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April 23, 2024

VIA ELECTRONIC FILING

Ms. A. Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
430 North Salisbury Street
Dobbs Building, Fifth Floor
Raleigh, NC 27603

Re: In the Matter of Application of Old North State Water Company, Inc. for a Certificate of Public Convenience and Necessity to Provide Water Utility Service to Olivet Subdivision in Franklin County, North Carolina and for Approval of Rates
NCUC Docket No. W-1300 Sub 98
Public Redacted Application for Certificate of Public Convenience and Necessary

Dear Mr. Dunston:

On behalf of Old North State Water Company, Inc. (ONSWC), attached for filing in the above referenced docket is the public redacted Application for Certificate of Public Convenience and Necessity (CPCN), along with supporting exhibits, to provide water utility service to Olivet Subdivision in Franklin County, NC, and for approval of rates.

Certain supporting documents – the deed for the well lot – will not exist until the closing between the developer and ONSWC has taken place. ONSWC will promptly file them when they are available.

If you have any questions concerning this Application, please do not hesitate to contact me.

With best regards,

/s/ *David T. Drooz*

David T. Drooz
Enclosures

cc: NC Public Staff

pbb

FORM REVISED 6/04

DOCKET NO. W-1300 Sub 98
FILING FEE RECEIVED

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE & NECESSITY
AND FOR APPROVAL OF RATES

INSTRUCTIONS

Notes or explanations placed in the margins or 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.

APPLICANT

1. Trade name used for utility business: Old North State Water Company
2. Name of owner (if different from trade name): n/a
3. Business mailing address: PO Box 10127
   City and state: Birmingham, AL — Zip Code: 35202
4. Business street address (if different from mailing address): 3212 6th Ave S, Ste 200, Birmingham, AL 35222
5. Business telephone number: 205-326-3355
6. If corporation, list the following:
   President: John McDonald — Vice President: none
   Secretary: John McDonald — Treasurer: none
   Three (3) largest stockholders and percent of voting shares held by each
   John McDonald 100%
7. If partnership, list the owners and percent of ownership held by each
   none

PROPOSED UTILITY SERVICE AREAS

8. Name of Subdivision or Service Area: Olivet
9. County (or Counties): Franklin County
10. Type of Service (Water and/or Sewer): Water

PROPOSED RATES
(Amount Applicant Proposes to Charge)

11. Metered Residential Service:
    Water: $ 24.11 Base Rate — $ 7.57 Usage (per 1,000 gallons)
    Sewer: $ - Base Rate — $ - Usage (per 1,000 gallons)
12. Flat Rate Residential Service:
    Water: $ - per REU
    Sewer: $ - per REU
13. Nonresidential Service (explain):
    Water: per REU — Usage (per 1,000 gallons)
    Sewer: $ - per REU — $ - Usage (per 1,000 gallons)
14. Tap-on fees:
    Water: $ 1,000 per REU
    Sewer: $ - per REU
15. Finance charge for late payment: 1%
    (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.)
16. Reconnection charge if water service cut off by utility as specified in NCUC Rule R7-20: $ 30.00
17. Reconnection charge if water service cut off discontinued at customer's request: $ 15.00
18. Reconnection charge if sewer service cut off by utility as specified in NCUC Rule R10-16: N/A
19. Other Charges: a. New account fee: $ 20.00 — b. Meter fee: $ 125.00

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 15 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 10127, Birmingham, AL 35202
   - (b) Address where bill can be paid in person: We do not have an option for paying bills in person
   - (c) Name and phone number of alternative persons to contact for emergency service after business hours: 1-877-511-2911, caller will be directed to on-call operator
7. Is service already metered? (yes or no) No
8. Does the Applicant 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 of their bills, per NCUC R12-5.)

PRESENT RATES

9. Are you presently charging for service? If so, describe the rates being charged.
   No
10. How long have these rates been in effect? n/a

PERSONS TO CONTACT

		NAME	ADDRESS	TELEPHONE
11.	Utility Manager	John McDonald	3212 6th Ave S, Ste 200, Birmingham, AL 35222	205-326-3355
12.	Complaints or Billing	Dominic Whicher	3212 6th Ave S, Ste 200, Birmingham, AL 35222	205-326-6807
13.	Engineering Operations	Dale Boyette	6302 Btyan Road Lucama, NC 27851	252-230-8115
14.	Emergency Service	Customer Service	3212 6th Ave S, Ste 200, Birmingham, AL 35222	877-511-2911, opt 1
15.	Accounting	Joseph Mitchell	3212 6th Ave S, Ste 200, Birmingham, AL 35222	205-588-6585

16. Are the names and phone numbers shown above listed in the phone book by each of the proposed service areas? (yes or no) No
17. Can customers make phone calls for service without being charged for a long distance phone call? (yes or no)
    Yes
18. Do persons designated to receive phone calls for emergency service, after regular business hours, have the authority to provide the needed repairs without first contacting owner? (yes or no) Yes
19. List the qualifications of the person in charge of the utility system:
    Alex Bass, C-Well, C-Distribution, Certification # 210029
20. List the date(s) and describe any DENR violation(s) since the last application for franchise, transfer or rate increase: n/a

SERVICE AREA

Fill in one column for each subdivision or service area.

			(1)	(2)	(3)
1.	Name of subdivision or service area		Olivet		
2.	County (or Counties)		Franklin		
3.	Type of service (water, sewer, etc.)		Water		
4.	If water is purchased, list from whom		NA		
5.	Source of water supply (wells, etc.)		Wells		
6.	Number of wells in service		1		
7.	Pumping capacity of each pump in service		36 gpm		
8.	Elevated storage tank capacity (gals.)		NA		
9.	Pressure tank capacity (gals.)		5,400		
10.	Type of water treatment (chlorine, etc.)		Chlorine, iron, manganese and radium filtration		
11.	Number of fire hydrants installed		0		
12.	Is sewage disposal by septic tank or by sewer system?		septic		
13.	If disposal is by sewer system, is sewage treated by utility company or by others?		NA		
14.	Capacity of Company's sewage treatment plant (gallons per day)		NA		
15.	Is service metered? (yes or no)		Yes		
16.	Number of water meters in use		0		
17.	Number of service taps in use (list number of each size)	Water	0		
		Sewer			
18.	Number of customers at the end of test year	Water	36		
		Sewer			
19.	Number of customers that can be served by mains already installed (including present customers, vacant lots, etc.)	Water	36		
		Sewer			
20.	Number of customers that can be served by pumping capacity	Water	36		
21.	Number of customers that can be served by storage tank capacity	Water	36		
22.	Number of customers that can be served by treatment plant capacity	Sewer			
23.	Name of nearest water/sewer utility system		Aqua		
24.	Distance to nearest water/sewer utility system		0.2 miles		
25.	Does any other person or utility seek to furnish the service(s) proposed herein? (yes or no)		no		
26.	a. DENR System I.D. No.	Water	NC4035034		
	b. NPDES or Nondischarge Permit No.	Sewer	NA		

