

INFORMATION SHEET

PRESIDING: Hearing Examiner Dustin Rhodes, Presiding

PLACE: Dobbs Building, Raleigh North Carolina

DATE: Thursday, December 8, 2022

TIME: 10:00 a.m. – 1:50 p.m.

DOCKET NOS.: W-354, Sub 396 and W-1073, Sub 7

COMPANY: Carolina Water Service, Inc. of North Carolina, Inc.

DESCRIPTION: Carolina Water Service, Inc. of North Carolina, 5821 Fairview Road, Suite 401, Charlotte, North Carolina 2820, and Water Resources Management, Inc., 151 Bish Boulevard, Boone, North Carolina 28607, for Authority to Transfer the Echota Water Utility System, the Seven Devils Wastewater Utility System and Public Utility Franchise in Watauga County, North Carolina, and for Approval of Rates

VOLUME NUMBER: 2

APPEARANCES

(See attached)

WITNESSES

(See attached)

EXHIBITS

(See attached)

REPORTED BY: Kaylene Clayton

DATE FILED: January 5, 2022

TRANSCRIPT PAGES: 173

PREFILED PAGES: 67

TOTAL PAGES: 240

PLACE: Dobbs Building, Raleigh, North Carolina
DATE: Thursday, December 8, 2022
DOCKET NO.: W-354, Sub 396
W-1073, Sub 7
TIME: 10:00 a.m - 1:50 p.m.
BEFORE: Hearing Examiner Dustin Rhodes

IN THE MATTER OF:

Application by

Carolina Water Service, Inc. of North Carolina, 4944
Parkway Plaza Boulevard, Suite 375,
Charlotte, North Carolina 28217, and
Water Resource Management, Inc., 151 Bish Boulevard,
Boone, North Carolina 28607, for Authority to Transfer
the Echota Water Utility System, the Seven Devils
Wastewater Utility System and Public Utility Franchise
in Watauga County, North Carolina,
And for Approval of Rates

Volume 2

1 A P P E A R A N C E S

2 FOR CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA:

3 Jo Anne Sanford, Esq.

4 Sanford Law Office, PLLC

5 721 North Bloodworth Street

6 Raleigh, North Carolina 27604

7
8 FOR WATER RESOURCE MANAGEMENT, INC.:

9 David T. Drooz, Esq.

10 Fox Rothschild, LLP

11 434 Fayetteville Street, Suite 2800

12 Raleigh, North Carolina 27601-2943

13
14 FOR COMMUNITY LAKES PROPERTY OWNER'S ASSOCIATION,

15 INC.:

16 Brady Allen, Esq.

17 Dwight Allen, Esq.

18 Allen Law Offices PLLC

19 4030 Wake Forest Road, Suite 115

20 Raleigh, North Carolina 27609

1 A P P E A R A N C E S Cont'd:
2 FOR THE USING AND CONSUMING PUBLIC:
3 John D. Little, Esq.
4 Public Staff - North Carolina Utilities Commission
5 4326 Mail Service Center
6 Raleigh, North Carolina 27699-4300
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**NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP**

DATE: 12/8/2022 DOCKET NO.: E-354, Sub 396
W-1073, Sub 7
ATTORNEY NAME and TITLE: Brady Allen, Attorney
Dwight Allen
FIRM NAME: Allen Law Offices PLLC, ~~Suite 115~~
ADDRESS: 4030 Wake Forest Rd, Suite 115
CITY: Raleigh STATE: NC ZIP CODE: 27609

APPEARANCE ON BEHALF OF: _____
Community Lakes POA

APPLICANT: ___ COMPLAINANT: ___ INTERVENOR: ☒
PROTESTANT: ___ RESPONDENT: ☒ DEFENDANT: ___

Non-confidential transcripts are located on the Commission's website. To view and/or print transcripts, go to <https://www.ncuc.net/>, hover over the Dockets tab, select Docket Search, enter the docket number, and click search, select the highlighted docket number and select Documents for a list of all documents filed.

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Email: _____

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(Signature Required for distribution of CONFIDENTIAL information)

NORTH CAROLINA UTILITIES COMMISSION

APPEARANCE SLIP

DATE: 12-8-22 DOCKET NO.: W-354 sub 396
W-1073 sub 7
ATTORNEY NAME and TITLE: David Drooz

FIRM NAME: Fox Rothschild
ADDRESS: 434 Salisbury St. Suite 2800
CITY: Raleigh STATE: NC ZIP CODE: _____

APPEARANCE ON BEHALF OF: Water Resource Management

APPLICANT: ✓ COMPLAINANT: _____ INTERVENOR: _____
PROTESTANT: _____ RESPONDENT: _____ DEFENDANT: _____

Non-confidential transcripts are located on the Commission's website. To view and/or print transcripts, go to <https://www.ncuc.net/>, hover over the Dockets tab, select Docket Search, enter the docket number, and click search, select the highlighted docket number and select Documents for a list of all documents filed.

ONLY fill out this portion if you have signed an NDA to receive **CONFIDENTIAL** transcripts and/or exhibits:

☐ Yes, I have signed the Confidentiality Agreement.

Email: ddrooz@foxrothschild.com

SIGNATURE: David T. Drooz

(Signature Required for distribution of **CONFIDENTIAL** information)

**NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP**

DATE: 12-8-22 DOCKET NO.: W 354-Sub 396

ATTORNEY NAME and TITLE: Jo Anne Sanford

FIRM NAME: Sanford Law Office

ADDRESS: PO Box 28085

CITY: Raleigh STATE: NC ZIP CODE: 27611

APPEARANCE ON BEHALF OF: Carolina Water System, Inc. & NC

APPLICANT: ☒ COMPLAINANT: ☐ INTERVENOR: ☐

PROTESTANT: ☐ RESPONDENT: ☐ DEFENDANT: ☐

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ONLY fill out this portion if you have signed an NDA to receive **CONFIDENTIAL** transcripts and/or exhibits:

☐ Yes, I have signed the Confidentiality Agreement.

Email: Sanford@sanfordlawoffice.com

SIGNATURE: Jo Anne Sanford

(Signature Required for distribution of **CONFIDENTIAL** information)

APPENDIX A-2

SCHEDULE OF RATES
for
WATER QUALITY UTILITIES, INC.

for providing sewer utility service in

THE PONDS/105 PLACE AND
ECHOTA DEVELOPMENT, PHASES I AND II

Watauga County, North Carolina

Monthly Residential Flat Rate for Sewer Service: \$ 31.49

Monthly Commercial Flat Rate for Sewer Service:

(Unless specified below)	\$ 31.49
Foscoe Volunteer Fire Department	\$ 62.04
Worth Gentry Building	\$ 94.00
Blue Ridge Plaza	\$153.22
Inn at the Ponds	\$282.00
Creekside Cabins	\$188.00

Tap on Fee (Connection Charge): \$900.00 per REU

Reconnection Charge: Actual Cost

(Company shall provide the customer a written estimate of the costs prior to disconnection and a written invoice of the actual costs at the time reconnection of service is requested.)

Returned Check Charge: \$ 18.80

Bills Due: On billing date

Bills Past Due: 25 days after billing date

Billing Frequency: Shall be monthly for service in arrears

Finance Charge for Late Payment: 1% per month will be applied to the unpaid balance of all bills still past due 25 days after billing date.

Issued in Accordance with Authority Granted by the North Carolina Utilities Commission in Docket No. W-1264, Sub 4, on this the 13th day of February, 2015.

Carolina Water Service, Inc. of North Carolina
W - 354, Sub 396
Net Book Value of Water Resources
Calculated using CWSNC's Depreciation Rates as of 12/31/2022

Denton
Exhibit 1
Page 1 of 1

Type	Description	Original Cost	In Service Date	NARUC FusionA count	UT	Account Description	Annual Depreciation Rate	Useful Life (In Months)	Monthly Depreciation Rate	Months In Service as of 12/31/2022	Accumulated Depreciation as of 12/31/2022	Net Book Value as of 12/31/2022	Annual Depreciation Expense
Echota													
Water	Well #4 Pump	27,653.84	11/30/2015	311.2	141227	10 Electric Pump Equip Src Pump	14.29%	83.97	1.19%	85	27,653.84	-	-
Water	Pump House Control System	2,925.60	11/30/2015	311.2	141227	10 Electric Pump Equip Src Pump	14.29%	83.97	1.19%	85	2,925.60	-	-
Water	30 HP submersible Pump	22,615.95	8/8/2019	311.2	141227	10 Electric Pump Equip Src Pump	14.29%	83.97	1.19%	40	10,772.73	11,843.22	3,231.82
Water	5 Submonitor Kits (Water	6,220.86	5/23/2019	311.2	141227	10 Electric Pump Equip Src Pump	14.29%	83.97	1.19%	43	3,185.44	3,035.42	888.96
Reclassified Water Transactions after reviewing WRM's books													
Water	Well #6 SubMonitor installation	1,579.85	1/30/2020	311.2	141227	10 Electric Pump Equip Src Pump	14.29%	83.97	1.19%	35	658.47	921.38	225.76
Water	Fire Hydrant - Ridge	498.00	3/13/2020	335.4	141236	10 Hydrants	2.50%	480.00	0.21%	33	34.24	463.76	12.45
Water	Chlorinator Pump Well #4	443.49	4/23/2020	311.3	141228	10 Electric Pump Equip WTP	3.33%	360.36	0.28%	32	39.38	404.11	14.77
Water	Well #5 SubMonitor Installation	1,374.98	6/25/2020	311.2	141227	10 Electric Pump Equip Src Pump	14.29%	83.97	1.19%	30	491.21	883.77	196.48
Water	Echota - Well Abandoned	29,648.81	10/22/2020	307.2	141223	10 Wells and Springs	2.00%	600.00	0.17%	26	1,284.78	28,364.03	592.98
Water	Well #6 New Pump	3,182.62	2/25/2021	311.2	141227	10 Electric Pump Equip Src Pump	14.29%	83.97	1.19%	22	833.79	2,348.83	454.80
Water	Inv 4155, WO 3023 Ridge Booster Pump repairs (1/21/2021)	6,280.32	4/21/2021	311.4	141229	10 Electric Pump Equip Trans Dist	14.29%	83.97	1.19%	20	1,495.76	4,784.56	897.46
Water	Well #3 SubMonitor Installation	2,653.30	6/9/2021	311.2	141227	10 Electric Pump Equip Src Pump	14.29%	83.97	1.19%	18	568.73	2,084.57	379.16
Water	Well #4 Pump replacement	1,608.75	7/15/2021	311.2	141227	10 Electric Pump Equip Src Pump	14.29%	83.97	1.19%	17	325.68	1,283.07	229.89
Water	Well #4 Pump replacement	26,542.99	7/22/2021	311.2	141227	10 Electric Pump Equip Src Pump	14.29%	83.97	1.19%	17	5,373.41	21,169.58	3,792.99
Water	Ridge Telemetry System	7,013.05	12/28/2021	320.3	141230	10 Water Treatment Equipment	2.50%	480.00	0.21%	12	175.33	6,837.72	175.33
Water	Well #6 piping repair	1,634.58	6/21/2021	311.3	141228	10 Electric Pump Equip WTP	3.33%	360.36	0.28%	18	81.65	1,552.93	54.43
Water	Kit base, carry rod	10,344.46	2/2/2021	320.3	141230	10 Water Treatment Equipment	2.50%	480.00	0.21%	22	474.12	9,870.34	258.61
Water	Pump pipe, pump wire	2,678.08	8/2/2021	311.2	141227	10 Electric Pump Equip Src Pump	14.29%	83.97	1.19%	16	510.26	2,167.82	382.70
Seven Devils													
Sewer	Physical Plant	7,577.00	6/1/1995	354.2	141207	15 Struct and Improv Collect Plant	2.00%	600.00	0.17%	330	4,167.35	3,409.65	151.54
Sewer	Pump Relay Station	1,659.04	8/31/1999	371.3	141249	15 Power Gen Equip Pump Plt	14.29%	83.97	1.19%	280	1,659.04	-	-
Sewer	Pump Relay Station - HP South	876.95	2/1/2001	371.3	141249	15 Power Gen Equip Pump Plt	14.29%	83.97	1.19%	262	876.95	-	-
Sewer	Pump Relay Station Phase II Ext	861.05	2/1/2001	371.3	141249	15 Power Gen Equip Pump Plt	14.29%	83.97	1.19%	262	861.05	-	-
Sewer	Pump Relay Stations	3,033.77	2/2/2001	371.3	141249	15 Power Gen Equip Pump Plt	14.29%	83.97	1.19%	262	3,033.77	-	-
Sewer	HP Lift Station	3,185.09	2/1/2002	354.2	141207	15 Struct and Improv Collect Plant	2.00%	600.00	0.17%	250	1,327.12	1,857.97	63.70
Sewer	Plant Upgrade	6,289.74	5/18/2006	354.2	141207	15 Struct and Improv Collect Plant	2.00%	600.00	0.17%	199	2,086.10	4,203.64	125.79
Sewer	Lift Station Grinder Pumps	5,154.41	12/31/2008	371.3	141249	15 Power Gen Equip Pump Plt	14.29%	83.97	1.19%	168	5,154.41	-	-
Sewer	Grinder Pump Fittings	101.05	12/31/2008	371.3	141249	15 Power Gen Equip Pump Plt	14.29%	83.97	1.19%	168	101.05	-	-
Sewer	Sewer Plant Gates	3,827.50	2/28/2019	354.2	141207	15 Struct and Improv Collect Plant	2.00%	600.00	0.17%	46	293.44	3,534.06	76.55
Sewer	Sewer Plant Gates	3,827.50	5/23/2019	354.2	141207	15 Struct and Improv Collect Plant	2.00%	600.00	0.17%	43	274.30	3,553.20	76.55
Reclassified Sewer Transactions after reviewing WRM's books													
Sewer	Grinder	6,532.62	1/9/2020	371.3	141249	15 Power Gen Equip Pump Plt	14.29%	83.97	1.19%	35	2,722.74	3,809.88	933.51
Sewer	Inv 47398 Grinder Pump Purchase	1,976.94	4/23/2020	371.3	141249	15 Power Gen Equip Pump Plt	14.29%	83.97	1.19%	32	753.35	1,223.59	282.50
Total		199,802.19									80,195.10	119,607.09	13,498.73

Net Book Value using CWSNC's Depreciation Rates Approved in Sub 384 as of 12/31/2022

