

Asset Purchase and Utility Construction and Maintenance Agreement

by and between

Equity First NC, LLC and CV-WWT, LLC (Sellers)

and

Currituck Water and Sewer, LLC (Buyer)

Dated: October 21, 2019

OFFICIAL COPY

Mar 26 2024

ASSET PURCHASE AND UTILITY CONSTRUCTION AND MAINTENANCE AGREEMENT

BY AND BETWEEN

**Equity First NC, LLC and CV-WWT, LLC
(Sellers)**

and

**Currituck Water and Sewer, LLC
(Buyer)**

THIS ASSET PURCHASE AND UTILITY CONSTRUCTION AND MAINTENANCE AGREEMENT (“Agreement”) is entered into as of the 21st day of October, 2019 (the “Effective Date”), by and between **Equity First NC, LLC**, a North Carolina limited liability company (“EFNC”), **CV-WWT, LLC**, a North Carolina limited liability company (“CV-WWT”), and **Currituck Water and Sewer, LLC** a North Carolina limited liability company (“CWS” or “Buyer”) (individually referred to as a “Party” and collectively referred to as the “Parties”). (EFNC and CV-WWT are collectively referred to as the “Sellers” in this Agreement.)

W I T N E S S E T H:

(capitalized terms are defined in Article I and elsewhere in this Agreement)

WHEREAS, EFNC is the owner of certain real property located in Currituck County, North Carolina and described on Exhibit A attached hereto and made a part hereof (the “EFNC Property”); and

WHEREAS, CV-WWT is the owner of the Water Utility System Assets, as are more fully described in Exhibit B attached hereto and made a part hereof, and the Wastewater Utility System Assets, as are more fully described in Exhibit C attached hereto and made a part hereof; and

WHEREAS, Carolina Village NC (“CVNC”) is a mobile home community and currently has approximately 419 existing mobile homes sites located in Moyock, North Carolina; and

WHEREAS, subject to obtainment of all required third-party approvals, including without limitation the approval of any municipal or county authorities, the owner of CVNC intends to subdivide the property currently comprising CVNC mobile home community to create the Upgraded CVNC MHC Community (as defined below) and the Age Restricted MHC Community (as defined below) on the CVNC tract; and

WHEREAS, after subdividing the property currently comprising CVNC, the owner intends to replace mobile homes and relocate any remaining mobile homes currently located on the southeastern side of the community (*i.e.*, from the future Age Restricted MHC Community [as defined below] site) to sites generally located along the northwestern portion of the CVNC mobile home community site (the “Upgraded CVNC MHC Community”) and to construct community facilities and a pool consistent with Exhibit O on the Upgraded CVNC MHC Community. In

addition, the owner of CVNC intends to upgrade the entrance, streets and facilities within the Upgraded CVNC MHC Community, producing a gated mobile home community containing approximately 184 mobile homes with upgraded community and pool facilities; and

WHEREAS, subject to obtainment of all required third-party approvals, including without limitation the approval of any municipal or county authorities, the owner of CVNC intends to develop the remainder of the property currently comprising CVNC (*i.e.*, the southeastern side of the current CVNC community adjacent to the Upgraded CVNC MHC Community) into a gated, age restricted (55 years of age, plus) manufactured home development containing approximately 250 manufactured homes, including a community building and pool on that certain tract of real property, being currently a part of CVNC, as shown and described on Exhibit O attached hereto and made a part hereof (the “Age Restricted MHC Community”);

WHEREAS, CWS is engaged in the business of owning and operating water and wastewater systems and furnishing water and wastewater operation and management services in the State of North Carolina and holds or shall apply for and diligently pursue all necessary permits, licenses, and approvals to own and operate such systems and provide such services; and

WHEREAS, EFNC agrees to convey to CWS, by special warranty deed the Wastewater Treatment Plant Site as depicted in Exhibit E, and additional pond site property for effluent disposal, as depicted in Exhibit F (the “Pond Site Property”), so that CWS may design, permit and construct the Currituck Water Resource Recovery Facility, which will replace the existing wastewater treatment system and which will be a wastewater treatment system capable of providing wastewater treatment service to the approximately 184 mobile homes in the Upgraded CVNC MHC Community, approximately 250 manufactured homes (55 & over) in the Age Restricted MHC Community, as well as two separate new community buildings, two separate pools, and other common amenities within the Upgraded CVNC MHC Community and the Age Restricted MHC Community, and additional areas in and around Moyock, North Carolina within Currituck County; and

WHEREAS, EFNC agrees to grant or cause to be granted the System Easements to CWS at Closing in existing well sites and two future well sites as identified on a plat recorded in Deed Book __, page __ in the Currituck County Registry, and CWS agrees to take ownership of the Water Utility System, such that CWS can upgrade the Water Utility System with sufficient capacity to serve the approximately 184 mobile homes in the Upgraded CVNC MHC Community, approximately 250 manufactured homes in the Age Restricted MHC Community, including two separate new community buildings, two separate pools, and other common amenities within the Upgraded CVNC MHC Community and the Age Restricted MHC Community, and other potential areas in and around the CVNC mobile home community; and

WHEREAS, EFNC has represented and CWS agrees and accepts that the existing water distribution system within the existing CVNC, including the Upgraded CVNC MHNC Community to serve approximately 184 manufactured homes, and the planned area for the Age Restricted MHC Community to serve approximately 250 manufactured homes is sufficient to meet the necessary requirements to serve the Age Restricted MHC Community and the Upgraded CVNC MHNC Community, excluding any ordinary repairs and maintenance. For the avoidance of doubt,

no upgrades are contemplated for the existing water distribution system. CWS agrees that meters are not currently installed and agrees to install meters at CWS's sole cost; and

WHEREAS, upon approval from the NCUC and transfer of said assets, CWS agrees to continue to provide water service and wastewater/sewer service to CVNC as it currently exists and to the Upgraded CVNC MHC Community containing approximately 184 manufactured homes and to provide water service to the Age Restricted MHC Community containing approximately 250 manufactured homes; and

WHEREAS, CWS agrees to design, permit, and construct the Currituck Water Resource Recovery Facility, which is a new wastewater treatment facility utilizing high rate infiltration basins on the Pond Site Property to be conveyed to CWS and convert the existing wastewater treatment plant to sludge holding once the wastewater collection system has been tied in to the CWRRF, and the NC DEQ Non-Discharge Permit will be rescinded; and

WHEREAS, CWS agrees to own, operate and upgrade the Water Utility System as contemplated herein, all in accordance with this Agreement, to provide water service to CVNC and, after subdivision, to the approximately 184 mobile homes in the Upgraded CVNC MHC Community, approximately 250 manufactured homes in the Age Restricted MHC Community, including two separate new community buildings, two separate pools, and other common amenities within the Upgraded CVNC MHC Community and the Age Restricted MHC Community, and other potential areas in and around the CVNC community; and

WHEREAS, CWS agrees to own and operate the Wastewater Utility System, all in accordance with this Agreement, to provide wastewater service to CVNC and, after subdivision, to the approximately 184 mobile homes the Upgraded CVNC MHC Community, and subject to all governmental approvals (specifically Currituck County), approximately 250 manufactured homes for the Age Restricted MHC Community, including without limitation common areas, buildings, pools, and similar amenities in CVNC and the Age Restricted MHC Community, and potential areas in and around the CVNC mobile home community, and upon construction of the Currituck Water Resource Recovery Facility and repurposing of the Wastewater Utility System, to provide wastewater service to the communities referenced herein, via the Currituck Water Resource Recovery Facility and upgraded system; and

WHEREAS, EFNC agrees to transfer by Bill of Sale (without warranty) and CWS agrees to take ownership of the Wastewater Utility System, such that CWS can upgrade the collection system sufficient to serve CVNC and subsequently the approximately 184 mobile homes in the Upgraded CVNC MHC Community, approximately 250 manufactured homes in the Age Restricted MHC Community, including two separate new community buildings, two separate pools, and other common amenities within the Upgraded CVNC MHC Community and the Age Restricted MHC Community, and other potential areas in and around the CVNC mobile home community; and

WHEREAS, EFNC has represented and CWS agrees and accepts that the existing sewer collection system within the existing CVNC, including the Upgraded CVNC MHNC Community to serve approximately 184 manufactured homes, and the planned area for the 250 manufactured homes in the Age Restricted MHC Community is sufficient to meet the necessary requirements of

the Upgraded CVNC MHNC Community and the Age Restricted MHC Community, excluding ordinary repairs and maintenance, and for the avoidance of doubt, no upgrades are contemplated for the existing sewer collection system; and

WHEREAS, the foregoing recitals are incorporated herein by this reference as a substantive part of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants as hereinafter set forth, the Parties hereto agree as follows:

ARTICLE I Definitions

- 1.1 *“Additional Wastewater Collection System”* shall mean the Wastewater Service Lines, gravity collection lines, if any, force mains, lift stations, if any, and all appurtenant equipment, that have not yet been constructed and installed and will transmit the wastewater from customers to the CWRRF.
- 1.2 *“Additional Water Distribution System”* shall mean the Water Service Lines, water distribution lines and all appurtenant equipment, that have not yet been constructed and installed and will transmit the water from the wells to the water customers.
- 1.3 *“Agreement”* shall mean this Asset Purchase and Utility Construction and Maintenance Agreement, including all exhibits and schedules attached hereto, and amendments thereto.
- 1.4 *“Bulk Service Agreement”* shall mean the Agreement between the parties detailing the provision of providing bulk wastewater treatment services to EFNC and CV-WWT in the event that the CWRRF is completed and operational prior to the anticipated approval and issuance of a Certificate by the NCUC.
- 1.5 *“Carolina Village NC” of “CVNC”* shall mean the existing mobile home community, as shown on Exhibit G, consisting of approximately 419 mobile home sites and being located in Moyock, North Carolina. Upon completion of the redevelopment, which shall in all events be subject to obtainment of all required third-party approvals, including without limitation the approval of any municipal or county authorities, CVNC shall be subdivided and redeveloped as the Upgraded CVNC MHC Community and the Age Restricted MHC Community.
- 1.6 *“Certificate”* or *“CPCN”* shall mean a Certificate of Public Convenience and Necessity for water and wastewater utility service issued by the North Carolina Utilities Commission, as may be amended from time to time.

- 1.7 “*Certificate Extension*” shall mean an extension to the Certificate, if applicable.
- 1.8 “*Closing*” is defined in Article VIII hereof.
- 1.9 “*Closing Date*” shall mean the date of the Closing.
- 1.10 “*Collection System Permits*” shall mean, collectively, those permits issued by the North Carolina Division of Water Resources of the Department of Environmental Quality for the construction and operation of the Wastewater Collection System, including all modifications thereto.
- 1.11 “*Commission*” or “*NCUC*” shall mean the North Carolina Utilities Commission.
- 1.12 “*County*” shall mean Currituck County, North Carolina.
- 1.13 “*CVNC Related Facilities*” shall mean the facilities related to the ownership and operation of CVNC including Carolina Village NC clubhouse, Carolina Village NC maintenance buildings for the adjacent mobile home development and the common areas for the adjacent Carolina Village NC mobile home development, and those facilities identified in Section 4.2(a) through (e) of this Agreement.
- 1.14 “*CV-WWT WWTP*” shall mean the existing 0.04 MGD wastewater treatment facility as described in Exhibit C.
- 1.15 “*Currituck Water Resource Recovery Facility*” or “*CWRRF*” shall mean the wastewater treatment facility to be designed, permitted and constructed by CWS on the Wastewater Treatment Plant and Pond Site to replace the existing Wastewater Treatment Plant and to serve the properties described herein.
- 1.16 “*CWRRF Deeded Property*” shall mean the Wastewater Treatment Plant Site (Exhibit E), Pond Site (Exhibit F) and easements that will be conveyed to CWS, in accordance with the Bulk Service Agreement, subject to any required third-party approvals.
- 1.17 “*DWR*” shall mean the Division of Water Resources of the North Carolina Department of Environmental Quality.
- 1.18 “*DEQ*” shall mean the North Carolina Department of Environmental Quality.
- 1.19 “*Effluent*” shall mean the wastewater that has been treated to the point that it meets the quality standards required by the North Carolina Department of Environmental Quality.

- 1.20 “*EFNC Property*” shall mean the real property located in Currituck County, North Carolina and described in Exhibit A.
- 1.21 “*Governmental Authority*” shall mean each and every applicable authority, department, agency, bureau, or other entity or instrumentality having jurisdiction over the Water Utility System and the Wastewater Utility System, including the federal government of the United States, the State of North Carolina, and all other applicable governmental authorities and subdivisions thereof, and the NCUC.
- 1.22 “*GPD*” shall mean gallons per day.
- 1.23 “*Infiltration Basins*” shall mean the infiltration basins located on the Wastewater Treatment Plant Site or the Pond Site.
- 1.24 “*Maintenance Agreement*” shall mean the Utility Service and Maintenance Agreement dated November 3, 2015, and recorded November 5, 2015, in Deed Book 1345, Page 850, Currituck County Registry.
- 1.25 “*Management Agreement*” shall mean the management agreement between Sellers or their affiliates and Envirolink, Inc., and/or its affiliates (“*Envirolink*”), under which Envirolink agreed to manage the current Water Utility System and Wastewater Utility System and dated on or about the date of this Agreement.
- 1.26 “*Non-Discharge Permit*” shall mean the 0.04 million gallon per day permit for the construction and operation of the existing Wastewater Treatment Plant issued by DWR as Permit No. WQ0004696, including all modifications thereto. It is expressly agreed that the Non-Discharge Permit will not be transferred or conveyed to CWS at any time and that CWS shall obtain, at its own expense, its own non-discharge Permit in connection with this Agreement.
- 1.27 “*Permit*” or “*Permits*” shall mean the Collection System Permit, the Non-Discharge Permit, and the Water Utility System Permit, as the context requires.
- 1.28 “*Pond Site*” shall mean the portion of the approximately 99.05 acre tract bearing PIN 0002000043B0000 and/or the approximately 22.5 acre tract bearing 000200000500000 that will be subdivided and conveyed to CWS only as necessary for use as high rate Infiltration Basins in accordance with the Bulk Service Agreement. The total acreage of the Pond Site shall consist only of the total amount of land required to be used for a Pond Site, with the remainder of the approximately 99.05 acre tract and/or approximately 22.5 acre tract to be retained by EFNC as shown on Exhibit K.

- 1.29 “*Reclaimed Effluent*” shall mean the wastewater that has been treated to the point that it meets the quality standards required by DEQ for disposal into the Infiltration Basins.
- 1.30 “*Residential Equivalent Unit*” or “*REU*” shall mean a unit of wastewater treatment capacity equal to the presumed average daily wastewater flow of a single-family unit in the Development (360 GPD). For purposes of this Agreement, the number of REUs represented by a non-residential user shall be determined as follows:
- a. For a single-family unit with less than 5 bedrooms, if there is no water or wastewater meter for the non-residential facility then the number of REUs shall be “1”; or
 - b. For a single-family unit with 5 or more bedrooms, if there is no water or wastewater meter for the non-residential facility, by dividing the design flow of the facility in question, based on 120 GPD per bedroom, (in GPD) by 250 GPD; or
 - c. For a single Manufactured or Mobile Home unit, regardless if there is a water or wastewater meter for the facility, then the number of REUs shall be 0.67 REUs; or
 - d. If there is a water and/or a wastewater meter for the non-residential facility, in accordance with the following chart:

Meter Size	REU
Less than 1”	1
1”	2.5
1.5”	5.0
2”	8.0
3”	15.0
4”	25.0
6”	50.0

- 1.31 “*Special Order by Consent*” or “*SOC*” shall mean the Special Order by Consent that is attached hereto as Exhibit H.
- 1.32 “*Sprayfields*” shall mean the sprayfields for treatment and disposal facilities, consisting of the temporary sprayfield currently existing on the EFNC Property and any additional sprayfields that have not been constructed, and all appurtenant equipment, in which the reused Effluent is disposed after treatment at the Wastewater Treatment Plant, as described in Exhibit I.
- 1.33 “*System Easements*” shall mean collectively the easements to be conveyed to CWS at Closing for two existing well sites and two future well sites and the wastewater lift station

- sites as identified on a [plat recorded in Deed Book __, page __ in the Currituck County Registry, subject to required third-party approvals].
- 1.34 “*Termination Agreement*” shall mean that certain Termination and Mutual Release Agreement by and between Sellers, CVNC, and Old North State Water Company, LLC, a North Carolina limited liability company (“*ONSWC*”).
- 1.35 “*Wastewater Assets*” shall mean the tangible and intangible personal property related to the Wastewater Utility System, including the Wastewater Treatment Plant, Infiltration Basins, the Wastewater Collection System, pump stations, storage ponds and additional assets that comprise the Wastewater Utility System and are related to the provision of wastewater utility service, as more fully described in Exhibit C. It is expressly agreed that the Non-Discharge Permit shall not be included in the Wastewater Assets but that CWS shall obtain, at its own expense, its own non-discharge Permit in connection with this Agreement.
- 1.36 “*Wastewater Collection System*” shall mean the Wastewater Service Lines, gravity collection lines, force mains, pump stations, and all appurtenant equipment both constructed and not yet constructed that transmit the wastewater from the customers on the CVNC and EFNC Property to the Wastewater Treatment Plant, as more fully described in the collection system map in Exhibit J.
- 1.37 “*Wastewater Service Line*” shall mean that portion of the individual household wastewater line that CWS will own and maintain. For any case where a cleanout does not exist, the Wastewater Service Line shall mean that portion of the individual household wastewater line that extends from CWS’s main to the connection point of the mobile home and which CWS will own and maintain.
- 1.38 “*Wastewater Treatment Plant*” or “*WWTP*” shall mean the 0.04 Million GPD wastewater treatment and disposal facilities, as described in Exhibit C and Exhibit E, to be maintained by Envirolink under the Management Agreement to provide wastewater services. As set forth herein the WWTP will be replaced by the CWRRF.
- 1.39 “*Wastewater Treatment Plant Site*” shall mean the real property described in Exhibit E where the Wastewater Treatment Plant and the Infiltration Basins are located.
- 1.40 “*Wastewater Utility System*” shall mean CWRRF Deeded Property, the System Easements, the Wastewater Treatment Plant, the Wastewater Collection System, the Infiltration Basins, all pump stations, the Wastewater Assets, buildings, parts, equipment, additional components of the wastewater system that have not already been constructed and installed, and other facilities used in the collection, treatment, holding and disposal of

the wastewater, and any additional components of the wastewater utility system necessary to provide service, as described in Exhibit C; provided, that such systems assets, equipment, and components are located on the EFNC Property.

- 1.41 “*Water Assets*” shall mean the water system equipment, System Easements, if any, tangible personal property related to the Water Utility System, and intangible personal property, including the groundwater wells and distribution system including treatment systems, mains, storage tanks, and additional assets that comprise the Water Utility System and are related to the provision of water utility service, as more fully described in Exhibit B.
- 1.42 “*Water Service Line*” shall mean the portion of the individual household water line for which CWS will assume maintenance responsibility. The Water Service Line shall meet minimum standards under applicable law, code, rule, law, and regulations and include only that portion of the individual household water line from the house to CWS’s water source main at or near the above ground water storage tank. CWS shall, as soon as reasonably practical after approval of CWS’s rates set forth herein by the Utilities Commission, install all water meters to all homes in CVNC. If there is no house on the relevant CVNC lot, when a home is later brought in or constructed, CWS will promptly install a water meter.
- 1.43 “*Water Utility System*” shall mean all Water Assets, including interconnection to the existing distribution system or trunk water mains, all other equipment necessary and proper to serve all connections relating to that Water Utility System Phase and any additional components that are necessary to be constructed to provide water service.
- 1.44 “*Water Utility System Permit*” shall mean the permit to operate the Water Utility System issued by DEQ and identified as PSW ID# NC04-27-103, including all modifications thereto.
- 1.45 “*Water Utility System Phase*” shall mean any discrete phase of construction of the Water Utility System, including any modifications to the Water Utility.

ARTICLE II

Representations and Covenants by the Sellers

THE SELLERS REPRESENT, WARRANT and COVENANT THAT ON THE DATE HEREOF (except as otherwise noted) AND AS OF THE CLOSING:

2.1. Organization; Good Standing. EFNC and CV-WWT are limited liability companies, validly existing and in good standing under the laws of the State of North Carolina, and they are authorized to do business in the State of North Carolina.

2.2. Title to Properties. EFNC is the legal owner of and has fee simple marketable title to the CWRRF Deeded Property being purchased by CWS in this Agreement, and CV-WWT is the legal owner of and has fee simple marketable title to in the Water Utility System Assets and the Wastewater Utility System Assets being purchased by CWS in this Agreement.

2.3. Power and Authority Relative to Agreement. The Sellers have full internal company power and authority (i) to execute and deliver this Agreement, (ii) to perform their obligations hereunder, and (iii) to consummate the transactions contemplated hereby. The execution and delivery by the Sellers of this Agreement, and the performance by the Sellers of their obligations hereunder, have been duly and validly authorized by its members and/or managers, and no other action on the part of the Sellers' members or managers is necessary in furtherance thereof.

CV-WWT is authorized by the Maintenance Agreement to own and operate the Water Utility System and the Wastewater Utility System, and CV-WWT or its affiliate is authorized by the NCUC to own and operate the Water Utility System and the Wastewater Utility System.

2.4. No Actions at Law or Suits in Equity. Other than those described herein and or provide as an exhibit to this Agreement (including without limitation the SOC), (i) there are no pending or, to the Sellers' knowledge, without investigation or inquiry, threatened actions at law or suits in equity relating to the Water Assets, and (ii) there are no pending or, to Sellers' knowledge, without investigation or inquiry, threatened proceedings before any governmental agency with respect to the Wastewater Assets. There are no actions or proceedings pending or, to Sellers' knowledge, without investigation or inquiry, threatened against the Sellers that would prohibit or make illegal the consummation of the transactions contemplated by this Agreement.

2.5. Effect of Agreement. Except as provided in and subject to the terms and conditions of the Maintenance Agreement, (i) the execution and delivery by the Sellers of this Agreement does not, and (ii) the performance by Sellers of its obligations under this Agreement and the consummation of the transactions contemplated hereby, shall, to Sellers' knowledge, not:

a. Conflict with or result in a violation or breach of any of the terms, conditions or provisions of Sellers' articles of organization, operating agreements, or other governing documents;

b. Result in a default, penalty, or any adjustment in required payments (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, deed of trust, indenture, license, agreement, lease or other instrument or obligation to which Sellers are bound, except for such defaults, penalties or adjustments (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained; or

c. Conflict with or result in a violation or breach of any term or provision of any law applicable to Sellers or any of its affiliates or any of their respective assets and properties.

2.6. Contractual Obligations. Other than this Agreement, the Bulk Services Agreement, the Maintenance Agreement, the Management Agreement, the Termination Agreement, the Non-Discharge Permit, and the SOC, there are no restrictions, covenants, contracts or obligations of any nature between Sellers and any other party relating to the Water Assets and Wastewater Assets which govern the use of portion(s) of EFNC Property for the construction or operation of the Water Utility Systems and the Wastewater Utility System or additional components of the Water Utility System and the Wastewater Utility System.