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) Estimated

Note: If the Applicant already holds a public utility franchise, the proposed service area is new (i.e., there are no customers being served), and the proposed rates herein are the same as those previously approved, then the financial information below (lines 4 through 35) may be omitted.

REVENUES AND EXPENSES

For 12 Months Ended December 31, 2024 (Date) projected for Year 1

	Revenues		Water	Sewer
4.	Residential service (flat rate)		10,465	
5.	Residential service (metered rate)		10,416	
6.	Nonresidential service (flat rate)			
7.	Nonresidential service (metered rate)			
8.	Other revenues (described in remarks below)		720	
9.	Total Revenues (Lines 4 thru 8)		21,600	
10.	Total salaries		10,225	
11.	Salaries paid to owner		-	
12.	Administrative and office expense (except salaries)	See Note A	579	
13.	Maintenance and repair expense (except salaries)		504	
14.	Transportation expenses		1,253	
15	Electric power for pumping		3,000	
16	Chemicals for treatment		450	
17.	Testing fees		3,000	
18.	Permit fees		32	
19.	Purchase water/sewer treatment		-	
20.	Annual depreciation		-	
21.	Taxes: State Income taxes		26	
22	Federal income taxes		214	
23.	Gross receipt taxes			
24.	Property taxes			
25.	Payroll taxes			
26.	Other taxes			
27.	Interest on debt during year		314	
28.	Other expenses (describe in remarks below)	See Note B	1,512	
29.	Total Expenses (lines 10 thru 28)		21,108	
30.	Net Income (Line 9 minus 29)		492	

Remarks

31. Line 8 - new account fee ($20)
32. Line 12 - processing fees (Southdata, Starnik)
33. Line 28 - insurance expense, other operating expense, support expense
34. Test year revenue estimated at 36 connections
35.

NUMBER OF CUSTOMERS SERVED

		Water		Sewer	
		Flat Rate	Metered	Flat Rate	Metered
36.	Customers at beginning of year				
37.	Customers at end of year				
38.	Average gallons used per customer	3,200 /month			per month

COST OF UTILITY SYSTEM

1. Is the cost of utility system listed below on past operation, or is it estimated for future operation? (actual or estimated) Actual
2. Does the cost of utility system listed below represent the cost to the Applicant herein? (yes or no) No
   If no, list cost (purchase price to Applicant).

ORIGINAL COST OF UTILITY SYSTEM
As of Year Ended December 2024 (Date) proforma

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

Utility Property in Service

		Balance at End of Year	
		Water	Sewer
3.	Land and right-of-way	1.00	
4.	Structures and site improvement	95,000	
5.	Wells	43,000	
6.	Pumping equipment	10,000	
7.	Treatment equipment	98,600	
8.	Storage tanks	37,000	
9.	Mains (excluding service connections)	176,400	
10.	Service Connections	75,600	
11.	Meters (including spare meters)	750	
12.	Office furniture and equipment	-	
13.	Transportation equipment	-	
14.	Other utility property in service (describe in remarks below)	14,500	
15.	Total utility property in service (Lines 3 thru 14)	550,851	
16.	Less: accumulated depreciation		
17.	Less: accumulated tap fees and other contributions in aid of construction	550,851	
18.	Less: customer advances		
19.	Net investment in utility property (Line15 minus16, 17, &18)	-	

Utility Property Not in Service

		Balance at End of Year	
		Water	Sewer
20.	Construction work in progress		
21.	Property held for future use	$ -	$ -
22.	Other (describe in remarks below)	$ -	$ -
		$ -	$ -

Remarks

23. Line 14 - Cost for Engineering
24. Line 19 - Company will receive $1000 tap fee per connection and pay Developer $1000 per connection, therefore the net investment is zero.
25.
26.

RECOVERY OF PLANT COST

The utility proposes to recover the cost of the plant listed on Page 5, Line 15 as follows:

		Water	Sewer
1.	Amount to be contributed by developer	514,851	
2.	Amount to be recovered through tap fees	-	
3.	Amount to be recovered through rates	-	
4.	Other (please describe below on Line 6)	36,000	
5.	Total cost of plant	550,851	$ -

6. Description of other:

Company will receive $1000 tap fee per connection and pay Developer $1000 per connection, therefore the net investment is zero.
Tap fee activity is a pass thru/clearing transaction.

ANNUAL DEPRECIATION

7. If annual depreciation is claimed using a composite rate for the entire system show rate of depreciation used

Water: When the system is actually recorded in the asset accounts, ONSWC will use account specific depreciation rates

8. If annual depreciation is claimed using individual rates for each type of equipment, show rates of depreciation used:

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)).

None are planned

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)).

None are planned

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 utility and/or parent company.

(2) Budgets, capital and operating, for the company'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 utility's and/or parent company's North Carolina utility operations.