Plant Balance	199,802.19
Accumulated Depreciation	(80,195.10)
Net Book Value	119,607.09
Annual Depreciation Expense	13,498.73

W-354, Sub 396
Public Staff - Franklin Exhibit 1
Page 1 of 1

RATE DESIGN**Echota Water Utility System - Post Metered**

<u>Service Revenue Requirement¹</u>	\$ 247,709.00
End of Period Customers	613
Annual Billings	7,356
Annual Total Consumption (gallons)	19,125,600
Average Consumption	2,600

Base Fee Calculation

Percentage of Service Rev. Req.	<u>40</u>
Amount to Recover in Base Fee	\$ 99,083.60
Calculated Base Fee	\$ 13.4698
Set Base Fee	\$ 13.50
Revenue From Base Fee	\$ 99,306.00

Usage Fee Calculation

Amount to Recover in Usage Charge	\$ 148,403.00
Calculated Usage Fee (per 1,000 gallons)	\$ 7.7594
Set Usage Fee (per 1,000 gallons)	\$ 7.80
Revenue From Usage Fee	\$ 149,179.68

Total Revenue

Delta - Must Be Positive	\$ 776.68
--------------------------	-----------

% Usage	60.04%
% Base	39.96%

Notes:

1. See Feasel Direct Testimony.



434 Fayetteville Street
Suite 2800
Raleigh, NC 27601
Telephone: (919) 755-8700
www.foxrothschild.com

DAVID T. DROOZ
Direct No: 919-719-1258
Email: DDrooz@foxrothschild.com

November 14, 2022

Ms. A. Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
430 N. Salisbury Street, Room 5063
Raleigh, NC 27603

Via Electronic Submittal

**Re: In the Matter of Application by Carolina Water Service, Inc. of North Carolina and Water Resource Management, Inc. for Authority to Transfer the Echota Water Utility System, the Seven Devils Wastewater Utility System and Public Utility Franchise in Watauga County, North Carolina, and for Approval of Rates;
NCUC Docket Nos. W-354, Sub 396 and W-1073, Sub 7
*Water Resource Management, LLC's Response to Customer Concerns***

Dear Ms. Dunston:

On behalf of Water Resource Management, LLC, I am herewith submitting the attached Response to Customer Concerns in regard to the above referenced matter and docket.

If you should have any questions concerning this filing, please let me know.

Thank you and your staff for your assistance.

Sincerely,
/s/ David T. Drooz
David T. Drooz
Attorney for
Water Resource Management, LLC

pbb
Enclosure
cc: All parties and counsel of record
NC Public Staff

OFFICIAL COPY

Nov 05 2023

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-354, Sub 396
DOCKET NO. W-1073, SUB 7

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application by Carolina Water)	
Service, Inc. of North Carolina, 5821)	
Fairview Road, Suite 401, Charlotte,)	
North Carolina 28209, and Water)	WATER RESOURCE
Resource Management, Inc., 151 Mr.)	MANAGEMENT, LLC'S
Bish Boulevard, Boone, North)	RESPONSE TO CUSTOMER
Carolina 28607, for Authority to)	CONCERNS
Transfer the Echota Water Utility)	
System, the Seven Devils)	
Wastewater Utility System and)	
Public Utility Franchise in Watauga)	
County, North Carolina, and for)	
Approval of Rates)	

NOW COMES Water Resource Management, LLC, (WRM) and files its report addressing customer service and service quality complaints expressed at the Boone public hearing held on November 1, 2022. The Commission's scheduling order of September 2, 2022, at Ordering Paragraph 3 required that WRM and Carolina Water Service, Inc. of North Carolina (Carolina Water) file separate, verified reports addressing such service related complaints within 15 days of the conclusion of the public hearing.

A. CUSTOMER PARTICIPATION—Witnesses

The following eight witnesses testified at the public hearing in the Watauga County Courthouse:

1. David Ervin
2. Brian Steg
3. Brady Hair
4. Donna Peterson
5. Robert Streightiff
6. Doug Woodberry
7. William Bair
8. Warren Brendle

All eight witnesses are customers of the water or sewer utility service currently provided by WRM.

B. TESTIMONY

No witnesses opposed the transfer. No witnesses identified current service or water quality complaints. Several witnesses testified that they had no service quality issues. A couple witnesses complimented WRM for the good service they had received. However, public witnesses were consistently opposed to either the proposed rate structure, the suddenness of the proposed rate increase, the amount of the proposed increase, or some combination of those issues.

WRM has a contract to sell the subject utility systems to Carolina Water, subject to Commission approval, but has no authority or right to set the rates for Carolina Water. Accordingly, the issues raised by customers with respect to proposed rates are not within the ambit of this report by WRM.

However, WRM understands that Carolina Water plans to work with the customers to address their rate concerns and provide additional information about

uniform rates and the need for cost recovery through approved rates. WRM encourages this communication.

One witness, Mr. Streightiff, did complain that he did not receive official notice. The Scheduling Order required Carolina Water to send the Notice to Customers to all affected customers. Carolina Water delivered the required notice to all account holders, which is the normal practice and is reasonable. A management company pays the utility bills for The Villas at Hawkspeak where Mr. Streightiff lives, the management company is the account holder, and thus the notice was initially delivered to the management company instead of individual condominium owners in that location. Mr. Streightiff was not harmed by this situation, as he did learn of the public hearing and proposed rates in time to testify at the public hearing.

Carolina Water has already made improvements to the water and wastewater systems of WRM, which reflects their utility expertise and the type of benefit that will occur if the transfer is approved. Because no current service or water quality issues were raised at the public hearing, WRM has no further response.

Respectfully submitted, this the 14th day of November, 2022.

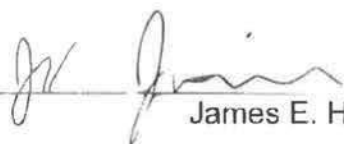
Electronically Submitted

/s/ David T. Drooz
Fox Rothschild, LLC
434 Fayetteville Street, Suite 2800
Raleigh, NC 27601
Telephone: (919) 719-1258

Attorney for
Water Resource Management, LLC

VERIFICATION

James E. Harrill, II, being duly sworn, deposes and says: that he is the Executive Manager of Water Resource Management, LLC; that he is familiar with the facts set out in the attached WRM Response to Customer Concerns; and that the same is true of his knowledge except as to those matters stated therein on information and belief, and as to those he believes them to be true.


James E. Harrill, II

Sworn to and subscribed before me this
the 14th day of November, 2022.


Katherine L. Walsh
Notary Public

My Commission Expires: Aug 19, 2024



CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing Water Resource Management, LLC's Response to Customer Concerns has been served on all parties or their counsel of record in these dockets by either depositing same in a depository of the United States Postal Service, first-class postage prepaid and mailed by the means specified below, or by electronic delivery.

This the 14th day of November, 2022.

/s/ David T. Drooz

*Attorney for
Water Resource Management, LLC*

OFFICIAL COPY

Jan 05 2023

SANFORD LAW OFFICE, PLLC

Jo Anne Sanford, Attorney at Law

November 16, 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,
Inc. (W-354, Sub 396)
RESPONSE TO CUSTOMER CONCERNS—BOONE PUBLIC HEARING

Dear Ms. Dunston:

Attached please find the response, filed by Carolina Water Service, Inc. of North Carolina (“CWSNC” or “Company”) which addresses the statements made by customers at the public hearing in Boone, held on November 1, 2022 at the Watauga County Courthouse.

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

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-354, Sub 396
DOCKET NO. W-1073, SUB 7

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

<p>In the Matter of Application by Carolina Water Service,) Inc. of North Carolina, 5821 Fairview) Road, Suite 401, Charlotte, North) Carolina 28209, for Application for) Transfer of Public Utilities Franchise and) for Approval of Rates, Filed by Water) Resource Management, Inc. (W1073,) Sub 7) and Carolina Water Service, Inc.) of North Carolina (W354, Sub 396))</p>	<p>RESPONSE TO CUSTOMER CONCERNS IN ECHOTA/SEVEN DEVILS TRANSFER DOCKET--- BOONE, NORTH CAROLINA PUBLIC HEARING NOVEMBER 1, 2022</p>
---	--

NOW COMES Carolina Water Service, Inc. of North Carolina (“CWSNC” or “Company”) and files its report addressing customer service and service quality complaints expressed at the Boone public hearing, which was held on November 1, 2022. The Commission’s scheduling order of September 2, 2022, at Ordering Paragraph 3, page 4, required that Water Resource Management (“WRM”) and CWSNC file separate, verified reports addressing such service related complaints within 15 days of the conclusion of the public hearing.

A. CUSTOMER PARTICIPATION—Witnesses

The following seven witnesses testified at the public hearing in the Watauga County Courthouse:

1. **David Ervin, 208 Erskine Court, Cary, NC and 165 Summit View Parkway, Echota. *Tr. pp. 19 -- 33***

Mr. Ervin has owned a condominium in Echota for 16 years and he makes

three points:

- He fully supports the sale of WRM to CWSNC as he believes it is in the best interest of Echota owners to have a professional water company with more experience and expertise to run their system. He noted that he appreciated the service supplied by WRM.
- Though the water rate proposed seems high, he trusts the judgment of the regulatory experts on that issue; and
- Third, his objection is to paying a flat rate of \$68 prior to the installation of the meters. He believes that is unreasonable and unsupported by the actual levels of consumption.

2. Brian Steg, 199 Hawks Peak South, Seven Devils, NC (permanent residence is in Hickory, NC) *Tr. pp. 33 -- 38*

Mr. Steg, a Board member of the Hawks Peak South Homeowners' Association, has no problem with the transfer (so long as the Commission approves it), but objects to the size of the rate increase for sewer service. He stated that the service had been excellent.

3. Brady Hair, 165 Little Boulder Lane, Seven Devils, NC (permanent residence is in Charleston, SC) *Tr. pp. 38 – 47.*

Mr. Hair is vice president of The Lakes Homeowners' Association, where approximately 70 cabins receive wastewater service from WRM. Based on his understanding that no capital improvements are required for the wastewater system, he objects to the magnitude of the proposed rate increase. Upon a question from the Hearing Examiner, Mr. Bair stated that he had had no service problems with the wastewater service.

4. Donna Peterson, 105 Tandy Court, Jamestown, NC and 139 Jaybird Lane, Seven Devils, NC (The Lakes Community), *Tr. pp. 47—53*

Ms. Peterson----a wastewater customer over 12 years of ownership in The Lakes---objected to the magnitude of the rate increase, focusing on the intermittent occupancy of a number of residents, because it is a resort community, and on a comparison to the rates she pays to the Town of Jamestown. She testified that the service quality was fine.

5. Robert Streightiff, 1267 Seven Devils Road, Unit 1D, Seven Devils, NC. *Tr. Vol 1 pp. 53 – 61.*

Mr. Streightiff appeared as the president of the homeowners' association at The Villas at Hawks Peak, on the request of his association, to object to the amount of the water rate increase.

He first asserted a problem with notice----stating that neither the homeowners in his association nor the management company received notice of the rate increase. Responding to questions, Mr. Streightiff explained that monthly bills for wastewater service are received not by residents, but by their management company in Banner Elk. He further indicated that the management company ultimately provided residents with notice (approximately a month before the hearing, according to Mr. Streightiff's recollection).

Company Response: CWSNC represents that it mailed notice to customers in this docket in accordance with the Commission order and based upon the billing information provided by WRM. Thus, the notice would have been and presumably was mailed to the management company in the

same way that billing information is provided for these accounts.

WRM advised CWSNC on October 7, 2022, that the sewer account for the eight-unit Villas at Hawks Peak constitutes one “customer”, that it has been structured that way since 1998, that WRM does not have individual owners’ contact information, and that the property management company that handles billing for The Villas at Hawks Peak is the following:

The Villas at Hawks Peak
c/o Prop. Management and Maintenance Services
PO Box 2371
Banner Elk, NC 28604
828-963-6031 / 828-265-6065

Further, immediately upon notice to counsel herein by the Public Staff of a possible issue with notice, on October 5, 2022, CWSNC dispatched Operations’ personnel (that day) to the Villas to affix additional notice to the doors of these units.

6. Doug Woodberry, 505 and 506, Hawks Peak Condominiums, Seven Devils, NC; permanent resident of Valle Crucis. *Tr. Vol. 1, pp. 61 --- 66.*

Speaking as the president of the Hawks Peak Condominiums Homeowners’ Association, Mr. Woodberry expressed no concern about the transfer or about service, but rather focused on objections to the magnitude of the proposed rate increase for wastewater service. Of the 24 units in his condominium complex, approximately five are occupied full time, and this seasonality of use is a driver of his opposition to flat rates. He also expresses concern about lower income customers.

7. William Bair, 331 Hawks Peak South and 317 Tremont, Lenoir, NC. *Tr. Vol. 1, pp. 66 --- 72.*

Mr. Bair has no service complaints, but he objects to the magnitude of the price increase, and he does not understand the reason for it. He also speaks to the seasonality of the customer base as a reason for thinking the rate increase is unfair.

8. Warren Brendle, 143 Hawks Lake Drive, Seven Devils, NC (full-time resident of Holly Springs) *Tr. Vol. 1, pp. 73 – 77.*

Noting that the wastewater treatment plant serving Seven Devils is compliant with its permits and providing reliable service, Mr. Brendle objects to the magnitude of the proposed rate increase and he supports a system-specific rate for Seven Devils, rather than folding the system into CWSNC's uniform rates. As bases of his opposition to the rate increase and in concern for lower income customers, he cites to rate shock, the lack of any significant investment imperative, and the compounding effect of inflation and taxes. Mr. Brendle joined other customers in indicating high approval of---and appreciation for---the quality of service provided by WRM.

B. General Response to Testimony

No witnesses opposed the transfer and no witnesses brought forward evidence of service or service quality deficiencies----in fact, several witnesses spoke to the high quality of the service provided by WRM. However, all witnesses were opposed to the rate structure and/or the proposed amount of the increase.

CWSNC recognizes that the evidence and argument regarding the rates and rate structure requested are before the Commission but are not the subject of this

report. As noted in Mr. Denton's testimony in this filing, the Echota and Seven Devils systems will have additional capital needs. In light of the comments received by customers in this proceeding, CWSNC submits that it is exploring methods by which to incorporate the WRM customers into the CWSNC uniform rate structure. Additionally, CWSNC is reaching out to the Town of Seven Devils, the water provider to the Seven Devils sewer system, to see if the Company can get regular water meter reads in order to bill Seven Devils customers on a volumetric basis.