2.7. Location of Properties. To the best of the Sellers' knowledge, the Wastewater Utility System and Water Utility System are located on the CWRRF Deeded Property being conveyed to CWS by special warranty deed or in the System Easements, which shall be granted hereunder to CWS.

2.8. Permits and Approvals. From and after the date of this Agreement, except as otherwise may be disclosed on Schedule 1, Seller has and will maintain all required permits from DWR to operate the Wastewater Utility System and Water Utility System.

2.9. [Intentionally Omitted.]

2.10. Taxes. To the Sellers' knowledge, without investigation or inquiry, except for outstanding property taxes which will be prorated at Closing for the year of closing, there are no real estate taxes, taxes imposed by special assessment or assessments by any Governmental Authority for the Water Utility System and the Wastewater Utility System that are unpaid. Sellers have no knowledge of any governmental special assessments, either pending or confirmed, against the Water Assets or Wastewater Assets.

2.11. Assets are Clear of Any Liens and Encumbrances. Sellers represent and warrant that as of the Closing Date the Water Assets and the Wastewater Assets shall be delivered to CWS free and clear of any and all liabilities, liens, and encumbrances, other than the SOC. Sellers acknowledge and agree that under no circumstance shall CWS be obligated or liable for any loans or liabilities made by any creditor to EFNC or CV-WWT. Notwithstanding any of the foregoing representations, CWS hereby acknowledges that the Water Assets and Wastewater Assets are subject to the SOC.

2.12. Accuracy or Representations and Warranties. No representation or warranty by Sellers in this Agreement, or any statement or certificate furnished or to be furnished to CWS pursuant hereto or in connection with the transactions contemplated herein, contains or will contain any untrue statement of a material fact or will omit to state a material fact necessary to make the statements contained herein or therein not misleading.

ARTICLE III Representations and Covenants by CWS

CWS REPRESENTS, WARRANTS and COVENANTS THAT ON THE DATE HEREOF AND AS OF THE CLOSING:

3.1. Organization; Good Standing. CWS is a North Carolina limited liability company in existence under the laws of the State of North Carolina and has full power and authority to

conduct its business as it is now being conducted and to own, operate, and manage its assets and properties.

3.2. Power and Authority Relative to Agreement. CWS has full corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby. The execution and delivery by CWS of this Agreement, and the performance by CWS of its obligations hereunder, have been duly and validly authorized by its board of directors, and no other action on the part of CWS is necessary in furtherance thereof.

3.3. No Actions or Proceedings. There are no actions or proceedings pending or, to CWS's knowledge, threatened against CWS or any of its assets and properties that would result in the issuance of an order restraining, enjoining; that would prohibit or make illegal the consummation of the transactions contemplated by this Agreement; that would prohibit CWS from operating the Water Utility Systems and the Wastewater Utility System; or that would otherwise have an adverse effect whatsoever on the Water Utility Systems and the Wastewater Utility System.

3.4. Effect of Agreement. The execution and delivery by CWS of this Agreement does not, and the performance by CWS of its obligations under this Agreement and the consummation of the transactions contemplated hereby shall not:

a. Conflict with or result in a violation or breach of any of the terms, conditions or provisions of CWS's articles of incorporation, bylaws, or other corporate governance documents;

b. Result in a default, penalty, or any adjustment in required payments (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, deed of trust, indenture, license, agreement, lease or other instrument or obligation to which CWS or any of its affiliates is a party or by which any of their respective assets and properties may be bound, except for such defaults, penalties or adjustments (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained; or

c. Conflict with or result in a violation or breach of any term or provision of any law applicable to CWS or any of its affiliates or any of their respective assets and properties.

3.5. Experience; Licenses; Ability to Operate. CWS's management team is experienced in the ownership, operation and maintenance of water utility systems and wastewater utility systems. CWS has, or will obtain and diligently pursue, all licenses, permits, certifications, and all other consents and approvals from all applicable Governmental Authorities to perform each and every obligation hereunder and to fully operate the Water Utility System and the Wastewater Utility System. From and after approval by NCUC, CWS will operate the Water Utility System and Wastewater Utility System to provide service as provided in this Agreement.

3.6. Accuracy of Representations and Warranties. No representation or warranty by CWS in this Agreement, or any statement or certificate furnished or to be furnished to CWS

pursuant hereto or in connection with the transactions contemplated herein, contains or will contain any untrue statement of a material factor or will omit to state a material fact necessary to make the statements contained herein or therein not misleading.

ARTICLE IV

Purchase Price and Covenants and Obligations in Consideration of Purchase Price

4.1. Purchase Price. The purchase price for the CWRRF Deeded Property and the System Easements (collectively the "Purchase Price") shall be as described in Paragraph 4.6. The Purchase Price shall be paid to CV-WWT and EFNC by CWS in accordance with Paragraph 4.6. The Parties hereby acknowledge and agree that the Purchase Price, and the other payment and consideration described in this Article IV, constitute sufficient, good and valuable consideration for the Water Assets, the Wastewater Assets, the CWRRF Deeded Property, and the System Easements granted hereunder and the Parties' respective obligations.

4.2. Capacity Fees. CWS shall charge capacity fees in the amount of \$5,806.00 per REU for each new wastewater utility service connection in the Age Restricted MHC Community and \$4,279.00 per REU for each new water utility service connection in the Age Restricted MHC Community; provided, however, that in both cases, CWS shall rebate within the same month of collection capacity fees to CVNC or its assigns collected above 160 units up to the total number of units approved within the Age Restricted MHC Community. However, the Parties understand and agree that NCUC may authorize CWS to charge capacity fees in amounts greater than or less than those contemplated in this Agreement CWS intends to charge capacity fees in the amount of \$5,806.00 per REU for the wastewater utility service connection to the pool and clubhouse in the Age Restricted MHC Community and \$4,279.00 per REU for the water utility connection to the pool and clubhouse in the Age Restricted MHC Community; provided, however, that the foregoing water and wastewater connection/capacity fees will be rebated to CVNC or its assigns within the same month of payment. Notwithstanding the foregoing or anything else to the contrary contained herein, CWS will not charge any capacity or connection fees whatsoever with respect to the following:

- a. The existing offices in the adjacent CVNC mobile home park, including in the Upgraded CVNC MHC Community;
- b. The existing mobile home park maintenance buildings for CVNC, including in the Upgraded CVNC MHC Community;
- c. [intentionally omitted];
- d. Any common area needs for water or wastewater utility service of the CVNC mobile home park, including in the Upgraded CVNC Community, including, without limitation, pools, clubhouses, and similar amenities and facilities; and
- e. Above the limits set forth in this Agreement, including without limitation as provided in Section 4.5.

4.3. Utility Rates. CWS will request authorization from the NCUC to charge the following rates:

	<u>Water</u>	<u>Sewer</u>
Monthly Minimum Charge (per REU)	\$ 18.00	\$ 35.00
Cost per 1,000 Gallon Usage	\$ 5.25	\$ 5.00
<u>Flat Rate per REU (Not Metered)</u>	<u>\$ 40.00</u>	<u>\$ 57.00</u>

Note: A mobile home shall equal 0.67 REUs, and foregoing rates are subject to all applicable governmental and regulatory approvals, including without limitation approval by NCUC.

Notwithstanding the foregoing or anything in this Agreement to the contrary, CWS will not request rate increases more frequently than one time per year.

4.4. CWS Obligations. After Closing, CWS will as soon as reasonably practical obtain all permits to place the Water Utility System into the name of CWS so that CWS is the owner/operator of such systems and such that Sellers and their affiliates are relieved of any obligations under any existing water and wastewater permits. Except as expressly set forth herein, CWS is responsible, at its sole cost and expense, to prepare, construct, install, and provide the capital improvements, maintenance, repairs, installations, replacements, system upgrades, system repairs, component upgrades, component repairs, equipment upgrades and repairs, and any and all work required with respect to the Water Utility System and Wastewater Utility System necessary to serve approximately 184 mobile homes sites, approximately 250 manufactured homes, including all common area amenities and facilities, including without limitation pools and clubhouses in all such communities. CWS will also restore any areas disturbed in the performance of its work or its obligations under this Agreement to a similar condition existing prior to such repairs and upgrades. CWS will construct the CWRRF and provide wastewater treatment services to CVNC sufficient to service approximately 184 mobile homes, approximately 250 manufactured homes, including all common area amenities and facilities, including without limitation pools and clubhouses in all such communities, and CWS will perform all work, improvements, replacements, and repairs required to bring the Water Utility System and the Wastewater Utility System into compliance with all applicable rules, regulations, laws, and orders of governmental authorities (“Applicable Laws”), including without limitation as required to bring such systems into compliance with DEQ regulations and permits. After Closing, CWS will as soon as reasonably practical provide services necessary to rescind and replace the existing NC DEQ permit WQ004696 for the Wastewater Utility System. The CWRRF is intended to address concerns of the SOC. The work and improvements shall be sufficient to provide capacity to in order to serve the approximately 184 mobile homes in the Upgraded CVNC MHC Community, approximately 250 manufactured homes in the Age Restricted MHC Community, including all common area amenities and facilities, including without limitation pools and clubhouses in all such communities. At Closing, CWS or its qualified and licensed designee shall assume and hereby does assume responsibility for operation, maintenance and management of the Water Utility System and Wastewater Utility System (and upgrades as contemplated herein), and CWS will provide water and wastewater services to CVNC and the CVNC Related Facilities and subsequent to subdivision of CVNC to the Upgraded CVNC MHC Community, the Age Restricted MHC Community, and the pools, clubhouses,

and common amenities located therein, in accordance with this Agreement. CWS has already completed the design and submitted to NC DEQ for approval. Upon approval from NC DEQ, CWS will initiated construction activities to construct the CWRRF, as described herein. At Closing, CWS will accept the Water Utility System and the Wastewater Utility System in their then existing states. All improvements and upgrades over and above the current state of the Water Utility System and the Wastewater Utility System as of the Closing Date, shall be made by CWS, at its sole cost and expense.

4.5. Sellers' Obligations. Sellers or their assigns are responsible, at their sole cost and expense, for the following:

- a. Agreement related to additional development. If EFNC enters into a purchase agreement, then Sellers will ensure that the buyer enters into a development agreement with CWS that contains terms and conditions similar to those customary of such an agreement and consistent with the terms of this agreement.
- b. Escrow of First Half of Capacity Fees. EFNC or its assignee and CWS will enter into a mutually agreeable escrow agreement by which the following fees will be escrowed: (i) \$2,139.50 per REU, representing the first one-half of water capacity fees which total \$4,279.00 per REU, for each dwelling to be served in the Age Restricted MHC Community only, provided that any homes over a total of 160 homes shall be rebated in accordance with Section 4.2 above and provided further that total of water capacity fees escrowed is and shall not exceed \$342,320.00; and (ii) \$2,903.00 per REU, representing the first one-half of wastewater capacity fees which total \$5,806.00 per REU, for each dwelling to be served in the Age Restricted MHC Community only, provided that any homes over a total of 160 homes shall be rebated in accordance with Section 4.2 above and provided further that total of wastewater capacity fees escrowed is and shall not exceed \$464,480.00. The total amount escrowed for the first one-half of the water and wastewater capacity fees totals \$806,800.00. CVNC shall submit plans for approval by Currituck County of the upgrades to the Upgraded CVNC MHC Community and the 250 unit Age Restricted MHC Community within 60 days after full execution of this Agreement, and CVNC will diligently pursue approvals after submittal. Notwithstanding anything to the contrary herein, the escrow will be funded within 30 days of receipt of full, final, non-appealable approval from Currituck County of such plans for the communities (the "Currituck Upgrade Plan Approval"). After funding, the escrowed funds will be released to fund construction of the CWRRF on a mutually agreeable schedule in draws as certain milestones in the completion of the CWRRF.
- c. Performance Guarantee for Second Half of Capacity Fees. EFNC or its assignee will provide to CWS a performance guarantee (which may be by letter of credit, performance bond, payment guaranty or other mutually agreeable form) in a form mutually agreeable to EFNC or its assignee and CWS that will provide a guarantee of performance of the following: (i) payment of \$2,139.50 per REU, representing the second one-half of water capacity fees which total \$4,279.00 per REU, for each dwelling to be served in the Age Restricted MHC Community only and not to exceed a total of 160 homes such that the total guaranteed amount is and shall not exceed \$342,320.00; and (ii) payment of \$2,903.00 per REU, representing the second one-half of wastewater capacity fees which total \$5,806.00

per REU, for each dwelling to be served in the Age Restricted MHC Community only and not to exceed a total of 160 homes such that the total guaranteed amount is and shall not \$464,480.00. The total guaranteed amount under the performance guarantee for the second one-half of the water and wastewater capacity fees totals \$806,800.00. The second one-half of water and wastewater capacity fees will be paid incrementally upon connecting each new home to serviceable water and the connection to the CWRRF.

- d. Limitation on Escrowed Amounts and Performance Guaranty. Notwithstanding anything to the contrary in this Agreement and for the avoidance of doubt, Sellers' obligations for escrowed fees and the performance guaranty under this Section 4.5 for water and wastewater capacity fees shall be capped at (i) \$806,800.00 for the amount escrowed for the first one-half of such fees capped, and (ii) \$806,800.00 for the performance guaranty payment of the second one-half of such fees. If the capacity or connection fees are increased above the per REU basis set forth above, there shall be a reduction in the total capacity or connection fees payable by Sellers on the 160 homes in the Age Restricted MHC Community for which EFNC is responsible, such that Sellers' obligations do not exceed the foregoing caps. In addition, notwithstanding anything to the contrary in this Agreement and for the avoidance of doubt, Sellers shall have no obligations whatsoever for the payment of any connection or capacity fees (whether by escrow or performance or payment guaranty) in the Age Restricted MHC Community unless and until full, final, non-appealable Currituck Upgrade Plan Approval.

4.6. Payment of Purchase Price. From now through 20 years after execution of this Agreement, CWS shall make a payment to EFNC in accordance with the following: \$500 for each new lot connected to the CWRRF not located within the Upgraded CVNC MHC Community or the Age Restricted MHC Community. Payments shall be made quarterly based on the number of lots connected during the previous quarter. Quarterly payments shall be due on the last day of the month for the months of March, June, September and December.

4.7. Conveyance of Property. Subject to third party approvals, at Closing EFNC (a) shall grant the System Easements such that CWS can operate, maintain, renew, replace and upgrade the Water Utility System and (b) convey the CWRRF Deeded Property (other than the Pond Site Property) such that CWS can design, permit, construct, operate, maintain, renew, replace and upgrade the Wastewater Utility System with the CWRRF. Upon execution of this Agreement, EFNC shall convey the Pond Site Property, subject to a reverter clause providing that the Pond Site Property will revert to EFNC if the Closing does not take place within three years of the date of this Agreement. CWS will pay taxes and assessments following conveyances, will not commit waste with respect to the conveyed property, and will maintain the conveyed property free and clear of debris and in compliance with state and local regulation.

4.8. No Conveyance of Carolina Village NC, LLC Property. There shall be no conveyance, transfer, or assignment of any property (whether real or personal) equipment, rights, interests, or other assets of Carolina Village NC, LLC under this Agreement, nor shall there be, under this Agreement, any conveyance, transfer, or assignment of any property, equipment, interests, or other assets owned by CVNC. CVNC has no obligations under this Agreement. The conveyance of any interest in any property owned by or located on the property of CVNC will be the subject of a separate agreement of even date herewith.

4.9 Purchase Option. In accordance with the Bulk Service Agreement, EFNC shall convey the CWRRF Deeded Property to CWS. In addition, if the remaining portion of the 99.05 acre tract bearing PIN 0002000043B0000 and/or the approximately 22.5 acre tract bearing 000200000500000, as shown on Exhibit K, not conveyed as part of the Pond Site, is not sold to a third party or not developed by EFNC or a third-party (as evidenced by a recorded deed and such third party applying for approvals to develop such property) within four years of this Agreement (the "Option Date"), then CWS shall have the option to purchase the remaining portion of such property not so developable (the "Non-Developable Property") at a cost of One Thousand and 00/100 Dollars (\$1,000.00) per acres. CWS shall have [90] days from the Option Date to exercise such option to purchase the Non-Developable Property. If the option is not timely exercised, then CWS's option shall be voided. Nothing shall be recorded in the public record to evidence this option.

4.10. Insurance; Indemnification. CWS shall include adequate insurance, including by naming EFNC and CVNC as additional insureds, in undertaking its obligations under this Agreement, including covering against any liability for injury to person or damage to property resulting from CWS's work on Sellers' property or CVNC property and for operation of the Water Utility System and Wastewater Utility System. CWS shall protect, defend, indemnify and hold Sellers and CVNC harmless from and against any and all loss, claims, liability, or costs (including court costs and attorney's fees) incurred by reason of (a) any failure or alleged failure of CWS to comply with Applicable Laws in operating the Water Utility System and the Wastewater Utility System and (b) any injury or alleged injury to person or damage or alleged damage to property resulting from (i) CWS's operation of the Water Utility System or Wastewater Utility System or (ii) CWS's construction, installation, and providing the capital improvements, maintenance, repairs, installations, replacements, system upgrades, system repairs, component upgrades, component repairs, equipment upgrades and repairs, and any and all work performed with respect to the Water Utility System or the Wastewater Utility System. The terms of this Section 4.10 will survive Closing.

EFNC shall maintain or cause any manager of the property to maintain adequate insurance as owner of the CWRRF Deeded Property, Wastewater Utility System and Water Utility System, until such time as the same are conveyed to CWS.

4.11 Special Order by Consent Indemnification. It is understood and agreed that the Special Order by Consent is not transferable and that the liabilities and obligations of the SOC are also not transferable. Notwithstanding these restrictions, CWS shall work cooperatively with CV-WWT to modify its existing SOC to reflect that CV-WWT will connect to the new CWRRF and that CV-WWT (with the assistance of CWS or Envirolink) will request rescission of its current permit (WQ004696) within two (2) years from the date of this Agreement or, if the CWRRF is earlier completed and connected, within 90 days following completion and connection of the CWRRF. CWS shall indemnify and hold Sellers harmless from and against and all fines issued by DEQ as a result of its inability to connect the CVNC within the time period set forth in this Section 4.11; however, such time periods shall be delayed on a day-for-day basis for each day that CVNC cannot be connected to the CWRRF due to circumstances beyond CWS's reasonable control, including delays due to weather or acts of God. The terms of this Section 4.11 will survive Closing.

ARTICLE V

Water and Wastewater Utility System

5.1. Permits and Approvals. The Parties acknowledge and agree that CV-WWT or its affiliate has obtained the all necessary Permits for the now existing Water Utility System and the Wastewater Utility System. At or before Closing, CV-WWT or its affiliate and CWS shall execute a written request to the Department of Environmental Health and DWR to transfer all Permits for the water system and sewer collection system to CWS with the exception of the existing Non-Discharge Permit and the SOC. Additionally, upon connection of the sewer collection system to the CWRRF, CWS shall assist CV-WWT in rescission of Permit WQ004696. From and after Closing, CWS or its qualified and licensed designee shall assume and hereby does assume responsibility for operation, maintenance and management of the Water Utility System and Wastewater Utility System, and CWS will provide water and wastewater services to CVNC (including the Upgraded CVNC MHC Community) and the CVNC Related Facilities (which shall be deemed to include all pools, clubhouses, and common area amenities of the Upgraded CVNC MHC Community) in accordance with this Agreement. Until upgrades are made, CWS will provide services on the existing systems.

5.2. Water Utility System.

Design, Engineering, and Construction of the Water System.

a. Upon receipt of all applicable governmental approvals allowing the water system to serve the approximately 250 manufactured homes in the Age Restricted MHC Community, CWS will design, engineer and upgrade the existing Water Utility System in accordance with Applicable Laws to provide water service to the planned approximately 250 mobile homes in the Age Restricted MHC Community, the approximately 184 unit Upgraded CVNC MHC Community, including the pools, clubhouses, and similar common area facilities located in all communities or developments, including without limitation the CVNC Related Facilities, and additional customers in and around Carolina Village NC mobile home community, as more particularly described herein. Such upgrade and expansion may be completed in phases, if necessary. The existing 4" diameter wells each have a capacity of approximately 90 gpm per well, which CWS represents and warrants is sufficient to serve the properties to be served thereby. CWS shall reserve 180 gpm of capacity for the approximately 184 unit Upgraded CVNC MHC Community as well as the CVNC Related Facilities, which CWS represents and warrants to be sufficient to serve such homes and facilities. If additional water supply capacity is necessary to serve any portion of the Age Restricted MHC Community, CWS shall design and construct the additional water supply required for the approximately 250 manufactured homes, with all additional costs associated therewith to be borne by CWS or its assignee. CWS will diligently pursue and will provide immediate notice of all required approvals allowing the water system to serve the Age Restricted MHC Community.

b. Design, Permitting and Construction of Additional Water Utility System Components for the Water Distribution System. In connection with upgrading or rehabilitating each section of the water distribution to serve the approximately 184 unit Upgraded CVNC MHC Community and the Age Restricted MHC Community, CWS shall be responsible for all obligations and costs associated with upgrading the Water Distribution System to serve all lots in those communities and their common areas.

c. If required, CWS shall be responsible to upgrade/rehab the existing water storage facilities necessary to serve the approximately 184 unit Upgraded CVNC MHC Community, the CVNC Related Facilities, the Age Restricted Community, and any common areas or amenities therein, including pools and clubhouses.

5.3. Installation and Conveyance of Future Expansion of the Wastewater Utility System to Serve the EFNC Property and/or Upgraded Communities.

5.3.1. Design, Engineering, and Construction of the CWRRF.

a. CWS will design, engineer, permit, and construct the CWRRF to provide wastewater service, including a 40,000 gpd for the approximately 184 unit Upgraded CVNC MHC Community, as well as additional capacity sufficient to serve the CVNC Related Facilities, the Age Restricted MHC Community, and any common areas or amenities therein, including pools and clubhouses, and additional customers in and around Moyock, NC, as more particularly described herein. The new CWRRF may be completed in phases, if necessary. CWS shall reserve 40,000 gpd of capacity for the approximately 184 unit Upgraded CVNC MHC Community, as well as all additional capacity for the CVNC Related Facilities, the Age Restricted MHC Community, and any common areas or amenities therein, including pools and clubhouses, which CWS represents and warrants is sufficient for such purposes. Notwithstanding the foregoing, if, after one year of full capacity wastewater service use by CVNC and the CVNC Related Facilities, it is determined that less than 40,000 gpd is required to service Upgraded CVNC MHC Community, then the parties agree to return such additional and unused capacity from the 40,000 to CWS for use in serving other areas outside of CVNC; provided, adequate buffer is include in the retained capacity for CVNC and the CVNC Related Facilities to insure adequate service to CVNC and the CVNC Related Facilities. Consistent with the foregoing, CWS shall reserve 55,000 gpd of capacity for the Age Restricted MHC Community. Additional capacity beyond those stated may be purchased from CWS on a first come basis under terms to be negotiated in the sole and reasonable discretion of CWS at the time of request.

b. The Parties acknowledge that the existing WWTP has been designed to treat 40,000 gpd and that the facility is not capable of reliably meeting NC DEQ Permit requirements and has entered into a Special Order by Consent with the NC Department of Environmental Quality. It is understood that the new CWRRF will allow CVNC connect to the CWRRF and request DEQ to rescind its Non-Discharge Permit.

