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Department of Transportation or the Federal Highway Administration to be pertinent to ascertain compliance with such Regulations or directives. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the Department of Transportation, or the Federal Highway Administration as appropriate, and shall set forth what efforts it has made to obtain the information.
- e. Sanctions for Noncompliance: In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the Department of Transportation shall impose such contract sanctions as it or the Federal Highway Administration may determine to be appropriate, including, but not limited to,
 - (1) withholding of payments to the contractor under the contract until the contractor complies, and/or
 - (2) cancellation, termination or suspension of the contract, in whole or in part.
- f. Incorporation of Provisions: The contractor shall include the provisions of paragraphs "a" through "f" in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations, or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the Department of Transportation or the Federal Highway Administration may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that, in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the Department of Transportation to enter into such litigation to protect the interests of the State, and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

That when title to the subject that constitutes the aforesaid encroachment passes from the party of the second part and vests in the party of the third part, the party of the third part agrees to assume all responsibilities and rights and to perform all obligations as agreed to herein by the party of the second part.

R/W (166) : Party of the Second Part certifies that this agreement is true and accurate copy of the form R/W (166) incorporating all revisions to date.

IN WITNESS WHEREOF, each of the parties to this agreement has caused the same to be executed the day and year first above written.

DEPARTMENT OF TRANSPORTATION

BY: _____
DIVISION ENGINEER

James E. Harrill, II - Executive Mgr.
Water Resource Management LLC
151 Mr Bish Blvd, Boone, NC 28607
James E. Harrill, II - Executive Manager
Second Party

Don Denton - President - Carolina Water
Service of North Carolina, 4944 Parkway
Plaza Blvd, Suite 375, Charlotte NC 28217
Don Denton
Third Party

WITNESS:

William R. Carter

WILLIAM R. CARTER
Katherine L. Walsh

Katherine L. Walsh

WITNESS:

Tony Konsul- Director, State Operations
Tony Konsul

Exhibit A



NORTH CAROLINA
Environmental Quality

ROY COOPER
Governor
ELIZABETH S. BISER
Secretary
S. DANIEL SMITH
Director

But
cc: Don
Tony
Reynolds
high Anna

NC3095002_20211222_IOC_MCL_NOV_4Q2021_P02.pdf

NOTICE OF VIOLATION

NC Drinking Water Act and Rules Governing Public Water Systems

December 22, 2021

Water System Number: NC3095002, Watauga County
ECHOTA S/D
CAROLINA WATER SERVICE INC
PO BOX 240908
CHARLOTTE, NC 28224

ACTION REQUIRED

**Re: Continuing Violation of ARSENIC MCL (Based on Running Annual Average)
Administrative Order Previously Issued – Upcoming Compliance Deadline**

ECHOTA S/D is in violation of the ARSENIC maximum contaminant level (MCL) allowed by North Carolina's Rules Governing Public Water Systems (15A NCAC 18C Section .1510 [40 CFR 141.62(b)]). The ARSENIC running annual average (RAA) concentration of the water samples from Facility ID / Sample Point: P02 / E01 during the compliance period of January 1, 2021 through December 31, 2021 was 0.630 mg/l, which exceeds the established MCL of 0.010 mg/l.

MILLIRON, BRENT has already received a Notice of Violation/Administrative Order (NOV/AO) for exceedance of the ARSENIC MCL, and that order has a March 31, 2022 compliance deadline.

MCL EXCEEDANCE REQUIREMENTS

Because the MCL has been exceeded, you are required by the Rules Governing Public Water Systems to do all of the following:

- 1. Monitor Quarterly:** Continue to collect drinking water samples quarterly and have them analyzed for ARSENIC by a North Carolina certified laboratory. Once the minimum requirements to reduce monitoring as specified in 15A NCAC 18C Section .1508 [40 CFR 141.23(c)(8)] have been met, contact the rule manager listed below to request a reduction in monitoring frequency. The Public Water Supply Section will then evaluate your sampling results, determine if the ARSENIC concentrations in the water serving ECHOTA S/D are reliably and consistently below the maximum contaminant level (MCL) and grant a reduction in your monitoring frequency, if warranted.
- 2. Provide public notification:** If you haven't already done so, immediately provide public notification of the MCL violation cited above as required by 15A NCAC 18C .1523. See the enclosed sample notice with instructions. Failure to provide public notification as required is a violation of 15A NCAC 18C .1523.
- 3. Submit a copy of your completed Notice to the Public and Public Notification Certification to the Public Water Supply Section:** Immediately after you have distributed the notices to your customers, use our web-based certification process "ECERT" to submit a copy of the completed notice with your signature and date on the Public Notification Certification (located at the bottom of our template notice) indicating full compliance with all the public notification requirements. Access to ECERT is available from our website or the following link: <https://pws.ncwater.org/ECERT/>. If you do not have internet access, mail the completed notice to Bethany Goodwin at 1634 Mail Service Center, Raleigh, NC 27699-1634. Retain a copy of these documents for your files.



North Carolina Department of Environmental Quality | Division of Water Resources
512 North Salisbury Street | 1634 Mail Service Center | Raleigh, North Carolina 27699-1634
919.707.9100

Apr 22 2022

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Note: If you do not provide the required public notification to your customers and submit a signed certification with the notice to the Public Water Supply Section, you may be subject to an administrative penalty.

RETURN TO COMPLIANCE

You must **permanently reduce** the amount of ARSENIC in your public water system below the MCL to avoid future MCL violations and enforcement action. Until the MCL violation is resolved, submit quarterly written status reports as specified in your NOV/AO dated August 18, 2021. The agency reserves the right to take enforcement action for any new or additional violations of the NC Drinking Water Act or North Carolina's Rules Governing Public Water Systems, 15A NCAC 18C.

ADDITIONAL INFORMATION

Please include your water system's name and number on all correspondence. Our website contains links to "Sampling Status" which allows systems to view their current monitoring schedules for each contaminant group and to "Drinking Water Watch" which allows systems to view their monitoring results and other system information. Copies of North Carolina's Rules Governing Public Water Systems can also be found on our website at www.ncwater.org.

SUBMITTAL OF INFORMATION AND PUBLIC WATER SUPPLY CONTACTS

Quarterly status reports should be submitted to Ryan Holmes, Inorganics Rule Manager, at 1634 Mail Service Center, Raleigh, NC 27699-1634. If you have any questions or need assistance regarding this violation, please contact Ryan Holmes, by phone at (919) 707-9099 or by e-mail at Ryan.Holmes@ncdenr.gov. A copy of each quarterly status report should also be sent to your regional office contact, Eric Hudson, P.E.. Eric Hudson can be reached at 336-776-9665 or by mail at 450 W HANES MILL RD, SUITE 300, WINSTON-SALEM, NC 27105.

If you have questions or need assistance regarding public notification, please contact Bethany Goodwin, Public Notification Rule Manager, at (919) 707-9079 or by e-mail at Bethany.Goodwin@ncdenr.gov. A copy of the Notice to the Public/Public Notification Certification should be mailed to Bethany Goodwin at the address indicated on the back of the notice or can be sent to PWSS.PN@ncdenr.gov.

Sincerely,



Linda F. Raynor
Compliance Services Branch Head
Public Water Supply Section
Division of Water Resources, NCDEQ

Enclosures: Notice to the Public/Public Notification Certification Form

cc: WINSTON-SALEM REGIONAL OFFICE
MILLIRON, BRENT

NOTICE TO THE PUBLIC

IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER

ECHOTA S/D Has Levels Of ARSENIC Above Drinking Water Standards

Our water system recently violated a drinking water standard. Although this is not an emergency, as our customers, you have a right to know what happened, what you should do, and what we did (are doing) to correct this situation.

We routinely monitor for the presence of drinking water contaminants. Monitoring results for samples collected from Facility ID / Sample Point: P02 / E01 during the time period of January 1, 2021 through December 31, 2021 showed that our system exceeds the standard, or maximum contaminant level (MCL), for ARSENIC. The standard for ARSENIC is 0.010 mg/l. The average level of ARSENIC over the last year was 0.630 mg/l.

What should I do?

- There is nothing you need to do. You do not need to boil your water or take other corrective actions. However, if you have specific health concerns, consult your doctor.
- If you have a severely compromised immune system, have an infant, are pregnant, or are elderly, you may be at increased risk and should seek advice from your health care providers about drinking this water.