EXHIBITS

THE FOLLOWING EXHIBITS SHALL BE ATTACHED TO THE APPLICATION

1. If the Applicant 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 wit the Commission.)
2. If the Applicants 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 Applicant 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.
4. *Enclose a copy of a letter from the Department of Environment* and Natural Resources granting approval of the plans for each water system.
5. Enclose a copy of a letter from the Department of Environment and Natural Resources granting approval of the plans for each sewer system.
6. Enclose a copy of a Division of Environmental Health (DEH) report on an chemical analysis of untreated water from each well. (This should not be confused with the monthly samples *submitted to DEH for bacteriological analysis.* Contact DEH for instructions to obtain a sample for chemical analysis.)
7. Enclose a copy of purchase agreements or contracts showing provisions for ownership or control of the water or sewer systems, including sites for wells or treatment plants.
8. 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 non, write "none"). _____
9. *Enclose a vicinity map* showing the location of the proposed subdivisions or service areas in sufficient detail for someone not familiar with the county to locate the subdivisions. (A county roadmap with the subdivision outlined is suggested.)
10. Enclose maps of the subdivisions in sufficient detail to show the layout of streets, lots, the water or sewer mains, hydrants, wells, pumping equipment, treatment facilities, storage facilities, etc. **Attached**
11. Enclose a copy of the workpapers supporting the estimate of the plant costs, including a breakdown by type of plant item, showing the *detail of how the estimated cost was determined, and indicating which plant items, if any, will be contributed to the utility.*
12. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the applicant.
13. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the parent company of the Applicant.
14. If the information requested in Exhibits 12 and 13 is not available, enclose a copy of the most recent fiscal year financial statements or statement of net worth for the principals of the utility and/or parent company.

FILING INSTRUCTIONS

15. 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.** One of these copies must have an original signature. (Applicants must also provide any copies to be returned to them.)

16. 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.**

SIGNATURE

17. Application shall be signed and verified by the Applicant.

Signature: _____

Date: 3/20/24

18. (Typed or Printed Name) John McDonald

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.

20th day of March 2024

Jennifer Lynn Adams
Notary Public

3212 6th Ave S, Ste 200, Birmingham, AL 35222
Address

My Commission Expires: ~~5/6/2024~~ 7/1/2025
Date

Jennifer Lynn Adams
Notary Public, Alabama State at Large
My Commission Expires 07/01/2025

ADDENDUM TO APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AND FOR APPROVAL OF RATES

Projected Income Statement

Line No.	Item		Year 1	Year 2	Year 3	Year 4	Year 5
	Connections (cumulative)		36	36	36	36	36
	Operating revenue						
1	Metered service revenue		10,465	10,465	10,465	10,465	10,465
2	Flat rate service revenue		10,416	10,416	10,416	10,416	10,416
3	EPA testing surcharge						
4	Re-connect fees						
5	Returned check charge						
6	Late payment charge						
7	Other operating revenue		720	-	-	-	-
8	Total operating revenue (Sum of Line 1 thru Line 7)		21,600	20,880	20,880	20,880	20,880
	Operating expenses						
9	Total salaries and wages (employees only)		10,225	10,388	10,553	10,722	10,893
10	Outside labor expenses (non-employees)				-		
11	Administrative and office expense		579	596	614	633	652
12	Maintenance and repair expense		504	519	535	551	567
13	Purchased water				-	-	-
14	Purchased sewage treatment		-	-	-	-	-
15	Electric power expense (exclude office)		3,000	3,090	3,183	3,278	3,377
16	Chemicals expense		450	464	477	492	506
17	Testing fees		3,000	3,090	3,183	3,278	3,377
18	Transportation expense		1,253	1,290	1,329	1,369	1,410
19	Other operating expense		1,512	1,557	1,604	1,652	1,702
20	Total operation and maintenance expenses (Sum of Line 9 thru Line 19)		20,522	20,994	21,478	21,974	22,483
21	Annual depreciation expense		-	-	-	-	-
22	Property taxes paid on utility property						
23	Payroll taxes					-	-
24	Franchise (gross receipts) tax						
25	Annual NCUC regulatory fee	0.1475%	32	31	31	31	31
26	Total operating expenses (Sum of Line 20 thru Line 25)		20,554	21,025	21,509	22,005	22,514
	Pre-tax operating income (loss):		1,046	(145)	(629)	(1,125)	(1,634)
	Income Taxes						
27	State income taxes		26	-	-	-	-
28	Federal income taxes		214	-	-	-	-
29	Total income taxes (Line 27 + Line 28)		240	-	-	-	-
30	Net operating income (loss) (Line 8 - Line 26 - Line 29)		806	(145)	(629)	(1,125)	(1,634)
31	Interest expense		314	311	308	305	302
32	Net income (loss) (Line 30 - Line 31)		492	(455)	(936)	(1,429)	(1,935)

ADDENDUM TO APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AND FOR APPROVAL OF RATES

Statement of Cash Flows

Line No.	Item	Year 1	Year 2	Year 3	Year 4	Year 5
	Cash Flows From Operating Activities					
1	Pre-tax operating income (loss):					
2	Total operating revenue	21,600	20,880	20,880	20,880	20,880
3	Less: Operation and maintenance expenses	20,522	20,994	21,478	21,974	22,483
4	Less: Taxes other than income	32	31	31	31	31
5	Pre-tax operating income (loss)	1,046	(145)	(629)	(1,125)	(1,634)
6	Income tax calculation:					
7	Pre-tax operating income (loss)	1,046	(145)	(629)	(1,125)	(1,634)
8	Plus: Contributions in aid of construction	-	-	-	-	-
9	Less: Tax depreciation	-	-	-	-	-
10	Less: Interest expense	314	311	308	305	302
11	Taxable income (loss)	732	(455)	(936)	(1,429)	(1,935)
12	State income tax	18	-	-	-	-
13	Federal income tax	150	-	-	-	-
14	Total income taxes to be paid	168	-	-	-	-
15	Net cash provided by (used in) operating activities	564	(455)	(936)	(1,429)	(1,935)
	Cash Flows From Investing Activities					
16	Purchases of utility plant	36,000	-	-	-	-
17	Plus: Cash bonds posted	-	-	-	-	-
18	Less: Contributions in aid of construction	36,000	-	-	-	-
19	Less: Proceeds from disposal of utility plant	-	-	-	-	-
20	Net cash used (provided) by investing activities	-	-	-	-	-
	Cash Flows From Financing Activities					
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	564	(455)	(936)	(1,429)	(1,935)
31	Cash balance at beginning of year	-	564	109	(828)	(2,257)
32	Cash balance at end of year	564	109	(828)	(2,257)	(4,192)

ADDENDUM TO APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AND FOR APPROVAL OF RATES

Instructions

1 These schedules should reflect all revenues, costs, investment, etc. associated with or to be associated with the utility system for which the subject franchise application is being submitted, exclusively.