5.3.2. Design, Permitting and Construction of Additional Wastewater Utility System Components for the Wastewater Collection System. If EFNC sales property shown on Exhibit [] to a buyer for development of a single family community, EFNC shall use best efforts cause the buyer/developer who purchases such property from EFNC to enter into a development agreement by which the buyer/developer will agree to install and convey to CWS, at the such buyer/developer's expense, if required, a complete Wastewater Collection System to serve all lots in the such single family development. CWS shall not be responsible for the cost associated to upgrade or construct the collection system for such development.

5.4. Certificate of Public Convenience and Necessity. After the execution of this Agreement, and prior to providing water and wastewater service to the approximately 184 mobile homes in Upgraded CVNC MHC Community, the approximately 250 mobile homes in the Age Restricted MHC Community, and the CVNC Related Facilities and pools and clubhouses, CWS will apply to the Commission as soon as may be practicable for a Certificate or Certificate Extension to provide water and wastewater service. CWS shall provide all bonds required by the Commission for each Certificate or Certificate Extension.

5.5. As-Is Acquisition. CWS IS ACQUIRING THE WATER ASSETS AND THE WASTEWATER ASSETS, ALL EQUIPMENT, AND ALL OTHER ITEMS OF PERSONAL PROPERTY ON AN "AS-IS, WHERE-IS" BASIS AND "WITH ALL FAULTS". It is agreed and understood, CWS is not acquiring the Non-Discharge Permit (WQ004696) but that CWS shall obtain, at its own expense, its own non-discharge Permit in connection with this Agreement.

5.6. Documents to be Delivered to CWS. At Closing, EFNC or CV-WWT, as applicable, will deliver to CWS the following documents:

a. System Easement substantially similar to the area labeled "Proposed Utility Easement" as depicted on the Survey.

b. Bills of sale (without warranty deed), for the Water Assets and the Wastewater Assets, in the form attached hereto as Exhibit N;

c. Special warranty deed for the CWRRF Deeded Property (other than the Pond Site Property).

d. Upon obtaining required consents and approvals therefor and in accordance therewith, either an assignment or amendment of the Maintenance Agreement, necessary for CWS to access and operate the Water Utility System and the Wastewater Utility System in accordance with the terms of this Agreement; and

e. Without warranty, express or implied, copies of all files, documents, papers, agreements, books of account, customer lists, lot numbers and service addresses, lists of schedules,

original cost invoices, engineering drawings, and records in Sellers' possession pertaining to the Water Assets and the Wastewater Assets not already in the possession of CWS, Envirolink, or their affiliates.

In addition, at Closing, CWS will deliver to Sellers such documents and other items which are reasonably required to consummate the transactions contemplated under this Agreement.

5.7. Documents to be delivered upon execution of this Agreement.

a. Contemporaneous with the execution of this agreement, EFNC of CV-WWT, as applicable, shall deliver to CWS, the following documents:

- i. Executed Bulk Service Agreement;
- ii. Executed Operation & Management Agreement between Envirolink, CV-WWT, and CVNC;
- iii. Termination Agreement between ONSWC and Sellers; and
- iv. Special Warranty Deed for the Pond Site Property, containing language effective to provide that the Pond Site Property reverts to EFNC if the Closing does not take place within two years of the date of this Agreement.

b. Contemporaneous with the execution of this agreement, CWS shall deliver or cause to be delivered to Sellers, as applicable, the following documents:

- i. Executed Bulk Service Agreement;
- ii. Executed Management Agreement between Envirolink, CV-WWT, and CVNC; and
- iii. Termination Agreement between ONSWC and Sellers.

5.8. Improvements to Existing Water Assets. Contingent upon execution of an APA with the Developer, within 180 days of execution of this Agreement, CWS will paint the existing above-ground storage tank and will replace outdated and unsightly fencing associated with the existing Water Utility System with new, updated fencing.

ARTICLE VI

Conditions Precedent to this Agreement

6.1. Clear Title to Water Assets and Wastewater Assets. The Water Assets and the Wastewater Assets shall be free and clear of any and all liens and encumbrances at conveyance other than the Permitted Exceptions (as defined below).

6.2. Absolute Condition Precedent to any Obligations hereunder. There shall be no Closing nor any other transfer, conveyance (other than conveyance of the Pond Site Property subject to a reverter), or assignment of any of Sellers' property, equipment, interest, or other rights with respect to any property to be conveyed herein unless and until all required governmental approvals have been obtained, including without limitation municipal, county, DEQ, or NCUC approval. In addition, no Closing shall take place and there shall be no further rights or obligations hereunder unless and until, the Parties have obtained all necessary consents or approvals, including consents for approvals from third parties, either to amend and assign the Maintenance Agreement to CWS, or its affiliates.

ARTICLE VII Obligation to Request NCUC Approvals

7.1. Certificate of Public Convenience and Necessity. Within [60] days of execution of this Agreement, CWS, at its expense, shall file an Application for authorization to provide water and wastewater service to the CVNC adjacent mobile home park, the Age Restricted MHC Community, and other additional areas in and around Moyock, and to charge connection fees and rates.

7.2. Cooperation by Sellers. Sellers agree to cooperate reasonably with CWS in efforts to obtain such authorization including, upon request, the provision of financial documentation for the Water Utility System and the Wastewater Utility System.

ARTICLE VIII Closing

8.1. Date for the Closing. The Closing of the transactions contemplated hereunder ("Closing") shall occur within thirty days of the NCUC's approval of the CPCN. This Agreement may only be terminated by written agreement signed by all Parties hereto.

Prior to closing, CV-WWT shall continue to own the water and sewer system serving the CVNC mobile home community. Envirolink under the Management Agreement will assume responsibilities for operation and maintenance of the existing facilities until approval by the NCUC is obtained and connection to the new WWTP is completed.

8.2. Transfer of Obligations for Utility Services. At Closing, Sellers will transfer to CWS and CWS will assume all obligations with respect to the Water Assets and Wastewater Assets. From and after Closing, CWS shall be responsible for the Water Assets and the Wastewater Assets and operation of the Water Utility System and the Wastewater Utility System including, without limitation, the provision of water and wastewater service for the Carolina Village Mobile Home Park (including the Upgraded CVNC MHC Community), and the Age Restricted MHC Community, as the same may be developed.

8.3. No Claim by Third Parties. CWS and Sellers represent to the other that no party is entitled to a commission upon the Closing and transfer of the Water Assets, the Wastewater Assets, the System Easements, the CWRRF Deeded Property, or otherwise in consideration of the transactions under this Agreement, and each agrees to indemnify and hold harmless the other against any and all claims of real estate brokers, finders or similar agents claiming to have been engaged by the indemnifying party, for commissions or claims for similar fees incurred in any action, suit, proceeding or claim arising out of or in connection with the transaction contemplated by this Agreement. The indemnities in this paragraph shall survive Closing or the termination of this Agreement.

ARTICLE IX Taxes and Assessments and Other Prorations

9.1. Sellers and CWS shall prorate taxes for the Water Utility System and Wastewater Utility System as of the Closing Date, with such prorations to include, but not be limited to, property taxes, real estate taxes, taxes imposed by special assessment or assessments by a Governmental Authority that are assessed or charged in calendar year 2019. Sellers shall be responsible for all such taxes for any calendar year prior to 2019. In addition to taxes and assessments, all costs, expenses, and receivables will be prorated as of the Closing Date, with Sellers entitled to receipt of all receivables and responsible for all expenses on or before the Closing Date and CWS entitled to receipt of all receivables and responsible for all expenses after the Closing Date.

9.2 [As required by NCUC Order W-100 Sub [?], CWS shall be permitted to collect CIAC tax from connection fees, or this transaction using the gross up method. In the event, the NCUC permits other methods of recovery, CWS shall be permitted to recover this tax by any method approved by the NCUC in its sole discretion. Notwithstanding the foregoing and for the avoidance of doubt, in no way shall CVNC, EFNC and CV-WWT bear any financial or other responsibility as it relates to any CIAC tax or any cost necessary to provide such service. Nothing herein shall prohibit CWS from recovering CIAC tax from the Developer.

ARTICLE X General Provisions

10.1. Title Insurance and Surveys for CWRRF Deeded Property. CWS, at CWS's sole cost and expense, may obtain title insurance insuring the CWRRF Deeded Property to be fee simple title, free and clear of any and all liens and encumbrances other than (i) liens for taxes, assessments and governmental charges with respect to the CWRRF Deeded Property not yet due and payable or due; (ii) all declarations, easements, rights-of-way, restrictions, covenants and other matters of public record; (iii) general utility service easements and rights of way affecting the CWRRF Deeded Property which exist as of the date hereof; (iv) any matters that would be disclosed by an accurate, current survey and inspection of the CWRRF Deeded Property; (v) any matters caused by CWS or CWS 's employees, agents or contractors; (vi) any public right-of-way affecting the CWRRF Deeded Property; (vii) zoning and building ordinances and land use regulations applicable to the CWRRF Deeded Property; (viii) any standard exclusions from

coverage in the title insurance policy; (ix) all gas, water, and mineral rights of others; (x) any other liens or encumbrances of record which do not materially adversely affect title to the CWRRF Deeded Property, the value of the CWRRF Deeded Property, or CWS's use of the CWRRF Deeded Property expressed herein; and (xi) which CWS has otherwise approved in writing and which CWS shall reasonably deemed to have accepted pursuant to this Agreement (collectively, "Permitted Exceptions"). CWS has already obtained or will obtain the Survey (as defined above), showing the CWRRF Deeded Property. CWS shall pay the title insurance premiums in connection with the issuance of its owner's policy at the Closing. EFNC will provide any title policies in its possession covering the CWRRF Deeded Property.

10.2. Cooperation for All Necessary Government Approvals. Sellers and CWS agree to cooperate fully in obtaining all necessary permits, including DWR permits, the Certificate and/or Certificate Extensions by NCUC to CWS, and authorization from NCUC for connection fees and the rates.

10.3. Binding upon Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of Sellers and CWS, and the successors and assigns of Sellers and CWS. No Party may assign this Agreement without the prior written consent of all Parties this Agreement, such consent to not be unreasonably withheld, conditioned, or delayed.

10.4. 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. Lack of available funds or financing commitments shall not be considered Force Majeure.

10.5. 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.

10.6. Notices. Whenever any notice, demand or request is required or permitted hereunder, such notice, demand or request shall be in writing and shall be deemed to have been properly given or served (i) when delivered in fact against a written receipt of delivery to the other proper party (and including all individuals that are required to receive copies), or (ii) when

deposited in the United States mail, with adequate postage prepaid and sent by registered or certified mail with return receipt requested, to the addresses set out below or at such other addresses as are specified by written notice so given in accordance herewith, or (iii) when deposited with Federal Express, Express Mail or other overnight delivery service for next day delivery addressed to the appropriate party at the addresses set forth below:

If to CWS: 2221 Shrock Rd
Columbus, Ohio 43229
Attn: Matt Gauss

Copy to: J. Carr McLamb, Jr.
4700 Homewood Ct. Ste. 108
Raleigh, NC 27609

If to Seller(s): c/o Mobile Home Management NC, LLC
P.O. Box 265
Rossville, GA 30741-0265
Attn: Mr. Robert Miller

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

Notice on behalf of any Party may be given by their respective counsel.

10.7. Incorporation of Exhibits. The Exhibits to this Agreement are made a part hereof and are hereby incorporated in full by reference. In the interest of expediting execution of this Agreement, the parties may have executed this Agreement without finalizing or attaching certain Exhibits. If any Exhibit is referenced in, but not attached to, this Agreement, then the parties will in good faith prepare an amendment to this Agreement attaching such Exhibit, and if the parties fail to provide such amendment, then the parties shall operate in good faith to agree on which Exhibit is applicable.

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

10.9. Representations, Warranties and Obligations Survive Closing. The representations, warranties, and obligations contained herein shall survive, and continue in effect after the Closing.

10.10. Entire Agreement. This Agreement sets forth the complete understanding between the Sellers and CWS, and any amendments hereto, to be effective, must be made in writing. This

Agreement represents the entire agreement and understanding between the Parties relating to the subject matter hereof and supersedes all prior agreements, oral, or written between the parties, if any, relating to the subject matter. Except as set forth in the Agreement, no Party has made any representations or warranties to any other party.

10.11. Proper Execution/Not an Offer. The submission by Sellers to CWS or by CWS to Sellers (or by their respective attorneys) of this Agreement in an unsigned form will be deemed to be a submission solely for the other party's consideration and not for acceptance and execution. Such submission will have no binding force and effect, will not constitute an option or an offer, and will not confer any rights upon either party or impose any obligations upon either party irrespective of any reliance thereon, change of position or partial performance. The submission by Sellers to CWS or CWS to Sellers of this Agreement for execution by the other party and the actual execution thereof by either party and delivery to the other party will similarly have no binding force and effect on the party that executed the Agreement unless and until Sellers and CWS will have executed this Agreement and a counterpart hereof executed by Sellers and CWS will have been delivered to each party. Sellers and CWS shall have no obligations and this Agreement shall not constitute a transfer until Sellers and CWS have received all requisite approvals and unless and until Sellers and CWS have signed this document in original.

10.12. 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.

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

10.14. Illegality. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Agreement, or the application thereof to any person or circumstance, shall, for any reason and to the extent be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby but rather shall be enforced to the greatest extent permitted by law.

10.15. Consent to Jurisdiction. The Parties agree that Superior Court Division of the North Carolina General Court of Justice located in Wake County, 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, without giving effect to such court's resolution of conflicts of law. Each of the Parties hereto expressly and irrevocably consents to the personal jurisdiction of such

Superior Court Division of the North Carolina General Court of Justice in Wake County, North Carolina, and expressly waives any jurisdictional or venue defenses otherwise available.

10.16. Remedies. In the event that any party defaults or fails to perform any of the conditions or obligations of such party under this Agreement or any other agreement, document or instrument executed in connection with this Agreement, or in the event that any party's representations or warranties contained herein or in any such other agreement, document or instrument are not true and correct as of the date hereof, any other party hereto shall be entitled to exercise any and all rights and remedies available to it by or pursuant to this Agreement or at law (statutory or common) or in equity.

10.17. Captions. The captions in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement or the scope or content of any of its provisions. Whenever the context may require, words used in this Agreement will include the corresponding feminine, masculine, or neuter forms, and the singular will include the plural and vice versa. Unless the context expressly indicates otherwise, all references to "Section" are to sections of this Agreement.

[signature page follows]

IN WITNESS WHEREOF, the Parties hereto have set their hands and seals the day and year above first written

CURRITUCK WATER and SEWER, LLC,
a North Carolina limited liability company

By:  (seal)
Michael Myers
As its Chairman

EQUITY FIRST NC, LLC, a North Carolina
limited liability company

By: _____ (seal)
Robert Miller, Managing Member

CV-WWT, LLC, a North Carolina
limited liability company

By: _____ (seal)
Robert Miller, Managing Member

IN WITNESS WHEREOF, the Parties hereto have set their hands and seals the day and year above first written

CURRITUCK WATER and SEWER, LLC,
a North Carolina limited liability company

By: _____ (seal)
Michael Myers
As its Chairman

EQUITY FIRST NC, LLC, a North Carolina
limited liability company

By:  _____ (seal)
Robert Miller, Managing Member

CV-WWT, LLC, a North Carolina
limited liability company

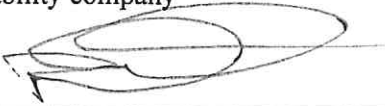
By:  _____ (seal)
Robert Miller, Managing Member

EXHIBIT A
EFNC Property

TRACT 2A

Tract 2A - Beginning at a point, marked by a set iron rod, said point being further described as being on the south property line of Carolina Village, LLC and being N 87 deg. 36' 28" E 43.40' from a set iron rod, set iron rod being the southwest corner of Carolina Village, LLC and also being on the eastern right-of-way of S.R. 1218 also known as Backwoods Road. Thence from the point of beginning along the south property line of Carolina Village, LLC, N 87 deg. 36' 28" E 525.98' to a set iron rod. Thence continuing along the aforesaid south property line of Carolina Village, LLC, N 86 deg. 44' 55" E 100.00' to a set iron rod. Thence continuing along the aforesaid south property line of Carolina Village, LLC, N 87 deg. 02' 08" E 100.00' to a set iron rod. Thence continuing along the aforesaid south property line of Carolina Village, LLC, N 86 deg. 36' 18" E 200.01' to a set iron rod. Thence continuing along the aforesaid south property line of Carolina Village, LLC, N 85 deg. 46' 29" E 128.72' to a set iron rod. Thence continuing along the aforesaid south property line of Carolina Village, LLC, S 88 deg. 53' 15" E 100.01' to a set iron rod. Thence continuing along the aforesaid south property line of Carolina Village, LLC, S 88 deg. 24' 37" E 300.08' to a set iron rod. Thence continuing along the aforesaid south property line of Carolina Village, LLC, N 86 deg. 27' 58" E 104.07' to a set iron rod. Thence continuing along the aforesaid south property line of Carolina Village, LLC, S 82 deg. 56' 29" E 403.89' to a set iron rod. Thence making new lines through H. Lee Addison III Tract 2, S 82°56'20" E 463.53' and S 18°01'54" W 1,791.83' to a set iron rod in the easterly property line of Eugene T. White. Thence along the eastern line of lands now belonging to the aforesaid Eugene T. White N 43°56'00" W 190.38' to an existing iron pipe. Thence continuing along the easterly line of the aforesaid Eugene T. White N 23°09'00" E 25.80' to an existing iron pipe. Thence along the easterly line of lands now belonging to the aforesaid Eugene T. White N 52 deg. 08' 00" W 520.50' to a set iron rod. Thence along the eastern line of lands now belonging to the aforesaid Eugene T. White N 51 deg. 22' 00" W 473.90' to an existing iron pipe. Thence along the northern property line of aforesaid lands of Eugene T. White S 72 deg. 27' 00" W 673.20' to a set iron rod. Said iron rod is also on the eastern line of "Old Road" ownership unknown. Thence along the eastern line of "Old Road" N 04 deg. 13' 00" E 53.70' to a set iron rod. Thence along the eastern line of "Old Road" N 09 deg. 01' 00" W 106.80' to a set iron rod. Thence along the eastern line of "Old Road" N 11 deg. 09' 00" W 307.00' to a set iron rod. Thence along the eastern line of "Old Road" N 12 deg. 23' 00" W 516.70' to a set iron rod. Thence along the eastern line of "Old Road" N 16 deg. 04' 00" W 68.30' to a set iron rod. Thence along the eastern line of "Old Road" N 37 deg. 12' 00" W 197.61' to a set iron rod. Said rod being the point and place of beginning. Said Tract 2A has an area of 59.59 acres. The above described Tract 2A is shown and delineated on a plat entitled "H. Lee Addison, III, Division of Tract 2," prepared by Bissell Professional Group, Engineers, Planners, Surveyors and Environmental Specialist, dated January 6, 2000, recorded in the office of the Register of Deeds of Currituck County in Plat Cabinet G, Slide 95.

TRACT 2B

Tract 2B - Beginning at a point, marked by a set iron rod, said point being further described as being on the southeasterly corner of Carolina Village, LLC and being also the southeasterly corner of Lot 123. Thence along the easterly line of the aforesaid Carolina Village, LLC, N 14 deg. 07' 23" W 349.71' to a set iron rod. Thence continuing along the aforesaid east property line of Carolina Village, LLC, N 06 deg. 12' 51" E 1,002.12' to a set iron rod. Thence along the south property line of the aforesaid Carolina Village, LLC, S 85 deg. 45' 50" E 993.49' to a set iron rod. Said iron rod also marks the northwest corner of lands now belonging to Constance D. Pendleton and Patricia P. Beasley. Thence along the western property line of Constance D. Pendleton and Patricia P. Beasley S 00 deg. 48' 00" E 665.32' to a set iron rod. Set iron rod being the southwest corner of the aforesaid Constance D. Pendleton and Patricia P. Beasley lands and the northwest corner of lands now belonging to Carolina Village, L.L.C.. Thence along the western property line of lands belonging to Carolina Village, L.L.C. S 00 deg. 48' 00" E 674.00' to a set iron rod. Thence along the southern property lines of the aforesaid lands of Carolina Village, L.L.C. S 85 deg. 15' 17" E 1,209.98' to a set iron rod. Set iron rod marking the southeast corner of the aforesaid lands of Carolina Village, L.L.C. and also being a point on the aforesaid lands of Constance D. Pendleton and Patricia P. Beasley. Thence along the western property line of the aforesaid lands of Constance D. Pendleton and Patricia P. Beasley S 44 deg. 12' 00" W 1,429.75' to a set iron rod. Thence along the western property line of the aforesaid lands of Constance D. Pendleton and Patricia P. Beasley S 72 deg. 33' 00" E 601.53' to a set iron rod. Thence along the western property line of the aforesaid lands of Constance D. Pendleton and Patricia P. Beasley S 52 deg. 00' 00" W 1,671.50' to an existing iron pipe. Said point marking the southwest corner of the aforesaid lands of Constance D. Pendleton and Patricia P. Beasley and is also a point on the northern property line of lands now belonging to Vernon P. Garrett, Jr. and being the eastern-most point of lands now belonging to Eugene T. White. Thence along the eastern line of lands now belonging to the aforesaid Eugene T. White N 41 deg. 18' 00" W 138.50' to a set iron rod. Thence along the eastern line of lands now belonging to the aforesaid Eugene T. White N 42 deg. 12' 00" W 651.60' to set iron rod. Thence along the eastern line of lands now belonging to the aforesaid Eugene T. White N 43 deg. 56' 00" W 87.82' to a set iron rod. Thence departing the line of Eugene T. White and making new lines through H. Lee Addison III Tract 2 N 18 deg. 01' 54" E 1,791.83' to an iron rod set and N 82 deg. 56' 20" W 463.53' to a set iron rod. Said rod being the point and place of beginning. Said Tract 2B has an area of 101.16 acres. The above described Tract 2B is shown and delineated on a plat entitled "H. Lee Addison, III, Division of Tract 2," prepared by Bissell Professional Group, Engineers, Planners, Surveyors and Environmental Specialist, dated January 6, 2000, recorded in the office of the Register of Deeds of Currituck County in Plat Cabinet G, Slide 95.

EAST TRACT

22 ½ Acres more or less – All that certain lot or parcel of land located on the East side of Moyock Backwoods Road and described as tract number two in that Deed recorded in Book 97 Page 506 of the Currituck County Public Registry and also described in a Deed recorded in Book 46 Page 431 of the Currituck County Public Registry. Said East tract is referred to as containing twenty-two and one half acres and is also described in a Deed recorded in Book 207 Page 468 of the Currituck County Public Registry and in a Deed recorded in Book 207 Page 471 of the Currituck County Public Registry. Which descriptions are incorporated herein by reference as if set forth word for word.