Additionally, and in response to the customer input regarding some general issues and questions, CWSNC offers the following:

- Seasonality of occupancy is a challenge in ratemaking. From the customers' personal perspective, there is often the view that the price they pay for the service should reflect the fact that usage of the facility is lower or intermittent. While singular customer use may be lower with seasonal or intermittent use, with respect to costs and to obligation to serve all customers whenever called upon to provide service, there is virtually no difference in the responsibility to maintain and serve a fully occupied facility and an intermittently occupied one.
- Uniform rates, for a company like Carolina Water Service, combine under one tariff grouping a number of systems which have a range of actual, system-specific costs to serve. Some systems' costs are higher than the uniform rate, and some are lower. It has become well accepted and understood that consolidation of these systems for rate making purposes offers advantages---including an "insurance" type of benefit for

the individual systems, wherein the costs of significant upgrades or repairs are spread across a larger number of ratepayers. This tracks the rate model used for provision of electric and natural gas service, for example.

- Third, comparisons of rates among governmental systems (like municipalities) and regulated providers such as CWSNC are generally “apples and oranges” exercises. Municipal providers do not use the same accounting systems, they generally have greater density of customers, they are able to utilize taxation to impact rates, they often source water from large impoundments or rivers---there are many differences that account for different rates. Importantly, companies like CWSNC are uniquely subject to strictly examined “cost of service” ratemaking requirements, enforced by the Public Staff and subject to the oversight of the North Carolina Utilities Commission.

Respectfully submitted, this the 16th day of November, 2022.

Electronically Submitted

s/Jo Anne Sanford

Sanford Law Office, PLLC

Post Office Box 28085

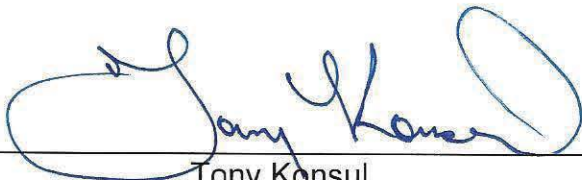
Raleigh, NC 27611-8085

Telephone: (919) 210-4900

*Attorney for Carolina Water Service, Inc.
of North Carolina*

VERIFICATION

Tony Konsul, being duly sworn, deposes and says: that he is the Director of Operations, Carolina Water Service, Inc. of North Carolina; that he is familiar with the facts set out in the attached Response to customer concerns, filed by CWSNC in Docket No. W-354 Sub 396; that he has read the foregoing Response and knows the contents thereof; and that the same is true of his knowledge except as to those matters stated therein on information and belief, and as to those he believes them to be true.


Tony Konsul

Sworn to and subscribed before me this
the 16th day of November, 2022.


Notary Public

My Commission Expires: 04/17/2030



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 Customer Response filed 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 16th day of November, 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, Inc.**

FORM REVISED 6/04

/A

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

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BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

APPLICATION FOR TRANSFER OF PUBLIC UTILITY FRANCHISE
AND FOR APPROVAL OF RATESINSTRUCTIONS

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

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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: <u>\$19,647</u>	Sewer: <u>\$10,578</u>
------------------------	------------------------

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 AREAFill 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"	N/A
	Sewer N/A	149 - 4"
18. Number of customers at the end of test year	Water 613	N/A
	Sewer N/A	149
19. Number of customers that can be served by mains already installed (including present customers, vacant lots, etc.)	Water 750	N/A
	Sewer 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

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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 EXPENSESFor 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)	\$ 149,486	\$ 50,422
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)	\$ 598,870	\$ 40,933
30. Net Income (Line 9 minus Line 29)	\$ (449,384)	\$ 9,489

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	599		149	
37. Customers at end of year	613		149	
38. Average gallons used per customer	Unmetered			

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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.

Utility Property in Service

Balance at End of YearWaterSewer

- | | | | | | |
|-----|---|----|----------|----|----------|
| 2. | Land and rights-of-way | \$ | | \$ | |
| 3. | Structures and site improvement | \$ | | \$ | 21,523 |
| 4. | Wells | \$ | 27,654 | \$ | |
| 5. | Pumping equipment | \$ | 25,542 | \$ | 14,870 |
| 6. | Treatment equipment | \$ | 6,220 | \$ | |
| 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) | \$ | 59,416 | \$ | 36,393 |
| 15. | Less: acquisition adjustments (difference between original cost above and cost to Seller) | \$ | | \$ | |
| 16. | Less: Seller's accumulated depreciation | \$ | (39,169) | \$ | (23,992) |
| 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) | \$ | 20,247 | \$ | 12,401 |

Utility Property Not in Service

Balance at End of YearWaterSewer

- | | | |
|---------------------------------------|----------|----------|
| 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

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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:

	Amount	Percent Of Total Capital
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>670,805,491</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	\$ <u>_____</u>

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	\$ <u>_____</u>

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

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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

[Signature]
Purchaser

Date

4/12/22

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

[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

OFFICIAL COPY

Jan 05 2023

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

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

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

Instructions

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

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

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

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

Instructions

-
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 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.
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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.

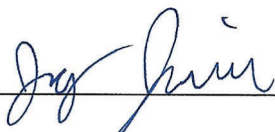
SECTION 11.12. INTERPRETATION. Each Party agrees that (a) it has participated substantially in the negotiation and drafting of this Agreement and is thoroughly aware of all of the terms of this Agreement and the intent of same, and (b) all presumptions and/or burdens of proof concerning any interpretation 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

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Jan 05 2023

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

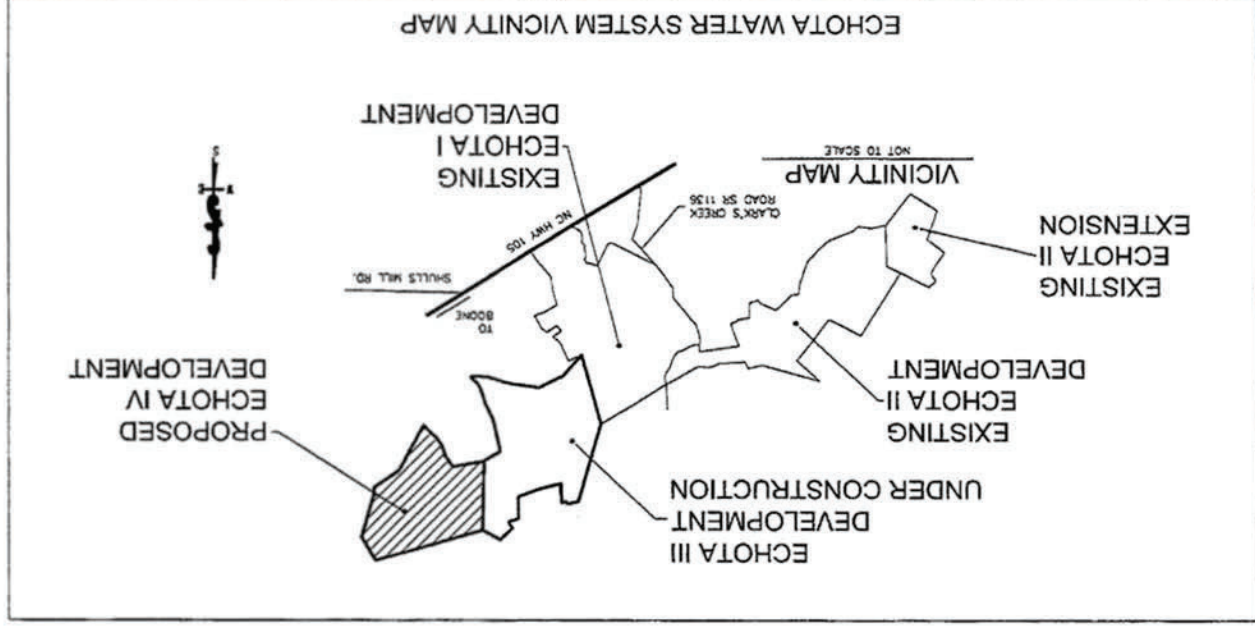
Schedule 4.01(I) – Conveyance of Purchased Assets

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

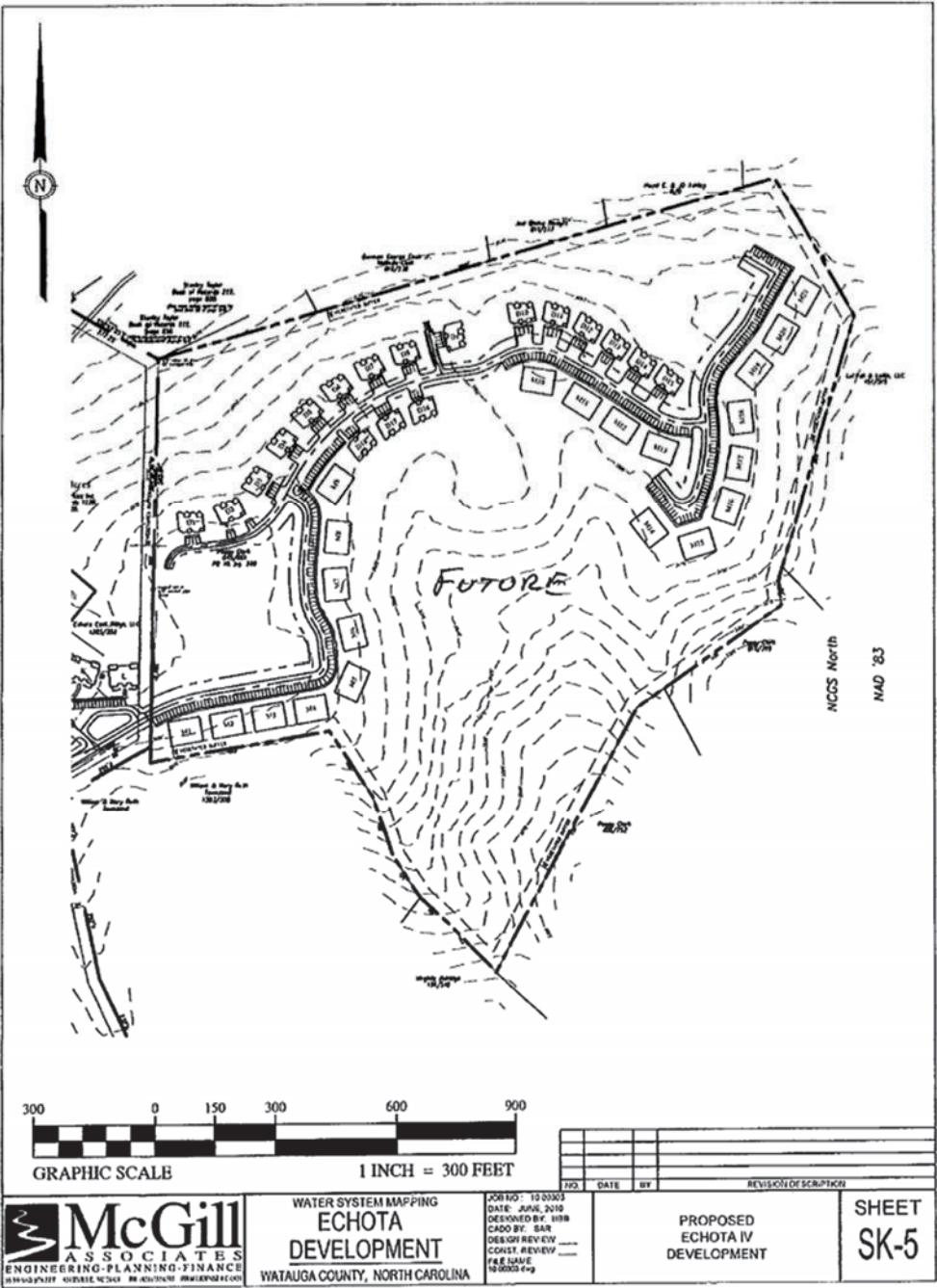
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Nov 20 2014

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Jan 05 2023



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.

[illegible]

98 1779 Pg 70 (7)
 Recd dtd. 11/12/20 a m 22:27.18 PM
 Ctr No: 61980 Kind: S22Jks)

✓ ROBERT B. ANGLE JR.