What does this mean?

This is not an emergency. If it had been, you would have been notified within 24 hours. However, **some people who drink water containing arsenic in excess of the MCL over many years could experience skin damage or problems with their circulatory system, and may have an increased risk of getting cancer.**

What is being done?

[Water system to describe corrective action.] We anticipate resolving the problem within [estimated time frame].

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this notice in a public place or distributing copies by hand or mail.

For more information, please contact:

Responsible Person	System Name ECHOTA S/D	System Address (Street)
Phone Number	System Number NC3095002	System Address (City, State, Zip)

Notice of Violation Date: December 22, 2021

Date Notice Distributed: _____ Method of Distribution: _____

Public Notification Certification:

The public water system named above hereby affirms that public notification has been provided to its consumer in accordance with all delivery, content, format, and deadline requirements specified in 15A NCAC 18C .1523.

Owner/Operator: _____ (Signature) _____ (Print Name) _____ (Date)

ARSENIC MCL Notice – Tier 2 Violation

Since exceeding the ARSENIC maximum contaminant level (MCL) is a **Tier 2** violation, you must provide public notice to persons served as soon as practical but within **30 days** after you learn of the violation (40 CFR 141.203(b)). You must issue a repeat notice every three months for as long as the violation persists.

Community systems must use one of the following methods [40 CFR 141.203(c)]:

- Hand or direct delivery
- Mail, as a separate notice or included with the bill

Non-community systems must use one of the following methods [40 CFR 141.203(c)]:

- Posting in conspicuous locations
- Hand delivery
- Mail

In addition, both community and non-community systems must use *another* method reasonably calculated to reach others **IF** they would not be reached by the first method [40 CFR 141.203(c)]. Such methods could include newspapers, e-mail, or delivery to community organizations.

You must also perform the following:

- If you mail, post, or hand deliver, print your notice on letterhead, if available.
- Notify new billing customers or units prior to or at the time their service begins.
- Provide multi-lingual notifications if 30% of the residents served are non-English speaking.

The notice on the reverse is appropriate for mailing, posting, or hand delivery. If you modify the notice, you must still include all required PN elements from 40 CFR 141.205(a), and the standard language (including the health effects language) in ***bold italics*** must not be changed. This language is mandatory [40 CFR 141.205(d)].

Corrective Action

In your notice, describe correction actions you are taking. Do not use overly technical terminology when describing treatment methods. Listed below are some steps commonly taken by water systems with chemical or radiological violations. Depending on the corrective action you are taking, you can use one or more of the following statements, if appropriate, or develop your own text:

- We are working with [local/state agency] to evaluate the water supply and are researching options to correct the problem. These options may include treating the water to remove ARSENIC or connecting to [system]'s water supply.
- We have stopped using the contaminated well. We have increased pumping from other wells, and we are investigating drilling a new well.
- We have increased the frequency that we will test the water for ARSENIC.
- We have since taken samples at this location and had them tested. These samples show that we meet the standards.

Repeat Notices

If this is an ongoing violation and/or you fluctuate above and below the MCL, you should give the history behind the violation, including the source of contamination, if known. List the date of the initial detection, as well as how levels have changed over time. If levels are changing as a result of treatment, you can indicate this.

After Issuing the Notice [40 CFR 141.31(d)]

After issuing the "Notice to the Public" to your customers, sign and date the "Public Notification Certification" at the bottom of the notice. Within ten days after issuing the notice [CFR 141.31(d)], use our on-line ECERT application located on our website at: <https://pws.ncwater.org/ECERT/pages/default.aspx> to submit your completed Notice/Certification to the Public Water Supply Section. If you do not have access to the internet, mail your completed Notice/Certification to: Public Water Supply Section, ATTN: Public Notification Rule Manager, 1634 Mail Service Center, Raleigh, NC 27699-1634.

It is a good idea to inform your consumers when the violation is resolved.

(10/2018)



ROY COOPER
Governor
ELIZABETH S. BISER
Secretary
S. DANIEL SMITH
Director

Brent
cc: Don
Tony
Rennie
Lester

NC3095002_20211222_IOC_MCL_NOV_4Q2021_P02.pdf

NOTICE OF VIOLATION

NC Drinking Water Act and Rules Governing Public Water Systems

December 22, 2021

Water System Number: NC3095002, Watauga County
ECHOTA S/D
CAROLINA WATER SERVICE IN
PO BOX 240908
CHARLOTTE, NC 28224

ACTION REQUIRED

Re: Continuing Violation of ARSENIC MCL (Based on Running Annual Average) Administrative Order Previously Issued – Upcoming Compliance Deadline

ECHOTA S/D is in violation of the ARSENIC maximum contaminant level (MCL) allowed by North Carolina's Rules Governing Public Water Systems (15A NCAC 18C Section .1510 [40 CFR 141.62(b)]). The ARSENIC running annual average (RAA) concentration of the water samples from Facility ID / Sample Point: P02 / E01 during the compliance period of January 1, 2021 through December 31, 2021 was 0.630 mg/l, which exceeds the established MCL of 0.010 mg/l.

MILLIRON, BRENT has already received a Notice of Violation/Administrative Order (NOV/AO) for exceedance of the ARSENIC MCL, and that order has a March 31, 2022 compliance deadline.

MCL EXCEEDANCE REQUIREMENTS

Because the MCL has been exceeded, you are required by the Rules Governing Public Water Systems to do all of the following:

- Monitor Quarterly:** Continue to collect drinking water samples quarterly and have them analyzed for ARSENIC by a North Carolina certified laboratory. Once the minimum requirements to reduce monitoring as specified in 15A NCAC 18C Section .1508 [40 CFR 141.23(c)(8)] have been met, contact the rule manager listed below to request a reduction in monitoring frequency. The Public Water Supply Section will then evaluate your sampling results, determine if the ARSENIC concentrations in the water serving ECHOTA S/D are reliably and consistently below the maximum contaminant level (MCL) and grant a reduction in your monitoring frequency, if warranted.
- Provide public notification:** If you haven't already done so, immediately provide public notification of the MCL violation cited above as required by 15A NCAC 18C .1523. See the enclosed sample notice with instructions. Failure to provide public notification as required is a violation of 15A NCAC 18C .1523.
- Submit a copy of your completed Notice to the Public and Public Notification Certification to the Public Water Supply Section:** Immediately after you have distributed the notices to your customers, use our web-based certification process "ECERT" to submit a copy of the completed notice with your signature and date on the Public Notification Certification (located at the bottom of our template notice) indicating full compliance with all the public notification requirements. Access to ECERT is available from our website or the following link: <https://pws.ncwater.org/ECERT/>. If you do not have internet access, mail the completed notice to Bethany Goodwin at 1634 Mail Service Center, Raleigh, NC 27699-1634. Retain a copy of these documents for your files.



North Carolina Department of Environmental Quality | Division of Water Resources
512 North Salisbury Street | 1634 Mail Service Center | Raleigh, North Carolina 27699-1634
919.707.9100

Apr 22 2022

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Note: If you do not provide the required public notification to your customers and submit a signed certification with the notice to the Public Water Supply Section, you may be subject to an administrative penalty.

RETURN TO COMPLIANCE

You must **permanently reduce** the amount of ARSENIC in your public water system below the MCL to avoid future MCL violations and enforcement action. Until the MCL violation is resolved, submit quarterly written status reports as specified in your NOV/AO dated August 18, 2021. The agency reserves the right to take enforcement action for any new or additional violations of the NC Drinking Water Act or North Carolina's Rules Governing Public Water Systems, 15A NCAC 18C.

ADDITIONAL INFORMATION

Please include your water system's name and number on all correspondence. Our website contains links to "Sampling Status" which allows systems to view their current monitoring schedules for each contaminant group and to "Drinking Water Watch" which allows systems to view their monitoring results and other system information. Copies of North Carolina's Rules Governing Public Water Systems can also be found on our website at www.ncwater.org.