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Mar 26 2024

EXHIBIT B
Water Assets

Carolina Village Water System

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

EXHIBIT C
Wastewater Assets

Carolina Village Sewage Collection and Treatment System:

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

EXHIBIT D
[Intentionally Omitted]

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Mar 26 2024

EXHIBIT E
WWTP Site Parcel

[to be attached or added by amendment in accordance with Section 10.7 of the Agreement]

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Mar 26 2024

EXHIBIT F
Pond Site Parcel

[to be attached or added by amendment in accordance with Section 10.7 of the Agreement]

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Mar 26 2024

EXHIBIT G
CVNC Property

Carolina Village Mobile Home Community

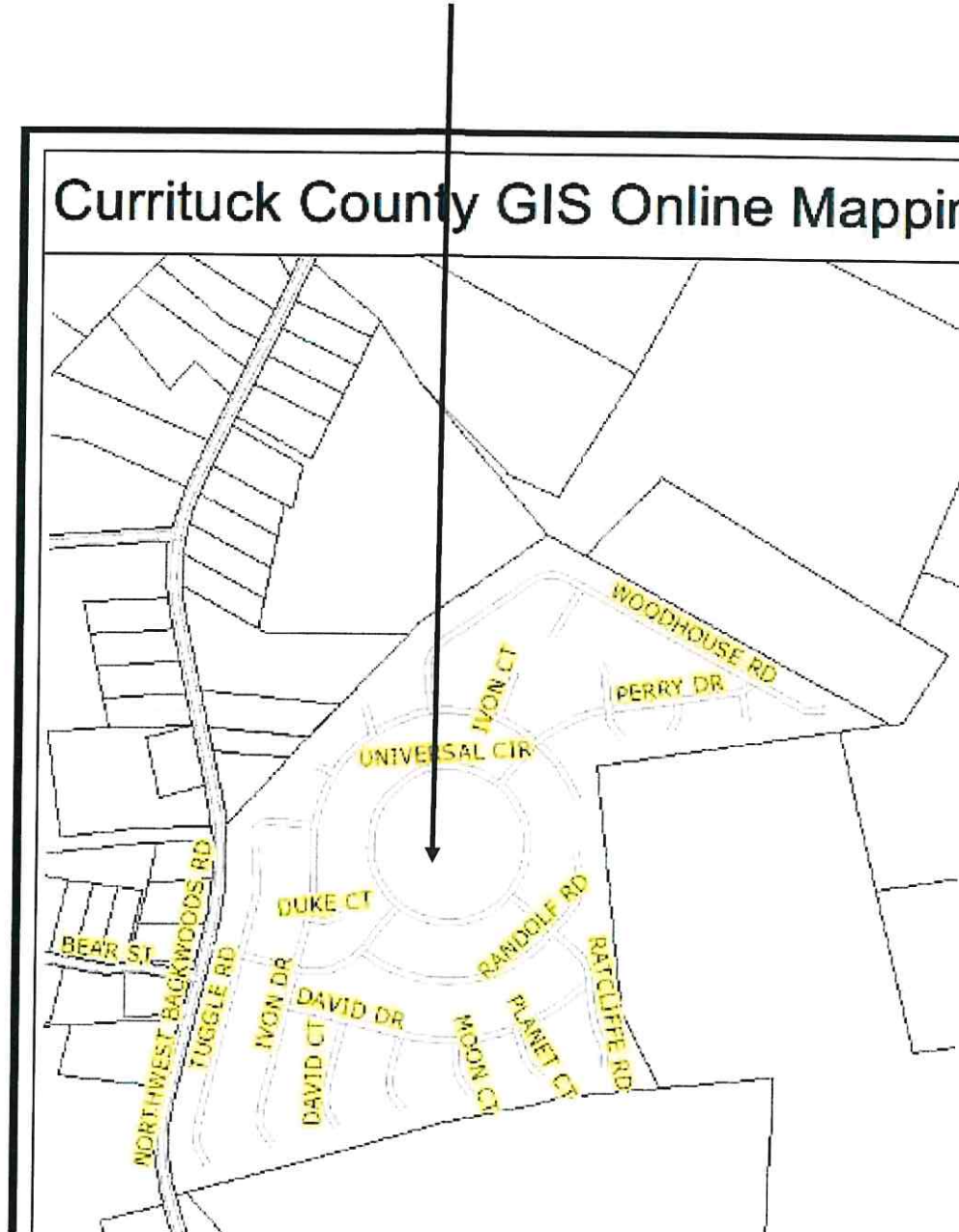


EXHIBIT H
SOC

[to be attached]

OFFICIAL COPY

Mar 26 2024

PUBLIC NOTICE

STATE OF NORTH CAROLINA
ENVIRONMENTAL MANAGEMENT COMMISSION
1617 MAIL SERVICE CENTER
RALEIGH, NORTH CAROLINA 27699-1617

NOTIFICATION OF INTENT TO ISSUE AN AMENDED CONSENT ORDER

Public notice of intent to issue to a State Consent Order to the following:

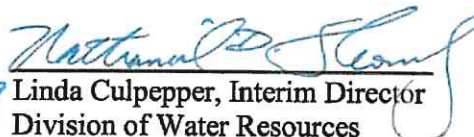
Carolina Village NC, LLC (Permittee) has requested Special Order by Consent (SOC) WQ S18-002 for its Carolina Village WWTP. Currently the permittee holds non-discharge permit no. WQ0004696 for disposal of 60,000 GPD of tertiary treated wastewater by infiltration onto land in Currituck County.

The Environmental Management Commission proposes to issue the Order per Article 21 of Chapter 143, N.C. General Statutes, and other regulations effective **September 1, 2018**.

Compliance with this amended Order requires installation of necessary treatment components to the existing facility. Carolina Village NC, LLC shall comply with non-discharge permit limits with the exception of the interim effluent limitations identified in the amended Order. This Order will expire on **July 1, 2019**.

A copy of the amended Order is available upon request by contacting Sonia Gregory of the Division of Water Resources at 919-807-6319, or by email at: Sonia.Gregory@ncdenr.gov. Comments on the proposed amended Order received no later than **August 16, 2018** will be considered in the final determination. A public meeting may be held if there is a significant degree of public interest.

Date: 7/10/18


Linda Culpepper, Interim Director
Division of Water Resources
By Authority of the Environmental Management
Commission

Cooke COMMUNICATIONS

NORTH CAROLINA LLC
The Daily Reflector - The Daily Advance - The Rocky Mount Telegram
Bertie Ledger - Chowan Herald - Duplin Times - Farmville Enterprise - Perquimans Weekly - Standard Laconic
Tarboro Weekly - Times Leader - Williamston Enterprise
PO Box 1967
Greenville NC 27835

Check # _____
Date Paid _____
A/R Rep _____

**NCDENR - DIVISION OF WATER RESOURCES
NPDES UNIT
1617 MAIL SERVICE CENTER
RALEIGH NC 27699**

Copy Line: CAROLINA VILLAGE NC, LLC
Lines: 59
Total Price: \$187.25

Account 133315

Ticket: 243996

PUBLISHER'S AFFIDAVIT

**NORTH CAROLINA
Pasquotank County**

Aquichia Walker affirms that he/she is clerk of Daily Advance, a newspaper published daily at Elizabeth City, North Carolina, and that the advertisement, a true copy of which is hereto attached, entitled CAROLINA VILLAGE NC, LLC was published in said Daily Advance on the following dates:

Friday, July 13, 2018

and that the said newspaper in which such notice, paper, document or legal advertisement was published, was at the time of each and every publication, a newspaper meeting all of the requirements and qualifications of Chapter 1, Section 597 of the General Statutes of North Carolina and was a qualified newspaper within the meaning of Chapter 1, Section 597 of the General Statutes of North Carolina.

Aquichia Walker

Affirmed and subscribed before me this 13th day of July 2018

Kealey Storz
(Notary Public Signature)

Kealey Storz
(Notary Public Printed Name)

My commission expires August 24, 2022



PUBLIC NOTICE

STATE OF NORTH CAROLINA
ENVIRONMENTAL MANAGEMENT
COMMISSION
1617 MAIL SERVICE CENTER
RALEIGH, NORTH CAROLINA 27699-1617

NOTIFICATION OF INTENT TO ISSUE AN AMENDED CONSENT ORDER

Public notice of intent to issue to a State Consent Order to the following:

Carolina Village NC, LLC (Permittee) has requested Special Order by Consent (SOC) WQ 518-002 for its Carolina Village WWTP. Currently the permittee holds non-discharge permit no. WQ0004696 for disposal of 60,000 GPD of tertiary treated wastewater by infiltration onto land in Currituck County.

The Environmental Management Commission proposes to issue the Order per Article 21 of Chapter 143, N.C. General Statutes, and other regulations effective September 1, 2018.

Compliance with this amended Order requires installation of necessary treatment components to the existing facility. Carolina Village NC, LLC shall comply with non-discharge permit limits with the exception of the interim effluent limitations identified in the amended Order. This Order will expire on July 1, 2019.

A copy of the amended Order is available upon request by contacting Sonia Gregory of the Division of Water Resources at 919-807-6319, or by email at Sonia.Gregory@ncdenr.gov. Comments on the proposed amended Order received no later than August 16, 2018 will be considered in the final determination. A public meeting may be held if there is a significant degree of public interest.

Date: 7/10/18
signed by Nathaniel Thornburg
Linda Culpepper, Interim Director
Division of Water Resources
By Authority of the Environmental
Management Commission

07/13/18

**NORTH CAROLINA
ENVIRONMENTAL MANAGEMENT COMMISSION**

COUNTY OF CURRITUCK

IN THE MATTER OF
NORTH CAROLINA
NON-DISCHARGE PERMIT
NUMBER WQ0004696
HELD BY CAROLINA VILLAGE NC, LLC

}
}
}

SPECIAL ORDER BY CONSENT
EMC SOC S18-002

Pursuant to provisions of North Carolina General Statutes (G.S.) 143-215.2, this Special Order by Consent (SOC) is entered into by Carolina Village NC, LLC, hereinafter referred to as the Permittee, and the North Carolina Environmental Management Commission, an agency of the State of North Carolina created by G.S. 143B-282, and hereinafter referred to as the Commission:

1. The Permittee and the Commission hereby stipulate the following:
 - (a) The Permittee holds North Carolina Non-Discharge Permit No. WQ0004696 for operation of an existing wastewater treatment and disposal system. The currently permitted wastewater treatment system is in disrepair and is not capable of meeting effluent limits in the current permit. The infiltration basin is essentially plugged and not capable of assimilating wastewater at the permitted application rates, requiring temporary irrigation of the wastewater onsite. Compliance will require construction and or repairs of the treatment and disposal facilities.
 - (b) Noncompliance with permit conditions constitutes causing and contributing to pollution of the waters of this State, and the Permittee is within the jurisdiction of the Commission as set forth in G.S. Chapter 143, Article 21.
 - (c) The Permittee has secured grants or otherwise will secure financing for planning, design, and construction of some portion of the construction necessary to achieve compliance with permit conditions.
 - (d) Since this Special Order is by Consent, neither party will file a petition for a contested case or for judicial review concerning its terms.
2. The Permittee desiring to comply with the Permit identified in Section 1(a) above, hereby agrees to do the following:
 - (a) As settlement of all alleged violations of Permit Number WQ0004696 and prior to entering into this Special Order by Consent, the Permittee agrees to pay the sum of \$10,000 (PAYMENT HAS BEEN MADE COVERING THE TOTAL AMOUNT WITH NO ADDITIONAL ACTION REQUIRED TO CLOSE-OUT THE SUM). This

settlement payment provides coverage of any Notice of Violation/Enforcements and any other alleged violations that may have occurred prior to the established SOC effective date as documented by final approval of the document.

(b) Undertake the following activities in accordance with the indicated time schedule:

- (1) **On or before July 15, 2017**, begin construction and or repairs of the proposed wastewater treatment plant and disposal system modifications. (CONSTRUCTION HAS STARTED)
 - (2) **On or before December 1, 2018**, complete construction associated with the infiltration system, including all components required to support proper operation of the infiltration system (installation of the dry bed infiltration spray disposal area and irrigation system used for disposal of effluent, the groundwater lowering wells, all piping associated with the groundwater lowering system, the settling pond designed to temporarily retain water from the groundwater lowering system prior to discharge, the discharge weir for the settling pond, and all grading and seeding).
 - (3) **On or before January 1, 2019** complete construction/repairs of the wastewater treatment plant to achieve final effluent limits associated with the effective version of Permit No. WQ0004696. The closure (removal of sludge, wastewater, and basin filled to grade) of the existing transfer pond at the existing WWTP shall also be completed by this date.
 - (4) **On or before February 1, 2019**, remove temporary irrigation system (all piping must be removed and pipes permanently capped) and complete closure of the existing infiltration basin (closure is defined as disconnecting the existing infiltration basin from the WWTP).
 - (5) **On or before May 1, 2019** achieve compliance with all effective permit conditions.
 - (6) **Provide the Washington Regional Office with quarterly progress reports.** Reports are due within 30 days following the end of each calendar quarter. The quarterly reports shall include, at a minimum, documentation of the Permittee's status of operation of the current treatment system and temporary irrigation system, and the status of permit modification and new treatment and disposal system construction activities. **The first quarterly report is due prior to July 31, 2018** and then reports are due as noted above.
- (c) Permittee shall comply with all terms and conditions of the permit except in relation to the issues noted in 1(a) and shall make every effort to prevent the discharge of wastewater to the State's waters within its ability to operate the treatment and disposal facilities. The Permittee may also be required to monitor for other parameters as deemed necessary by the Director in future permits or administrative orders.
- (d) No later than thirty (30) calendar days after any date identified for accomplishment of any activity listed in Section 2(b) above, submit to the Division of Water Resources (DWR) Director a written notice of compliance or noncompliance therewith. In the case of noncompliance, the notice shall include a statement of the reason(s) for noncompliance, remedial action(s) taken, and a statement identifying the extent to which subsequent dates or times for accomplishment of

listed activities may be affected.

- (e) During the time in which this Special Order by Consent is effective, the Permittee shall comply with the interim effluent limitations as contained in Attachment A.

Under this Special Order by Consent, ONLY the parameters listed below have been modified from the most current Non-Discharge Permit WQ0004696 currently in effect.

PPI001 – WWTP Effluent

Parameters	Unit	Permit Limitations		Modified Limitations (SOC)	
		Monthly Avg.	Monthly Geo. Mean	Monthly Avg.	Monthly Geo. Mean
BOD, 5Day(20 °C)	mg/L	10		30	
Coliform, Fecal MF, M-FC Broth, 44.5 °C	#/100 mL		14		200
Flow, in conduit or thru treatment plant	GPD	40,000		Monitor Only	
Nitrogen, Ammonia Total (as N)	mg/L	4		12	
Nitrogen, Nitrate Total (as N)	mg/L	10		Monitor Only	
Nitrogen, Total (as N)	mg/L	7		Monitor Only	
Phosphorus, Total (as P)	mg/L	3		Not Monitored	
Solids, Total Suspended	mg/L	15		30	
Turbidity, HCH Turbidimeter	NTU	10 (Daily Max.)		Not Monitored	

- (f) The temporary surface irrigation system shall be effectively maintained and operated at all times so that there is no discharge to the surface waters, nor any contamination of ground waters, which will render them unsatisfactory for normal use. In the event that the system fail to perform satisfactorily, including the creation of nuisance conditions or the failure of the irrigation area to assimilate the wastewater (ponding), the Permittee shall take immediate corrective action to eliminate non-compliance. This may entail adding additional spray area and equipment.

Please note that the complete temporary surface irrigation system, including all associated equipment, must be fully maintained and operated as originally designed at all times in order to meet this condition. Failure to properly maintain and operate the temporary surface irrigation system at all times shall be subject to penalties specified in Section 3 of this SOC.

- (g) A suitable year round vegetative cover shall be maintained on the temporary spray irrigation site. The crop shall be growing for irrigation to be implemented. Crop shall not be dormant.
- (h) Irrigation shall not be performed during inclement weather or when the ground is in a condition that will cause runoff or ponding.

- (i) The Permittee shall identify any Infiltration and Inflow problems associated with the facility and establish a program to correct. Updates of progress shall be provided in quarterly progress reports.
3. The Permittee agrees that unless excused under Section 4, the Permittee will pay the Director of DWR, by check payable to the North Carolina Department of Environmental Quality, stipulated penalties according to the following schedule for failure to meet deadlines set out in Sections 2(b) and 2(d) or for failure to properly operate the wastewater treatment and disposal system.

Failure to meet a schedule date: **\$500/day until condition is met**

Failure to maintain compliance with

any modified limit contained in the SOC: **\$500/violation**

Failure to comply with a SOC condition: **\$500/day until condition is met**

Failure to achieve final compliance date

and permit limits as outlined in attachment A in Permit No. WQ0004696 dated February 22, 2017 (or the effective permit in place in the event of subsequent modifications):

\$25,000

Failure to submit a progress report: **\$1,000/first violation; penalty doubles with each SUBSEQUENT ASSESSMENT**

Failure to prevent run-off: **\$5,000/first violation; penalty doubles with each subsequent run-off incident**

4. The Permittee and the Commission agree that stipulated penalties are not due if the Permittee satisfies DWR that noncompliance was caused solely by:
- (a) An act of God;
 - (b) An act of war;
 - (c) An intentional act or omission of a third party, but this defense shall not be available if the act or omission is that of an employee or agent of the defendant or if the act or omission occurs in connection with a contractual relationship with the Permittee;
 - (d) An extraordinary event beyond the Permittee's control. Contractor delays or failure to obtain funding will not be considered as events beyond the Permittee's control.
 - (e) Any combination of the above causes.

Failure within 30 days of receipt of written demand to pay the penalties, or challenge them by a contested case petition pursuant to G.S. 150B-23, will be grounds for a collection action, which the Attorney General is hereby authorized to initiate. The only issue in such an action will be whether the 30 days has elapsed.

5. This SOC and any terms, conditions and interim effluent limitations contained herein, hereby supersede any and all previous Special Orders, Enforcement Compliance Schedule Letters, terms, conditions, and limitations contained therein issued in connection with Permit No. WQ0004696.
6. Noncompliance with the terms of this SOC are subject to enforcement action in addition to the above stipulated penalties, including injunctive relief pursuant to G.S. 143-215.6C.
7. This SOC is non-transferable to any new owner of the wastewater system or holder of the facility's permit. Carolina Village NC, LLC remains responsible for compliance with terms of the SOC throughout its effective period.

Should a new party take ownership of the facility requiring a Permit Ownership/Name Change, a Non-Discharge Permit Ownership/Name Change Application may be submitted with supporting information. If applicable, a Certificate of Public Convenience and Necessity from the North Carolina Utilities Commission must be secured and provided with such Permit Ownership/Name Change request.

8. The Permittee, upon signature of this SOC, will be expected to comply with all schedule dates, terms, and conditions of this document.
9. This SOC shall expire July 1, 2019.

For Carolina Village NC, LLC:

 MM Date 5/29/18
Signature of Signing Official

For the North Carolina Environmental Management Commission:

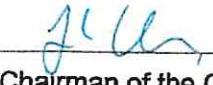
 Jordan Direct Dir. of Water Date 9/6/2012
Chairman of the Commission for Shover

EXHIBIT I
Sprayfields

[to be attached or added by amendment in accordance with Section 10.7 of the Agreement]

OFFICIAL COPY

Mar 26 2024

EXHIBIT J
Collection System Map

[to be attached or added by amendment in accordance with Section 10.7 of the Agreement]

OFFICIAL COPY

Mar 26 2024

EXHIBIT K
Retained Property

[to be attached or added by amendment in accordance with Section 10.7 of the Agreement]

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Mar 26 2024

EXHIBIT L
[Intentionally Omitted]

OFFICIAL COPY

Mar 26 2024

EXHIBIT M
[Intentionally Omitted]

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Mar 26 2024

EXHIBIT N
Bill of Sale

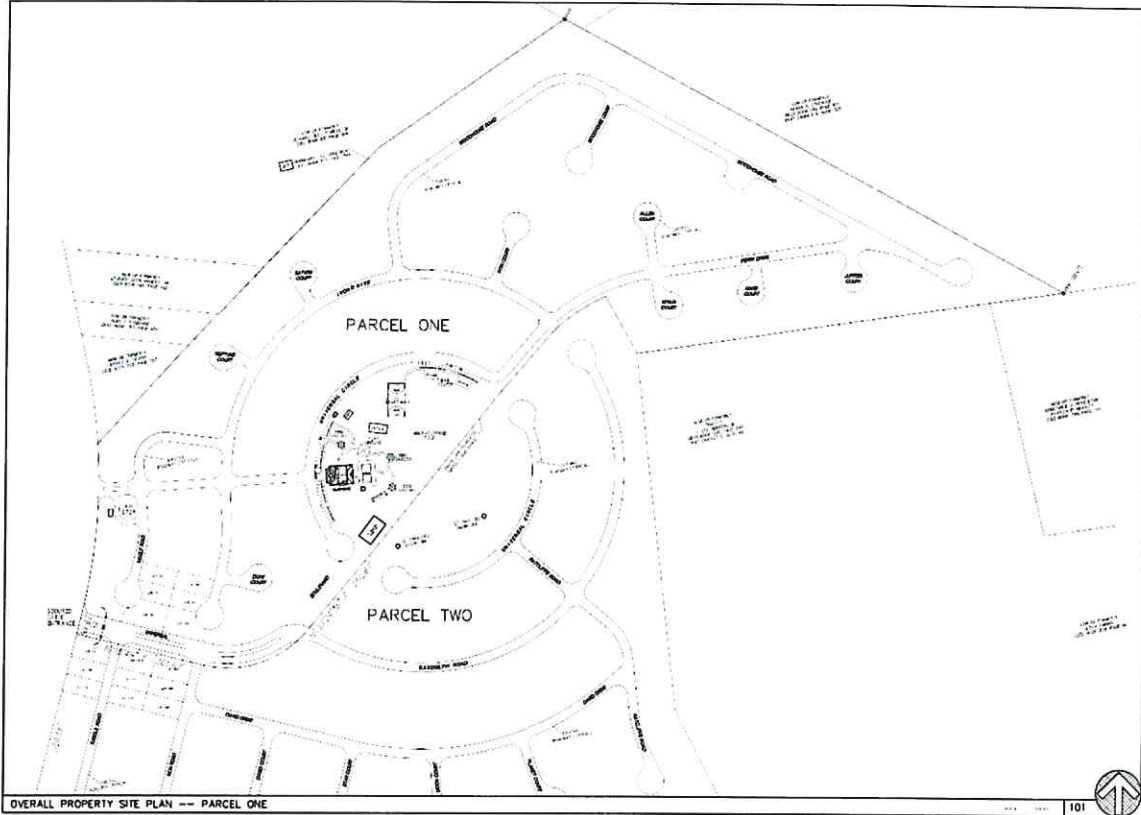
[to be attached or added by amendment in accordance with Section 10.7 of the Agreement]

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Mar 26 2024

EXHIBIT O Updated Communities Rendering

Parcel Split - Left side all-age, Right side - senior (55+ age qualified):



Amenity Area - both communities (left all -age, right 55+ separated by fence and landscaping):

First Amendment to Asset Purchase Agreement
between
Equity First NC, LLC and CV-WWT, LLC (Sellers)
and
Currituck Water and Sewer, LLC (Buyer)

Dated: August 2020

FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT

between

Equity First, LLC and CV-WWT, LLC

and

Currituck Water & Sewer, LLC,

for the Purchase, Installation, Conveyance, and Operation of the

WATER AND WASTEWATER UTILITY SYSTEM

providing water and wastewater utility service to

Carolina Village MHP

Currituck County, North Carolina

August 2020

FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT ("First Amendment") is made this the ____ day of August, 2020, by and between Equity First, LLC, a North Carolina limited liability company ("EFNC"), CV-WWT, LLC a North Carolina limited liability company, LLC ("CV-WWT") (collectively hereinafter referred to as "Seller"), and Currituck Water and Sewer, LLC, a North Carolina limited liability company (hereinafter referred to as "Buyer") (individually Seller and Buyer may be referred to as a "Party" and collectively referred to as the "Parties").