2 For purposes of forecasting future expenses, as a simplifying assumption, it may be assumed that increases in such costs due to increases in general price levels, (i.e., inflation) will on average be offset by concurrent rate increases. Thus, no provision(s) for such offsetting changes will need to be made in forecasting costs.

3 A written detailed narrative explanation of all assumptions underlying the information and data contained in this addendum and five (5) copies of all workpapers developed in completing the addendum are to be filed with the Commission's Chief Clerk concurrent with the filing of the franchise application.

4 Computations for Statement of Cash Flows (Page 2 of Addendum)

(a) Line 2 should agree with Addendum Page 1 - Projected Income Statement, Line 8.

(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.

ASSUMPTIONS

	Year 1	Year 2	Year 3	Year 4	Year 5
> Projected connections added each year	36	-	-	-	-
Projected connections cumulative	36	36	36	36	36
Projected monthly usage	3,200	3,200	3,200	3,200	3,200

> Other operating revenue is the application fee of $20 multiplied by the number of connections per year.

> Annual inflationary factor of 3% is assumed for years 2 to 5. No rate increase is assumed in the projection.

> Assumptions for salaries expense:	Year 1	Year 2	Year 3	Year 4	Year 5
Projected ONSWC REU count	6,884	6,953	7,022	7,093	7,164
Projected combined REU count (ONSWC and Integra) for indirect allocation	12,259	12,504	12,754	13,009	13,270
Projected ONSWC annual payroll	1,196,000	1,231,880	1,268,836	1,306,901	1,346,109
Projected shared services indirect payroll	1,352,000	1,392,560	1,434,337	1,477,367	1,521,688
Prorata ONSWC payroll exp (connection count/ONSWC REU x ONSWC payroll)	6,255	6,378	6,505	6,633	6,765
Shared services payroll exp (system count/combined REU x indirect payroll)	3,970	4,009	4,049	4,088	4,128
> Admin and office expense includes processing fee (0.55/customer per month) and print/mail ser	1.34	1.38	1.42	1.46	1.51
> Repairs & maintenance estimated at $14 annual cost per connection/mo based on historical exp	1.17	1.20	1.24	1.27	1.31

> Electric power cost based on pump and motor size and hours of operation

> Chemicals and Testing cost based on compliance sampling schedule

> Transportation cost (vehicle lease, fuel, repairs) per customer per month estimate	2.90	2.99	3.08	3.17	3.26

> Other operating expense includes insurance expense and support expense allocation (IT, telecom, office expense and other non-payoll shared costs).

estimated monthly cost per customer	3.50	3.61	3.71	3.82	3.94

> Assumptions for depreciation expense:	Cost	Est life (yrs)	annual depr
Land and right-of-way	1	not applicable	
Structures and site improvement	95,000	25	3,800
Wells	43,000	50	860
Pumping equipment	10,000	10	1,000
Treatment equipment	98,600	20	4,930
Storage tanks	37,000	50	740
Mains (excluding service connections)	176,400	50	3,528
Service Connections	75,600	20	3,780
Meters (including spare meters)	750	15	50
Office furniture and equipment	-	5	-
Transportation equipment	-	5	-
Other utility property in service	14,500	40	363
Total depreciable utility property in service from developer (exclude land)	550,850	28.92	19,051

		Year 1	Year 2	Year 3	Year 4	Year 5
Annual depreciation expense for plant in service	-	19,051	19,051	19,051	19,051	19,051
Annual CIAC amortization expense for contributed plant in service	-	(19,051)	(19,051)	(19,051)	(19,051)	(19,051)
Annual depreciation expense for tap fees paid by utility company		-	-	-	-	-
Total annual net depreciation		-	-	-	-	-

> Interest expense (allocated by REU) is bond interest cost of 6% on a $1M letter of credit.	314	311	308	305	302

NORTH CAROLINA
Department of the Secretary of State

EXHBIT 1

W-1300 SUB 98

To all whom these presents shall come, Greetings:

I, ELAINE F. MARSHALL, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF INCORPORATION

OF

OLD NORTH STATE WATER COMPANY, INC.

the original of which was filed in this office on the 11th day of July, 2022.

Scan to verify online.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 11th day of July, 2022.

Elaine F. Marshall

Secretary of State

EXHIBIT 1

W-1300 SUB 98

State of North Carolina
Department of the Secretary of State

SOSID: 1225035
Date Filed: 7/11/2022 8:14:00 AM
Elaine F. Marshall
North Carolina Secretary of State
C2022 157 01617

ARTICLES OF INCORPORATION
INCLUDING ARTICLES OF CONVERSION

Pursuant to §55-2-02 and § 55-11A-03 of the General Statutes of North Carolina, the undersigned converting business entity does hereby submit these Articles of Incorporation Including Articles of Conversion for the purpose of forming a business corporation.

1. The name of the resulting corporation is Old North State Water Company, Inc.
The corporation is being formed pursuant to a conversion of another business entity.

2. The name of the converting business entity is Old North State Water Company, LLC
and the organization and internal affairs of the converting business entity are governed by the laws of the state or country of North Carolina. A plan of conversion has been approved by the converting business entity as required by law.

3. The converting business entity is a (*check one*):
   - ☐ foreign corporation
   - ☒ domestic limited liability company
   - ☐ foreign limited liability company
   - ☐ domestic limited partnership
   - ☐ foreign limited partnership
   - ☐ domestic registered limited liability partnership
   - ☐ foreign limited liability partnership
   - ☐ other partnership as defined in G.S. 59-36, whether or not formed under the laws of North Carolina

4. The number of shares the corporation is authorized to issue is: 10,000

   These shares shall be: *(check either a or b)*

   a. ☒ all of one class, designated as common stock; or

   b. ☐ divided into classes or series within a class as provided in the attached schedule, with the information required by N.C.G.S. Section 55-6-01.