SUBMITTAL OF INFORMATION AND PUBLIC WATER SUPPLY CONTACTS

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Sincerely,



Linda F. Raynor
Compliance Services Branch Head
Public Water Supply Section
Division of Water Resources, NCDEQ

Enclosures: Notice to the Public/Public Notification Certification Form

cc: WINSTON-SALEM REGIONAL OFFICE
MILLIRON, BRENT

NOTICE TO THE PUBLIC

IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER

ECHOTA S/D Has Levels Of ARSENIC Above Drinking Water Standards

Our water system recently violated a drinking water standard. Although this is not an emergency, as our customers, you have a right to know what happened, what you should do, and what we did (are doing) to correct this situation.

We routinely monitor for the presence of drinking water contaminants. Monitoring results for samples collected from Facility ID / Sample Point: P02 / E01 during the time period of January 1, 2021 through December 31, 2021 showed that our system exceeds the standard, or maximum contaminant level (MCL), for ARSENIC. The standard for ARSENIC is 0.010 mg/l. The average level of ARSENIC over the last year was 0.630 mg/l.

What should I do?

- There is nothing you need to do. You do not need to boil your water or take other corrective actions. However, if you have specific health concerns, consult your doctor.
- If you have a severely compromised immune system, have an infant, are pregnant, or are elderly, you may be at increased risk and should seek advice from your health care providers about drinking this water.

What does this mean?

This is not an emergency. If it had been, you would have been notified within 24 hours. However, *some people who drink water containing arsenic in excess of the MCL over many years could experience skin damage or problems with their circulatory system, and may have an increased risk of getting cancer.*

What is being done?

[Water system to describe corrective action.] We anticipate resolving the problem within [estimated time frame].

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this notice in a public place or distributing copies by hand or mail.

For more information, please contact:

Responsible Person	System Name ECHOTA S/D	System Address (Street)
Phone Number	System Number NC3095002	System Address (City, State, Zip)

Notice of Violation Date: December 22, 2021

Date Notice Distributed: _____

Method of Distribution: _____

Public Notification Certification:

The public water system named above hereby affirms that public notification has been provided to its consumer in accordance with all delivery, content, format, and deadline requirements specified in 15A NCAC 18C .1523.

Owner/Operator: _____ (Signature) _____ (Print Name) _____ (Date)

ARSENIC MCL Notice – Tier 2 Violation

Since exceeding the ARSENIC maximum contaminant level (MCL) is a **Tier 2** violation, you must provide public notice to persons served as soon as practical but within **30 days** after you learn of the violation (40 CFR 141.203(b)). You must issue a repeat notice every three months for as long as the violation persists.

Community systems must use one of the following methods [40 CFR 141.203(c)]:

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- We are working with [local/state agency] to evaluate the water supply and are researching options to correct the problem. These options may include treating the water to remove ARSENIC or connecting to [system]'s water supply.
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- We have increased the frequency that we will test the water for ARSENIC.
- We have since taken samples at this location and had them tested. These samples show that we meet the standards.

Repeat Notices

If this is an ongoing violation and/or you fluctuate above and below the MCL, you should give the history behind the violation, including the source of contamination, if known. List the date of the initial detection, as well as how levels have changed over time. If levels are changing as a result of treatment, you can indicate this.

After Issuing the Notice [40 CFR 141.31(d)]

After issuing the "Notice to the Public" to your customers, sign and date the "Public Notification Certification" at the bottom of the notice. Within ten days after issuing the notice [CFR 141.31(d)], use our on-line ECERT application located on our website at: <https://pws.ncwater.org/ECERT/pages/default.aspx> to submit your completed Notice/Certification to the Public Water Supply Section. If you do not have access to the internet, mail your completed Notice/Certification to: Public Water Supply Section, ATTN: Public Notification Rule Manager, 1634 Mail Service Center, Raleigh, NC 27699-1634.

It is a good idea to inform your consumers when the violation is resolved.

(10/2018)

Brent
cc: Don
Tor
Rune
Highden

ROY COOPER
Governor
ELIZABETH S. BISER
Secretary
S. DANIEL SMITH
Director



W-354, Sub 396
W-1073, Sub 7
RECEIVED
JAN - 4 2022
BY: _____

NC3095002_20211222_IOC_MCL_NOV_4Q2021_P03.pdf

NOTICE OF VIOLATION

NC Drinking Water Act and Rules Governing Public Water Systems

December 22, 2021

Water System Number: NC3095002, Watauga County
ECHOTA S/D
CAROLINA WATER SERVICE IN
PO BOX 240908
CHARLOTTE, NC 28224

ACTION REQUIRED

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MILLIRON, BRENT has already received a Notice of Violation/Administrative Order (NOV/AO) for exceedance of the ARSENIC MCL, and that order has a March 31, 2022 compliance deadline.

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Apr 22 2022

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RETURN TO COMPLIANCE

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Sincerely,



Linda F. Raynor
Compliance Services Branch Head
Public Water Supply Section
Division of Water Resources, NCDEQ

Enclosures: Notice to the Public/Public Notification Certification Form

cc: WINSTON-SALEM REGIONAL OFFICE
MILLIRON, BRENT

NOTICE TO THE PUBLIC

IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER

ECHOTA S/D Has Levels Of ARSENIC Above Drinking Water Standards

Our water system recently violated a drinking water standard. Although this is not an emergency, as our customers, you have a right to know what happened, what you should do, and what we did (are doing) to correct this situation.

We routinely monitor for the presence of drinking water contaminants. Monitoring results for samples collected from Facility ID / Sample Point: P03 / E03 during the time period of January 1, 2021 through December 31, 2021 showed that our system exceeds the standard, or maximum contaminant level (MCL), for ARSENIC. The standard for ARSENIC is 0.010 mg/l. The average level of ARSENIC over the last year was 0.520 mg/l.

What should I do?

- There is nothing you need to do. You do not need to boil your water or take other corrective actions. However, if you have specific health concerns, consult your doctor.
- If you have a severely compromised immune system, have an infant, are pregnant, or are elderly, you may be at increased risk and should seek advice from your health care providers about drinking this water.

What does this mean?

This is not an emergency. If it had been, you would have been notified within 24 hours. However, *some people who drink water containing arsenic in excess of the MCL over many years could experience skin damage or problems with their circulatory system, and may have an increased risk of getting cancer.*

What is being done?

[Water system to describe corrective action.] We anticipate resolving the problem within [estimated time frame].

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this notice in a public place or distributing copies by hand or mail.

For more information, please contact:

Responsible Person	System Name ECHOTA S/D	System Address (Street)
Phone Number	System Number NC3095002	System Address (City, State, Zip)

Notice of Violation Date: December 22, 2021

Date Notice Distributed: _____ Method of Distribution: _____

Public Notification Certification:

The public water system named above hereby affirms that public notification has been provided to its consumer in accordance with all delivery, content, format, and deadline requirements specified in 15A NCAC 18C .1523.

Owner/Operator: _____ (Signature) _____ (Print Name) _____ (Date)

ARSENIC MCL Notice – Tier 2 Violation

Since exceeding the ARSENIC maximum contaminant level (MCL) is a **Tier 2** violation, you must provide public notice to persons served as soon as practical but within **30 days** after you learn of the violation (40 CFR 141.203(b)). You must issue a repeat notice every three months for as long as the violation persists.

Community systems must use one of the following methods [40 CFR 141.203(c)]:

- Hand or direct delivery
- Mail, as a separate notice or included with the bill

Non-community systems must use one of the following methods [40 CFR 141.203(c)]:

- Posting in conspicuous locations
- Hand delivery
- Mail

In addition, **both** community and non-community systems must use *another* method reasonably calculated to reach others **IF** they would not be reached by the first method [40 CFR 141.203(c)]. Such methods could include newspapers, e-mail, or delivery to community organizations.

You must also perform the following:

- If you mail, post, or hand deliver, print your notice on letterhead, if available.
- Notify new billing customers or units prior to or at the time their service begins.
- Provide multi-lingual notifications if 30% of the residents served are non-English speaking.

The notice on the reverse is appropriate for mailing, posting, or hand delivery. If you modify the notice, you must still include all required PN elements from 40 CFR 141.205(a), and the standard language (including the health effects language) in ***bold italics*** must not be changed. This language is mandatory [40 CFR 141.205(d)].