WITNESSETH:

WHEREAS, Seller, and Buyer previously entered into that certain Asset Purchase Agreement for the Purchase, Conveyance, and Operation of the Water and Wastewater Utility System Providing Water and Wastewater Utility Service to Carolina Village Mobile Home Park and anticipated to provide water and sewer service to the planned Restricted Aged Community dated October 21, 2019, incorporated herein by reference and hereinafter referred to as the "APA";

WHEREAS, Seller and Buyer now desire to amend the Asset Purchase and Utility Construction and Maintenance Agreement as follows:

WHEREAS, the Parties desire to modify the description of the Wastewater Treatment Plant Site in Paragraph 1.39 to include the entire parcel as currently platted without additional subdivision; and

WHEREAS, the Parties desire to include in the purchase option all of Parcel 0002000043A000, Parcel 0002000043B0000 and Parcel 000200000500000 as they are current platted to include the previously excluded 49.58 acres as part of the WWTP Treatment Plant Site, thereby bringing the total land included as part of the Purchase Option to 173.24 acres; and

WHEREAS, further, the Parties desire to modify the Option Date to shorten the length of time Seller has to sell the land to a third party, such that CWS may exercise the Purchase Option; and

WHEREAS, in consideration of the Parties desires, CWS agrees to exercise the Purchase Option in the event the property is not sold to a third party and the Seller's agree to modify Paragraph 4.2 to eliminate the reimbursement of Capacity Fees collected to the Sellers and to delete Paragraph 4.6 in its entirety, which required CWS to pay \$500 for each new lot connected to the future CWRRF facility; and

WHEREAS, Developer and Buyer now desire to otherwise amend the APA as set forth herein.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and agreements and the mutual benefits and duties herein contained, hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Third Amendment is hereby amended, restated, replaced, supplanted and superseded in all respects by this First Amendment as of the effective date of the Third Amendment, and the Parties hereto agree as follows:

1. Defined Terms. All capitalized terms used herein, unless otherwise defined herein, shall have the meanings set forth in the APA.

2. Wastewater Treatment Plant Site. Paragraph 1.39 in the APA shall be deleted and replaced with the following:

Paragraph 1.38 “Wastewater Treatment Plant Site” shall the real property described as Tract A in Exhibit A in its entirety where the Wastewater Treatment Plant and currently constructed infiltration ponds are located.

3. Capacity Fees. Paragraph 4.2 shall be modified and replaced with the follow:

CWS shall charge capacity fees as approved by the NCUC but not less than \$5,806.00 per REU for each new wastewater utility service connection in the Age Restricted MHC Community and \$4,279.00 per REU for each new water utility service connection in the Age Restricted MHC Community. However, the Parties understand and agree that NCUC may authorize CWS to charge capacity fees in amounts greater than or less than those contemplated in this Agreement Notwithstanding the foregoing or anything else to the contrary contained herein, CWS will not charge any capacity or connection fees whatsoever with respect to the following:

- a. The existing offices in the adjacent CVNC mobile home park, including in the Upgraded CVNC MHC Community up to 160 mobile home sites;
 - b. The existing mobile home park maintenance buildings for CVNC, including in the Upgraded CVNC MHC Community up to 160 mobile homes sites;
 - c. [intentionally omitted];
 - d. Any common area needs for water or wastewater utility service of the CVNC mobile home park, including in the Upgraded CVNC Community, including, without limitation, pools, clubhouses, and similar amenities and facilities; and
 - e. Below the limits set forth in this Agreement, including without limitation as provided in Section 4.5.
4. Paragraph 4.6. Paragraph 4.6 shall be deleted in its entirety.
5. Purchase Option. Paragraph 4.9 shall be replaced with the following:

If the remaining portion of the 59.24 acre track bearing PIN 0002000043A0000 not conveyed as part of the Wastewater Treatment Plant Site, the 101.24 acre tract bearing PIN 0002000043B0000 and/or the approximately 22.5 acre tract bearing 000200000500000, not conveyed as part of the Pond Site, is not sold to a third party or not developed by EFNC or a third-party (as evidenced by a recorded deed and such third party applying for approvals to develop such property) December 31, 2022 (the “Option Date”), then CWS shall have the option to purchase the remaining portion of such property not so developable (the “Non-Developable Property”) for a total cost of One hundred and Seventy Five

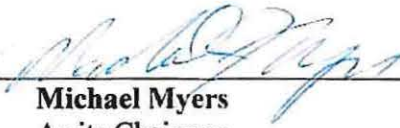
Thousand and 00/100 Dollars (\$175,000.00) (or approximately \$1,010 per acres). CWS shall have [90] days from the Option Date to exercise such option to purchase the Non-Developable Property. If the option is not timely exercised, then CWS's option shall be voided. Nothing shall be recorded in the public record to evidence this option.

6. No Other Amendment. Except as herein amended, the APA, shall remain unchanged and in full force and effect.

7. Counterparts; Electronic Signatures. This First Amendment may be executed in multiple counterparts, each of which shall be deemed an original, and counterpart signature pages may be assembled to form a single original document. Electronic signatures of this First Amendment shall have the same force and effect as original signatures.

IN WITNESS WHEREOF, the Parties hereto have set their hands and seals the day and year above first written

CURRITUCK WATER and SEWER, LLC,
a North Carolina limited liability company

By:  (seal)
Michael Myers
As its Chairman

EQUITY FIRST NC, LLC, a North Carolina
limited liability company

By: _____ (seal)
Robert Miller, Managing Member

CV-WWT, LLC, a North Carolina
limited liability company

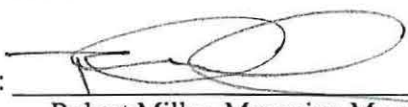
By: _____ (seal)
Robert Miller, Managing Member

IN WITNESS WHEREOF, the Parties hereto have set their hands and seals the day and year above first written

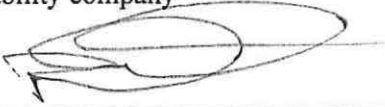
CURRITUCK WATER and SEWER, LLC,
a North Carolina limited liability company

By: _____ (seal)
Michael Myers
As its Chairman

EQUITY FIRST NC, LLC, a North Carolina
limited liability company

By:  _____ (seal)
Robert Miller, Managing Member

CV-WWT, LLC, a North Carolina
limited liability company

By:  _____ (seal)
Robert Miller, Managing Member

**First Amendment to the Amended and Restated Asset Purchase Agreement and
Utility Construction and Maintenance Agreement**

between

CV-WWT, LLC (Sellers)

and

Currituck Water and Sewer, LLC (Buyer)

Dated: August 15, 2023

OFFICIAL COPY

Mar 26 2024

**AMENDED AND RESTATED
ASSET PURCHASE AND UTILITY CONSTRUCTION AND MAINTENANCE AGREEMENT**

BY AND BETWEEN

**Equity First NC, LLC and CV-WWT, LLC
(Sellers)**

and

**Currituck Water and Sewer, LLC
(Buyer)**

THIS ASSET PURCHASE AND UTILITY CONSTRUCTION AND MAINTENANCE AGREEMENT (“Agreement”) is entered into as of the 7th day of February, 2022 (the “Effective Date”), by and between **Equity First NC, LLC**, a North Carolina limited liability company (“EFNC”), **CV-WWT, LLC**, a North Carolina limited liability company (“CV-WWT”), and **Currituck Water and Sewer, LLC** a North Carolina limited liability company (“CWS” or “Buyer”) (individually referred to as a “Party” and collectively referred to as the “Parties”). (EFNC and CV-WWT are collectively referred to as the “Sellers” in this Agreement.)

W I T N E S S E T H:

(capitalized terms are defined in Article I and elsewhere in this Agreement)

WHEREAS, Seller and Buyer have entered into an Asset Purchase and Utility Construction and Maintenance Agreement, on October 21, 2019 and amended said agreement on August, 2020.

WHEREAS, EFNC is the owner of certain real property located in Currituck County, North Carolina and described on **Exhibit A** attached hereto and made a part hereof (the “EFNC Property”); and

WHEREAS, CV-WWT is the owner of the Water Utility System Assets, as are more fully described in **Exhibit B** attached hereto and made a part hereof, and the Wastewater Utility System Assets, as are more fully described in **Exhibit C** attached hereto and made a part hereof; and

WHEREAS, Carolina Village NC (“CVNC”) is a mobile home community and currently has approximately 419 existing mobile homes sites located in Moyock, North Carolina; and

WHEREAS, the owner intends to replace and relocate mobile homes currently located within the community to sites generally depicted on **Exhibit D** (the “Upgraded CVNC MHC Community”). In addition, the owner of CVNC intends to upgrade the entrance, streets and facilities within the Upgraded CVNC MHC Community, producing approximately 184 mobile homes with upgraded community and facilities; and

WHEREAS, CWS is engaged in the business of owning and operating water and wastewater systems in the State of North Carolina and holds or shall apply for and diligently pursue all necessary permits, licenses, and approvals to own and operate such systems and provide such services; and

WHEREAS, within thirty days of executing this agreement, EFNC agrees to convey to CWS, by special warranty deed, to the Buyer, its successors and assigns, Tract 2A, Tract 2B and East Tract (as described in Exhibit A) so that CWS may design, permit and upgrade the wastewater treatment facility, which will be capable of providing wastewater treatment service to the approximately 184 mobile homes in the Upgraded CVNC MHC Community; and

WHEREAS, within thirty days of executing this agreement, EFNC agrees to grant or cause to be granted the System Easements to CWS in existing well sites and two future well sites as identified on a plat recorded in Deed Book 1256 page 684, Deed Book 1256 page 687 and Deed Book 1267 page 222 in the Currituck County Registry, and CWS agrees to take ownership of the Water Utility and Wastewater Utility Systems, such that CWS can upgrade the Water Utility System to serve the approximately 184 mobile homes in the Upgraded CVNC MHC Community; and

WHEREAS, EFNC has represented and CWS agrees and accepts that the existing water distribution system within the existing CVNC, including the Upgraded CVNC MHC Community is sufficient to serve approximately 184 manufactured homes. For the avoidance of doubt, no upgrades are contemplated for the existing water distribution system. CWS agrees that meters are not currently installed and agrees to install meters at CWS's sole cost; and

WHEREAS, upon approval from the NCUC and transfer of said assets, CWS agrees to continue to provide water service and wastewater/sewer service to CVNC as it currently exists and to the Upgraded CVNC MHC Community containing approximately 184 manufactured homes and to provide water service to the Age Restricted MHC Community containing approximately 250 manufactured homes; and

WHEREAS, CWS has agreed to provide bulk water and wastewater services to CVNC until approval by the NCUC; and

WHEREAS, CWS agrees to design, permit, and construct the Wastewater Treatment Facility, which is a upgraded wastewater treatment facility utilizing high rate infiltration basins on Tract 2B to be conveyed to CWS and use the existing wastewater treatment facility for additional aeration and anoxic tankage; and

WHEREAS, CWS agrees to own, operate and upgrade the Water Utility System as contemplated herein, all in accordance with this Agreement, to provide water service to CVNC and the approximately 184 mobile homes in the Upgraded CVNC MHC Community; and

WHEREAS, CWS agrees to own and operate the Wastewater Utility System, all in accordance with this Agreement, to provide wastewater service to CVNC and the approximately 184 mobile homes in the Upgraded CVNC MHC Community, and subject to all governmental approvals and upon upgrade of the Wastewater Treatment Facility and repurposing of the existing

Wastewater Utility System, to provide wastewater service to the communities referenced herein; and

WHEREAS, CV-WWT agrees to transfer by Bill of Sale (without warranty) and CWS agrees to take ownership of the Wastewater Utility System, such that CWS can upgrade the collection system sufficient to serve CVNC and subsequently the approximately 184 mobile homes in the Upgraded CVNC MHC Community; and

WHEREAS, CV-WWT has represented and CWS agrees and accepts that the existing sewer collection system within the existing CVNC, including the Upgraded CVNC MHNC Community is sufficient to serve approximately 184 manufactured homes; and

WHEREAS, the owner of Carolina Village MHP intends to sell the mobile home community and the new owner plans related to the expansion and development of additional property has significantly changed the requirements for water and sewer, and

WHEREAS, as a result of these changes, the parties desire to amend and replace the terms of the Agreements and any amendments, and

WHEREAS, the foregoing recitals are incorporated herein by this reference as a substantive part of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants as hereinafter set forth, the Parties hereto agree as follows:

ARTICLE I Definitions

- 1.1 “*Agreement*” shall mean this Amended and Restated Asset Purchase and Utility Construction and Maintenance Agreement, including all exhibits and schedules attached hereto, and amendments thereto.
- 1.2 “*Bulk Service Agreement*” shall mean the Agreement between the parties detailing the provision of providing bulk water and wastewater utility services to CVNC until issuance of a Certificate by the NCUC.
- 1.3 “*Carolina Village of NC*” or “*Carolina Village MHP, LP*” (*CVNC*) shall mean the existing mobile home community, as shown on **Exhibit G**, consisting of approximately 419 mobile home sites and being located in Moyock, North Carolina. Upon completion of the redevelopment, which shall in all events be subject to obtainment of all required third-party approvals, including without limitation the approval of any municipal or county authorities, CVNC shall be subdivided and redeveloped as the Upgraded CVNC MHC Community.

- 1.4 “*Certificate*” or “*CPCN*” shall mean a Certificate of Public Convenience and Necessity for water and wastewater utility service issued by the North Carolina Utilities Commission, as may be amended from time to time.
- 1.5 “*Certificate Extension*” shall mean an extension to the Certificate, if applicable.
- 1.6 “*Closing*” is defined in Article VIII hereof.
- 1.7 “*Closing Date*” shall mean the date of the Closing or Closings.
- 1.8 “*Collection System Permits*” shall mean, collectively, those permits issued by the North Carolina Division of Water Resources of the Department of Environmental Quality for the construction and operation of the Wastewater Collection System, including all modifications thereto.
- 1.9 “*Commission*” or “*NCUC*” shall mean the North Carolina Utilities Commission.
- 1.10 “*County*” shall mean Currituck County, North Carolina.
- 1.11 “*CVNC Related Facilities*” shall mean the facilities related to the ownership and operation of CVNC including Carolina Village NC clubhouse, Carolina Village NC maintenance buildings for the adjacent mobile home development and the common areas for the adjacent Carolina Village NC mobile home development, and those facilities identified in Section 4.2(a) through (e) of this Agreement.
- 1.12 “*CV-WWT WWTP*” shall mean the existing 0.04 MGD wastewater treatment facility as described in Exhibit C.
- 1.13 “*Upgraded CV-WWT WWTP*” or “*Upgraded WWTP*” shall mean the wastewater treatment facility to be designed, permitted and constructed by CWS on the Wastewater Treatment Plant and Pond Site to replace the existing Wastewater Treatment Plant and to serve the properties described herein.
- 1.14 “*Deeded Property*” shall mean the Tract 2A, Tract 2B and East Tract (Exhibit A), and easements that will be conveyed to CWS, in accordance with the Bulk Service Agreement.
- 1.15 “*DWR*” shall mean the Division of Water Resources of the North Carolina Department of Environmental Quality.
- 1.16 “*DEQ*” shall mean the North Carolina Department of Environmental Quality.

- 1.17 “*Effluent*” shall mean the wastewater that has been treated to the point that it meets the quality standards required by the North Carolina Department of Environmental Quality.
- 1.18 “*EFNC Property*” shall mean the Tract 2A, Tract 2B and East Tract (Exhibit A), and easements that will be conveyed to CWS, in accordance with the Bulk Service Agreement. and described in Exhibit A.
- 1.19 “*Governmental Authority*” shall mean each and every applicable authority, department, agency, bureau, or other entity or instrumentality having jurisdiction over the Water Utility System and the Wastewater Utility System, including the federal government of the United States, the State of North Carolina, and all other applicable governmental authorities and subdivisions thereof, and the NCUC.
- 1.20 “*GPD*” shall mean gallons per day.
- 1.21 “*Infiltration Basins*” shall mean the infiltration basins located on the Tract 2A.
- 1.22 “*Maintenance Agreement*” shall mean the Utility Service and Maintenance Agreement dated November 3, 2015, and recorded November 5, 2015, in Deed Book 1345, Page 850, Currituck County Registry.
- 1.23 “*Management Agreement*” shall mean the management agreement between Sellers or their affiliates and Envirolink, Inc., and/or its affiliates (“*Envirolink*”), under which Envirolink agreed to manage the current Water Utility System and Wastewater Utility System and dated on or about the date of this Agreement.
- 1.24 “*Non-Discharge Permit*” shall mean the expanded from 0.04 million gallon per day to 0.6 million gallon per day permit for the construction and operation of both the existing Wastewater Treatment Plant issued by DWR as Permit No. WQ0004696, including all modifications thereto.
- 1.25 “*Permit*” or “*Permits*” shall mean the Collection System Permit, the Non-Discharge Permit, and the Water Utility System Permit, as the context requires.
- 1.26 “*Pond Site*” shall mean the portion of the approximately 99.05 acre tract bearing PIN 0002000043B0000 and/or the approximately 22.5 acre tract bearing 000200000500000 that will conveyed to CWS in accordance with the Bulk Service Agreement.
- 1.27 “*Reclaimed Effluent*” shall mean the wastewater that has been treated to the point that it meets the quality standards required by DEQ for disposal into the Infiltration Basins. -

1.28 “Residential Equivalent Unit” or “REU” shall mean a unit of wastewater treatment capacity equal to the presumed average daily wastewater flow of a single-family unit in the Development (360 GPD). For purposes of this Agreement, the number of REUs represented by a non-residential user shall be determined as follows:

- a. For a single-family unit with less than 5 bedrooms, if there is no water or wastewater meter for the non-residential facility then the number of REUs shall be “1”; or
- b. For a single-family unit with 5 or more bedrooms, if there is no water or wastewater meter for the non-residential facility, by dividing the design flow of the facility in question, based on 120 GPD per bedroom, (in GPD) by 250 GPD; or
- c. For a single Manufactured or Mobile Home unit, regardless if there is a water or wastewater meter for the facility, then the number of REUs shall be 0.67 REUs; or
- d. If there is a water and/or a wastewater meter for the non-residential facility, in accordance with the following chart:

Meter Size	REU
Less than 1”	1
1”	2.5
1.5”	5.0
2”	8.0
3”	15.0
4”	25.0
6”	50.0

1.29 “Special Order by Consent” or “SOC” shall mean the Special Order by Consent that is attached hereto as **Exhibit H**.

1.30 “Sprayfields” shall mean the sprayfields for treatment and disposal facilities, consisting of the temporary sprayfield currently existing on the EFNC Property and any additional sprayfields that have not been constructed, and all appurtenant equipment, in which the reused Effluent is disposed after treatment at the Wastewater Treatment Plant, as described in **Exhibit I**.

1.31 “System Easements” shall mean collectively the easements to be conveyed to CWS within thirty days for two existing well sites and two future well sites and the wastewater lift station sites as identified on a [plat recorded in Deed Book 1677, page 571 and Deed Book 1677 page 567 in the Currituck County Registry, subject to required third-party approvals].

- 1.32 “*Termination Agreement*” shall mean that certain Termination and Mutual Release Agreement by and between Sellers, CVNC, and Old North State Water Company, LLC, a North Carolina limited liability company (“*ONSWC*”).
- 1.33 “*Wastewater Assets*” shall mean the tangible and intangible personal property related to the Wastewater Utility System, including the Wastewater Treatment Plant, Infiltration Basins, the Wastewater Collection System, pump stations, storage ponds and additional assets that comprise the Wastewater Utility System and are related to the provision of wastewater utility service, as more fully described in Exhibit C.
- 1.34 “*Wastewater Collection System*” shall mean the Wastewater Service Lines, gravity collection lines, force mains, pump stations, and all appurtenant equipment both constructed and not yet constructed that transmit the wastewater from the customers on the CVNC and EFNC Property to the Wastewater Treatment Plant.
- 1.35 “*Wastewater Service Line*” shall mean that portion of the individual household wastewater line that CWS will own and maintain. For any case where a cleanout does exist, the Wastewater Service Line shall mean that portion of the individual household wastewater line that extends from CWS’s main to the cleanout and which CWS will own and maintain. In the case where a cleanout does not exist, CVNC shall maintain the portion of the line extends from the individual household wastewater line to the main.
- 1.36 “*Wastewater Treatment Plant*” or “*WWTP*” shall mean the 0.04 Million GPD wastewater treatment and disposal facilities, as described in Exhibit C and Exhibit E. As set forth herein the WWTP will be upgraded to an 0.6 MGD Upgraded WWTP.
- 1.37 “*Wastewater Treatment Plant Site*” shall mean Tract 2A described in Exhibit E where the Wastewater Treatment Plant and existing Infiltration Basins are located.
- 1.38 “*Wastewater Utility System*” shall mean Deeded Property, the System Easements, the Wastewater Treatment Plant, the Wastewater Collection System, the Infiltration Basins, all pump stations, the Wastewater Assets, buildings, parts, equipment, additional components of the wastewater system that have not already been constructed and installed, and other facilities used in the collection, treatment, holding and disposal of the wastewater, and any additional components of the wastewater utility system necessary to provide service, as described in Exhibit C.
- 1.39 “*Water Assets*” shall mean the water system equipment, System Easements, if any, tangible personal property related to the Water Utility System, and intangible personal property, including the groundwater wells and distribution system including treatment

systems, mains, storage tanks, and additional assets that comprise the Water Utility System and are related to the provision of water utility service, as more fully described in **Exhibit B**.

- 1.40 “*Water Service Line*” shall mean the portion of the individual household water line for which CWS will assume maintenance responsibility. The Water Service Line shall meet minimum standards under applicable law, code, rule, law, and regulations and include only that portion of the individual household water line from the house to CWS’s water source main at or near the above ground water storage tank. CWS shall, as soon as reasonably practical after approval of CWS’s rates set forth herein by the Utilities Commission, install all water meters to all homes in CVNC. If there is no house on the relevant CVNC lot, when a home is later brought in or constructed, CWS will promptly install a water meter.
- 1.41 “*Water Utility System*” shall mean all Water Assets, including interconnection to the existing distribution system or trunk water mains, all other equipment necessary and proper to serve all connections relating to that Water Utility System Phase and any additional components that are necessary to be constructed to provide water service.
- 1.42 “*Water Utility System Permit*” shall mean the permit to operate the Water Utility System issued by DEQ and identified as PSW ID# NC04-27-103, including all modifications thereto.
- 1.43 “*Water Utility System Phase*” shall mean any discrete phase of construction of the Water Utility System, including any modifications to the Water Utility.