STATE OF NORTH CAROLINA)
)
COUNTY OF WATAUGA)

WITNESSETH:

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

Bk 1779 Pg 71

Doc No: 831786 K110 EEC-1987

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

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Jan 05 2023

BK 1779 PG 072 DCC# 831786

BK 1779 PG 72
Doc No 291766 Efiled 06/11/2017

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

BK 1779

PG 74

DOC# W 631786

BK 1779

PG 74

Doc No. 481786 Kind: 625/145

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Jan 05 2023

radius of 1,000.00 feet, an arc length of 65.30 feet, a chord bearing of North 22 degrees 34 minutes 12 seconds West, and a chord distance of 65.25 feet to a point, said point being locus 1 North 83 degrees 24 minutes 12 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 85 degrees 03 minutes 17 seconds, a radius of 1,000.00 feet, an arc length of 54.48 feet, a chord bearing of North 35 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 04 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 224.69 feet to a point of tangency, and (4) with the use of a circular curve to the right, having a central angle of 33 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 common corner of Southern Bell Telephone and Telegraph Co., Inc. (Record Book 233, Page 336) 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 3/4 inch iron rod found; that to wit: the center of said road and with the use of Southern Bell Telephone and Telegraph 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 66 degrees 03 minutes 04 seconds East 51.19 feet to a point; (4) South 64 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 23 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 minutes 09 seconds East 55.11 feet to a point; (12) North 15 degrees 07 minutes 36 seconds East 57.43 feet to a point; (13) North 22 degrees 35 minutes 04 seconds East 55.84 feet to a point; (14) North 31 degrees 03 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) South 01 degrees 45 minutes 34 seconds West 58.77 feet to a point; (18) North 10 degrees 34 minutes 01 seconds West 54.64 feet to a point; and (19) North 11 degrees 07 minutes 31 seconds West 27.10 feet to a point, a common corner of Adams Township (Record Book 172, Page 298) and Henry Clay Township (Record Book 87, Page 25), said point being located North 34 degrees 11 minutes 18 seconds East 26.04 feet from a 3/4 inch iron rod found; thence with a meandering, marked line and fence up with Henry Clay Township's line the following two (2) corners and distances: (1) North 50 degrees 11 minutes 18 seconds East 41.49 feet to a 3/4 inch iron pipe set in the westerly right-of-way line of said road; and (2) continuing North 38 degrees 11 minutes 18 seconds East 60.74 feet to a 3/4 inch iron pipe found, a common corner of Charles W. Bantel (Record Book 136, Page 44); THENCE with an old rounded log and with the use of the following three (3) corners and distances: (1) South 25 degrees 13 minutes 42 seconds East 602.61 feet to a 6 inch iron pipe found; (2) North 87 degrees 30 minutes 01 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 common corner of Wagon River Overlook Subdivision (P.O.B.A. 7, Page 12); thence with the use of the radius and with the use of said subdivision the following three (3) 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 locus 1 North 14 degrees 26 minutes 27 seconds West 15.97 feet from a 30 inch iron pipe found; (2) South 35 degrees 02 minutes 23 seconds East 153.95 feet to a 3/4 inch iron pipe set, said point being locus 2 North 16 degrees 55 minutes 35 seconds West 9.35 feet from a 30 inch iron pipe found; and (3) South 21 degrees 55 minutes 08 seconds East 191.51 feet to a 3/4 inch iron pipe found; (4) South 65 degrees 04 minutes 36 seconds East 199.69 feet to a 3/4 inch iron pipe found; (5) South 61 degrees 32 minutes 03 seconds East 195.22 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 17 degrees 07 minutes 08 seconds East 54.69 feet to a 3/4 inch iron pipe set; (8) South 16 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 West 109.57 feet to a 3/4 inch iron pipe set at an oak stump, a common corner of David R. Bantel (Record Book 236, Page 33); thence with the use of the following six (6) corners and distances: (1) North 63 degrees 30 minutes 41 seconds East 254.79 feet to a 3/4 inch iron pipe set at an oak stump; (2) South 27 degrees 14 minutes 50 seconds East 628.16 feet to a 3/4 inch iron pipe set; (3) North 46 degrees 21 minutes 29 seconds East 223.04 feet to a 3/4 inch iron pipe set; (4) South 23 degrees 21 minutes 30 seconds East 26.84 feet to a point; (5) South 33 degrees 21 minutes 30 seconds East 126.31 feet to a 3/4 inch iron pipe set; and (6) continuing westerly side of

BK 1779 PG 75 DOC# 837783

BK 1779 Pg 75
Doc No: 837783 Kites, SHELLEY

N.C. Highway 107 and (6) South 15 degrees 21 minutes 39 seconds East 46.36 feet to the point of BEGINNING, containing 103.767 acres, more or less.

This survey is primarily for the recreation of right of way established in the instrument recorded in 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) full and separate parcels of land containing .69 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 Balala, L.L.C as recorded in Book 629, 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 107, having a 130 foot right of way, a continuation across of Mary Ann Anderson (Record Book 531, Page 252) showing 84.149 coordinates of N. 89.661, 702 and S. 1, 184, 344.939, said point being corner, South 37 degrees 52 minutes 03 seconds West 108.449 feet from NC378 monument "Kahle" thence with Anderson's line the following two (2) courses and distances, (1) North 59 degrees 57 minutes 40 seconds West 57.80 feet to a 24 inch iron pipe found in the northwest right of way line of said highway, (2) north 33 degrees 27 minutes 46 seconds West 90.53 feet to a 3/4 inch iron pipe found thence and four (4) new lines through Kahle's property the following courses and distances, (1) North 33 degrees 54 minutes 40 seconds East 41.65 feet to a 3/4 inch iron pipe set, (2) North 45 degrees 15 minutes 40 seconds East 167.86 feet to a 3/4 inch iron pipe set, (3) North 42 degrees 37 minutes 29 seconds East 28.86 feet to a 3/4 inch iron pipe set, (4) North 61 degrees 45 minutes 27 seconds East 50.31 feet to a 3/4 inch iron pipe set in the westerly right of way line of Kahle Parkway, having a 60 foot right of way, thence with said right of way the following two (2) courses and distances, (1) along the line of Kahle's curve to the right having a central angle of 88 degrees 43 minutes 11 seconds, a radius of 21.76 feet, a chord of 161.20 feet and a central bearing and distance of South 19 degrees 03 minutes 22 seconds East 14.33 feet to a point, (2) South 15 degrees 15 minutes 24 seconds East 179.17 feet to a 3/4 inch iron pipe set in the right of way line of N.C. Highway 107, thence continuing South 15 degrees 29 minutes 02 seconds East 52.23 feet to a point in the center of said highway, thence with the center of said highway the following two (2) courses and distances, (1) South 20 degrees 08 minutes 08 seconds West 14.35 feet to a point, (2) South 58 degrees 19 minutes 02 seconds West 115.24 feet to the POINT OF BEGINNING. A SURVEYOR AND PLATTER J.W. Leslie, C.E., P.L.S., Date: 07/24/09.

Containing 0.691 acres, more or less.

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

Together with a definitive perpetual right-of-way line to segment four (4) portions of ingress, egress and egress over and across the road from its intersection with N.C. Highway 107 as shown on the plot recorded in Book 211, Page 29-41 (Success 1-3), Watauga County, North Carolina, Public Registry.

TRACT 10:

BEING all of Lots 20, 21, 22, 24, 25, 26, 133, 134, 132, 135, 136, 135 and 136 of Watauga River Overlook Subdivision as shown on the map in Plot Book 4, Pages 109, 150, 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 survey is for rights adjacent to those described under the Watauga River Overlook Subdivision recorded in Book 146, Page 205, Watauga County, North Carolina, Public Registry and Book of Records 30, Page 501, Watauga County, North Carolina, Public Registry.

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

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Jan 05 2023

BK 1779 PG 076 DOC# K31766

BK 1779 Pg 76

Doc# K31766 Find Section

TRACTS:

Being a portion of the same parcel of land conveyed by Charles W. Rando, and wife, Lucile A. Medeliro Elbert Nolan Griffin and wife, Helga Lee Griffin as Revised Book 688, Page 327 of the office of the Register of Deeds of Wake County, North Carolina and being more particularly described as follows:

RECORDING Tract 344 is shown pipe fence, measured corner of Tract 21 & 24, WYATT'S TRACT, OVERLOOK (aka Book 7, Page 185) and Lot 11 N. ALLEN, Jr. (First Tract, Deed Book 142, page 206), TRINITY with Adams' line and wife, the old and true line for following lines (3) courses and distances, 1.) North 19 degrees 50 minutes 52 seconds West 170.94 feet to a 3/4 inch iron pipe found in a 50 inch maple and sapling, 2.) South 69 degrees 09 minutes 31 seconds West 355.38 feet to a 1/2 inch iron pipe found at a 24 inch oak, 3.) North 25 degrees 18 minutes 45 seconds West 892.61 feet to a 1/2 inch iron pipe found at a 50 inch poplar in the line of Henry Clay Townsend (Deed Book 89, Page 25), TRINITY with Townsend's line North 15 degrees 19 minutes 43 seconds East 613.71 feet to a 1/2 inch iron pipe found at a rock, a common corner of Henry Clay Townsend and Little O. Thompson (Book 186, Page 141), TRINITY with a new line through the Old Thompson, South 15 degrees 11 minutes 46 seconds East 891.40 feet to a squarish, SPURLOCK, containing 0.666 acres, more or less, as surveyed in May 25, 1900, by Clyde L. Cole, SLS, L-1237.

Title to Tract 1 and III are subject to that part in Right-of-Way and Easement Agreement recorded in Book of Records 602, Page 463, Wake County, North Carolina, which reads:

Exhibit B - 2

FILED: Caryn Townsend
Register of Deeds, Watauga Co. NC
Fee Ref: 576.03

Bk 1778 Pg 77 (5)
Recorded: 11/27/2014 at 04:27:11 PM
Doc No: 003787 Kind: SEE: PET



003787

✓
ROBERT M. HAVLE 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,

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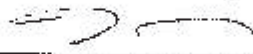
BK 1779 Pg 78
Doc No: 831787 Date: 01/05/23

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 SEE/145

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

OFFICIAL COPY

Jan 05 2023

BK 1779 PG 060 DOC# 631787

Bk 1779 Pg 60
Doc # 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 "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. 54° 47'20"W., 55.25 feet, 17.) S. 78° 43'04"W., 53.38 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 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° 28'32"W., 88.64 feet to a .5" iron

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Doc No: 331737 Klr#4 SE21/4&4

pipe found, 2.) S.19°33'51"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°25'52"W., 439.34 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., 270.85 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.61°05'17"W., 744.37 feet to a 3/4" iron pipe found at a 15" maple, 2.) N.64°49'19"W., 273.89 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.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.

Exhibit B - 3

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

Br 1778 Pg 62 (5)
Registered 11/12/2014 at 04:21:12 PM
Doc No 68768 Kind: DEED



✓
REBEKAH 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), Wima Townsend (BoR 1214, pg. 069) and by Henry Clay Townsend

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Pg 83

Doc No: 631788 K100: SEE/MDT

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

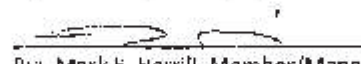
And, included herewith is the easement and right of the Grantee to go upon lands of the Grantor for purposes of servicing, repairing, maintaining and replacing water equipment as the same may be necessary. Grantee covenants with the Grantor that in the event of such repair, maintenance, or replacement,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


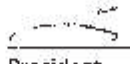
IN TESTIMONY WHEREOF, the parties have set their hand and seal the day and year first written above.

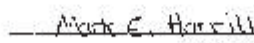
ECROTA EAST RIDGE, LLC

By: Harrill Properties, Inc., Member/Manager

By: 
By: Mark E. Harrill, Member/Manager

WATER RESOURCE MANAGEMENT, INC.

By:   (SEAL)
President


Print Name

Bk 1779

PG 084

DOC# 631738

Bk 1779

Pg 84

Doc No: 631738 Date: SEE INSTR

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 1779 PG 035 DOC# 63-788

BK 1779 Pg 55
Doc No: 63-788 Kind: REE/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 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 (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 "MITTLE" (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 10 seconds West 564.91 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 59 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 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 1/2 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 28 seconds East 53.68 feet to a 3/8 inch pipe found; THENCE South 25 degrees 12 minutes 15

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Jan 05 2023

BK 1779 PG 386 DOC# B31788

BK 1779 Pg 66

Doc No. B31788 Kind. Set 17887

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 $\frac{3}{4}$ inch pipe found; THENCE leaving Townsend and along the lines of Watauga River Overlook, South 83 degrees 04 minutes 50 seconds West 303.77 feet to a $\frac{3}{4}$ inch pipe found; THENCE North 86 degrees 50 minutes 15 seconds West 130.98 feet to a $\frac{3}{4}$ inch pipe found; THENCE North 72 degrees 17 minutes 05 seconds West 111.70 feet to a $\frac{3}{4}$ inch pipe found; THENCE North 71 degrees 40 minutes 20 seconds West 145.65 feet to a $\frac{3}{4}$ 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 266.89 feet to a $\frac{5}{8}$ inch rod found; THENCE North 82 degrees 19 minutes 05 seconds West 60.00 feet to a $\frac{3}{4}$ inch pipe found; THENCE South 61 degrees 46 minutes 45 seconds West 198.34 feet to a $\frac{3}{4}$ 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 $\frac{3}{4}$ inch pipe found; THENCE South 40 degrees 56 minutes 15 seconds West 131.58 feet to a $\frac{3}{4}$ 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 $\frac{3}{4}$ 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 1080.86 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 $\frac{3}{4}$ 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

Exhibit B - 4

FILED: Amy J. Shook
Deputy of Justice, Watauga Co., NC
Fee: \$20.00

Lk 2104 Pg 632 (2)
Recorded: 07/30/2020 at 11:53:20 AM
Doc No: 002205 KIRL 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 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 2124 Pg 633

Doc No 162293 King: bnf

NOW, THEREFORE, for 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 thereunto belonging to the Grantee.

IN WITNESS WHEREOF, the Grantor has hereunto set their hand and seal this 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.

Katherine L. Walsh (Notary Seal/Stamp)
Notary Public

My Commission Expires: Aug. 19, 2022



FILED: 1/4/23, 11:00 AM
Register of Deeds, Johnston Co. NC
Fee Paid: \$45.00

EX 2838 Pg 298 (3)
Recorded 01/05/2023 at 01:07 PM
Doc No: 579288 KJ-R, CPED



✓ ROBERT D. ANGLE, JR.

STATE OF NORTH CAROLINA
COUNTY OF WATAUGA

INSTRUMENT OF COMBINATION

This INSTRUMENT OF COMBINATION made this the 30th day of May, 2019 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 above-mentioned 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;

WHEREAS, 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 303 DOCS 678383

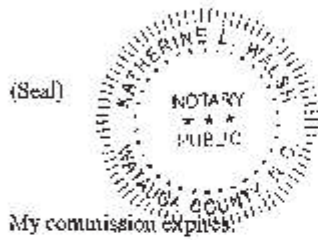
dk 2030 P4 320

Doc No: 478868 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.



My commission expires:

Aug. 19, 2019

Katherine L. Walsh
Notary Public Signature

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

Katherine L. Walsh

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Jan 05 2023

BK 2030 PG 301 DOC# 579353

Bk 2030 Pg 301
Doc # 579353 Kind: GRAB

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

Jan 05 2023



11550 Karda D. Scott
Register of Deeds NATAGOE COUNTY, MO
BY *John V. Winslow*
Deputy

20094055063288383 0920
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 whomsoever, other than the following exceptions:

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

(Print 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 (whichever is applicable), and that by authority duly given and as 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

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

20093825398248388 DE20
BK: 878823 Pg: 214
29/25/2023 12:32:23PM 3/12

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

By: E. Dean Cheek
President

STATE OF NC

COUNTY OF Watson

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, 2023.

Linda P. Critcher
Notary Public

My commission expires:

NOTARIAL SEAL:



04/26/2033 12:22:23PM 4/52

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 Frederick

I, a Notary Public of said County and State, do hereby certify that Cassidy 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 27th day of July, 2023.

Notary Public

✓ Determines expiry dates:



23898605033205308 DEED
BK: 88893 Pg: 218
09/28/2023 12:02:22PM 8/12

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, 2023.