Corrective Action

In your notice, describe correction actions you are taking. Do not use overly technical terminology when describing treatment methods. Listed below are some steps commonly taken by water systems with chemical or radiological violations. Depending on the corrective action you are taking, you can use one or more of the following statements, if appropriate, or develop your own text:

- We are working with [local/state agency] to evaluate the water supply and are researching options to correct the problem. These options may include treating the water to remove ARSENIC or connecting to [system]'s water supply.
- We have stopped using the contaminated well. We have increased pumping from other wells, and we are investigating drilling a new well.
- We have increased the frequency that we will test the water for ARSENIC.
- We have since taken samples at this location and had them tested. These samples show that we meet the standards.

Repeat Notices

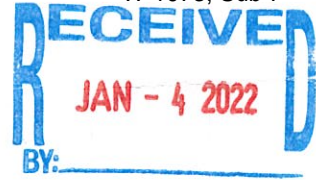
If this is an ongoing violation and/or you fluctuate above and below the MCL, you should give the history behind the violation, including the source of contamination, if known. List the date of the initial detection, as well as how levels have changed over time. If levels are changing as a result of treatment, you can indicate this.

After Issuing the Notice [40 CFR 141.31(d)]

After issuing the "Notice to the Public" to your customers, **sign and date** the "Public Notification Certification" at the bottom of the notice. Within **ten days** after issuing the notice [CFR 141.31(d)], use our on-line ECERT application located on our website at: <https://pws.ncwater.org/ECERT/pages/default.aspx> to submit your completed Notice/Certification to the Public Water Supply Section. If you do not have access to the internet, mail your completed Notice/Certification to: Public Water Supply Section, ATTN: Public Notification Rule Manager, 1634 Mail Service Center, Raleigh, NC 27699-1634.

It is a good idea to inform your consumers when the violation is resolved.

(10/2018)



Brent
Cc: Don
Tony
Rorie
Leflan

ROY COOPER
Governor
ELIZABETH S. BISER
Secretary
S. DANIEL SMITH
Director



NC3095002_20211222_IOC_MCL_NOV_4Q2021_P03.pdf

NOTICE OF VIOLATION

NC Drinking Water Act and Rules Governing Public Water Systems

December 22, 2021

Water System Number: NC3095002, Watauga County
ECHOTA S/D
CAROLINA WATER SERVICE IN
PO BOX 240908
CHARLOTTE, NC 28224

ACTION REQUIRED

**Re: Continuing Violation of ARSENIC MCL (Based on Running Annual Average)
Administrative Order Previously issued – Upcoming Compliance Deadline**

ECHOTA S/D is in violation of the ARSENIC maximum contaminant level (MCL) allowed by North Carolina's Rules Governing Public Water Systems (15A NCAC 18C Section .1510 [40 CFR 141.62(b)]). The ARSENIC running annual average (RAA) concentration of the water samples from Facility ID / Sample Point: P03 / E03 during the compliance period of January 1, 2021 through December 31, 2021 was 0.520 mg/l, which exceeds the established MCL of 0.010 mg/l.

MILLIRON, BRENT has already received a Notice of Violation/Administrative Order (NOV/AO) for exceedance of the ARSENIC MCL, and that order has a March 31, 2022 compliance deadline.

MCL EXCEEDANCE REQUIREMENTS

Because the MCL has been exceeded, you are required by the Rules Governing Public Water Systems to do all of the following:

- 1. Monitor Quarterly:** Continue to collect drinking water samples quarterly and have them analyzed for ARSENIC by a North Carolina certified laboratory. Once the minimum requirements to reduce monitoring as specified in 15A NCAC 18C Section .1508 [40 CFR 141.23(c)(8)] have been met, contact the rule manager listed below to request a reduction in monitoring frequency. The Public Water Supply Section will then evaluate your sampling results, determine if the ARSENIC concentrations in the water serving ECHOTA S/D are reliably and consistently below the maximum contaminant level (MCL) and grant a reduction in your monitoring frequency, if warranted.
- 2. Provide public notification:** If you haven't already done so, immediately provide public notification of the MCL violation cited above as required by 15A NCAC 18C .1523. See the enclosed sample notice with instructions. Failure to provide public notification as required is a violation of 15A NCAC 18C .1523.
- 3. Submit a copy of your completed Notice to the Public and Public Notification Certification to the Public Water Supply Section:** Immediately after you have distributed the notices to your customers, use our web-based certification process "ECERT" to submit a copy of the completed notice with your signature and date on the Public Notification Certification (located at the bottom of our template notice) indicating full compliance with all the public notification requirements. Access to ECERT is available from our website or the following link: <https://pws.ncwater.org/ECERT/>. If you do not have internet access, mail the completed notice to Bethany Goodwin at 1634 Mail Service Center, Raleigh, NC 27699-1634. Retain a copy of these documents for your files.



North Carolina Department of Environmental Quality | Division of Water Resources
512 North Salisbury Street | 1634 Mail Service Center | Raleigh, North Carolina 27699-1634
919.707.9100

Apr 22 2022

OFFICIAL COPY

Note: If you do not provide the required public notification to your customers and submit a signed certification with the notice to the Public Water Supply Section, you may be subject to an administrative penalty.

RETURN TO COMPLIANCE

You must **permanently reduce** the amount of ARSENIC in your public water system below the MCL to avoid future MCL violations and enforcement action. Until the MCL violation is resolved, submit quarterly written status reports as specified in your NOV/AO dated August 18, 2021. The agency reserves the right to take enforcement action for any new or additional violations of the NC Drinking Water Act or North Carolina's Rules Governing Public Water Systems, 15A NCAC 18C.

ADDITIONAL INFORMATION

Please include your water system's name and number on all correspondence. Our website contains links to "Sampling Status" which allows systems to view their current monitoring schedules for each contaminant group and to "Drinking Water Watch" which allows systems to view their monitoring results and other system information. Copies of North Carolina's Rules Governing Public Water Systems can also be found on our website at www.ncwater.org.

SUBMITTAL OF INFORMATION AND PUBLIC WATER SUPPLY CONTACTS

Quarterly status reports should be submitted to Ryan Holmes, Inorganics Rule Manager, at 1634 Mail Service Center, Raleigh, NC 27699-1634. If you have any questions or need assistance regarding this violation, please contact Ryan Holmes, by phone at (919) 707-9099 or by e-mail at Ryan.Holmes@ncdenr.gov. A copy of each quarterly status report should also be sent to your regional office contact, Eric Hudson, P.E.. Eric Hudson can be reached at 336-776-9665 or by mail at 450 W HANES MILL RD, SUITE 300, WINSTON-SALEM, NC 27105.

If you have questions or need assistance regarding public notification, please contact Bethany Goodwin, Public Notification Rule Manager, at (919) 707-9079 or by e-mail at Bethany.Goodwin@ncdenr.gov. A copy of the Notice to the Public/Public Notification Certification should be mailed to Bethany Goodwin at the address indicated on the back of the notice or can be sent to PWSS.PN@ncdenr.gov.

Sincerely,



Linda F. Raynor
Compliance Services Branch Head
Public Water Supply Section
Division of Water Resources, NCDEQ

Enclosures: Notice to the Public/Public Notification Certification Form

cc: WINSTON-SALEM REGIONAL OFFICE
MILLIRON, BRENT

NOTICE TO THE PUBLIC

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We routinely monitor for the presence of drinking water contaminants. Monitoring results for samples collected from Facility ID / Sample Point: P03 / E03 during the time period of January 1, 2021 through December 31, 2021 showed that our system exceeds the standard, or maximum contaminant level (MCL), for ARSENIC. The standard for ARSENIC is 0.010 mg/l. The average level of ARSENIC over the last year was 0.520 mg/l.

What should I do?

- There is nothing you need to do. You do not need to boil your water or take other corrective actions. However, if you have specific health concerns, consult your doctor.
- If you have a severely compromised immune system, have an infant, are pregnant, or are elderly, you may be at increased risk and should seek advice from your health care providers about drinking this water.

What does this mean?

This is not an emergency. If it had been, you would have been notified within 24 hours. However, *some people who drink water containing arsenic in excess of the MCL over many years could experience skin damage or problems with their circulatory system, and may have an increased risk of getting cancer.*

What is being done?

[Water system to describe corrective action.] We anticipate resolving the problem within [estimated time frame].

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this notice in a public place or distributing copies by hand or mail.