ARTICLE II

Representations and Covenants by the Sellers

THE SELLERS REPRESENT, WARRANT and COVENANT THAT ON THE DATE HEREOF (except as otherwise noted) AND AS OF THE CLOSING:

2.1. Organization: Good Standing. EFNC and CV-WWT are limited liability companies, validly existing and in good standing under the laws of the State of North Carolina, and they are authorized to do business in the State of North Carolina.

2.2. Title to Properties. EFNC is the legal owner of and has fee simple marketable title to the Deeded Property being purchased by CWS in this Agreement, and CV-WWT is the legal owner of and has fee simple marketable title to in the Water Utility System Assets and the Wastewater Utility System Assets being purchased by CWS in this Agreement.

2.3. Power and Authority Relative to Agreement. The Sellers have full internal company power and authority (i) to execute and deliver this Agreement, (ii) to perform their obligations hereunder, and (iii) to consummate the transactions contemplated hereby. The execution and delivery by the Sellers of this Agreement, and the performance by the Sellers of their obligations hereunder, have been duly and validly authorized by its members and/or managers, and no other action on the part of the Sellers' members or managers is necessary in furtherance thereof.

2.4. No Actions at Law or Suits in Equity. Other than those described herein and or provide as an exhibit to this Agreement (including without limitation the SOC), (i) there are no pending or, to the Sellers' knowledge, without investigation or inquiry, threatened actions at law or suits in equity relating to the Water Assets, and (ii) there are no pending or, to Sellers' knowledge, without investigation or inquiry, threatened proceedings before any governmental agency with respect to the Wastewater Assets. There are no actions or proceedings pending or, to Sellers' knowledge, without investigation or inquiry, threatened against the Sellers that would prohibit or make illegal the consummation of the transactions contemplated by this Agreement.

2.5. Effect of Agreement. Except as provided in and subject to the terms and conditions of the Maintenance Agreement, (i) the execution and delivery by the Sellers of this Agreement does not, and (ii) the performance by Sellers of its obligations under this Agreement and the consummation of the transactions contemplated hereby, shall, to Sellers' knowledge, not:

a. Conflict with or result in a violation or breach of any of the terms, conditions or provisions of Sellers' articles of organization, operating agreements, or other governing documents;

b. Result in a default, penalty, or any adjustment in required payments (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, deed of trust, indenture, license, agreement, lease or other instrument or obligation to which Sellers are bound, except for such defaults, penalties or adjustments (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained; or

c. Conflict with or result in a violation or breach of any term or provision of any law applicable to Sellers or any of its affiliates or any of their respective assets and properties.

2.6. Contractual Obligations. Other than this Agreement, the Bulk Services Agreement, the Maintenance Agreement, the Management Agreement, the Termination Agreement, the Non-Discharge Permit, and the SOC, there are no restrictions, covenants, contracts or obligations of any nature between Sellers and any other party relating to the Water Assets and Wastewater Assets which govern the use of portion(s) of EFNC Property for the construction or operation of the Water Utility Systems and the Wastewater Utility System or additional components of the Water Utility System and the Wastewater Utility System.

2.7. Location of Properties. To the best of the Sellers' knowledge, the Wastewater Utility System and Water Utility System are located on the Deeded Property being conveyed to

CWS by special warranty deed or in the System Easements, which shall be granted hereunder to CWS.

2.8. Permits . From and after the date of this Agreement, except as otherwise may be disclosed on Schedule 1, Seller has and will maintain all required permits from DWR to operate the Wastewater Utility System and Water Utility System.

2.9.]

2.10. Taxes. To the Sellers' knowledge, without investigation or inquiry, except for outstanding property taxes which will be prorated at Closing for the year of closing, there are no real estate taxes, taxes imposed by special assessment or assessments by any Governmental Authority for the Water Utility System and the Wastewater Utility System that are unpaid. Sellers have no knowledge of any governmental special assessments, either pending or confirmed, against the Water Assets or Wastewater Assets.

2.11. . Sellers represent and warrant that as of the Closing Date the Water Assets and the Wastewater Assets shall be delivered to CWS free and clear of any and all liabilities, liens, and encumbrances, other than the SOC. Sellers acknowledge and agree that under no circumstance shall CWS be obligated or liable for any loans or liabilities made by any creditor to EFNC or CV-WWT. Notwithstanding any of the foregoing representations, CWS hereby acknowledges that the Water Assets and Wastewater Assets are subject to the SOC.

2.12. . No representation or warranty by Sellers in this Agreement, or any statement or certificate furnished or to be furnished to CWS pursuant hereto or in connection with the transactions contemplated herein, contains or will contain any untrue statement of a material fact or will omit to state a material fact necessary to make the statements contained herein or therein not misleading.

**ARTICLE III
Representations and Covenants by CWS**

**CWS REPRESENTS, WARRANTS and COVENANTS THAT ON THE DATE
HEREOF AND AS OF THE CLOSING:**

3.1. . CWS is a North Carolina limited liability company in existence under the laws of the State of North Carolina and has full power and authority to conduct its business as it is now being conducted and to own, operate, and manage its assets and properties.

3.2. Power and Authority Relative to Agreement. CWS has full corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby. The execution and delivery by CWS of this Agreement, and the performance by CWS of its obligations hereunder, have been duly and validly authorized by its board of directors, and no other action on the part of CWS is necessary in furtherance thereof.

3.3. No Actions or Proceedings. There are no actions or proceedings pending or, to CWS's knowledge, threatened against CWS or any of its assets and properties that would result in the issuance of an order restraining, enjoining; that would prohibit or make illegal the consummation of the transactions contemplated by this Agreement; that would prohibit CWS from operating the Water Utility Systems and the Wastewater Utility System; or that would otherwise have an adverse effect whatsoever on the Water Utility Systems and the Wastewater Utility System.

3.4. Effect of Agreement. The execution and delivery by CWS of this Agreement does not, and the performance by CWS of its obligations under this Agreement and the consummation of the transactions contemplated hereby shall not:

a. Conflict with or result in a violation or breach of any of the terms, conditions or provisions of CWS's articles of incorporation, bylaws, or other corporate governance documents;

b. Result in a default, penalty, or any adjustment in required payments (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, deed of trust, indenture, license, agreement, lease or other instrument or obligation to which CWS or any of its affiliates is a party or by which any of their respective assets and properties may be bound, except for such defaults, penalties or adjustments (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained; or

c. Conflict with or result in a violation or breach of any term or provision of any law applicable to CWS or any of its affiliates or any of their respective assets and properties.

3.5. Experience; Licenses; Ability to Operate. CWS's management team is experienced in the ownership, operation and maintenance of water utility systems and wastewater utility systems. CWS has, or will obtain and diligently pursue, all licenses, permits, certifications, and all other consents and approvals from all applicable Governmental Authorities to perform each and every obligation hereunder and to fully operate the Water Utility System and the Wastewater Utility System. Seller shall use commercially reasonable efforts to require CVNC to apply for approval to invoice each tenant under NCUC's water resellers regulations as soon as practical after execution of this Agreement. After approval by NCUC, CWS will operate the Water Utility System and Wastewater Utility System to provide service as provided in this Agreement.

3.6. Accuracy of Representations and Warranties. No representation or warranty by CWS in this Agreement, or any statement or certificate furnished or to be furnished to CWS pursuant hereto or in connection with the transactions contemplated herein, contains or will contain any untrue statement of a material factor or will omit to state a material fact necessary to make the statements contained herein or therein not misleading.

ARTICLE IV

Purchase Price and Covenants and Obligations in Consideration of Purchase Price

4.1. . The purchase price for the Deeded Property and the System Easements, Water Utility System and Wastewater Utility System (collectively the “Purchase Price”) shall be \$175,000. The Parties hereby acknowledge and agree that the Purchase Price, and the other payment and consideration described in this Article IV, constitute sufficient, good and valuable consideration for the Water Assets, the Wastewater Assets, the Deeded Property, and the System Easements granted hereunder and the Parties’ respective obligations.

4.2. . CWS shall not charge a capacity fee up to 184 mobile home units. Notwithstanding the foregoing, CWS shall upon approval by the NCUC be permitted to charge capacity fees for each mobile home unit greater than 184. Notwithstanding the foregoing or anything else to the contrary contained herein, CWS will not charge any capacity or connection fees whatsoever with respect to the following:

- a. The existing offices in the adjacent CVNC mobile home park, including in the Upgraded CVNC MHC Community;
- b. The existing mobile home park maintenance buildings for CVNC, including in the Upgraded CVNC MHC Community;
- c. [intentionally omitted];
- d. Any common area needs for water or wastewater utility service of the CVNC mobile home park, including in the Upgraded CVNC Community, including, without limitation, pools, clubhouses, and similar amenities and facilities; and
- e. Above the limits set forth in this Agreement, including without limitation as provided in Section 4.5.

4.3. . CWS will request authorization from the NCUC to charge the following rates:

	Water	Sewer
Monthly Minimum Charge (per REU)	\$ 31.40	\$ 35.00
Cost per 1,000 Gallon Usage	\$ 6.90	\$ 7.00
Flat Rate per REU (Not Metered)	\$ 40.00	\$ 52.60

Notwithstanding the foregoing or anything in this Agreement to the contrary, CWS will not request rate increases more frequently that one time per year.

Unless and until authorized by the NCUC, in accordance with the Bulk Services Agreement, CWS shall charge CVNC a bulk service rate for water and wastewater utility services consistent with the following:

Water	Sewer
-------	-------

Monthly Minimum Charge (per REU)	\$ 31.40	\$ 35.00
Cost per 1,000 Gallon Usage	\$ 6.90	\$ 7.00
<u>Flat Rate per REU (Not Metered)</u>	<u>\$ 40.00</u>	<u>\$ 52.60</u>

Each month CWS will count the number of units being served by its water and wastewater system and will multiply the rates above by the number of units in order to determine the build charges for water and sewer services.

4.4. CWS Obligations. CWS will as soon as reasonably practical obtain all permits to place the Water Utility System into the name of CWS so that CWS is the owner/operator of such systems and such that Sellers and their affiliates are relieved of any obligations under any existing water and wastewater permits. Except as expressly set forth herein, CWS is responsible, at its sole cost and expense, to prepare, construct, install, and provide the capital improvements, maintenance, repairs, installations, replacements, system upgrades, system repairs, component upgrades, component repairs, equipment upgrades and repairs, and any and all work required with respect to the Water Utility System and Wastewater Utility System necessary to serve approximately 184 mobile homes sites. CWS will also restore any areas disturbed in the performance of its work or its obligations under this Agreement to a like condition existing prior to such repairs and upgrades. CWS will construct the Upgraded WWTP and provide wastewater treatment services to CVNC sufficient to service approximately 184 mobile homes, and CWS will perform all work, improvements, replacements, and repairs required to bring the Water Utility System and the Wastewater Utility System into compliance with all applicable rules, regulations, laws, and orders of governmental authorities (“Applicable Laws”), including without limitation as required to bring such systems into compliance with DEQ regulations and permits. CWS will as soon as reasonably practical apply to NC DEQ to assign the existing NC DEQ permit WQ004696 for the Wastewater Utility System to CWS. The Upgraded WWTP is intended to address concerns of the DEQ. The work and improvements shall be sufficient to provide capacity to in order to serve the approximately 184 mobile homes in the Upgraded CVNC MHC Community. As soon as practical, CWS or its qualified and licensed designee shall assume and hereby does assume responsibility for operation, maintenance and management of the Water Utility System and Wastewater Utility System (and upgrades as contemplated herein), and CWS will provide water and wastewater services to CVNC and the Upgraded CVNC MHC Community. CWS has already completed the design and submitted to NC DEQ for approval. Upon approval from NC DEQ, CWS will initiated construction activities to construct the Upgraded WWTP, as described herein. CWS will accept the Water Utility System and the Wastewater Utility System in their then existing states. All improvements and upgrades over and above the current state of the Water Utility System and the Wastewater Utility System as of the Closing Date, shall be made by CWS, at its sole cost and expense.

4.5. [Deleted]

4.6. [Deleted]

4.7. Conveyance of Property. Within ___ days of executing this Agreement, EFNC (a) shall grant the System Easements such that CWS can operate, maintain, renew, replace and upgrade the Water Utility System and (b) convey the Deeded Property such that CWS can design, permit, construct, operate, maintain, renew, replace and upgrade the Wastewater Utility System with the Upgraded WWTP. CWS will pay taxes and assessments following conveyances.

4.8. No Conveyance of Carolina Village NC, LLC Property. There shall be no conveyance, transfer, or assignment of any property (whether real or personal) equipment, rights, interests, or other assets of Carolina Village NC, LLC under this Agreement, nor shall there be, under this Agreement, any conveyance, transfer, or assignment of any property, equipment, interests, or other assets owned by CVNC. CVNC has no obligations under this Agreement. The conveyance of any interest in any property owned by or located on the property of CVNC will be the subject of a separate agreement of even date herewith.

4.9. [Deleted]

4.10. Insurance; Indemnification. CWS shall include adequate insurance, including by naming EFNC and CVNC as additional insureds, in undertaking its obligations under this Agreement, including covering against any liability for injury to person or damage to property resulting from CWS's work and for operation of the Water Utility System and Wastewater Utility System. CWS shall protect, defend, indemnify and hold Sellers harmless from and against any and all loss, claims, liability, or costs (including court costs and attorney's fees) incurred by reason of (a) any failure or alleged failure of CWS to comply with Applicable Laws in operating the Water Utility System and the Wastewater Utility System and (b) any injury or alleged injury to person or damage or alleged damage to property resulting from (i) CWS's operation of the Water Utility System or Wastewater Utility System or (ii) CWS's construction, installation, and providing the capital improvements, maintenance, repairs, installations, replacements, system upgrades, system repairs, component upgrades, component repairs, equipment upgrades and repairs, and any and all work performed with respect to the Water Utility System or the Wastewater Utility System. The terms of this Section 4.10 shall initiate immediately and survive Closing.

4.11. Special Order by Consent Indemnification. It is understood and agreed that the Special Order by Consent is not transferable and that the liabilities and obligations of the SOC are also not transferable. It is understood that the SOC has expired and neither DEQ or CV-WWT have entered into subsequent SOC.

ARTICLE V Water and Wastewater Utility System

5.1. Permits and Approvals. The Parties acknowledge and agree that CV-WWT or its affiliate has obtained the all necessary Permits for the now existing Water Utility System and the Wastewater Utility System. As soon as practical, CV-WWT or its affiliate and CWS shall execute a written request to the Department of Environmental Health and DWR to transfer all Permits for the water system and wastewater system to CWS. Upon transfer of the water and wastewater utility systems, CWS or its qualified and licensed designee shall assume and hereby does assume responsibility for ownership, operation, maintenance and management of the Water Utility System and Wastewater Utility System, and CWS will provide water and wastewater services to CVNC (including the Upgraded CVNC MHC Community) and the CVNC Related Facilities (which shall be deemed to include all pools, clubhouses, and common area amenities of the Upgraded CVNC

MHC Community) in accordance with this Agreement. Until upgrades are made, CWS will provide services on the existing systems.

5.2. Water Utility System.

a. Design, Engineering, and Construction of the Water System. CWS will design, engineer and upgrade the existing Water Utility System in accordance with Applicable Laws to provide water service to the approximately 184 unit Upgraded CVNC MHC Community, including similar common area facilities located in the community or development. The existing 4" diameter wells each have a capacity of approximately 90 gpm per well, which is sufficient to serve the properties to be served thereby. CWS shall reserve 180 gpm of capacity for the approximately 184 unit Upgraded CVNC MHC Community, which CWS accepts as sufficient to serve such homes and facilities.

5.3. Installation and Conveyance of Future Expansion of the Wastewater Utility System to Serve the Upgraded Communities.

5.3.1. Design, Engineering, and Construction of the Upgraded WWTP.

a. CWS will design, engineer, permit, and construct the Upgraded WWTP to provide wastewater service for the approximately 184 unit Upgraded CVNC MHC Community. The Upgraded WWTP may be completed in phases, if necessary. CWS shall reserve sufficient capacity to serve the approximately 184 unit Upgraded CVNC MHC Community. Notwithstanding the foregoing, if it is determined that the Upgraded WWTP has excess capacity beyond what is required to serve the CVNC MHC Community, then the parties agree that CWS may allocate capacity to potential users outside of CVNC; provided, adequate buffer is included in the retained capacity for CVNC to insure adequate service to CVNC. Additional capacity beyond what is required to serve the 184 unit Upgraded CVNC MHC Community may be purchased from CWS on a first come basis under terms to be negotiated in the sole and reasonable discretion of CWS at the time of request.

b. The Parties acknowledge that the existing WWTP has the capacity to treat 40,000 gpd and that the facility is not capable of reliably meeting NC DEQ Permit requirements and that a Upgraded WWTP has been designed and permitted by NC Department of Environmental Quality. It is understood that the new Upgraded WWTP has been designed to treat 60,000 gpd and is capable of reliably meeting NC DEQ Permit requirements.

5.4. Certificate of Public Convenience and Necessity. After the execution of this Agreement, and prior to CWS apply for a CPCN from the NCUC, CVNC shall work with the new owner (Carolina Village MHP, LP) to obtain approval as a water reseller from the NCUC based on rates established by the Bulk Services Agreement and this agreement. After CVNC implements the rates approved by the NCUC under the water resellers provision, CWS shall apply to the NCUC

for a CPCN in order to directly bill the approximately 184 mobile homes in Upgraded CVNC MHC Community,

CWS will apply to the Commission as soon as may be practicable for a Certificate or Certificate Extension. CWS shall provide all bonds required by the Commission for each Certificate or Certificate Extension.

5.5. As-Is Acquisition. CWS IS ACQUIRING THE WATER ASSETS AND THE WASTEWATER ASSETS, ALL EQUIPMENT, AND ALL OTHER ITEMS OF PERSONAL PROPERTY ON AN “AS-IS, WHERE-IS” BASIS AND “WITH ALL FAULTS”. It is agreed and understood, CWS is acquiring the expanded Non-Discharge Permit (WQ004696) in connection with this Agreement.

5.6. Documents to be Delivered to CWS. At Closing, EFNC or CV-WWT, as applicable, will deliver to CWS the following documents:

- a. System Easement substantially similar to the area labeled “Proposed Utility Easement” as depicted on the Survey.
- b. Bills of sale (without warranty deed), for the Water Assets and the Wastewater Assets, in the form attached hereto as **Exhibit J**;
- c. Special warranty deed for the Deeded Property.
- d. Upon obtaining required consents and approvals therefor and in accordance therewith, either an assignment or amendment of the Maintenance Agreement, necessary for CWS to access and operate the Water Utility System and the Wastewater Utility System in accordance with the terms of this Agreement; and
- e. Without warranty, express or implied, copies of all files, documents, papers, agreements, books of account, customer lists, lot numbers and service addresses, lists of schedules, original cost invoices, engineering drawings, and records in Sellers’ possession pertaining to the Water Assets and the Wastewater Assets not already in the possession of CWS, or Envirolink.

In addition, at Closing, CWS will deliver to Sellers such documents and other items which are reasonably required to consummate the transactions contemplated under this Agreement.

5.7. Documents to be delivered upon execution of this Agreement.

- a. Contemporaneous with the execution of this agreement, EFNC of CV-WWT, as applicable, shall deliver to CWS, the following documents:

- i. Executed Bulk Service Agreement;
 - ii. Executed Operation & Management Agreement between Envirolink, and CWS;
 - iii. Termination Agreement between ONSWC and Sellers; and
 - iv. Special Warranty Deed for the Deeded Property
- b. Contemporaneous with the execution of this agreement, CWS shall deliver or cause to be delivered to Sellers, as applicable, the following documents:
- i. Executed Bulk Service Agreement;
 - ii. Executed Management Agreement between Envirolink, and CWS; and
 - iii. Termination Agreement between ONSWC and Sellers.

5.8. Improvements to Existing Water Assets. Contingent upon the approval of CVNC as a water reseller by the NCUC, within 180 days of issuance of said approval, CWS will remove the existing above-ground storage tank and will replace outdated and unsightly fencing associated with the existing Water Utility System with new, updated fencing.

ARTICLE VI
Conditions Precedent to this Agreement

6.1. Clear Title to Water Assets and Wastewater Assets. The Water Assets and the Wastewater Assets shall be free and clear of any and all liens and encumbrances at conveyance other than the Permitted Exceptions (as defined below).

ARTICLE VII
Obligation to Request NCUC Approvals

7.1. Certificate of Public Convenience and Necessity. Within [180] days after approval of CVNC as a water reseller by the NCUC, CWS, at its expense, shall file an Application for authorization to provide water and wastewater service to the CVNC mobile home park to charge connection fees and rates.

7.2. Cooperation by Sellers. Sellers agree to cooperate reasonably with CWS in efforts to obtain such authorization including, upon request, the provision of financial documentation for the Water Utility System and the Wastewater Utility System.

ARTICLE VIII

Closing

8.1. Date for the Closing. The Closing of the transactions contemplated hereunder (“Closing”) shall occur within thirty days. This Agreement may only be terminated by written agreement signed by all Parties hereto.

Prior to closing, CV-WWT shall continue to own the water and sewer system serving the CVNC mobile home community. Envirolink under the existing Management Agreement will assume responsibilities for operation and maintenance of the existing facilities until transferred to CWS.

8.2. Transfer of Obligations for Utility Services. At Closing, Sellers will transfer to CWS and CWS will assume all obligations with respect to the Water Assets and Wastewater Assets. From and after Closing, CWS shall be responsible for the Water Assets and the Wastewater Assets and operation of the Water Utility System and the Wastewater Utility System including, without limitation, the provision of water and wastewater service for the Carolina Village Mobile Home Park (including the Upgraded CVNC MHC Community).

8.3. No Claim by Third Parties. CWS and Sellers represent to the other that no party is entitled to a commission upon the Closing and transfer of the Water Assets, the Wastewater Assets, the System Easements, the Deeded Property, or otherwise in consideration of the transactions under this Agreement, and each agrees to indemnify and hold harmless the other against any and all claims of real estate brokers, finders or similar agents claiming to have been engaged by the indemnifying party, for commissions or claims for similar fees incurred in any action, suit, proceeding or claim arising out of or in connection with the transaction contemplated by this Agreement. The indemnities in this paragraph shall survive Closing or the termination of this Agreement.

ARTICLE IX

Taxes and Assessments and Other Prorations

9.1. Sellers and CWS shall prorate taxes for the Water Utility System and Wastewater Utility System as of the Closing Date, with such prorations to include, but not be limited to, property taxes, real estate taxes, taxes imposed by special assessment or assessments by a Governmental Authority that are assessed or charged in calendar year 2021. Sellers shall be responsible for all such taxes for any calendar year prior to 2021. In addition to taxes and assessments, all costs, expenses, and receivables will be prorated as of the Closing Date, with Sellers entitled to receipt of all receivables and responsible for all expenses on or before the Closing Date and CWS entitled to receipt of all receivables and responsible for all expenses after the Closing Date.