Linda F. Smith
Notary Public

My commission expires:

5/13/08



20140225000233883 0000
BK: BR093 Pg: 217
09/20/2003 12:02:23PM 5/12

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

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

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, 2003

Linda L. Smith
Notary Public

My commission expires:

3/19/08

NOTARIAL SEAL:



2000 05/20/2003 1200 1025
84 150883 Pg: 210
06/25/2020 12 05:23:17 7/12

EXHIBIT A

Being the same parcel of land conveyed by Marjorie Brown Smith and [unclear], William Paul Smith, Jr. to Culp Ruminex, Inc., a N. C. corporation, as recorded in Record Book 784, Page 484; TOGETHER WITH a portion of the same parcel of land conveyed by L. S. Ryland with 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 Wakeham County, North Carolina, and more particularly described as follows:

BEGINNING on a concrete monument found, in the line of Luther H. Johnson (Deed Book 77, Page 481), having NC&S NAD 83 coordinates of N. 89° 50' 30" and E. 1,182,454.14', said point being located N. 58° 54' 10" W., 2,615.89 feet from NC&S Monument "Rome"; THENCE with the line of the 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 Clark Creek Road, N.C.S.R. 1135 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 Creek Road the following thirteen (13) courses and distances, 1.) S. 11° 01' 33" E., 27.10 feet, 2.) S. 10° 34' 21" E., 54.85 feet, 3.) S. 01° 54' 36" E., 80.79 feet, 4.) S. 24° 01' 36" W., 58.12 feet, 5.) S. 32° 35' 24" W., 58.23 feet, 6.) S. 31° 43' 11" W., 58.20 feet, 7.) S. 22° 39' 45" W., 52.89 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., 53.22 feet, 11.) S. 44° 31' 27" W., 54.21 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° 48' 20" W., 57.66 feet, 16.) S. 64° 47' 20" W., 55.25 feet, 17.) S. 78° 43' 04" W., 63.18 feet, 18.) S. 79° 55' 51" W., 53.61 feet, 19.) S. 64° 05' 04" W., 53.37 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° 54' 42" W., 22.74 feet to a 3/4" iron pipe found, 2.) N. 65° 55' 24" E., 101.36 feet to a 5/8" iron rod found, 3.) S. 82° 04' 10" W., 711.57 feet to a 5/8" iron rod found, 4.) S. 21° 55' 11" E., 276.85 feet to a concrete monument found, 5.) S. 20° 36' 10" W., 151.55 feet to a 3/4" iron pipe set, 6.) S. 71° 45' 12" W., 91.80 feet to a 5/8" iron rod found, 7.) S. 50° 29' 52" W., 63.44 feet to a 5/8" iron rod found, 8.) S. 72° 44' 02" W., 203.62 feet to a 5/8" iron rod found, 9.) S. 61° 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 9 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 1/4" iron pipe found, 4.) N. 88° 05' 49" W., 112.30 feet to a 1/2" iron pipe found, 5.) S. 07° 08' 20" W., 53.46 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 5/8" iron rod found, a common corner of Tracts 26 and Tract 25, Southern Sites, Phase Two (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., 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., 465.20 feet to a 1/2" iron pipe found, a common corner of Nancy A. Chaublin (Deed Book 155, Page 509); THENCE with Chaublin'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° 7' 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 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., 273.83 feet to a 3/4" iron pipe found, a common corner of R. J. Meusekamp (Record Book 289, Page 392); THENCE with Meusekamp'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

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Jan 05 2023

20230607 06:02:10 AM - 4631
Doc: BR0523 Pg: 2/23
Rev: 20230707 - 4 - (2) 3116 5112

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 Grantco and Grantor. Grantco has agreed that the water system shall be designed and installed at Grantco'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 Grantco, 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 Grantco, including the existing golf's camp and up to 28 additional two bedroom living units which may be constructed later. In addition, Grantco or Grantco's successors in interest shall also be obligated to perpetually repair and maintain (i) the water system, (ii) the existing roadway constructed by Grantco 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 Grantco's herein-described retained easement to the below described water tank(s) on Grantco's property, all at Grantco's sole expense. Grantco shall be obligated to complete the portion of the water system serving Grantor's remaining property no later than September 10, 2008. Grantco shall have the right and option to install the remaining portion of the water system which shall serve Grantco's property, including all infrastructure serving Grantco's property, provided that Grantco shall be obligated to install all infrastructure to serve Grantor's property no later than September 10, 2013. In the event the portion of the water system to serve Grantco'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), Grantco shall relinquish and terminate all rights in and to the water wells installed on Grantor's property and the easements granted by Grantor to Grantco 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 Grantco 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. Grantco 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 Grantco (a "descending line") shall not be required; rather, pressure reducing valves may be installed by Grantco at the point established by the project engineer along with a lateral line to serve Grantor's remaining property. In the event Grantco elects to initially install only the infrastructure for the water system required to provide water to Grantor's remaining property, Grantco 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.

Grantco 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 Grantco in order to maintain, and if Grantco fails to do so, operate, inspect, repair, maintain and replace (i) any water tank(s) installed by Grantco 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 20 feet in width with 15 feet being on each side of the water lines installed by Grantco and running from the above described water holding tank(s) to the next terminus of the water system easement conveyed by Grantor to Grantco and described above. In the event the parties describe the above-referenced water system in a new instrument as set forth

219677-01

2413817 State 201303 Doc
By: 000003, Pg: 221
2012-01-05 12:02:23 PM

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.

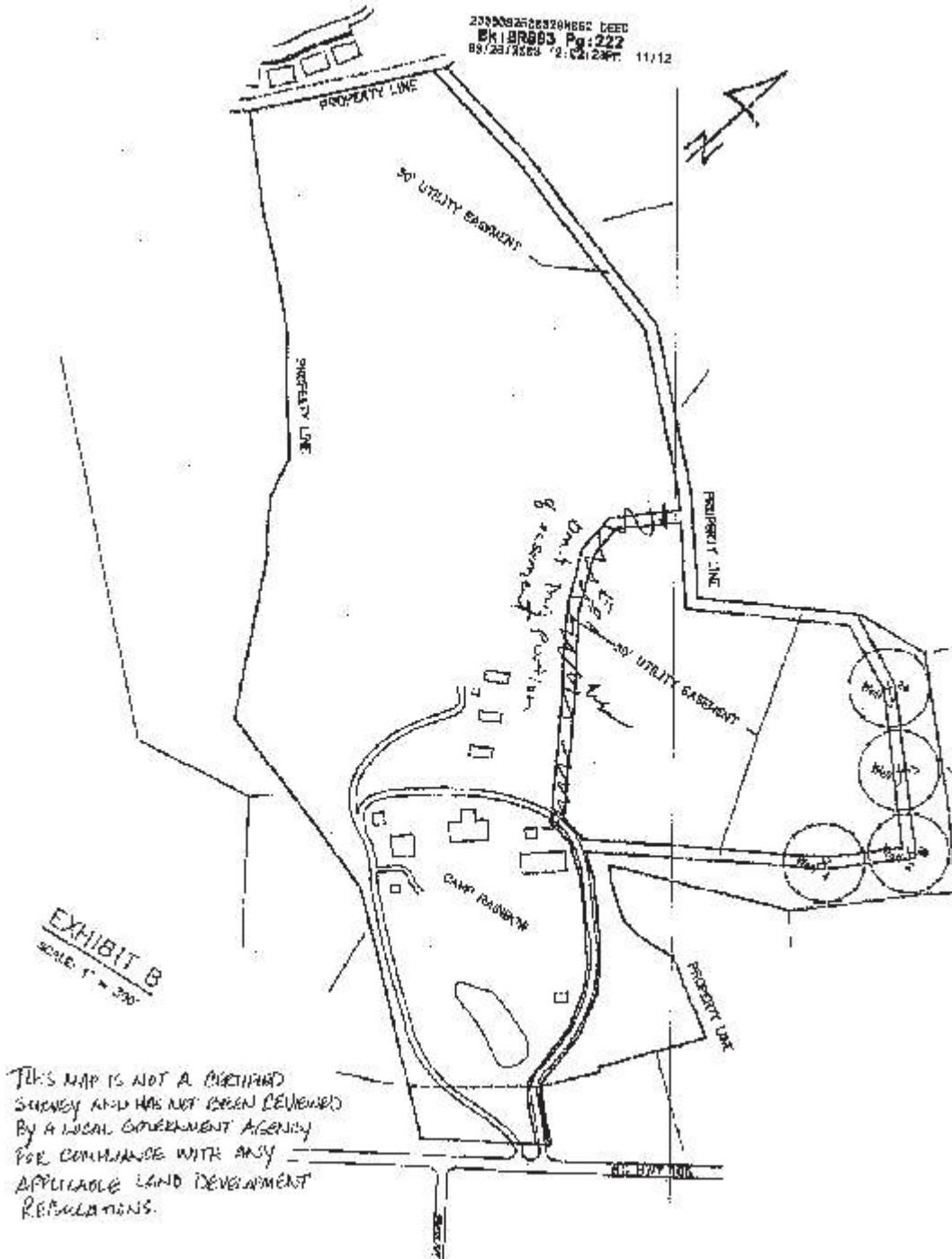
It is understood between Grantor and Grantee that the locations of the easement areas shown on Exhibit B are approximate locations. In the event it becomes necessary to relocate the easement areas, Dean Cheek on behalf of Grantor and Mark Hattill on behalf of Grantee shall mutually agree upon the changes 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 1st day of January, 2013.

20130101-1

OFFICIAL COPY

Jan 05 2023



20030925-333286803 DEED
BK:02883 Pg:223
80/23/2803 '2 02 25 PM 12/12

NORTH CAROLINA - WATAUGA COUNTY

The foregoing certificate(s) of

Prodice 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: Joan Oransend
Deputy

OFFICIAL COPY

Jan 05 2023

Exhibit C
Excluded Assets

There are no Excluded Assets

OFFICIAL COPY

Jan 05 2023

SEWER PLANT

DEPUTY
WATKINS COUNTY, MO

1.2.154.2

Direct download from: Kio Exotic

СЛЕДОВАТЕЛНО

F. O. Box 5427
Lynchburg, VA 23909

[illegible]

ALL INFORMATION
CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10-13-85 BY SP-1

The property includes two 1000 sq. ft. units by Center for Independent Studies located in ...
 Book of Records 343, Page 269, Annapolis County, North Carolina, Public Registry

And the County's agreement with the township that Council is elected of the members is too simple, has the first to correct the error in duplicate, that all members shall be of all ages, and that Council will be made and voted the L. in each of the laws of Colorado, and prima facie, as usual for the respective jurisdiction, and will be the property heretofore Council is subject to the following conditions:

[illegible]

903447064

EXHIBIT A TO HOUSE CADDISFLY RESOLVED PROPERTY DEED
FROM THE LAKES LUMBERING CORPORATION, CORP., INC.
TO LAKES LUMBERING CORPORATION, INC.
DATED SEPTEMBER 12, 1985

EXHIBIT A to an Acre located on the edge of a 20 foot easement, approximately 10 feet
at the corner of the road, and being located South 50 degrees 40 minutes
East 30.35 feet from an Acre located on corner of Devil's Lake Drive, thence from
the beginning corner, South 22 degrees 18 minutes East 130 feet to an iron
corner, thence South 65 degrees 05 minutes East 30 feet to an iron corner, thence South 35
degrees 25 minutes East 22.24 feet to an iron corner, located at the edge of a 20 foot
easement; thence along the edge of said easement, South 65 degrees 45 minutes East
30 feet to the point of BEGINNING, and being located on the average
plane road.

Also conveyed herewith is a perpetual right-of-way and easement to repair,
maintain, and replace any and all existing and future bridges and located on the
property of Contractor.

EXHIBIT A TO HOUSE CADDISFLY RESOLVED PROPERTY DEED

WATAUGA COUNTY TAX ADMINISTRATOR
PO BOX 603
MOUNT AIRY NC 27033-0603



PROPERTY TAX BILL

IMPORTANT - PLEASE READ FRONT
AND BACK OF NOTICE CAREFULLY

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

*****AUTO**5-DIGIT 20607
*****5400-774 20701 1 1

WATER RESOURCE MANAGEMENT INC
191 MR BIGH BLVD
BOONE NC 28607-7042



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

ONLINE PAYMENTS
Website: www.wataugacounty.org

PAY BY PHONE: 828-266-8038

CREDIT CARDS:



2020	7600	1536947	1878-09-30140-000	0.23	SEWAGE PLANT
------	------	---------	-------------------	------	--------------

DESCRIPTION OF CHARGES:

TAX DISTRICT	RATE	TAXES	ASSESSED VALUES
001	0.416	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 \$4.03 per \$100 valuation.			TAXABLE VALUE 15,000

BILLING INFORMATION:

DATE OF BILL	DATE OF PAYMENT	DATE OF BILL	DATE OF PAYMENT
08/01/2020	09/01/2020	01/05/2021	02/05/2021

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.

OFFICIAL COPY

JAN 05 2023

Exhibit F
Customer Deposits

There are no Customer Deposits

OFFICIAL COPY

Jan 05 2023

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)

Notary Public Signature

Printed name of Notary Public

My commission expires: _____

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.

(Seal)

My commission expires: _____

Notary Public Signature

Printed name of Notary Public

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

JAN 05 2023

Schedule 3.04(C)
Environmental Compliance

None

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Jan 05 2023

Schedule 3.04(D)
Violations

None

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Jan 05 2023

None

Schedule 3.04(E)
Hazardous Materials

Schedule 4.01(B)
Pending or Threatened Legal Actions

None

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Jan 05 2023

Schedule 4.01(C)
Default of Government Authorizations

None

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Jan 05 2023

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

None

Schedule 4.01(H)
Conveyance of Fee Parcels

None

OFFICIAL COPY

Jan 05 2023

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
Jan 05 2023

SEWER PLANT

9K0344PG062

12/347

FILED
WANDA G. SCOTT
REGISTER OF DEEDS

95 OCT -3 AM 9:55

BY *Jan 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
HERE TO AND INCORPORATED HEREIN BY REFERENCE.

TAX INFORMATION
RECORDED
12-03-95 B.C. [Signature]
Tax Supervisor

OFFICIAL COPY

JAN 05 2023

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 its 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)

By: *[Signature]*

President

Attest:

[Signature]

Secretary (Corporate Seal)

USE BLACK INK ONLY

.....(SEAL)

.....(SEAL)

.....(SEAL)

.....(SEAL)

SEAL-STAMP

NORTH CAROLINA, County.