5. The name of the initial registered agent is: Paracorp Incorporated

6. The street address and county of the initial registered office of the corporation is:

   Number and Street 176 Mine Lake Ct. #100

   City Raleigh State NC Zip Code 27615 County Wake

7. The mailing address, ***if different from the street address***, of the initial registered office is:

   Number and Street _____

   City _____ State NC Zip Code _____ County _____

8. Principal office information: *(Select either a or b.)*

a. ☒ The corporation has a principal office.

The principal office telephone number: (877) 511-2911

The street address and county of the principal office of the corporation is:

Number and Street 3212 6th Avenue S., Suite 200

City Birmingham State AL Zip Code 35222 County Jefferson

The mailing address, ***if different from the street address***, of the principal office of the corporation is:

Number and Street _____

City _____ State _____ Zip Code _____ County _____

b. ☐ The corporation does not have a principal office.

9. Any other provisions, which the corporation elects to include, are attached.

10. The name and address of each incorporator is as follows:

John McDonald
3212 6th Avenue S., Suite 200
Birmingham, AL 35222

11. (Optional): Please provide a business e-mail addres Privacy Redaction .
The Secretary of State's Office will e-mail the business automatically at the address provided at no charge when a document is filed. The e-mail provided will not be viewable on the website. For more information on why this service is being offered, please see the instructions for this document.

12. These articles will be effective upon filing, unless a date and/or time is specified:

This the 26th day of May 20 22.

Signature

John McDonald, Incorporator

Type or Print Name and Title

NOTES:

1. **Filing fee is $125. This document must be filed with the Secretary of State.**

EXHIBIT 7

W1300,Sub98

NSWC
OLD NORTH STATE WATER COMPANY

AUTHORIZATION TO PURCHASE AGREEMENT

STATE OF NORTH CAROLINA
COUNTY OF Franklin

This agreement for the installation, conveyance, and operation of the _____Olivet_____ Subdivision Water Utility System (hereinafter referred to as the "Agreement") is made and entered into on this the 13 day of February 2024 by and between ___Olivet 38, LLC_____ (hereinafter referred to as the "Developer"), and OLD NORTH STATE WATER COMPANY, INC (hereinafter referred to as the "Utility or ONSWC") (individually referred to as a "Party" and collectively referred to as the "Parties").

WITNESSETH:

THAT WHEREAS, the Developer is the owner of certain real property to be known as ___Olivet_____ Subdivision (hereinafter referred to as the "Subdivision"); and

WHEREAS, the Developer plans to design, construct, and install in the Subdivision a community water utility system to provide water utility service to all proposed _36___ lots in the Subdivision (hereinafter referred to as "Water Utility System"); and

WHEREAS, the Utility is engaged in the business of owning and operating water utility systems in the State of North Carolina; and

WHEREAS, the Developer has requested that the Utility purchase, own, and operate the Water Utility System; and

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

WHEREAS, the Parties have agreed that upon the construction and installation of the Water Utility System, the Developer shall transfer and assign the Water Utility System to the Utility in accordance with the terms and conditions of this Agreement; and

WHEREAS, after the Utility acquires the Water Utility System from the Developer, the Utility shall operate the Water Utility System in accordance with the terms and conditions of this Agreement.

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

follows:

1. Definitions

1.1. *"Agreement"* shall mean this Agreement for the Installation, Conveyance, and Operation of the Water Utility System serving the Subdivision, including any and all exhibits and schedules, if any, as amended from time to time.

1.2. *"Certificate Extension"* shall mean the Certificate of Public Convenience and Necessity for water utility service at the Subdivision to be issued by the Commission (defined below).

1.3. *"Closing"* shall mean the transfer of the Water Utility System from the Developer to the Utility.

1.4. *"Closing Date"* shall mean the date of the Closing.

1.5. *"Commission"* shall mean the North Carolina Utilities Commission.

1.6. *"Deeded Property"* shall mean the real property that will be part of the Water Utility System that is owned by the Developer and will be used in connection with the Water Utility System, including, but not limited to, well lots, storage tank site, treatment facility sites, treatment disposal sites (if any), access and utility easements, and other real property that is needed for the construction, operation, maintenance, repair, and replacement of the Water Utility System.

1.7. *"DWR"* shall mean the North Carolina Department of Environment and Natural Resources, Division of Water Resources.

1.8. *"Developer"* shall mean _____Olivet 38, LLC_____, whose mailing address is: _____5000 Falls of Neuse Rd Suite 100 Raleigh, NC 27609_____.

1.9. *"Permit"* shall mean the Water Utility System Permit and/or the Authorization to Construct to be issued by DWR.

1.10. *"Service Line"* shall mean that portion of the individual household water line for which the Utility will not assume maintenance responsibility. The Service Line shall include only that portion of the individual household water line that extends from the Utility's water meter at or near the property line to the home. The portion of the line extending from the water meter to the water main at or near the street shall not be included in the term "Service Line."

1.11. *"REU"* shall mean one Residential Equivalent Unit, as defined as follows:

Meter Size	REU
Less than 1"	1.0
1"	2.5

1.12. *"Subdivision"* shall mean the property that is to be developed by the Developer, to be known as _____Olivet_____ Subdivision located off ____Olivet Church Rd._____ in ___Franklin_____ County, North Carolina. The Subdivision shall consist of __36__ single family

residential lots. The Subdivision is shown on that certain map entitled '__Final Plat for Olivet Subdivision_____.'

1.13. "*Utility*" shall mean Old North State Water Company INC, its successors and assigns, whose business address is: 3212 6th Ave S, Ste 200, Birmingham, AL 35222.

1.14. "*Water Plans*" shall mean all plans and specifications, as may be amended from time to time, for the Water Utility System approved by the Utility and DWR and engineered by Developer's engineer.

1.15. "*Water Utility System*" shall mean the water distribution system and other facilities used in the distribution of the water utility service necessary to provide service to the lots of the Subdivision, including, but not limited to, the distribution mains, services, meter boxes, meter yokes, backflow preventors, valves, the interconnection to Utilities existing ____Olivet_____ Subdivision Water System, and other additional components of the Water Utility System necessary to serve water to the lots in the Subdivision.