ARTICLE X

General Provisions

10.1. Title Insurance and Surveys for Deeded Property. CWS, at CWS’s sole cost and expense, may but not required to obtain title insurance insuring the Deeded Property to be fee

simple title, free and clear of any and all liens and encumbrances other than (i) liens for taxes, assessments and governmental charges with respect to the Deeded Property not yet due and payable or due; (ii) all declarations, easements, rights-of-way, restrictions, covenants and other matters of public record; (iii) general utility service easements and rights of way affecting the Deeded Property which exist as of the date hereof; (iv) any matters that would be disclosed by an accurate, current survey and inspection of the Deeded Property; (v) any matters caused by CWS or CWS 's employees, agents or contractors; (vi) any public right-of-way affecting the Deeded Property; (vii) zoning and building ordinances and land use regulations applicable to the Deeded Property; (viii) any standard exclusions from coverage in the title insurance policy; (ix) all gas, water, and mineral rights of others; (x) any other liens or encumbrances of record which do not materially adversely affect title to the Deeded Property, the value of the Deeded Property, or CWS's use of the Deeded Property expressed herein; and (xi) which CWS has otherwise approved in writing and which CWS shall reasonably deemed to have accepted pursuant to this Agreement (collectively, "Permitted Exceptions"). CWS has already obtained or will obtain the Survey (as defined above), showing the Deeded Property. CWS shall pay the title insurance premiums in connection with the issuance of its owner's policy at the Closing. EFNC will provide any title policies in its possession covering the Deeded Property.

10.2. Cooperation for All Necessary Government Approvals. Sellers and CWS agree to cooperate fully in obtaining any and all necessary permits, including DWR permits, CVNC approval as a water reseller, the Certificate and/or Certificate Extensions by NCUC to CWS, and authorization from NCUC for connection fees and the rates.

10.3. Binding upon Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of Sellers and CWS, and the successors and assigns of Sellers and CWS. No Party may assign this Agreement without the prior written consent of all Parties this Agreement, such consent to not be unreasonably withheld, conditioned, or delayed.

10.4. 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. Lack of available funds or financing commitments shall not be considered Force Majeure.

10.5. 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.

10.6. Notices. Whenever any notice, demand or request is required or permitted hereunder, such notice, demand or request shall be in writing and shall be deemed to have been properly given or served (i) when delivered in fact against a written receipt of delivery to the other proper party (and including all individuals that are required to receive copies), or (ii) when deposited in the United States mail, with adequate postage prepaid and sent by registered or certified mail with return receipt requested, to the addresses set out below or at such other addresses as are specified by written notice so given in accordance herewith, or (iii) when deposited with Federal Express, Express Mail or other overnight delivery service for next day delivery addressed to the appropriate party at the addresses set forth below:

If to CWS: 4700 Homewood Ct., Suite 108
Raleigh, North Carolina 27609
Attn: Michael Myers

If to Seller(s): c/o Mobile Home Management NC, LLC
P.O. Box 265
Rossville, GA 30741-0265
Attn: Mr. Robert Miller

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

Notice on behalf of any Party may be given by their respective counsel

10.7. Incorporation of Exhibits. The Exhibits to this Agreement are made a part hereof and are hereby incorporated in full by reference. In the interest of expediting execution of this Agreement, the parties may have executed this Agreement without finalizing or attaching certain Exhibits. If any Exhibit is referenced in, but not attached to, this Agreement, then the parties will in good faith prepare an amendment to this Agreement attaching such Exhibit, and if the parties fail to provide such amendment, then the parties shall operate in good faith to agree on which Exhibit is applicable.

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

10.9. Representations, Warranties and Obligations Survive Closing. The representations, warranties, and obligations contained herein shall survive, and continue in effect after the Closing.

10.10. Entire Agreement. This Agreement sets forth the complete understanding between the Sellers and CWS, and any amendments hereto, to be effective, must be made in writing. This Agreement represents the entire agreement and understanding between the Parties relating to the subject matter hereof and supersedes all prior agreements, oral, or written between the parties, if any, relating to the subject matter. Except as set forth in the Agreement, no Party has made any representations or warranties to any other party.

10.11. Proper Execution/Not an Offer. The submission by Sellers to CWS or by CWS to Sellers (or by their respective attorneys) of this Agreement in an unsigned form will be deemed to be a submission solely for the other party's consideration and not for acceptance and execution. Such submission will have no binding force and effect, will not constitute an option or an offer, and will not confer any rights upon either party or impose any obligations upon either party irrespective of any reliance thereon, change of position or partial performance. The submission by Sellers to CWS or CWS to Sellers of this Agreement for execution by the other party and the actual execution thereof by either party and delivery to the other party will similarly have no binding force and effect on the party that executed the Agreement unless and until Sellers and CWS will have executed this Agreement and a counterpart hereof executed by Sellers and CWS will have been delivered to each party. Sellers and CWS shall have no obligations and this Agreement shall not constitute a transfer until Sellers and CWS have received all requisite approvals and unless and until Sellers and CWS have signed this document in original.

10.12. 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.

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

10.14. Illegality. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Agreement, or the application thereof to any person or circumstance, shall, for any reason and to the extent be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby but rather shall be enforced to the greatest extent permitted by law.

10.15. Consent to Jurisdiction. The Parties agree that Superior Court Division of the North Carolina General Court of Justice located in Wake County, 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, without giving effect to such court's resolution of conflicts of law. Each of the Parties hereto expressly and irrevocably consents to the personal jurisdiction of such Superior Court Division of the North Carolina General Court of Justice in Wake County, North Carolina, and expressly waives any jurisdictional or venue defenses otherwise available.

10.16. Remedies. In the event that any party defaults or fails to perform any of the conditions or obligations of such party under this Agreement or any other agreement, document or instrument executed in connection with this Agreement, or in the event that any party's representations or warranties contained herein or in any such other agreement, document or instrument are not true and correct as of the date hereof, any other party hereto shall be entitled to exercise any and all rights and remedies available to it by or pursuant to this Agreement or at law (statutory or common) or in equity.

10.17. Captions. The captions in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement or the scope or content of any of its provisions. Whenever the context may require, words used in this Agreement will include the corresponding feminine, masculine, or neuter forms, and the singular will include the plural and vice versa. Unless the context expressly indicates otherwise, all references to "Section" are to sections of this Agreement.

[signature page follows]

IN WITNESS WHEREOF, the Parties hereto have set their hands and seals the day and year above first written

CURRITUCK WATER and SEWER, LLC,
a North Carolina limited liability company

By:  (seal)
Michael Myers
Manager

EQUITY FIRST NC, LLC, a North Carolina
limited liability company

By:  (seal)
Elizabeth Jenkins, Manager

CV-WWT, LLC, a North Carolina
limited liability company

By:  (seal)
Elizabeth Jenkins, Manager

EXHIBIT A
EFNC Deeded Property

TRACT 2A

Tract 2A - Beginning at a point, marked by a set iron rod, said point being further described as being on the south property line of Carolina Village, LLC and being N 87 deg. 36' 28" E 43.40' from a set iron rod, set iron rod being the southwest corner of Carolina Village, LLC and also being on the eastern right-of-way of S.R. 1218 also known as Baskwoods Road. Thence from the point of beginning along the south property line of Carolina Village, LLC, N 87 deg. 36' 28" E 525.98' to a set iron rod. Thence continuing along the aforesaid south property line of Carolina Village, LLC, N 86 deg. 44' 55" E 100.00' to a set iron rod. Thence continuing along the aforesaid south property line of Carolina Village, LLC, N 87 deg. 02' 08" E 100.00' to a set iron rod. Thence continuing along the aforesaid south property line of Carolina Village, LLC, N 86 deg. 36' 18" E 200.01' to a set iron rod. Thence continuing along the aforesaid south property line of Carolina Village, LLC, N 85 deg. 46' 29" E 128.72' to a set iron rod. Thence continuing along the aforesaid south property line of Carolina Village, LLC, S 88 deg. 33' 15" E 100.01' to a set iron rod. Thence continuing along the aforesaid south property line of Carolina Village, LLC, S 88 deg. 24' 37" E 300.08' to a set iron rod. Thence continuing along the aforesaid south property line of Carolina Village, LLC, N 86 deg. 27' 58" E 104.07' to a set iron rod. Thence continuing along the aforesaid south property line of Carolina Village, LLC, S 82 deg. 56' 20" E 403.89' to a set iron rod. Thence making new lines through H. Lee Addison III Tract 2, S 82°56'20" E 463.53' and S 18°01'54" W 1,791.83' to a set iron rod in the easterly property line of Eugene T. White. Thence along the eastern line of lands now belonging to the aforesaid Eugene T. White N 43°56'00" W 190.38' to an existing iron pipe. Thence continuing along the easterly line of the aforesaid Eugene T. White N 23°09'00" E 25.80' to an existing iron pipe. Thence along the easterly line of lands now belonging to the aforesaid Eugene T. White N 52 deg. 08' 00" W 520.50' to a set iron rod. Thence along the eastern line of lands now belonging to the aforesaid Eugene T. White N 51 deg. 22' 00" W 473.90' to an existing iron pipe. Thence along the northern property line of aforesaid lands of Eugene T. White S 72 deg. 27' 00" W 673.20' to a set iron rod. Said iron rod is also on the eastern line of "Old Road" ownership unknown. Thence along the eastern line of "Old Road" N 04 deg. 13' 00" E 53.70' to a set iron rod. Thence along the eastern line of "Old Road" N 09 deg. 01' 00" W 106.80' to a set iron rod. Thence along the eastern line of "Old Road" N 11 deg. 09' 00" W 307.00' to a set iron rod. Thence along the eastern line of "Old Road" N 12 deg. 23' 00" W 516.70' to a set iron rod. Thence along the eastern line of "Old Road" N 16 deg. 04' 00" W 68.30' to a set iron rod. Thence along the eastern line of "Old Road" N 37 deg. 12' 00" W 197.61' to a set iron rod. Said rod being the point and place of beginning. Said Tract 2A has an area of 59.59 acres. The above described Tract 2A is shown and delineated on a plat entitled "H. Lee Addison, III, Division of Tract 2," prepared by Bissell Professional Group, Engineers, Planners, Surveyors and Environmental Specialist, dated January 6, 2000, recorded in the office of the Register of Deeds of Currituck County in Plat Cabinet G, Slide 95.

TRACT 2B

Tract 2B - Beginning at a point, marked by a set iron rod, said point being further described as being on the southeasterly corner of Carolina Village, L.L.C. and being also the southeasterly corner of Lot 123. Thence along the easterly line of the aforesaid Carolina Village, L.L.C., N 14 deg. 07' 23" W 149.71' to a set iron rod. Thence continuing along the aforesaid east property line of Carolina Village, L.L.C., N 06 deg. 12' 51" E 1,002.12' to a set iron rod. Thence along the south property line of the aforesaid Carolina Village, L.L.C., S 85 deg. 45' 50" E 993.49' to a set iron rod. Said iron rod also marks the northwest corner of lands now belonging to Constance D. Pendleton and Patricia P. Beasley. Thence along the western property line of Constance D. Pendleton and Patricia P. Beasley S 00 deg. 48' 00" E 665.32' to a set iron rod. Set iron rod being the southwest corner of the aforesaid Constance D. Pendleton and Patricia P. Beasley lands and the northwest corner of lands now belonging to Carolina Village, L.L.C.. Thence along the western property line of lands belonging to Carolina Village, L.L.C., S 00 deg. 48' 00" E 674.00' to a set iron rod. Thence along the southern property lines of the aforesaid lands of Carolina Village, L.L.C., S 85 deg. 15' 17" E 1,209.98' to a set iron rod. Set iron rod marking the southeast corner of the aforesaid lands of Carolina Village, L.L.C. and also being a point on the aforesaid lands of Constance D. Pendleton and Patricia P. Beasley. Thence along the western property line of the aforesaid lands of Constance D. Pendleton and Patricia P. Beasley S 44 deg. 12' 00" W 1,429.75' to a set iron rod. Thence along the western property line of the aforesaid lands of Constance D. Pendleton and Patricia P. Beasley S 72 deg. 33' 00" E 601.53' to a set iron rod. Thence along the western property line of the aforesaid lands of Constance D. Pendleton and Patricia P. Beasley S 52 deg. 00' 00" W 1,671.50' to an existing iron pipe. Said point marking the southwest corner of the aforesaid lands of Constance D. Pendleton and Patricia P. Beasley and is also a point on the northern property line of lands now belonging to Vernon P. Garrett, Jr. and being the eastern-most point of lands now belonging to Eugene T. White. Thence along the eastern line of lands now belonging to the aforesaid Eugene T. White N 41 deg. 18' 00" W 138.50' to a set iron rod. Thence along the eastern line of lands now belonging to the aforesaid Eugene T. White N 42 deg. 12' 00" W 658.60' to set iron rod. Thence along the eastern line of lands now belonging to the aforesaid Eugene T. White N 43 deg. 56' 00" W 87.82' to a set iron rod. Thence departing the line of Eugene T. White and making new lines through H. Lee Addison III Tract 2 N 18 deg. 01' 54" E 1,791.83' to an iron rod set and N 82 deg. 56' 20" W 463.53' to a set iron rod. Said rod being the point and place of beginning. Said Tract 2B has an area of 101.16 acres. The above described Tract 2B is shown and delineated on a plat entitled "H. Lee Addison, III, Division of Tract 2," prepared by Biswell Professional Group, Engineers, Planners, Surveyors and Environmental Specialist, dated January 6, 2000, recorded in the office of the Register of Deeds of Currituck County in Plat Cabinet G, Slide 95.

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Mar 26 2024

EAST TRACT

22 ½ Acres more or less – All that certain lot or parcel of land located on the East side of Moyock Backwoods Road and described as tract number two in that Deed recorded in Book 97 Page 506 of the Currituck County Public Registry and also described in a Deed recorded in Book 46 Page 431 of the Currituck County Public Registry. Said East tract is referred to as containing twenty-two and one half acres and is also described in a Deed recorded in Book 207 Page 468 of the Currituck County Public Registry and in a Deed recorded in Book 207 Page 471 of the Currituck County Public Registry. Which descriptions are incorporated herein by reference as if set forth word for word.

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Mar 26 2024

EXHIBIT B
Water Assets

Carolina Village Water System

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

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Mar 26 2024

EXHIBIT C
Wastewater Assets

Carolina Village Sewage Collection and Treatment System:

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

EXHIBIT D
CVNC MHC Plan

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MAR 26 2024

Mar 26 2024

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Carolina Village Conceptual Master Plan

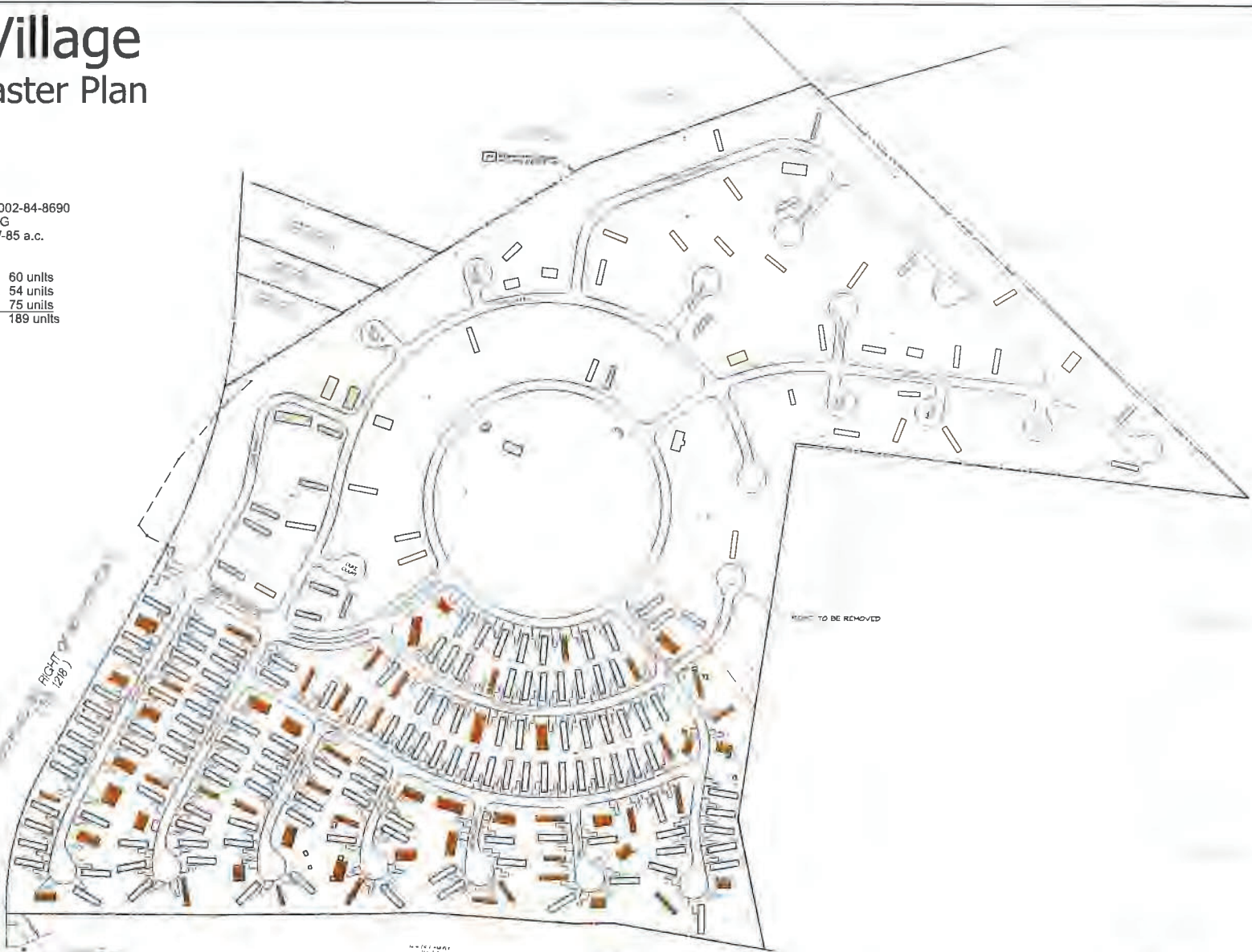
Currituck County, NC
September 29, 2022

SITE DATA:

GPIN #: 8002-84-8690
Current Zoning: AG
Total Site Area: +/-85 a.c.

Manufactured Home Development:

Existing Home Sites to Remain:	60 units
Manufactured homes to be relocated:	54 units
New Mobile Home Sites (16'X76'):	75 units
Total Home Sites:	189 units



NO SCALE
DATE: 11/17/22
DRAWN BY: JLD
CHECKED BY: JLD



C:\Projects\Manufactured\Carolina Village\Conceptual Master Plan\Drawings\1333-Sub 5\1333-Sub 5-31.dwg 29/09/2022 10:31 AM

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Docket No. W-1333, Sub 5
EXHIBIT E
Page 94 of 122

EXHIBIT E
WWTP Site Plan (Tract 2A)

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Mar 26 2024

Mar 26 2024

OFFICIAL COPY



Carolina Village WWTP MBR Wastewater Treatment Plant Upgrade/ Phase 1-06/08/2021	
EXISTING OVERALL SITE PLAN	
Frank Beattie 6497 Lisa Lake Lane Raleigh, NC 27615 Phone: (434) 488-1924	
Designed By: RGB Drawn By: RGS Checked By: RGS Approved By: RGS Date: 26 FEB 2016 Scale: 1" = 200'-0" Project No.: 095-021	C-300 A.G.D. No. 13044 L.E. 29
(Seal of the State of North Carolina) NORTH CAROLINA FIRM LICENSE C-4218	
Burgin Engineering Inc. PO BOX 1804 RMO, SC 29063 (803) 741-2885	

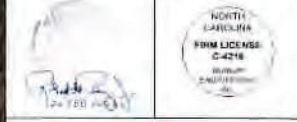


Carolina Village WWTP MBR
Wastewater Treatment Plant Upgrade/
Phase 1-60,000gpd

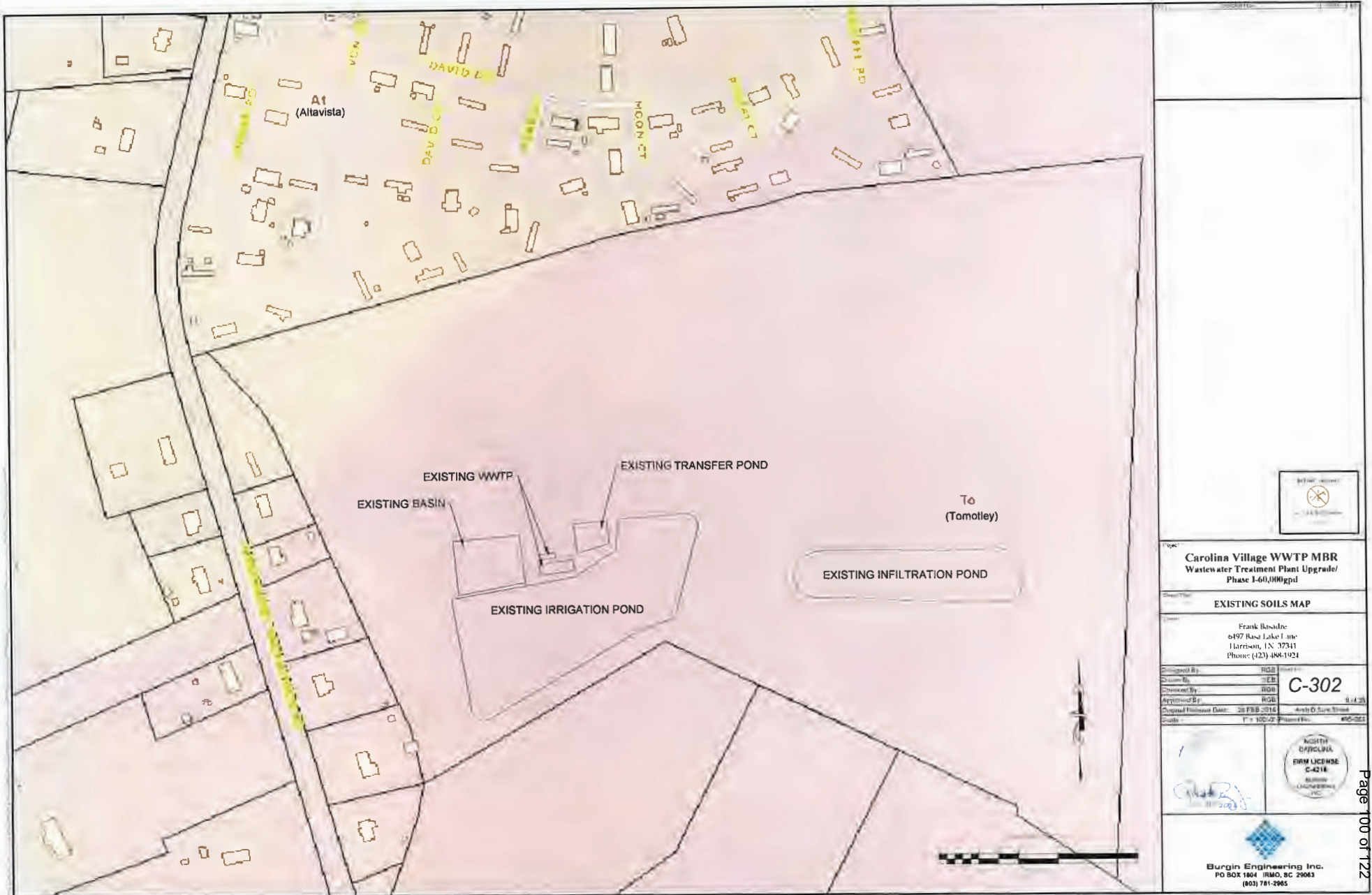
PROPOSED OVERALL SITE PLAN





Owner: Frank Basadre
6497 Bass Lake Lane
Harrison, TN 37341
Phone: (423) 484-1924