For more information, please contact:

Responsible Person	System Name ECHOTA S/D	System Address (Street)
Phone Number	System Number NC3095002	System Address (City, State, Zip)

Notice of Violation Date: December 22, 2021

Date Notice Distributed: _____ Method of Distribution: _____

Public Notification Certification:

The public water system named above hereby affirms that public notification has been provided to its consumer in accordance with all delivery, content, format, and deadline requirements specified in 15A NCAC 18C .1523.

Owner/Operator: _____ (Signature) _____ (Print Name) _____ (Date)

ARSENIC MCL Notice – Tier 2 Violation

Since exceeding the ARSENIC maximum contaminant level (MCL) is a **Tier 2** violation, you must provide public notice to persons served as soon as practical but within **30 days** after you learn of the violation (40 CFR 141.203(b)). You must issue a repeat notice every three months for as long as the violation persists.

Community systems must use one of the following methods [40 CFR 141.203(c)]:

- Hand or direct delivery
- Mail, as a separate notice or included with the bill

Non-community systems must use one of the following methods [40 CFR 141.203(c)]:

- Posting in conspicuous locations
- Hand delivery
- Mail

In addition, **both** community and non-community systems must use *another* method reasonably calculated to reach others **IF** they would not be reached by the first method [40 CFR 141.203(c)]. Such methods could include newspapers, e-mail, or delivery to community organizations.

You must also perform the following:

- If you mail, post, or hand deliver, print your notice on letterhead, if available.
- Notify new billing customers or units prior to or at the time their service begins.
- Provide multi-lingual notifications if 30% of the residents served are non-English speaking.

The notice on the reverse is appropriate for mailing, posting, or hand delivery. If you modify the notice, you must still include all required PN elements from 40 CFR 141.205(a), and the standard language (including the health effects language) in ***bold italics*** must not be changed. This language is mandatory [40 CFR 141.205(d)].

Corrective Action

In your notice, describe correction actions you are taking. Do not use overly technical terminology when describing treatment methods. Listed below are some steps commonly taken by water systems with chemical or radiological violations. Depending on the corrective action you are taking, you can use one or more of the following statements, if appropriate, or develop your own text:

- We are working with [local/state agency] to evaluate the water supply and are researching options to correct the problem. These options may include treating the water to remove ARSENIC or connecting to [system]'s water supply.
- We have stopped using the contaminated well. We have increased pumping from other wells, and we are investigating drilling a new well.
- We have increased the frequency that we will test the water for ARSENIC.
- We have since taken samples at this location and had them tested. These samples show that we meet the standards.

Repeat Notices

If this is an ongoing violation and/or you fluctuate above and below the MCL, you should give the history behind the violation, including the source of contamination, if known. List the date of the initial detection, as well as how levels have changed over time. If levels are changing as a result of treatment, you can indicate this.

After Issuing the Notice [40 CFR 141.31(d)]

After issuing the "Notice to the Public" to your customers, **sign and date** the "Public Notification Certification" at the bottom of the notice. Within **ten days** after issuing the notice [CFR 141.31(d)], use our on-line ECERT application located on our website at: <https://pws.ncwater.org/ECERT/pages/default.aspx> to submit your completed Notice/Certification to the Public Water Supply Section. If you do not have access to the internet, mail your completed Notice/Certification to: Public Water Supply Section, ATTN: Public Notification Rule Manager, 1634 Mail Service Center, Raleigh, NC 27699-1634.

It is a good idea to inform your consumers when the violation is resolved.

(10/2018)



ROY COOPER
Governor
ELIZABETH S. BISER
Secretary
S. DANIEL SMITH
Director

NORTH CAROLINA
Environmental Quality

NC3095002_20210818_IOC_MCL_NOV_20213Q_P02.pdf

August 18, 2021

TO: ECHOTA PROPERTY OWNERS ASSOC
151 MR BISH BLVD
BOONE, NC 28607

RE: ECHOTA S/D
Water System Number: NC3095002
County: WATAUGA
Facility ID # / Sample Point ID: P02 / E01

NOTICE OF VIOLATION

Inorganics Maximum Contaminant Level (MCL) Violation: ECHOTA S/D is in violation of the ARSENIC MCL allowed by North Carolina's Rules Governing Public Water Systems (15A NCAC 18C Section .1510 [40 CFR 141.62(b)]). The Arsenic running annual average (RAA) concentration of the water samples from Facility ID # / Sample Point ID: P02/ E01 during the compliance period of October 1, 2020 through September 30, 2021 was 0.63 mg/L, which exceeds the established MCL of 0.010 mg/L.

ADMINISTRATIVE ORDER

The N.C. Drinking Water Act and Rules Governing Public Water Systems require a water supplier to provide water that does not exceed the Arsenic MCL and provide public notice of the MCL violation as indicated in this Order and to comply with the monitoring requirements, water quality standards and the design, treatment and operation requirements for public water systems.

IT IS HEREBY ORDERED that ECHOTA PROPERTY OWNERS ASSOC shall return to compliance as follows:

- Develop a Plan and Submit Quarterly Status Reports:** Develop a written plan for permanently reducing the amount of contamination in your public water system. Until the MCL violation is resolved, submit quarterly written status reports to the Rule Manager and Regional Office identified below. These reports must describe your compliance plan and list the actions (including dates) taken so far to resolve the contamination and any planned future actions (including dates) necessary. The initial report is due within thirty (30) days of this letter with updates due quarterly on March 31st, June 30th, September 30th and December 31st. The initial report must specify the date compliance is expected to be achieved. Each report should be a complete and growing list of all actions taken and planned (including dates) by your system to permanently reduce the contamination and provide safe water to your customers. Once the required follow-up monitoring results indicate the contaminant concentrations are reliably and consistently below the MCL, the status reports are no longer required. Please be sure to identify your water system's name and number on all correspondence.
- Reduce Arsenic Levels:** The public water system serving ECHOTA S/D shall comply with the MCL for Arsenic by **March 31, 2022.**
- Monitor Quarterly:** Collect the required water samples for Arsenic on a quarterly basis until further notice, and have all water samples analyzed by a North Carolina certified laboratory. Your laboratory is responsible for electronically reporting your analytical results to the Public Water Supply Section. We recommend that you check our website links to "Sampling Status" and/or "Drinking Water Watch" and follow-up with your laboratory, as necessary, to ensure we receive your sample results.
- Provide public notification:** If you haven't already done so, immediately provide public notification of the MCL violation cited above as required by 15A NCAC 18C .1523. See the enclosed sample notice with instructions. Failure to provide public notification as required is a violation of 15A NCAC 18C .1523.



5. **Submit a copy of your completed Notice to the Public and Public Notification Certification to the Public Water Supply Section:** Immediately after you have distributed the notices to your customers, use our web-based certification process "ECERT" to submit a copy of the completed notice with your signature and date on the Public Notification Certification (located at the bottom of our template notice) indicating full compliance with all the public notification requirements. Access to ECERT is available from our website or the following link: <https://pws.ncwater.org/ECERT/>. If you do not have internet access, mail the completed notice to Bethany Goodwin at 1634 Mail Service Center, Raleigh, NC 27699-1634. Retain a copy of these documents for your files.

Note: If you do not provide the required public notification to your customers and submit a signed certification with the notice to the Public Water Supply Section, you may be subject to an additional administrative penalty.

6. **Notify the Rule Manager:** If events or conditions beyond your control will prevent you from complying with your written action plan or meeting the MCL compliance date, notify the Rule Manager noted below, in writing within ten (10) business days of the event or condition causing the delay. The notice shall describe in detail the reason for the delay and propose a new compliance timetable. If you establish good cause, the Division and you may jointly stipulate and agree to a written modification of the compliance dates.

ENFORCEMENT AUTHORITY

This Notice of Violation and Administrative Order are issued pursuant to authority in G.S. 130A-325 and G.S. 130A-326. Any person who violates, fails to comply or refuses to comply with any of the provisions of this Order is subject to an administrative penalty under G.S. 130A-22(b). The agency reserves the right to take enforcement action for any new or additional violations of the NC Drinking Water Act or North Carolina's Rules Governing Public Water Systems, 15A NCAC 18C.

ADDITIONAL INFORMATION

Please include your water system's name and number on all correspondence. Our website contains links to "Sampling Status" which allows systems to view their current monitoring schedules for each contaminant group and to "Drinking Water Watch" which allows systems to view their monitoring results and other system information. Copies of North Carolina's Rules Governing Public Water Systems can also be found on our website at www.ncwater.org.