I, a Notary Public of the County and State aforesaid, certify that
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



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. 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 *29* 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.

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

BK 0344 PG 064

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-354, July 3, 2020
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/FEES	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

Jan 05 2023

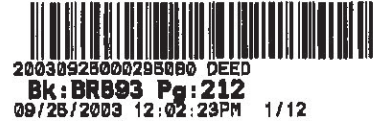
5400-PTN

6/29/20

PMS 348, Yellow 012, K

3.5

Exhibit 6



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

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

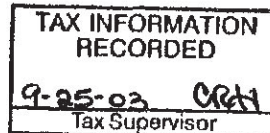
151 Mr. Bish Blvd.
Boone, NC 28607

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.

By: _____ Register of Deeds for _____ County
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, 2003.

My commission expires:

NOTARIAL SEAL:



Linda P. Critcher
Notary Public

OFFICIAL COPY

JAN 05 2023

20030825000295080 DEED
Bk:BR893 Pg:215
08/25/2003 12:02:23PM 4/12

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

By Carolyn H. Ferguson PM (SEAL)

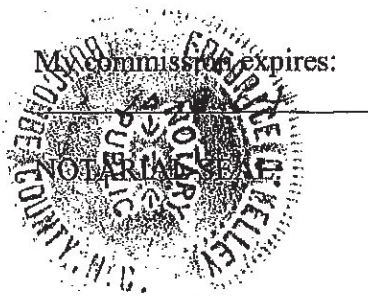
STATE OF NORTH CAROLINA

COUNTY OF Buncombe

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, 2003.

Fredrene O'Kelly
Notary Public



OFFICIAL COPY

JAN 05 2023

20030925000265000 DEED
Bk: BR893 Pg: 216
09/25/2003 12:02:23PM 5/12

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 F. Smith
Notary Public

My commission expires:

3/13/08

NOTARIAL SEAL:



OFFICIAL COPY

JAN 05 2023

20030825000295080 DEED
Bk: BR893 Pg: 217
08/25/2003 12:02:23PM 6/12

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:



OFFICIAL COPY

JAN 05 2023

20030925000285000 DEED
BK: 88893 Pg: 218
09/25/2003 12:02:23PM 7/12

EXHIBIT A

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

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JAN 05 2023

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"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, 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\LEGAL\S\GrandChapter.LakesDeed.wpd

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

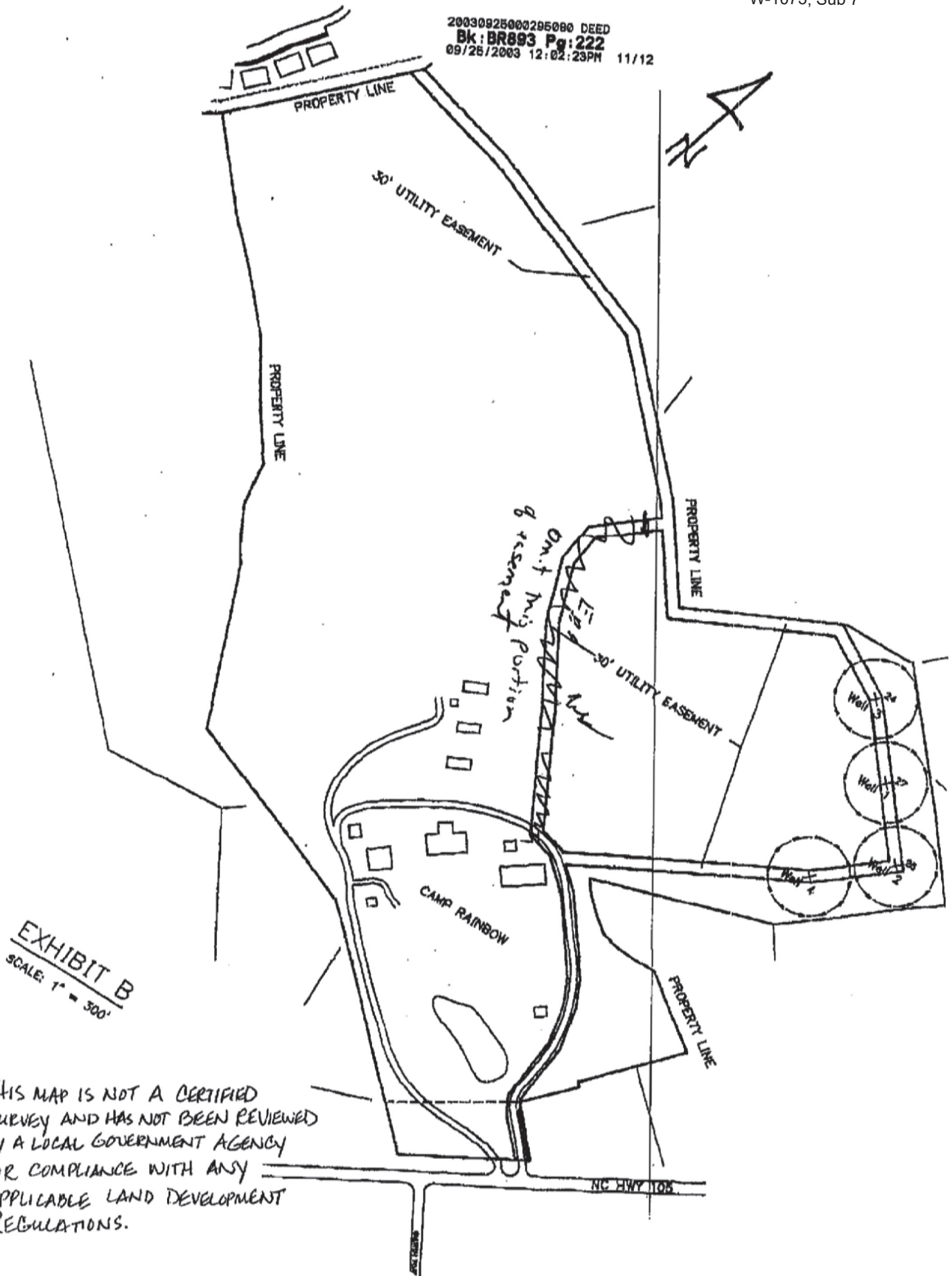


EXHIBIT B
SCALE: 1" = 300'

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.

20030925000295080 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: 
Deputy

OFFICIAL COPY

JAN 05 2023

FILED JoAnn Townsend
Register of Deeds, Watauga Co, NC
Fee Amt: \$26.00

Bk 1779 Pg 70 (7)
Recorded: 11/12/2014 at 03:27:10 PM
Doc No: 631786 Kind: SEE/INST



✓

ROBERT B ANGLE JR

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JAN 05 2023

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,

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

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Doc No: 631786 Kind: SEE/INST

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, I, 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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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 Calloway (Deed Book 76, Page 198); THENCE with Calloway'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 10 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 34-4 (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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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.

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FILED JoAnn Townsend
Register of Deeds, Watauga Co, NC
Fee Amt: \$26.00

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ROBERT B ANGLE JR

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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,

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

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Doc No: 631787 Kind: SEE/INST

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

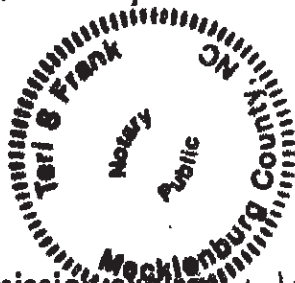
My commission expires: 10/20/16

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 I, 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

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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

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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.

FILED JoAnn Townsend
Register of Deeds, Watauga Co., NC
Fee Amt: \$26.00

Bk 1779 Pg 82 (5)
Recorded: 11/12/2014 at 03:27:12 PM
Doc No: 631788 Kind: SEE/INST



✓
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

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JAN 05 2023

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

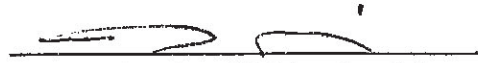
And, included herewith is the easement and right of the Grantee to go upon lands of the Grantor for purposes of servicing, repairing, maintaining and replacing water equipment as the same may be necessary. Grantee covenants with the Grantor that in the event of such repair, maintenance, or replacement,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

Bk 1779

Pg 84

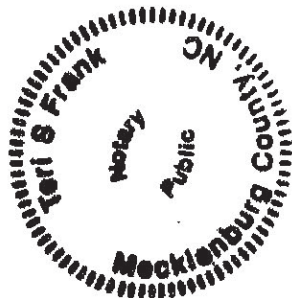
Doc No: 631788 Kind: SEE/INST

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

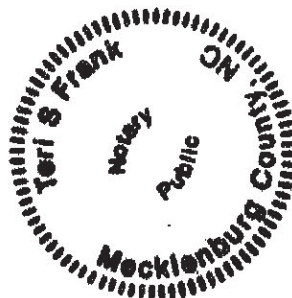
My commission expires: 10/20/16

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

OFFICIAL COPY

JAN 05 2023

Bk 1779

Pg 85

Doc No: 631788 Kind: SEE/INST

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 degrees 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.

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JAN 05 2023

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

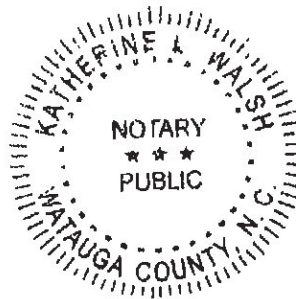
I, Katherine L. Walsh, a Notary Public of said County and State, do hereby certify that James E. Harrill II, personally came before me this day and acknowledged that James E. Harrill II is the Managing Member of The Summit At Echota, LLC, and that he/she, being authorized as such to do so, executed the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

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

Katherine L. Walsh
Notary Public

(Notary Seal/Stamp)

My Commission Expires: Aug. 19, 2022



ROUTE SR1809/Seven Devils Rd PROJECT

STATE OF NORTH CAROLINA
COUNTY OF Watauga

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, 2022, 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.

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Apr 22 2022

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Jan 05 2023

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Apr 22 2022

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Jan 05 2023

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.

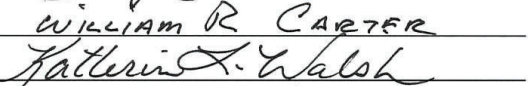
That when title to the subject that constitutes the aforesaid encroachment passes from the party of the second part and vests in the party of the third part, the party of the third part agrees to assume all responsibilities and rights and to perform all obligations as agreed to herein by the party of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

WITNESS:



WILLIAM R. CARTER


Katherine L. Walsh

WITNESS:

Tony Konsul- Director, State Operations



DEPARTMENT OF TRANSPORTATION

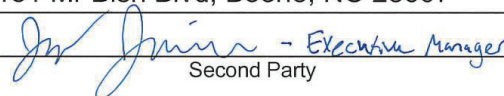
BY: _____

DIVISION ENGINEER

James E. Harrill, II - Executive Mgr.

Water Resource Management LLC

151 Mr Bish Blvd, Boone, NC 28607

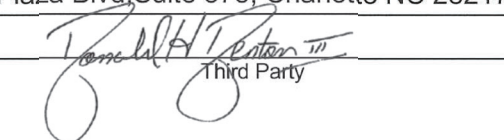


Second Party

Don Denton - President - Carolina Water

Service of North Carolina, 4944 Parkway

Plaza Blvd, Suite 375, Charlotte NC 28217



Third Party

Exhibit A

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

But
cc: Don
Tony
Rexine
high Anna



NORTH CAROLINA
Environmental Quality

W-354, Sub 396
W-1073, Sub 7



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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Jan 05 2023

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

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JAN 05 2023

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



W-354, Sub 396
W-1073, Sub 7



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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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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

OFFICIAL COPY

JAN 05 2023

NOTICE TO THE PUBLIC**IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER****ECHOTA S/D Has Levels Of ARSENIC
Above Drinking Water Standards**

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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

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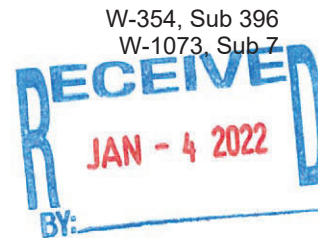
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It is a good idea to inform your consumers when the violation is resolved.

(10/2018)

ROY COOPER
Governor
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S. DANIEL SMITH
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NC3095002_20211222_IOC_MCL_NOV_4Q2021_P03.pdf

NOTICE OF VIOLATION

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December 22, 2021

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

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cc: WINSTON-SALEM REGIONAL OFFICE
MILLIRON, BRENT

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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:

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- 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
Rorie
Heather



W-354, Sub 396
W-1073, Sub 7



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:

- 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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OFFICIAL COPY

Jan 05 2023

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: 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)



NORTH CAROLINA
Environmental Quality

W-354, Sub 396
W-1073, Sub 7

ROY COOPER

Governor

ELIZABETH S. BISER

Secretary

S. DANIEL SMITH

Director

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.



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

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JAN 05 2023

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

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JAN 05 2023

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 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 0.63 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)

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JAN 05 2023

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)]

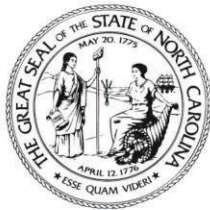
Within **10 days** after completing the initial public notification, the Public Water Supply Section **MUST** receive a copy of the notice you distributed to your customers with your signature and date on the Public Notification Certification (located at the bottom of the notice) indicating that you 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



NORTH CAROLINA
Environmental Quality

W-354, Sub 396
W-1073, Sub 7

ROY COOPER

Governor

ELIZABETH S. BISER

Secretary

S. DANIEL SMITH

Director

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

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: P03/ E03 during the compliance period of October 1, 2020 through September 30, 2021 was 0.52 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.



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

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JAN 05 2023

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)

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JAN 05 2023

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)

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JAN 05 2023

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

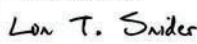
**SUBJECT: Compliance Evaluation Inspection
Seven Devils Resort WWTP
NPDES Permit No. NC0035149
Watauga County**

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:

145B49E225C94EA...
Lon Snider
Regional Supervisor
Water Quality Regional Operations
Division of Water Resources

Attachments: EPA Water Compliance Inspection Report

cc: WSRO

OFFICIAL COPY

Jan 05 2023

EPA Form 3560-3 (Rev 9-94) Previous editions are obsolete.