1.16. "*Water Utility System Service Line*" shall mean the portion of the water line for which the Utility will assume maintenance responsibility. The Water Utility System Service Line shall include only that portion of the individual water line that extends from the water meter, at or near the property line or street, to the Water Utility System's water main at or near the street, unless the water meter is not on the individual
lot owner's property in which case, the Utility shall assume maintenance responsibility up to the property line. The portion of the line extending from the water meter at or near the street to the house shall not be included in the term "Water Utility System Service Line."

2. **Design and Installation Requirements**

2.1. The Developer, at its cost, shall cause to be designed, constructed, and installed in the Subdivision the Water Utility System, in accordance with plans and specifications to be approved by the Utility and DWR and engineered by Developer's engineer to a standard of **no less than 1 GPM per REU**. The Water Utility System shall be designed, constructed, and installed pursuant to the Utility's specifications, a copy of which has been delivered to the Developer or the Developer's engineer.

2.3. As required by North Carolina General Statute § 130A-317 and the Rules Governing Public Water Supply Systems, North Carolina Administrative Code 15A NCAC 18 C. 0305(a), neither the Developer nor the Utility shall construct or begin construction of any portion of the Water Utility System prior to approval of the Water Utility System plans and specifications by DWR or prior to the issuance of an Authorization to Construct by DWR.

2.4. Any penalties assessed against the Utility (as the applicant for the Water Utility System), the Developer's engineer, or the Developer by DWR as a result of the Developer installing all or a portion of the Water Utility System without DWR approval (i.e., construction beginning prior to DWR issuing its Authorization to Construct) shall be paid by Developer prior to meters being installed or water service being provided in the Subdivision.

2.5. The Developer shall pay for the engineering, design, permitting, construction, and installation costs related to the Water Utility System, including the engineer's certification of completion, and all costs associated with the construction and installation of the necessary water distribution to provide water service to the 36 lots in the Subdivision.

3. **Conveyance of Water Utility System**

3.1. The Developer agrees to convey to the Utility, upon completion of the Water Utility System, by bill of sale, the entire Water Utility System, constructed and installed in accordance with the plans approved by DWR and the Utility.

3.2. The Developer agrees to convey to the Utility by Bill of Sale the distribution mains, services, meter boxes, meter yokes, backflow preventors, valves, and additional components of the Water Utility System necessary and proper to serve water to all connections and lots in the Subdivision. *The Bill of Sale is attached hereto as EXHIBIT 3.2.*

3.3. If any water mains are not within publicly dedicated rights of way, the Developer shall convey to the Utility a perpetual easement 10 feet on each side of the water main, which easement shall be for ingress, egress, regress and access to operate, maintain, repair, and replace the water main and appurtenant equipment.

4. **Certificate of Public Convenience and Necessity**

4.1. Upon execution of this Agreement and issuance of the Authorization to Construct by DWR, the Utility will apply to the Commission, as soon as may be practicable, for a Certificate to provide water service to the Subdivision. Upon the granting of the Certificate by the Commission, the conveyance of the completed Water Utility System to the Utility, and the Closing occurring, the Utility will supply water service to the residents of the Subdivision.

4.2. It is mutually understood and agreed that the sale and conveyance of the Water Utility System shall become effective only upon the granting of the Certificate by the Commission and approval of the Water Utility System by DWR.

5. **Engineering Certification of Completion and Record Drawings**

5.1. The Developer shall have its engineer furnish the Utility with a signed and sealed copy of the DWR required letter, certifying that the Water Utility System is installed in compliance with the approved plans.

5.2. The Developer shall have its engineer supply the Utility with an electronic copy of an accurate comprehensive map and engineering record drawings in plan and profile of the Water Utility System as constructed ("as-builts") and also a hard copy of the as-builts and map. The electronic

version of the as-builts shall be submitted to the Utility in ".dwg" format and shall also include at the very least, pipe size, pipe material, pipe location, flow direction, date of install, service locations, meter box locations, and the longitude and latitude of each valve. Said record drawings shall depict the seal of the professional engineer responsible for issuing the record drawings.

6. Subdivision Plats

The Developer shall provide the Utility with a recorded plat showing each lot being served or to be served by the Water Utility System. Said plat shall include utility and access easements in favor of the Utility for ingress, egress, regress and access to operate, maintain, repair, and replace the water mains and appurtenant equipment related to the water system.

7. Fees

7.1. *Meter Installation Fee*. The Meter Installation Fee for a 5/8" x 3/4" service shall be $125. This is a one-time fee and shall be paid by the person or builder requesting service to that location for the first time only. For meters greater than 5/8" x 3/4", the person or builder requesting service to that location for the first time shall be charged actual costs for the meter installation.

7.2. *New Customer Fee*. The New Customer Fee shall be $20 and shall be charged each time the name on account is changed.

7.3. *Connection Fee*. The Connection Fee shall be $1,000. This is a one-time fee and shall be paid by the person or builder requesting service to that location for the first time only.

8. Purchase Price Owed to Developer by the Utility

8.1 Utility is purchasing from Developer the completed Water Utility System. The Purchase Price paid by Utility shall be $__1,000_____/REU. Said Purchase Price payment shall be payable quarterly based on the number of meters installed during the previous quarter. Payments shall be made on or about each January 30, April 30, July 30, and October 30.

8.2 Prior to the first purchase price payment being made by Utility to the Developer, the Developer shall execute and deliver to Utility an Internal Revenue Service Form W-9.

9. Written Certification of Costs

Developer, at the Closing, shall deliver to the Utility a written certification of the Developer's cost in the Water Utility System showing the cost of the entire Water Utility System, including distribution facilities and engineering fees for the Water Utility System. The cost certification shall include a breakdown between the various components showing the vendors and the applicable amounts. This written certification shall be delivered to the Utility at the Closing Date. *Said Written Certification of Costs Form is attached hereto as Exhibit 9.*

10. Water Utility System Contractor's and Contractor's Warranty

10.1. The Utility must approve, in writing, prior to the commencement of any work, all contractors and subcontractors who will perform work on the installation of the water mains, services, and all other Water Utility System construction in the Subdivision.