SUBMITTAL OF INFORMATION AND PUBLIC WATER SUPPLY CONTACTS

Quarterly status reports should be submitted to Ryan Holmes, Inorganics Rule Manager, at 1634 Mail Service Center, Raleigh, NC 27699-1634. If you have any questions or need assistance regarding this violation, please contact Ryan Holmes, by phone at (919) 707-9099 or by e-mail at ryan.holmes@ncdenr.gov. A copy of each quarterly status report should also be sent to your regional office contact, Eric Hudson, P.E., Regional Engineer. Eric Hudson, P.E. can be reached at (336) 776-9800 or by mail at 450 W Hanes Mill Rd., Suite 300, Winston-Salem, NC 27105.

If you have questions or need assistance regarding public notification, please contact Bethany Goodwin, Public Notification Rule Manager, at (919) 707-9079 or by e-mail at Bethany.Goodwin@ncdenr.gov.

BY:



Robert W. Midgette, P.E., Section Chief
Public Water Supply Section
Division of Water Resources, NCDEQ

Enclosures: Notice to the Public/Public Notification Certification Form

cc: WINSTON-SALEM REGIONAL OFFICE
Responsible Person: CARTER, RANDY

NOTICE TO THE PUBLIC

IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER

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[Water system to describe corrective action.] We anticipate resolving the problem within [estimated time frame].

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For more information, please contact:

Responsible Person	System Name ECHOTA S/D	System Address (Street)
Phone Number	System Number NC3095002	System Address (City, State, Zip)

Notice of Violation/Administrative Order Date: August 18, 2021

Date Notice Distributed: _____ **Method of Distribution:** _____

Public Notification Certification:

The public water system named above hereby affirms that public notification has been provided to its consumer in accordance with all delivery, content, format, and deadline requirements specified in 15A NCAC 18C .1523.

Owner/Operator: _____
(Signature) (Print Name) (Date)

OFFICIAL COPY

APR 22 2022

Instructions for ARSENIC MCL Notice – Tier 2 Violation

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After Issuing the Notice [40 CFR 141.31(d)]

Within **10 days** after completing the initial public notification, the Public Water Supply Section **MUST** receive a copy of the notice you distributed to your customers with your signature and date on the Public Notification Certification (located at the bottom of the notice) indicating that you have fully complied with all the public notice requirements. Mail your notice/certification to the Public Water Supply Section, Compliance Services Branch, ATTN: Public Notification Rule Manager, 1634 Mail Service Center, Raleigh, NC 27699-1634. Retain a copy of these documents for your files.

It is a good idea to inform your consumers when the violation is resolved.

(10/2018)

Water System Number: NC3095002, WATAUGA County

CARTER, RANDY
151 MR BISH BLVD
BOONE, NC 28607



ROY COOPER
Governor
ELIZABETH S. BISER
Secretary
S. DANIEL SMITH
Director

NORTH CAROLINA
Environmental Quality

NC3095002_20210818_IOC_MCL_NOV_20213Q_P03.pdf

August 18, 2021

TO: ECHOTA PROPERTY OWNERS ASSOC
151 MR BISH BLVD
BOONE, NC 28607

RE: ECHOTA S/D
Water System Number: NC3095002
County: WATAUGA
Facility ID # / Sample Point ID: P03 / E03

NOTICE OF VIOLATION

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ADMINISTRATIVE ORDER

The N.C. Drinking Water Act and Rules Governing Public Water Systems require a water supplier to provide water that does not exceed the Arsenic MCL and provide public notice of the MCL violation as indicated in this Order and to comply with the monitoring requirements, water quality standards and the design, treatment and operation requirements for public water systems.

IT IS HEREBY ORDERED that ECHOTA PROPERTY OWNERS ASSOC shall return to compliance as follows:

- Develop a Plan and Submit Quarterly Status Reports:** Develop a written plan for permanently reducing the amount of contamination in your public water system. Until the MCL violation is resolved, submit quarterly written status reports to the Rule Manager and Regional Office identified below. These reports must describe your compliance plan and list the actions (including dates) taken so far to resolve the contamination and any planned future actions (including dates) necessary. The initial report is due within thirty (30) days of this letter with updates due quarterly on March 31st, June 30th, September 30th and December 31st. The initial report must specify the date compliance is expected to be achieved. Each report should be a complete and growing list of all actions taken and planned (including dates) by your system to permanently reduce the contamination and provide safe water to your customers. Once the required follow-up monitoring results indicate the contaminant concentrations are reliably and consistently below the MCL, the status reports are no longer required. Please be sure to identify your water system's name and number on all correspondence.
- Reduce Arsenic Levels:** The public water system serving ECHOTA S/D shall comply with the MCL for Arsenic by **March 31, 2022**.
- Monitor Quarterly:** Collect the required water samples for Arsenic on a quarterly basis until further notice, and have all water samples analyzed by a North Carolina certified laboratory. Your laboratory is responsible for electronically reporting your analytical results to the Public Water Supply Section. We recommend that you check our website links to "Sampling Status" and/or "Drinking Water Watch" and follow-up with your laboratory, as necessary, to ensure we receive your sample results.
- Provide public notification:** If you haven't already done so, immediately provide public notification of the MCL violation cited above as required by 15A NCAC 18C .1523. See the enclosed sample notice with instructions. Failure to provide public notification as required is a violation of 15A NCAC 18C .1523.



5. **Submit a copy of your completed Notice to the Public and Public Notification Certification to the Public Water Supply Section:** Immediately after you have distributed the notices to your customers, use our web-based certification process "ECERT" to submit a copy of the completed notice with your signature and date on the Public Notification Certification (located at the bottom of our template notice) indicating full compliance with all the public notification requirements. Access to ECERT is available from our website or the following link: <https://pws.ncwater.org/ECERT/>. If you do not have internet access, mail the completed notice to Bethany Goodwin at 1634 Mail Service Center, Raleigh, NC 27699-1634. Retain a copy of these documents for your files.

Note: If you do not provide the required public notification to your customers and submit a signed certification with the notice to the Public Water Supply Section, you may be subject to an additional administrative penalty.

6. **Notify the Rule Manager:** If events or conditions beyond your control will prevent you from complying with your written action plan or meeting the MCL compliance date, notify the Rule Manager noted below, in writing within ten (10) business days of the event or condition causing the delay. The notice shall describe in detail the reason for the delay and propose a new compliance timetable. If you establish good cause, the Division and you may jointly stipulate and agree to a written modification of the compliance dates.

ENFORCEMENT AUTHORITY

This Notice of Violation and Administrative Order are issued pursuant to authority in G.S. 130A-325 and G.S. 130A-326. Any person who violates, fails to comply or refuses to comply with any of the provisions of this Order is subject to an administrative penalty under G.S. 130A-22(b). The agency reserves the right to take enforcement action for any new or additional violations of the NC Drinking Water Act or North Carolina's Rules Governing Public Water Systems, 15A NCAC 18C.

ADDITIONAL INFORMATION

Please include your water system's name and number on all correspondence. Our website contains links to "Sampling Status" which allows systems to view their current monitoring schedules for each contaminant group and to "Drinking Water Watch" which allows systems to view their monitoring results and other system information. Copies of North Carolina's Rules Governing Public Water Systems can also be found on our website at www.ncwater.org.

SUBMITTAL OF INFORMATION AND PUBLIC WATER SUPPLY CONTACTS

Quarterly status reports should be submitted to Ryan Holmes, Inorganics Rule Manager, at 1634 Mail Service Center, Raleigh, NC 27699-1634. If you have any questions or need assistance regarding this violation, please contact Ryan Holmes, by phone at (919) 707-9099 or by e-mail at ryan.holmes@ncdenr.gov. A copy of each quarterly status report should also be sent to your regional office contact, Eric Hudson, P.E., Regional Engineer. Eric Hudson, P.E. can be reached at (336) 776-9800 or by mail at 450 W Hanes Mill Rd., Suite 300, Winston-Salem, NC 27105.

If you have questions or need assistance regarding public notification, please contact Bethany Goodwin, Public Notification Rule Manager, at (919) 707-9079 or by e-mail at Bethany.Goodwin@ncdenr.gov.