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

Permit: NC0035149

Owner - Facility: Seven Devils Resort

Inspection Date: 10/30/2019

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

Owner - Facility: Seven Devils Resort

Inspection Date: 10/30/2019

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

Owner - Facility: Seven Devils Resort

Inspection Date: 10/30/2019

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)?

☒ ☐ ☐ ☐

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Jan 05 2023

Permit: NC0035149

Owner - Facility: Seven Devils Resort

Inspection Date: 10/30/2019

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

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Jan 05 2023

ROY COOPER
Governor
DIONNE DELLI-GATTI
Secretary
S. DANIEL SMITH
Director



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).



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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JAN 05 2023



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



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**

/A

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
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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

JAN 05 2023

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

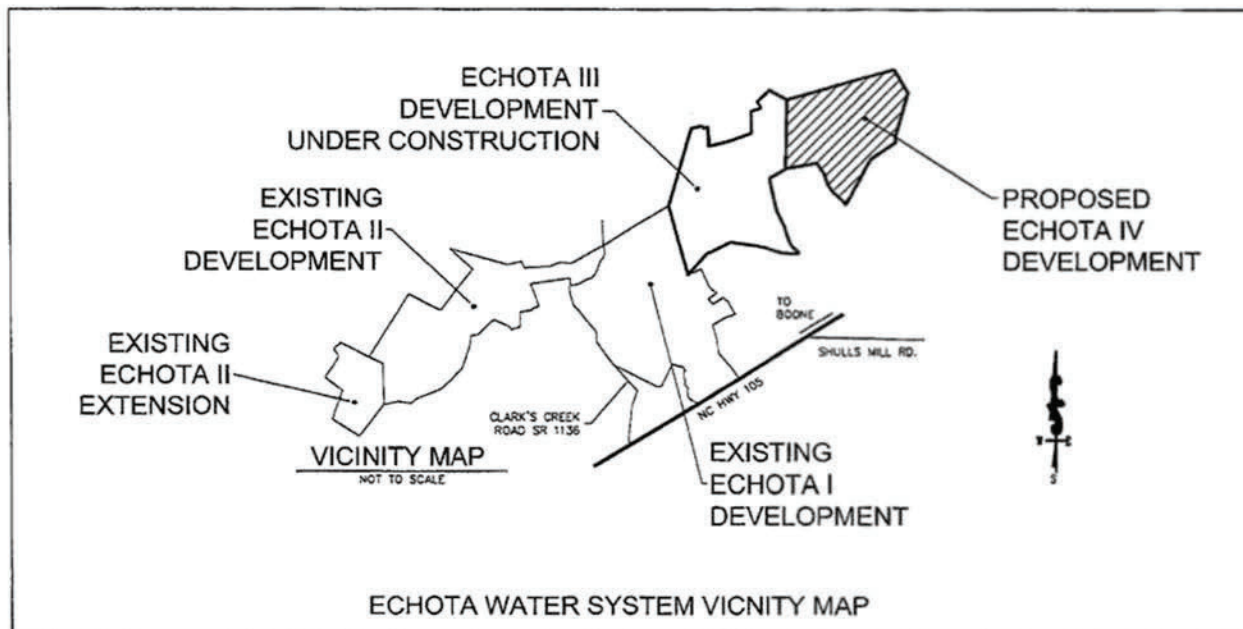
Schedule 4.01(N) – Notice of Violations from a Governmental Body

125570101.1

OFFICIAL COPY

Apr 26 2022

Exhibit A
Service Area



Nov 20 2014

OFFICIAL COPY

Jan 05 2023

OFFICIAL COPY

OFFICIAL COPY

Nov 20 2014

OFFICIAL COPY

Jan 05 2023



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

Monthly Flat Rate for Sewer Service: \$ 28.20

Tap on Fee: \$200.00

Returned Check Charge: \$ 14.10

Bills Due: On billing date

Bills Past Due: 25 days after billing date

Billing Frequency: Shall be monthly for service in arrears

Finance Charge for Late Payment: 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 JoAnn Townsend
Register of Deeds, Watauga Co., NC
Fee Amt: \$26.00

Bk 1779 Pg 70 (7)
Recorded: 11/12/2014 at 03:27:10 PM
Doc No: 631786 Kind: SEE/INST



✓

ROBERT B ANGLE JR

OFFICIAL COPY

JAN 05 2023

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,

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

Bk 1779

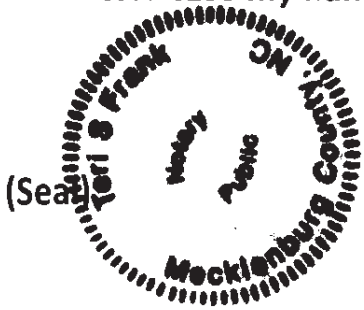
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Doc No: 631786 Kind: SEE/INST

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

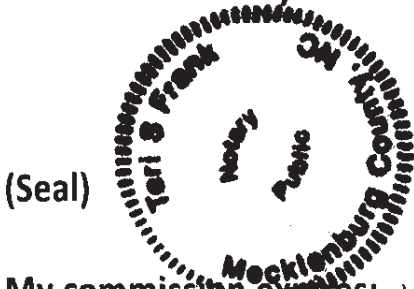
Teri S. Frank
Printed or typed name of Notary
Public

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 1/2 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. Jettcoat (Deed Book 228, Page 346) and Claude Calloway (Deed Book 76, Page 198); THENCE with Calloway'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 37-41 (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.

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. Cole, 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.

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Exhibit B - 2

FILED JoAnn Townsend
Register of Deeds, Watauga Co., NC
Fee Amt: \$26.00

✓

ROBERT B ANGLE JR

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Recorded: 11/12/2014 at 03:27:11 PM
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Jan 05 2023

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,

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

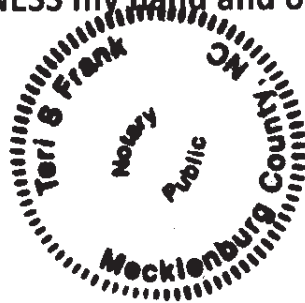
Mark E. Harrill
Print Name

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 I, 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
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.) 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., 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

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Jan 05 2023

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.

Exhibit B - 3

FILED JoAnn Townsend
Register of Deeds, Watauga Co., NC
Fee Amt: \$26.00

Bk 1779 Pg 82 (5)
Recorded: 11/12/2014 at 03:27:12 PM
Doc No: 631788 Kind: SEE/INST



✓
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

(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

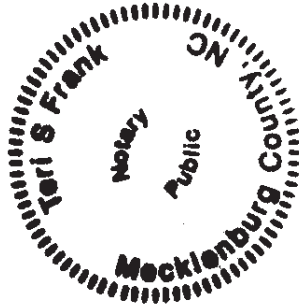
Mark E. Harrill
Print Name

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

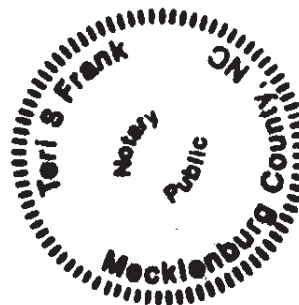
My commission expires: 10/20/16

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 1779

Pg 85

Doc No: 631788 Kind: SEE/INST

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

OFFICIAL COPY

Jan 05 2023

seconds East 233.21 feet to a ¾ inch pipe found; THENCE South 17 degrees 57 minutes 10 seconds East 186.36 feet to a ¾ inch pipe found; THENCE South 23 degrees 27 minutes 10 seconds East 111.56 feet to a ¾ inch pipe found; THENCE South 43 degrees 43 minutes 20 seconds East 144.32 feet to a ½ 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 ½ inch pipe found; THENCE North 86 degrees 50 minutes 15 seconds West 130.98 feet to a ½ inch pipe found; THENCE North 72 degrees 17 minutes 05 seconds West 111.70 feet to a ½ inch pipe found; THENCE North 71 degrees 40 minutes 20 seconds West 145.65 feet to a ½ 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 5/8 inch rod found; THENCE North 82 degrees 19 minutes 05 seconds West 60.00 feet to a ½ inch pipe found; THENCE South 61 degrees 46 minutes 45 seconds West 198.34 feet to a ½ 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 ½ inch pipe found; THENCE South 40 degrees 56 minutes 15 seconds West 131.58 feet to a ½ inch pipe found; THENCE South 40 degrees 38 minutes 25 seconds West 262.45 feet to a ¾ 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 ¾ 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 ½ inch pipe found at a tall ¾ 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 ½ inch rebar found; THENCE South 37 degrees 14 minutes 20 seconds East 39.77 feet to a ½ 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
1651 Highway 194N
Boone, North Carolina 28607

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Jan 05 2023

Exhibit B - 4

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.

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JAN 05 2023

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:  (SEAL)
James E. Harrill II, Managing Member

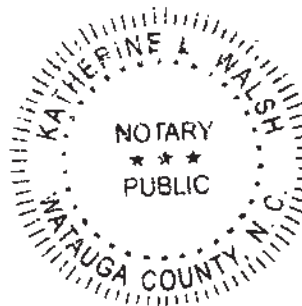
STATE OF NORTH CAROLINA, WATAUGA COUNTY

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.

 (Notary Seal/Stamp)
Notary Public

My Commission Expires: Aug. 19, 2022



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

Bk 2030 Pg 299 (3)
Recorded: 05/30/2019 at 04:47:28 PM
Doc No: 679363 Kind: COMBO



✓ ROBERT B ANGLE, JR.

STATE OF NORTH CAROLINA

INSTRUMENT OF COMBINATION

COUNTY OF WATAUGA

This INSTRUMENT OF COMBINATION made this the 30th day of May, 2019 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~~2626~~, 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 above-mentioned 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;

WHEREAS, 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: Foscoe Companies, Inc., Managing Member

By: 

Missy W. Harrill, President

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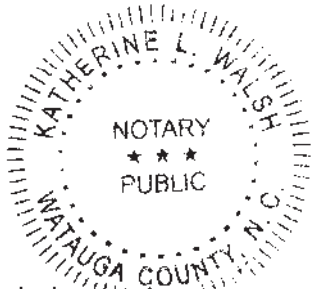
Jan 05 2023

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. Harrill, President of Foscoe 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 B. Angle, Jr., Manager~~
(Printed or typed name of Notary Public)

Katherine L. Walsh

OFFICIAL COPY

JAN 05 2023

Bk 2030 Pg 301
Doc No. 679363 Kind: COMBO

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

Jan 05 2023



20030925000295080 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

Jan 05 2023

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

NORTH CAROLINA GENERAL WARRANTY DEEDExcise 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

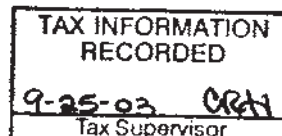
151 Mr. Bish Blvd.
Boone, NC 28607

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

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.

My commission expires:

NOTARIAL SEAL:



Linda P. Critcher
Notary Public

OFFICIAL COPY

Jan 05 2023

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

By Carolyn H. Ferguson PMM (SEAL)

STATE OF NORTH CAROLINA

COUNTY OF Buncombe

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, 2003.

Fredrick O'Kelly
Notary Public

My commission expires: _____



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 F. Smith
Notary Public

My commission expires:

3/13/08

NOTARIAL SEAL:



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:



20030925000295000 DEED
Bk: BR893 Pg: 218
09/25/2003 12:02:23PM 7/12

EXHIBIT A

OFFICIAL COPY

Jan 05 2023

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 ½" 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 ¾" 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

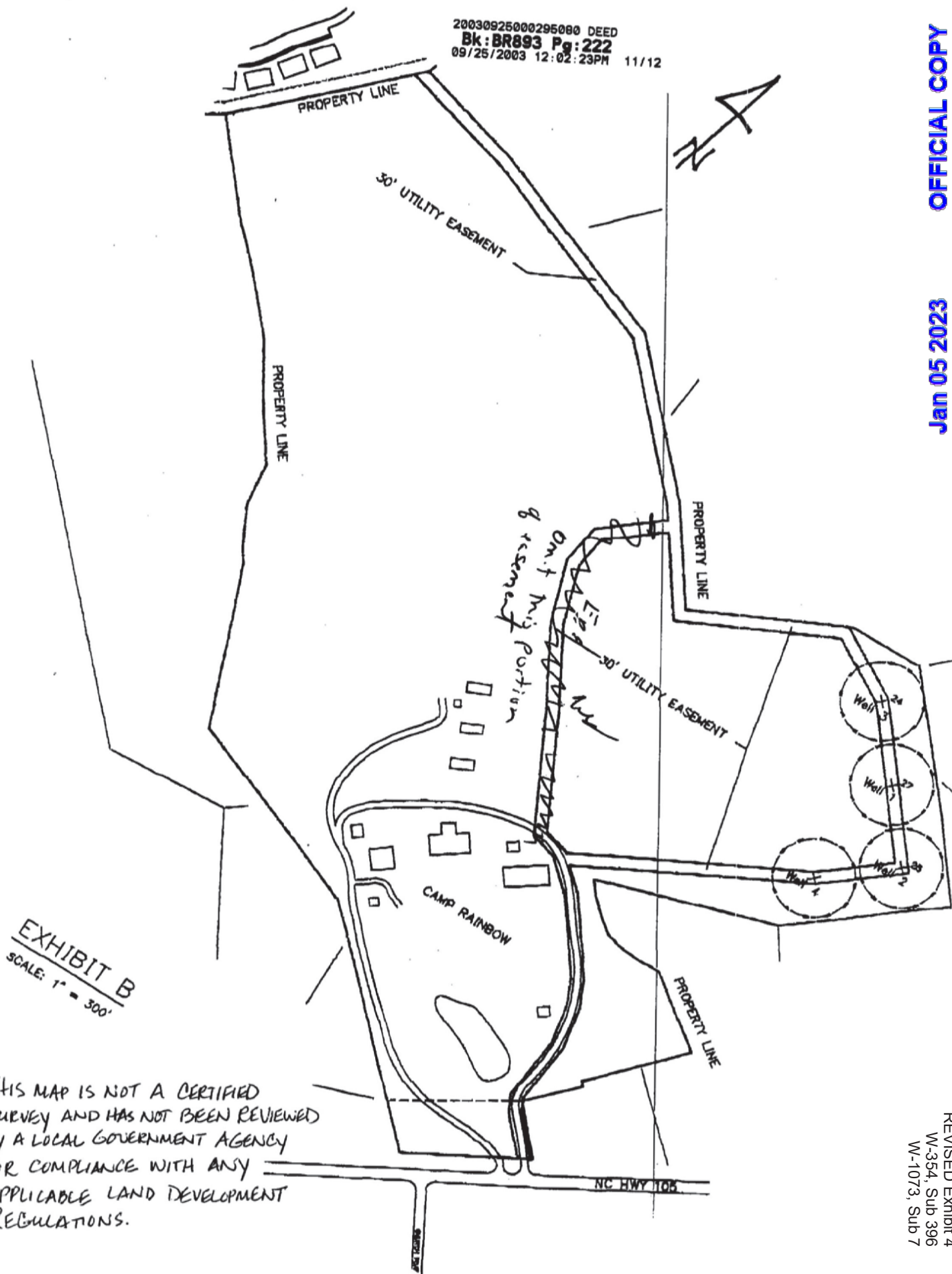
above, such new instrument shall also include an exact description of the easement hereby reserved by Grantor.