10.2. The Developer's contractors shall provide to the Utility a one-year warranty on all Water Utility System components and workmanship. This warranty shall begin from the date of issuance of the final engineering certification. Should the Closing not occur within 90 days of the final engineering certification, the Developer shall provide an extended warranty on the Water Utility System for each month not closed beginning 90 days from the date of the engineer's final certification. *A sample warranty is attached hereto as EXHIBIT 10.2.*

11. Date of Closing

11.1. The Utility shall not provide water service to Subdivision until the date of the Closing when all the following events shall have occurred:

a. DWR has approved the Water Utility System plans.

b. The Developer has installed the Water Utility System pursuant to the DWR and the Utility approved plans.

c. The Commission has issued the Certificate as set forth in Paragraph 4.

g. As referenced in paragraph 5.2, Developer's engineer shall supply the Utility with an electronic copy of an accurate, comprehensive map and engineering record drawings in plan and profile as constructed ("as-builts") and also a hard copy of the as-builts. The electronic version of the as-builts shall be submitted to the Utility in ".dwg" format and shall include pipe size, pipe material, pipe location, flow direction, date of install, service locations, meter box locations, and the longitude and latitude of each valve as set forth in paragraph 5.2.

h. The Developer shall furnish the Utility with a list of physical addresses and lot numbers for each lot in Subdivision. *Said Address and Lot Number form is attached hereto as Exhibit 11.1.h.*

i. The Developer shall furnish Utility with a recorded plat with such water utility service related covenants and restrictions acceptable to the Utility for all lots in the Subdivision as set forth in

Paragraph 6.

j. The Developer's contractor has provided the Utility with a one year contractor's warranty on all water utility system components and workmanship pursuant to Paragraph 10.2.

k. The Developer has conveyed to the Utility by bill of sale and easements the water system as set forth in paragraph 3.2.

l. As referenced in *Exhibit 9*, the Developer delivers to the Utility a written certification of Developer's cost in the system pursuant to Paragraph 9.

m. As referenced in Paragraph 8.2, the Developer delivers to the Utility the W-9 form.

13. Binding Agreement

This Agreement shall be binding upon and shall inure to the benefit of the Developer and the Utility and the successors and assigns of each.

14. Representations and Warranties of the Developer

Developer hereby represents and warrants as follows:

14.1. Organization; Good Standing; Power. Developer is a corporation duly organized, validly existing, and in good standing under the laws of the State of North Carolina, and has all the requisite power and authority to own, lease and operate its properties, to carry on its business as now being conducted, and to enter into this Agreement and perform its obligations hereunder.

14.2. Authority Relative to Agreement. The execution, delivery and performance of this Agreement by the Developer have been duly and effectively authorized by all necessary action. This Agreement has been duly executed by Developer and is a valid and legally binding obligation of Developer enforceable in accordance with its terms except (i) as limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally, (b) laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, or (ii) to the extent the indemnification provisions may be limited by applicable federal or state securities laws.

14.3. Effect of Agreement. The execution, delivery and performance of this Agreement by the Developer and the consummation of the transactions contemplated hereby will not (i) require the consent, approval or authorization of any person, corporation, partnership, joint venture or other business association or public authority other than the Commission, DWR, or Franklin County, (ii) violate, with or without the giving of notice or the passage of time or both, any provisions of law now applicable to Developer, or (iii) result in a violation of Developer's charter or bylaws.

15. Representations and Warranties of the Utility

The Utility hereby represents and warrants as follows:

15.1. Organization; Good Standing; Power. The Utility is a corporation duly organized, validly existing and in good standing under the laws of the State of North Carolina, is authorized to do business in North Carolina, and has all requisite corporate power and authority to own, lease and operate its properties, to carry on its business as now being conducted and to enter into this Agreement and perform its obligations hereunder.

15.2. Authority Relative to Agreement. The execution, delivery and performance of this Agreement by the Utility have been duly and effectively authorized by all necessary corporate action. This Agreement has been duly executed by the Utility and is a valid and legally binding obligation of the Utility enforceable in accordance with its terms except (i) as limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally, (b) laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, or (ii) to the extent the indemnification provisions may be limited by applicable federal or state securities laws.

15.3. Effect of Agreement. The execution, delivery and performance of this Agreement by the Utility and the consummation of the transactions contemplated hereby will not (i) require the consent, approval or authorization of any person, corporation, partnership, joint venture or other business association or public authority other than the Commission, DWR, or Franklin County, (ii) violate, with or without the giving of notice or the passage of time or both, any provisions of law now applicable to the Utility, or (iii) result in a violation of the Utility's charter or bylaws.

16. General Provisions

16.1. This writing embodies the entire agreement and understanding between the parties hereto and there are no other agreements or understandings, oral or written, with reference to the subject matter hereof that are not merged herein and superseded hereby.

16.2. Modification in Writing. This Agreement shall not be modified, amended or changed in any respect except in writing, duly signed by the Parties hereto, and each Party hereby waives any right to amend this Agreement in any other way.

16.3. No Assignment. Neither Party hereto may assign their rights under this Agreement without the prior written consent of the other Party.

16.4. No Third Party Beneficiary Rights. Nothing expressed or referred to in this Agreement will be construed to give any person other than the Parties any legal of equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement.

16.5. Force Majeure. Except as provided for in this Agreement, neither Party to this Agreement shall be liable to the other for failure, default or delay in performing any of its obligation hereunder, if such failure, default or delay is caused by strikes or other labor problems, by forces of nature, unavoidable accident, fire, acts of the public enemy, interference by civil authorities, acts or failure to

act, decisions or orders or regulations of any governmental or military body or agency, office or commission, delays in receipt of materials, or any other cause, whether of similar or dissimilar nature, not within the control of the Party affected and which, by the exercise of due diligence such Party is unable to prevent or overcome, except as otherwise provided for herein. Should any of the foregoing events occur, the Parties hereto agree to proceed with diligence to do what is reasonable and necessary so that each Party may perform its obligations under this Agreement.

16.6. Enforcement of Agreement. The failure of either Party hereto to enforce any of the provisions of this Agreement or the waiver thereof in any instance by either Party shall not be construed as a general waiver or relinquishment on its part of any such provisions, but the same shall, nevertheless, be and remain in full force and effect.