BY:



Robert W. Midgette, P.E., Section Chief
Public Water Supply Section
Division of Water Resources, NCDEQ

Enclosures: Notice to the Public/Public Notification Certification Form

cc: WINSTON-SALEM REGIONAL OFFICE
Responsible Person: CARTER, RANDY

NOTICE TO THE PUBLIC

IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER

ECHOTA S/D Has Levels of ARSENIC Above Drinking Water Standards

Our water system recently violated a drinking water standard. Although this is not an emergency, as our customers, you have a right to know what happened, what you should do, and what we did (are doing) to correct this situation.

We routinely monitor for the presence of drinking water contaminants. Monitoring results for samples collected from Facility ID / Sample Point: P03 / E03 during the compliance period ending September 30, 2021 showed that our system exceeds the standard, or maximum contaminant level (MCL), for Arsenic. The standard for Arsenic is 0.010 mg/L. The average level of Arsenic over the last year was 0.52 mg/L.

What should I do?

- There is nothing you need to do. You do not need to boil your water or take other corrective actions. However, if you have specific health concerns, consult your doctor.
- If you have a severely compromised immune system, have an infant, are pregnant, or are elderly, you may be at increased risk and should seek advice from your health care providers about drinking this water.

What does this mean?

This is not an emergency. If it had been, you would have been notified within 24 hours. However, ***some people who drink water containing arsenic in excess of the MCL over many years could experience skin damage or problems with their circulatory system, and may have an increased risk of getting cancer.***

What is being done?

[Water system to describe corrective action.] We anticipate resolving the problem within [estimated time frame].

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this notice in a public place or distributing copies by hand or mail.

For more information, please contact:

Responsible Person	System Name ECHOTA S/D	System Address (Street)
Phone Number	System Number NC3095002	System Address (City, State, Zip)

Notice of Violation/Administrative Order Date: August 18, 2021

Date Notice Distributed: _____

Method of Distribution: _____

Public Notification Certification:

The public water system named above hereby affirms that public notification has been provided to its consumer in accordance with all delivery, content, format, and deadline requirements specified in 15A NCAC 18C .1523.

Owner/Operator: _____
(Signature) (Print Name) (Date)

OFFICIAL COPY

APR 22 2022

Instructions for ARSENIC MCL Notice – Tier 2 Violation

Since exceeding the Arsenic maximum contaminant level (MCL) is a **Tier 2** violation, you must provide public notice to persons served as soon as practical but within **30 days** after you learn of the violation [40 CFR 141.203(b)]. You must issue a repeat notice every three months for as long as the violation persists.

Community systems must use one of the following methods [40 CFR 141.203(c)]:

- Hand or direct delivery
- Mail, as a separate notice or included with the bill

Non-community systems must use one of the following methods [40 CFR 141.203(c)]:

- Posting in conspicuous locations
- Hand delivery
- Mail

In addition, both community and non-community systems must use *another* method reasonably calculated to reach others **IF** they would not be reached by the first method [40 CFR 141.203(c)]. Such methods could include newspapers, e-mail, or delivery to community organizations.

You must also perform the following:

- If you mail, post, or hand deliver, print your notice on your system's letterhead, if available.
- Notify new billing customers or units prior to or at the time their service begins.
- Provide multi-lingual notifications if 30% of the residents served are non-English speaking.

The notice on the reverse is appropriate for mailing, posting, or hand delivery. If you modify the notice, you must still include all required PN elements from 40 CFR 141.205(a), and the standard language (including the health effects language) in ***bold italics*** must not be changed. This language is mandatory [40 CFR 141.205(d)].

Corrective Action

In your notice, describe correction actions you are taking. Do not use overly technical terminology when describing treatment methods. Listed below are some steps commonly taken by water systems with chemical or radiological violations. Depending on the corrective action you are taking, you can use one or more of the following statements, if appropriate, or develop your own text:

- We are working with [local/state agency] to evaluate the water supply and are researching options to correct the problem. These options may include treating the water to remove Arsenic or connecting to [system]'s water supply.
- We have stopped using the contaminated well. We have increased pumping from other wells, and we are investigating drilling a new well.
- We have increased the frequency that we will test the water for Arsenic.
- We have since taken samples at this location and had them tested. These samples show that we meet the standards.

Repeat Notices

If this is an ongoing violation and/or you fluctuate above and below the MCL, you should give the history behind the violation, including the source of contamination, if known. List the date of the initial detection, as well as how levels have changed over time. If levels are changing as a result of treatment, you can indicate this.

After Issuing the Notice [40 CFR 141.31(d)]

Within **10 days** after completing the initial public notification, the Public Water Supply Section **MUST** receive a copy of the notice you distributed to your customers with your signature and date on the Public Notification Certification (located at the bottom of the notice) indicating that you have fully complied with all the public notice requirements. Mail your notice/certification to the Public Water Supply Section, Compliance Services Branch, ATTN: Public Notification Rule Manager, 1634 Mail Service Center, Raleigh, NC 27699-1634. Retain a copy of these documents for your files.

It is a good idea to inform your consumers when the violation is resolved.

(10/2018)

Water System Number: NC3095002, WATAUGA County

CARTER, RANDY
151 MR BISH BLVD
BOONE, NC 28607



ROY COOPER
Governor

MICHAEL S. REGAN
Secretary

LINDA CULPEPPER
Director

October 31, 2019

Mr. Mark Harrill
Seven Devils Resort
151 Mr. Bish Blvd
Boone, NC 28607

**SUBJECT: Compliance Evaluation Inspection
Seven Devils Resort WWTP
NPDES Permit No. NC0035149
Watauga County**

Dear Mr. Harrill,

On October 30, 2019, Kelli Park, of this office, met with Josh Cagle, backup Operator in Responsible Charge (ORC), to perform a Compliance Evaluation Inspection at the Seven Devils Resort wastewater treatment plant. This type of inspection consists of two basic parts: an in-office file review and an on-site inspection of the treatment facility. The attached EPA inspection form details the areas that were evaluated during this inspection.

The inspection of the facility was satisfactory. If you have any questions regarding the inspection or this report, please contact Kelli Park or me at (336) 776-9800 or by email at kelli.park@ncdenr.gov or lon.snider@ncdenr.gov.

Sincerely,

DocuSigned by:
Lon T. Snider
145B49E225C94EA...
Lon Snider
Regional Supervisor
Water Quality Regional Operations
Division of Water Resources

Attachments: EPA Water Compliance Inspection Report

cc: WSRO

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Apr 22 2022

NPDES	yr/mo/day	Inspection Type	(Cont.)	1
3 NC0035149 11	12 19/10/30 17	18 C		

Section D: Summary of Finding/Comments (Attach additional sheets of narrative and checklists as necessary)

On October 30, 2019, Kelli Park, of this office, met with Josh Cagle, backup Operator in Responsible Charge (ORC), to perform a Compliance Evaluation Inspection at the Seven Devils Resort wastewater treatment plant. This type of inspection consists of two basic parts: an in-office file review and an on-site inspection of the treatment facility. The attached EPA inspection form details the areas that were evaluated during this inspection.

The inspection of the facility was satisfactory. If you have any questions regarding the inspection or this report, please contact Kelli Park or me at (336) 776-9800 or by email at kelli.park@ncdenr.gov or lon.snider@ncdenr.gov

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Apr 22 2022

Permit: NC0035149
Inspection Date: 10/30/2019

Owner - Facility: Seven Devils Resort
Inspection Type: Compliance Evaluation

Permit

Yes No NA NE

(If the present permit expires in 6 months or less). Has the permittee submitted a new application?

Is the facility as described in the permit?

Are there any special conditions for the permit?

Is access to the plant site restricted to the general public?

Is the inspector granted access to all areas for inspection?

Comment: a copy of the permit was on site

Operations & Maintenance

Yes No NA NE

Is the plant generally clean with acceptable housekeeping?

Does the facility analyze process control parameters, for ex: MLSS, MCRT, Settleable Solids, pH, DO, Sludge Judge, and other that are applicable?

Comment:

Record Keeping

Yes No NA NE

Are records kept and maintained as required by the permit?

Is all required information readily available, complete and current?

Are all records maintained for 3 years (lab. reg. required 5 years)?

Are analytical results consistent with data reported on DMRs?

Is the chain-of-custody complete?