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

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09/25/2003 12:02:23PM 11/12



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

EXHIBIT B
SCALE: 1" = 300'

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

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Jan 05 2023

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 25th day of September 2003.

Wanda C. Scott, Register of Deeds

BY:

Jan Townsend
Deputy

Exhibit C
Excluded Assets

There are no Excluded Assets

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Jan 05 2023

Exhibit D
Fee Parcels

Sewer Plant

1213.7
BK 0344 PG 062

FILED
WANDA C. SCOTT
REGISTER OF DEEDS
95 OCT -3 AM 9:55
BY *[Signature]*
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
HERETO AND INCORPORATED HEREIN BY REFERENCE.



OFFICIAL COPY

Jan 05 2023

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 its 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)

By: *[Signature]*

President

Attest: *[Signature]*

Secretary (Corporate Seal)

USE BLACK INK ONLY

(SEAL)

(SEAL)

(SEAL)

(SEAL)

SEAL-STAMP

NORTH CAROLINA, County.

Use Black Ink

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



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 *she* 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 *22* day of *October*, 19*95*.

My commission expires: *Linda P. Critcher* Notary Public

NORTH CAROLINA WATAUGA COUNTY

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.

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

3K 0344 PB 064

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



REVISED Exhibit 4
PROPERTY TAX BILL
W-354, July 3, 2020
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/FEES	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

Jan 05 2023

5400-PTN

6/29/20

PMS 348, Yellow 012, K

3.5

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.

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JAN 05 2023

Exhibit F
Customer Deposits

There are no Customer Deposits

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Jan 05 2023

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:

Title:

Name:

By: _____

Name:

Title:

Name:

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: _____

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

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

NOW, THEREFORE, Grantors, for valuable consideration paid by Grantee, receipt of which is hereby acknowledged, have and by these presents grant, bargain, sell, convey, and assign unto Grantee, in fee simple, all rights, 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 Grantee to go upon lands of Grantors for the 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 Grantors that in the event of such repair, maintenance, or replacement, Grantee shall restore the land to its condition prior to such repair or replacement, and Grantee further covenants that 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 Grantors for the purposes herein stated, the same to be appurtenant to and run with the lands of Grantors as herein above described.

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

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

Water Resource Management, LLC

By: *James Edward Harrill, II*
James Edward Harrill, II, Manager

State of North Carolina, County of Watauga

I, *Katherine L. Walsh* 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.

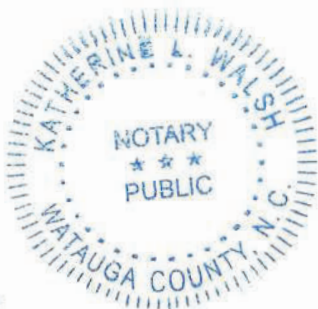
WITNESS my hand and official seal this the 6th day of October, 2021.

(Seal)

Katherine L. Walsh
Notary Public Signature

Katherine L. Walsh
Printed name of Notary Public

My commission expires: *Aug. 19, 2022*



124951530.1

OFFICIAL COPY

OFFICIAL COPY

Apr 26 2022

Jan 05 2023

Carolina Water Service, Inc. of North Carolina

By: [Signature]
Donald Denton, President

State of North Carolina, County of Watauga

I, Hemeli Khansachet 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 25 day of April, 2022.
~~August, 2021.~~



[Signature]
Notary Public Signature
Hemeli Khansachet
Printed name of Notary Public

My commission expires: 08/10/2026

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

Schedule 3.04(C)
Environmental Compliance

None

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Schedule 3.04(D)
Violations

None

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Schedule 3.04(E)
Hazardous Materials

None

Schedule 4.01(B)
Pending or Threatened Legal Actions

None

Schedule 4.01(C)
Default of Government Authorizations

None

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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Jan 05 2023

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

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 Revision to 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 26th 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**

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1073, SUB 7

DOCKET NO. W-354, SUB 396

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

<p>In the Matter of Application by Carolina Water Service, Inc.) of North Carolina, 4944 Parkway Plaza) Boulevard, Suite 375, Charlotte, North) Carolina 28217 and Water Resource) Management, Inc., 151 Mr. Bish Boulevard,) Boone, North Carolina 28607, for Authority) to Transfer the Echota Water Utility System,) the Seven Devils Wastewater Utility System) and Public Utility Franchise in Watauga) County, North Carolina, and for Approval of Rates</p>	<p>PUBLIC STAFF'S VERIFIED RESPONSE TO WATER RESOURCE MANAGEMENT, LLC'S RESPONSE TO CUSTOMER CONCERNS</p>
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NOW COMES THE PUBLIC STAFF by and through its Executive Director, Christopher J. Ayers, and pursuant to the Commission's September 2, 2022, Order Scheduling Hearings, Establishing Discovery Guidelines, and Requiring Customer Notice, respectfully submits its verified response to Water Resource Management, LLC's (WRM or Company) Response to Customer Concerns from the November 1, 2022 Public Hearing held at the Watauga County Courthouse.

The purpose of the Public Staff's response is to provide the results of the Public Staff's review of WRM's response to the public hearing held in this proceeding on November 1, 2022 at the Watauga County Courthouse, and whether WRM's report adequately addresses the customer's concerns.

On November 14, 2022, WRM filed a response to the concerns raised by Mr. David Ervin, a resident of the Echota water service area, and Messrs. Brian Steg, Brady Hair, Robert Streightiff, Doug Woodberry, William Bair, Warren Brendle and Ms. Donna Peterson, residents of the Seven Devils wastewater service area. The Company stated that no witnesses opposed the transfer and no witnesses identified current service or water quality complaints. The Company added that witnesses were consistently opposed to either the proposed rate structure, the suddenness of the proposed rate increase, the amount of the proposed rate increase, or some combination of these issues. WRM acknowledged in its response that WRM has no authority or right to set the rates for Carolina Water Service, Inc. of North Carolina (CSWNC) and therefore the issues raised by customers with respect to proposed rates are not within the ambit of their response.

WRM addressed the concern raised by Mr. Streightiff that neither he, his neighbors in the eight-unit condominiums known as The Villas at Hawks Peak, nor their property management company received the notice to customers. WRM states that CWSNC delivered the required notice to all account holders and that a management company pays the utility bills for The Villas at Hawks Peak.

WRM further states the management company is the account holder, and thus the notice was initially delivered to the management company instead of individual condominium owners in that location. The Public Staff believes this statement to be incorrect since it was the property management company that

contacted the Public Staff asserting that the notice to customers was not received for The Villas at Hawks Peak.

WRM states in their response that Mr. Streightiff was not harmed by the non-receipt of the notice to customers as he learned of the public hearing and proposed rates in time to testify at the public hearing. The Public Staff agrees with this assessment of the impact of The Villas at Hawk Peak not receiving the notice to customers from CWSNC as required.

The Public Staff believes the Company adequately addressed the content of the public hearing. The Public Staff reviewed and investigated the transfer and rate increase requested by CWSNC and filed its testimony on October 31, 2022. Since the required filing date of the Public Staff's testimony was prior to the public hearing, the Public Staff's testimony did not specifically address concerns identified during the hearing although similar concerns were identified in Consumer Statements of Position that were filed in the dockets of this proceeding. These statements were addressed in the Public Staff's testimony. This concludes the Public Staff's response.

VERIFICATION

D. Michael Franklin, being duly sworn, deposes and says:

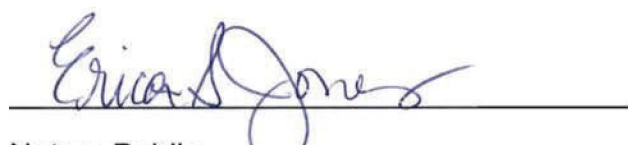
That he is a Public Utilities Engineer with the Water, Sewer, and Telephone Division of the Public Staff - North Carolina Utilities Commission and is acquainted with the facts set out in this pleading; that he has read the foregoing response and knows the contents thereof, and that the same is true of his own knowledge, expert to those matters alleged on information and belief, and as to those, he believes it to be true.


Signature of Person Making Verification

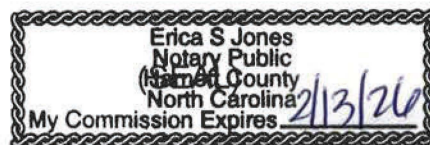
D. Michael Franklin
Typed or Printed Name

December 5, 2022
Date

Subscribed and sworn before me this the 5th day of December 2022.


Notary Public
Erica S. Jones
Printed or Typed Name

Commission Expires: 2/13/26



**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1073, SUB 7

DOCKET NO. W-354, SUB 396

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application by Carolina Water Service, Inc.)	
of North Carolina, 4944 Parkway Plaza)	
Boulevard, Suite 375, Charlotte, North)	
Carolina 28217 and Water Resource)	
Management, Inc., 151 Mr. Bish Boulevard,)	
Boone, North Carolina 28607, for Authority)	
to Transfer the Echota Water Utility System,)	
the Seven Devils Wastewater Utility System)	
and Public Utility Franchise in Watauga)	
County, North Carolina, and for Approval of)	
Rates)	
		PUBLIC STAFF'S VERIFIED
		RESPONSE TO CAROLINA
		WATER SERVICE, INC. OF
		NORTH CAROLINA'S
		REPORT ON CUSTOMER
		COMMENTS FROM THE
		BOONE PUBLIC HEARING

NOW COMES THE PUBLIC STAFF by and through its Executive Director, Christopher J. Ayers, and pursuant to the Commission's September 2, 2022, Order Scheduling Hearings, Establishing Discovery Guidelines, and Requiring Customer Notice, respectfully submits its verified response to Carolina Water Service, Inc. of North Carolina's (CWSNC or Company) Response to Customer Concerns in Echota/Seven Devils Transfer Docket – Boone, North Carolina Public Hearing November 1, 2022.

The purpose of the Public Staff's response is to provide the results of the Public Staff's review of CWSNC's response to the public hearing held in this

proceeding on November 1, 2022 at the Watauga County Courthouse, and whether CWSNC's report adequately addresses the customer's concerns.

On November 18, 2022, CWSNC filed a response to the concerns raised by Mr. David Ervin, a resident of the Echota water service area, and Messrs. Brian Steg, Brady Hair, Robert Streightiff, Doug Woodberry, William Bair, Warren Brendle and Ms. Donna Peterson, residents of the Seven Devils wastewater service area. The Company stated that no witnesses opposed the transfer and no witnesses brought forward evidence of service or service quality deficiencies. The Company added that all witnesses were opposed to the rate structure and/or the proposed amount of the rate increase. In the Company's response, three points were made to address general issues and questions. The first point addressed seasonal residents with the Company stating there is no difference in the responsibility to maintain and serve a fully occupied service area and an intermittently occupied service area. The second point addressed the Company's view of the advantages of uniform rates by spreading costs of significant upgrades or repairs across a large number of ratepayers. The third point addressed the flaw in comparing rates among municipal systems and regulated providers such as CWSNC due to differences in accounting systems, density of customers, and utilization of taxes while CWSNC is also subject to cost of service rate making requirements enforced by the Public Staff with oversight provided by the Commission.

An additional concern raised by Mr. Streightiff was neither he, his neighbors in the eight-unit condominiums known as The Villas at Hawks Peak, nor their

property management company received the notice to customers. Mr. Streightiff stated The Villas at Hawks Peak residents only learned of the notice and the rate increase through contact with other Seven Devils neighborhood associations. In the Company's response, CWSNC states that the notice to customers was mailed to customers in accordance with the Commission order and that upon notice to the Company's counsel by the Public Staff of a possible issue with the notice, the Company dispatched personnel on October 5, 2022, to The Villas at Hawks Peak to affix additional notice to the doors of the condominium units. At the conclusion of the hearing, the Public Staff spoke to Mr. and Mrs. Streightiff to clarify the actions taken by the Public Staff upon notification that The Villas at Hawks Peak did not receive the notice to customers. During that conversation, the Public Staff asked Mr. and Mrs. Streightiff if a notice was placed on their door. Their response was that a notice was not placed on their door and to their knowledge, neither was a notice placed on the doors of their neighbors in the condominium complex. While it is unfortunate that the residents of The Villas at Hawks Peak may not have received the notice directly from CWSNC, they were made aware of the public hearing and the proceeding through other sources as evidenced by Mr. Streightiff's participation in the public hearing.

The Public Staff believes the Company adequately addressed the content of the public hearing. The Public Staff reviewed and investigated the transfer and rate increase requested by CWSNC and filed its testimony on October 31, 2022. Since the required filing date of the Public Staff's testimony was prior to the public hearing, the Public Staff's testimony did not specifically address concerns

identified during the hearing although similar concerns were identified in Consumer Statements of Position that were filed in the dockets of this proceeding. These statements were addressed in the Public Staff's testimony. This concludes the Public Staff's response.

VERIFICATION

D. Michael Franklin, being duly sworn, deposes and says:

That he is a Public Utilities Engineer with the Water, Sewer, and Telephone Division of the Public Staff - North Carolina Utilities Commission and is acquainted with the facts set out in this pleading; that he has read the foregoing response and knows the contents thereof, and that the same is true of his own knowledge, expert to those matters alleged on information and belief, and as to those, he believes it to be true.



Signature of Person Making Verification

D. Michael Franklin

Typed or Printed Name

December 5, 2022

Date

Subscribed and sworn before me this the 5th day of December 2022.



Notary Public

Erica S. Jones

Printed or Typed Name

Commission Expires:

2/13/24