16.7. Notices. All notices, requests and other communications under this Agreement shall be in writing and shall be delivered (i) in person if a written receipt of delivery is obtained, (ii) by registered or certified mail, return receipt requested, (iii) by recognized overnight delivery service providing positive tracking of items (for example, Federal Express), (iv) by electronic mail, or (v) by facsimile, provided if notice is given pursuant to (iv) or (v) that a copy is sent concurrently by one of the methods described in (i), (ii) or (iii) above, addressed as follows or at such other address of which the Developer or the Utility shall have given notice as herein provided:

If to Utility: John McDonald
Old North State Water Company, LLC
3212 6th Avenue South, Suite 200
Birmingham, AL 35222

Copy to: David Drooz
Fox Rothschild LLP
434 Fayetteville Street, Suite 2800
Raleigh, NC 27601

If to Developer: Olivet 38, LLC
5000 Falls of Neuse Rd
Suite 100
Raleigh, NC 27609

16.8. Incorporation of Exhibits. The Exhibits to this Agreement are made a part hereof and are hereby incorporated in full by reference.

16.9. Governing Law. This Agreement shall be governed by the laws of the State of North Carolina.

16.10. Representations, Warranties and Obligations Survive Closing. Except as may be expressly provided otherwise herein, the representations, warranties, and obligations contained herein shall merge with the documents delivered at Closing and not survive thereafter.

16.11. Entire Agreement. This Agreement sets forth the complete understanding between the Developer and the Utility, and any amendments hereto, to be effective, must be made in writing.

16.12. Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

16.13. Consent to Jurisdiction. The Parties agree that the state and federal courts of North Carolina shall have exclusive jurisdiction over this Agreement and any controversies arising out of, relating to, or referring to this Agreement, the formation of this Agreement, and actions undertaken by the Parties hereto as a result of this Agreement. Each of the Parties hereto expressly and irrevocably consents to the personal jurisdiction of such state and federal courts, agrees to accept service of process by mail, and expressly waives any jurisdictional or venue defenses otherwise available.

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

James E Allen Jr. James E Allen LLC James E J

Olivet 38 LLC

(Developer)

OLD NORTH STATE WATER COMPANY, ~~LLC~~ Inc

John McDonald, Owner

Exhibit 9

DEVELOPER'S WRITTEN CERTIFICATION OF COSTS - WATER

Following is the information you requested for ____Olivet_____ Subdivision Water System which consist of _36____ Lots.

(1)	Land and Right-of-Way	$ 1.00
(2)	Structures and site improvements	$ 95,000
(3)	Well Drilling & Construction (include drawdowns)	$ 43,000
(4)	Pumping Equipment (well pumps/motors)	$ 10,000
(5)	Treatment Equipment (including chem feed)	$ 98,600
(6)	Storage Tanks (including installation and air compressor)	$ 37,000
(7)	Mains (excluding service connections)	$ 176,400
(8)	Service Connections	$ 75,600
(9)	Meters (well master including spares)	$ 750
(10)	Engineering	$ 11,500
(11)	New Well Series Testing (all wells)	$ 3,000
(12)	**TOTAL**	$ 550,851

I certify the above represents the actual cost for installation of the water system for _____ Subdivision Water System.

James E Allen

Printed Name

James E Allen

Signature

EXHIBIT 10.2

DISTRIBUTION FACILITIES WARRANTY

Project Name: Olivet
Location: 155 Cordoba Dr., Franklinton, NC 27525
Developer Name: Olivet 38, LLC
Developer's Contractor Name: Raleigh Construction Group
Owner Name: Old North State Water Company

The Developer's and the Contractor's signatures below hereby guarantees the Owner (ONSWC) that the Distribution construction work (mains, valves, meters, blow-offs, etc.) performed on the Project listed above by the Developer's Contractor to be free of defect in the materials furnished and workmanship for a period of one year from the date that the Developer's Engineer's and ONSWC have completed their final inspection of the system and have prepared, signed, and submitted the Engineer Certification Form and the Applicant Certification Form to Public Water Supply.

Should ONSWC become aware of any defect(s) to the water distribution facilities for this Project during the one year warranty period due to improper materials and/or workmanship, the defect(s) shall be made good by the Developer's Contractor at no expense to ONSWC.

ONSWC shall give notice of any defective work found to both the Developer and the Contractor (notice shall be by e-mail and phone call to the Contractor and the Developer). Should the Contractor fail to correct defective work within 45 days after receiving notice, the Owner may, at its option, correct the defects and charge the Developer the costs for such corrections/repairs. Developer agrees to pay such charges upon demand.

This Warranty applies and is limited as follows:
to the construction work that has not been subject to accident, misuse or abuse,
to the construction work that has not been modified, altered, defaced, or had repairs made or attempted by others,
that the Developer and the Contactor are notified in writing within 5 days of first knowledge of defect by Owner,
that the Contractor be given first opportunity to make any repairs, replacement, or corrections to the defective construction at no cost to Developer and Owner within a reasonable period of time.

→Developer's Signature, Date: James E S, 04/2/24

→Developer's Phone Number and E-mail:
919-604-7120 ali@jmallen.com

Contractor's Signature, Date: Bruce A. R, 4/1/2024

Contractor's Phone Number and E-mail: (919) 625-1856 /
Neil@RaleighConstructionGroup.com

Exhibit 11.1.h.

List of Lot Numbers and Addresses Form
Subdivision Name: ____**Olivet S/D**_____

Lot	Cordoba Drive
1	Cordoba Drive
2	Cordoba Drive
3	Beldi Lane
4	Beldi Lane
5	Beldi Lane
6	Cordoba Drive
7	Cordoba Drive
8	Cordoba Drive
9	Cordoba Drive
10	Cordoba Drive
11	Cordoba Drive
12	Cordoba Drive
13	Cordoba Drive
14	Cordoba Drive
15	Cordoba Drive
16	Cordoba Drive
17	Cordoba Drive
18	Cordoba Drive
19	Cordoba Drive
20	Cordoba Drive
21	Cordoba Drive
22	Cordoba Drive
23	Cordoba Drive
24	Cordoba Drive
25	Calabria Court
26	Calabria Court
27	Calabria Court
28	Calabria Court
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