Dates, times and location of sampling

Name of individual performing the sampling

Results of analysis and calibration

Dates of analysis

Name of person performing analyses

Transported COCs

Are DMRs complete: do they include all permit parameters?

Has the facility submitted its annual compliance report to users and DWQ?

(If the facility is = or > 5 MGD permitted flow) Do they operate 24/7 with a certified operator on each shift?

Is the ORC visitation log available and current?

Is the ORC certified at grade equal to or higher than the facility classification?

Is the backup operator certified at one grade less or greater than the facility classification?

Is a copy of the current NPDES permit available on site?

Permit: NC0035149
Inspection Date: 10/30/2019

Owner - Facility: Seven Devils Resort
Inspection Type: Compliance Evaluation

Record Keeping

Yes No NA NE

Facility has copy of previous year's Annual Report on file for review?

Comment: ORC and BORC are both grade 3

Bar Screens

Yes No NA NE

Type of bar screen

a. Manual

b. Mechanical

Are the bars adequately screening debris?

Is the screen free of excessive debris?

Is disposal of screening in compliance?

Is the unit in good condition?

Comment: debris are allowed to dry and then disposed of in a landfill

Aeration Basins

Yes No NA NE

Mode of operation

Ext. Air

Type of aeration system

Diffused

Is the basin free of dead spots?

Are surface aerators and mixers operational?

Are the diffusers operational?

Is the foam the proper color for the treatment process?

Does the foam cover less than 25% of the basin's surface?

Is the DO level acceptable?

Is the DO level acceptable?(1.0 to 3.0 mg/l)

Comment: DO is maintained around 2.5 mg/l

Secondary Clarifier

Yes No NA NE

Is the clarifier free of black and odorous wastewater?

Is the site free of excessive buildup of solids in center well of circular clarifier?

Are weirs level?

Is the site free of weir blockage?

Is the site free of evidence of short-circuiting?

Is scum removal adequate?

Is the site free of excessive floating sludge?

Permit: NC0035149
Inspection Date: 10/30/2019

Owner - Facility: Seven Devils Resort
Inspection Type: Compliance Evaluation

Secondary Clarifier

Yes No NA NE

- Is the drive unit operational?
- Is the return rate acceptable (low turbulence)?
- Is the overflow clear of excessive solids/pin floc?
- Is the sludge blanket level acceptable? (Approximately 1/4 of the sidewall depth)

Comment:

Disinfection-Tablet

Yes No NA NE

- Are tablet chlorinators operational?
- Are the tablets the proper size and type?
- Number of tubes in use? 2
- Is the level of chlorine residual acceptable?
- Is the contact chamber free of growth, or sludge buildup?
- Is there chlorine residual prior to de-chlorination?

Comment:

De-chlorination

Yes No NA NE

- Type of system ? Tablet
- Is the feed ratio proportional to chlorine amount (1 to 1)?
- Is storage appropriate for cylinders?
- # Is de-chlorination substance stored away from chlorine containers?

Comment:

- Are the tablets the proper size and type?
- Are tablet de-chlorinators operational?
- Number of tubes in use? 1

Comment: One tube in use but extra tablets are loose in the contact chamber.

Effluent Sampling

Yes No NA NE

- Is composite sampling flow proportional?
- Is sample collected below all treatment units?
- Is proper volume collected?
- Is the tubing clean?
- # Is proper temperature set for sample storage (kept at less than or equal to 6.0 degrees Celsius)?

Permit: NC0035149
Inspection Date: 10/30/2019

Owner - Facility: Seven Devils Resort
Inspection Type: Compliance Evaluation

Effluent Sampling

Yes No NA NE

Is the facility sampling performed as required by the permit (frequency, sampling type representative)?

Comment: Grab samples are put on ice

Effluent Pipe

Yes No NA NE

Is right of way to the outfall properly maintained?

Are the receiving water free of foam other than trace amounts and other debris?

If effluent (diffuser pipes are required) are they operating properly?

Comment: effluent was clear the day of inspection

Flow Measurement - Effluent

Yes No NA NE

Is flow meter used for reporting?

Is flow meter calibrated annually?

Is the flow meter operational?

(If units are separated) Does the chart recorder match the flow meter?

Comment: calibrated June 2019

ROY COOPER
Governor
DIONNE DELLI-GATTI
Secretary
S. DANIEL SMITH
Director



NORTH CAROLINA
Environmental Quality

June 2, 2021

Melissa Harrill
Seven Devils Resort
151 Mr Bish Blvd
Boone, NC 28607

SUBJECT: **NOTICE OF VIOLATION**
Tracking Number: NOV-2021-LV-0411
Permit No. NC0035149
Seven Devils Resort
Watauga County

Dear Permittee:

A review of the March 2021 Discharge Monitoring Report (DMR) for the subject facility revealed the violation(s) indicated below:

Limit Exceedance Violation(s):

Sample Location	Parameter	Date	Limit Value	Reported Value	Type of Violation
001 Effluent	Coliform, Fecal MF, MFC Broth, 44.5 C (31616)	3/9/2021	400	6,000	Daily Maximum Exceeded

Remedial actions, if not already implemented, should be taken to correct any noted problems. The Division of Water Resources may pursue enforcement actions for this and any additional violations. If the violations are of a continuing nature, not related to operation and/or maintenance problems, and you anticipate remedial construction activities, then you may wish to consider applying for a Special Order by Consent (SOC).



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Apr 22 2022

If you have any questions concerning this matter or to apply for an SOC, please contact Patricia Lowery of the Winston-Salem Regional Office at 336-776-9691.

Sincerely,

DocuSigned by:
Lon T. Snider
145B49E225C94EA...

Lon T. Snider, Regional Supervisor
Water Quality Regional Operations Section
Winston-Salem Regional Office
Division of Water Resources, NCDEQ

Cc: WQS Winston-Salem Regional Office - Enforcement File
NPDES Compliance/Enforcement Unit - Enforcement File

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Apr 22 2022



ROY COOPER
Governor
ELIZABETH S. BISER
Secretary
RICHARD E. ROGERS, JR.
Director



March 24, 2022

Melissa Harrill
Seven Devils Resort
151 Mr Bish Blvd
Boone, NC 28607

SUBJECT: NOTICE OF VIOLATION
Tracking Number: NOV-2022-LV-0200
Permit No. NC0035149
Seven Devils Resort
Watauga County

Dear Permittee:

A review of the January 2022 Discharge Monitoring Report (DMR) for the subject facility revealed the violation(s) indicated below:

Limit Exceedance Violation(s):

Sample Location	Parameter	Date	Limit Value	Reported Value	Type of Violation
001 Effluent	Coliform, Fecal MF, MFC Broth, 44.5 C (31616)	1/4/2022	400	6,000	Daily Maximum Exceeded

Remedial actions, if not already implemented, should be taken to correct any noted problems. The Division of Water Resources may pursue enforcement actions for this and any additional violations. If the violations are of a continuing nature, not related to operation and/or maintenance problems, and you anticipate remedial construction activities, then you may wish to consider applying for a Special Order by Consent (SOC). If you have any questions concerning this matter or to apply for an SOC, please contact Tricia Lowery of the Winston-Salem Regional Office at 336-776-9691.

Sincerely,

DocuSigned by:
Lon T. Snider
145B49E225C94EA...

Lon T. Snider, Regional Supervisor
Water Quality Regional Operations Section
Winston-Salem Regional Office
Division of Water Resources, NCDEQ

Cc: WQS WRSO – Electronic Files
Laserfiche



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Apr 22 2022

CERTIFICATE OF SERVICE

On behalf of Carolina Water Services, Inc. of North Carolina, I hereby certify that I have today served a copy of the Application for Transfer of Public Utility and Approval of Rates, in Docket Nos. W-354, Sub 396 and W-1073, Sub 7, on all parties of record in this proceeding, in accordance with North Carolina Utilities Commission Rule R1-39, either by United States mail, first class postage pre-paid; by hand delivery; or by means of electronic delivery upon agreement of the receiving party.

This the 22nd day of April, 2022.

Electronically Submitted
/s/Jo Anne Sanford
State Bar No. 6831

SANFORD LAW OFFICE, PLLC
sanford@sanfordlawoffice.com
Tel: 919.210.4900
**Attorney for Carolina Water Services,
Inc. of North Carolina**