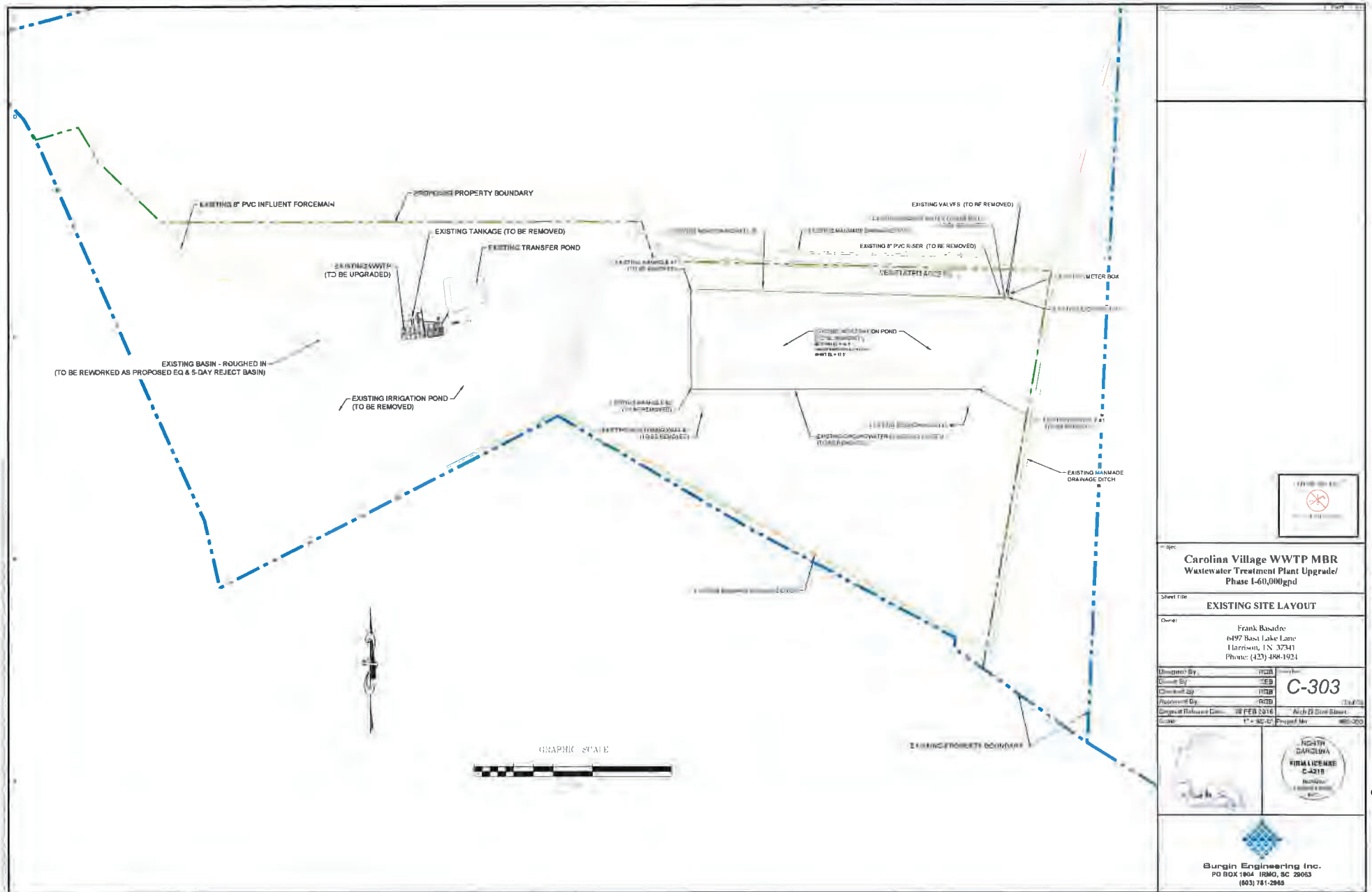
Designed By: RGB	Reviewed:
Drawn By: LRB/SEB	C-301
Checked By: RGB	
Approved By: RGB	
Date: 26 FEB 2016	Arch D S/rw Sheet
Scale: 1" = 100'-0"	Project No.: W25-001



Burgin Engineering Inc.
PO BOX 1804 IRMO, SC 29062
(803) 781-2965



 To (Tomotley)	
Carolina Village WWTP MBR Wastewater Treatment Plant Upgrade/ Phase I-60,000gpd	
EXISTING SOILS MAP	
Frank Basalre 6497 Basal Lake Lane Harrison, IN 47311 Phone: (317) 484-1924	
Designed By: ROB Drawn By: EB Checked By: ROB Approved By: ROB Original Plot Date: 28 FEB 2016 Scale: 1" = 100'-0" Plot No.: #90-021	C-302 <small>Sheet 2 of 25</small>
	
 Burgin Engineering Inc. PO BOX 1804 IRMO, SC 29063 (803) 781-2985	




 GRAPHIC SCALE

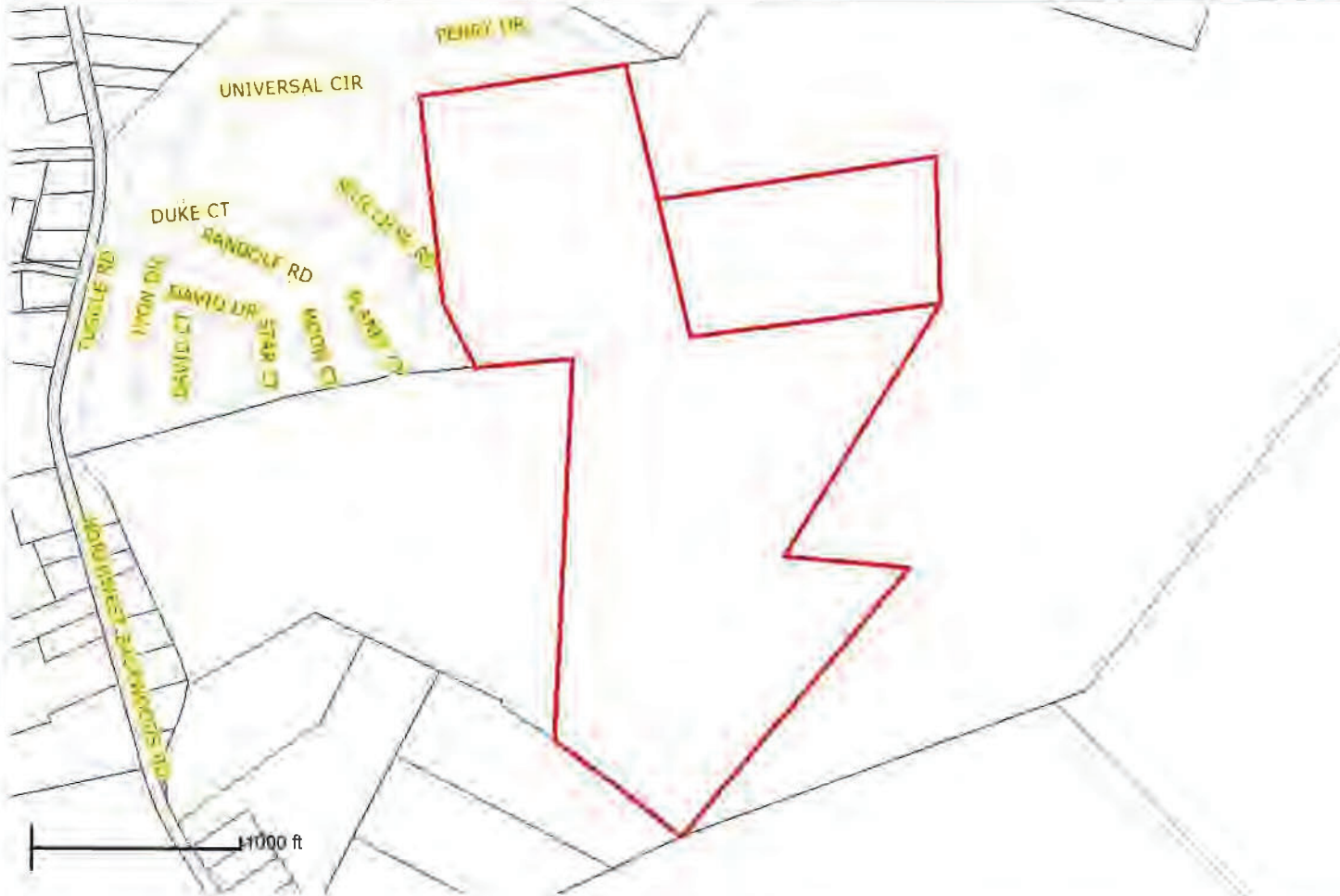
Title	 Carolina Village WWTP MBR Wastewater Treatment Plant Upgrade/ Phase I-60,000gpd
Sheet Title	EXISTING SITE LAYOUT
Owner	Frank Baside 6497 Bass Lake Lane Harrison, IN 37341 Phone: (423) 488-1924
Designed By	TCB
Checked By	TEB
Reviewed By	TCB
Approval Date	FEB 2016
Scale	1" = 80'-0"
 TERRY CAROLINA FIRM LICENSE C-4218	 Project No. 480-303
 Burgin Engineering Inc. PO BOX 1804 IRMO, SC 29063 (803) 781-2865	

EXHIBIT F
Pond Site Parcels (Tract 2B and East Tract)

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Currituck County GIS Data Viewer



Currituck County GIS
Phone: (252) 232-2034
E-mail: gis@currituckcountync.gov

This map should be used for general reference purposes only. Currituck County assumes no legal liability for the information shown on this map.

EXHIBIT G
CVNC Property

Carolina Village Mobile Home Community

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Mar 26 2024



CAROLINA VILLAGE
 MOYOCK, NC 27958
 (252) 435-2663

06-30-02

EXHIBIT H
SOC

[to be attached]

EXHIBIT I
Sprayfields



- NOTES:**
1. SPRINKLER AREA TO BE 200' FROM MOBILE HOMES ON NORTH SIDE, 100' FROM DRAINAGE DITCHES & 500' FROM PROPERTY BOUNDARY ON WEST SIDE
 2. SLUDGE DISPOSAL & SAND MINING AREA TO BE 50' AWAY FROM ALL DRAINAGE DITCHES & WETLANDS. STUMPS TO BE REMOVED FROM ENTIRE AREA.
 3. FINAL GRADES TO BE RETURNED TO EXISTING CONDITIONS. ENTIRE AREA TO BE STABILIZED AND GRASSED.
 4. PERIMETER OF ALL DISTURBED AREAS TO BE PROTECTED WITH TEMPORARY SILT FENCE.

Project:
 Carolina Village WWTP Redesign
 Wastewater Treatment Plant Upgrade
 180,000 gpd

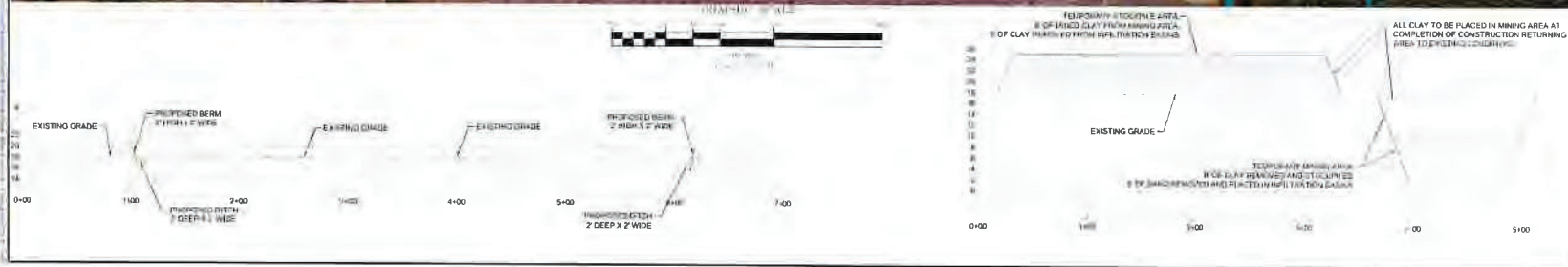
Sheet Title:
 PROPOSED OVERALL SITE PLAN

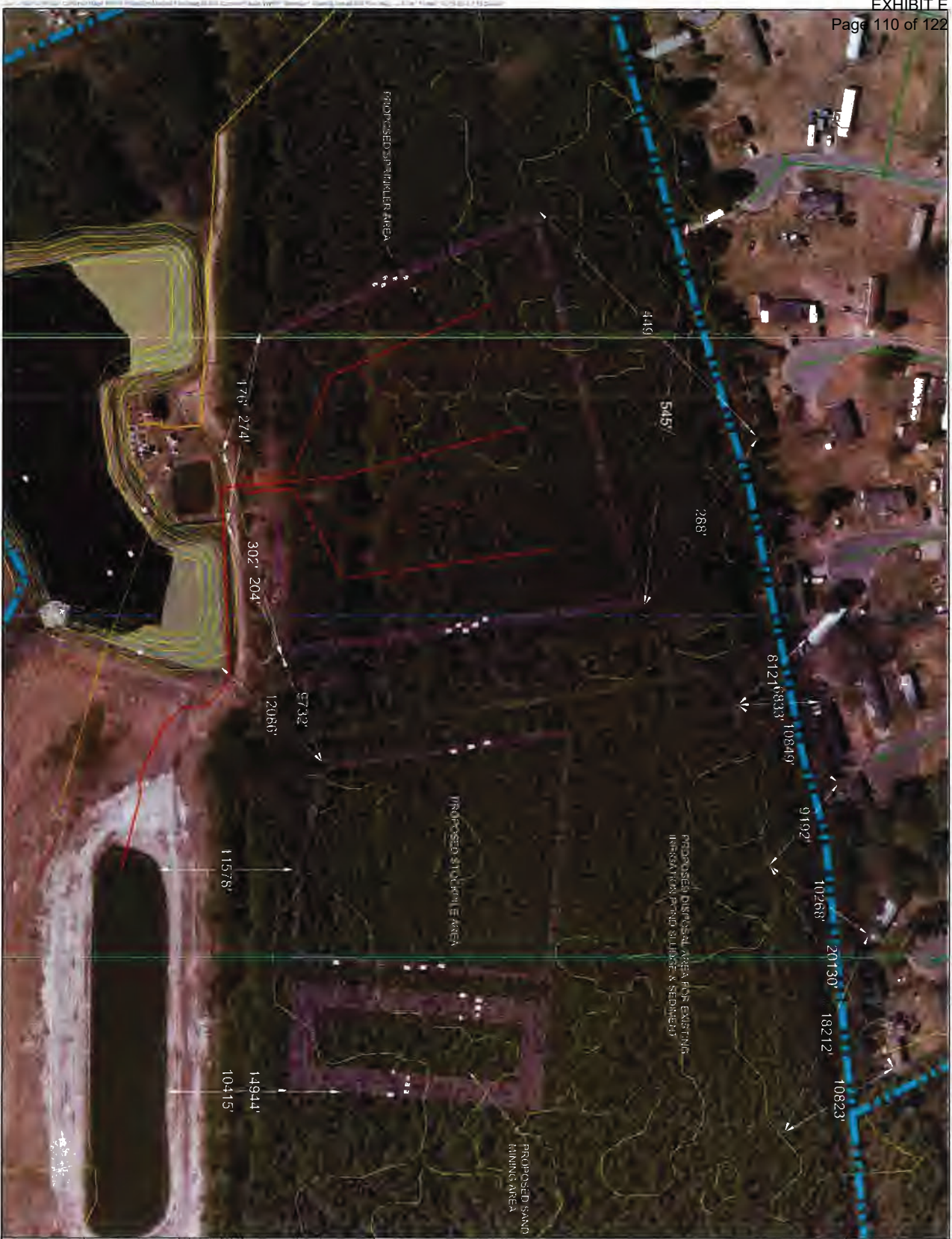
Owner:
 Frank Basadre
 6197 Basa Lake Lane
 Harrison, TX 77441
 Phone: (423) 484-1924

Designed By: RRG
Drawn By: LRS/BS
Checked By: RRG
Approved By: RRG
Date: 6 JAN 2016
Scale: 1" = 40'-0"

C-301a

Project No.: 485-000
 [Signature]





<p>Project: Carolina Village WTP Redesign Wastewater Treatment Plant Upgrade 180,000 gpd</p>	
<p>Site: EXISTING OVERALL SITE PLAN</p>	
<p>Drawn By: FSDS Checked By: FSDS Approved By: # JAW 2/15/24 Date: 1-25-24</p>	<p>Project No.: C-301b Scale: AS SHOWN</p>
<p>Client: Frank Beasde 6407 Bass Lake Lane Hartono, NC 27541 Phone: (252) 988-1924</p>	
<p>Design: 48" x 34"</p>	
<p>Scale: 1" = 30' 0"</p>	
<p>North Arrow: (Symbol pointing up)</p>	
<p>Logo: Durham Engineering, Inc. PO BOX 1048 RENO, NC 28645 (919) 791-5345</p>	

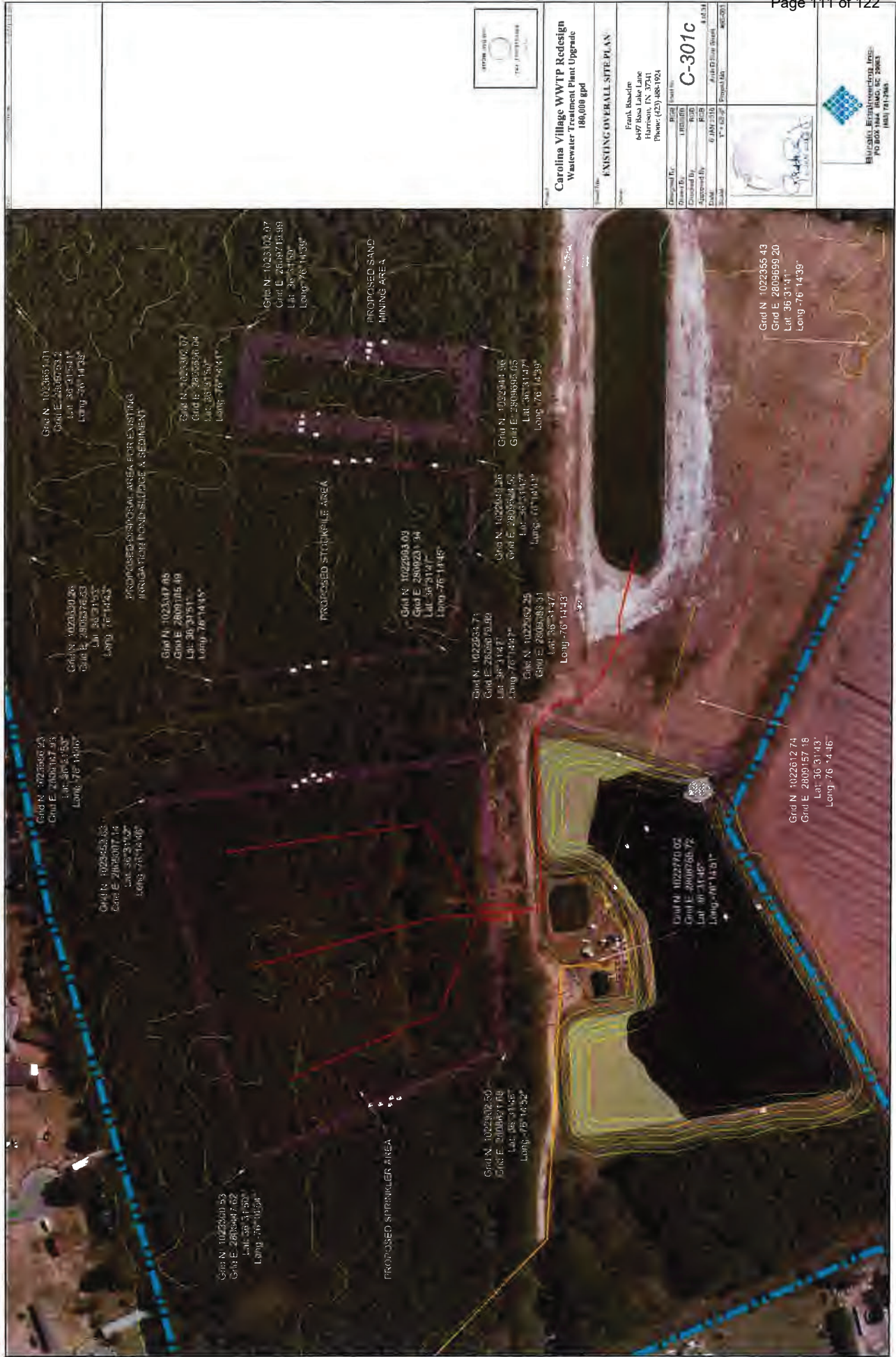


EXHIBIT J
Bill of Sale

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Mar 26 2024

STATE OF NORTH CAROLINA
COUNTY OF CURRITUCK

BILL OF SALE - WATER

KNOW ALL MEN BY THESE PRESENTS that Elizabeth Jenkins of CV-WWT, LLC. (Seller), in return for valuable consideration received by the Seller from Currituck Water & Sewer, LLC (Buyer), a limited liability company, the sufficiency of which is hereby acknowledged, has bargained and sold and does by this instrument bargain, sell, and convey to the Buyer, its successors and assigns, the entire potable water production, storage, and distribution system located at Carolina Village Subdivision, Currituck County, North Carolina, including, but not limited to mains, pumphouse, tank, pumps, controls, electrical equipment, chemical feed equipment, distribution mains, valves, tees, ells, crosses, water main easements within publicly dedicated rights of way, and services, all property conveyed hereby being referred to as the Property.

To have and to hold the Property in fee simple.

IN TESTIMONY WHEREOF, the Seller has hereunto set his hand this the __th day of February 202_.

By: _____
Title: _____

OFFICIAL COPY

MAR 26 2024

Notary Page for Bill of Sale – CV-WWT Water System
County of Currituck, North Carolina

I, the undersigned, a Notary Public of the County and State aforesaid, verify that _____, of CV-WWT, LLC, et. al. whose identity has been proven by satisfactory evidence, said evidence being:

- I have personal knowledge of the identity of the principal(s)
- I have seen satisfactory evidence of the principal's identity, by a current state or federal identification with the principal's photograph in the form of a _____
- _____ A credible witness has sworn to the identity of the principal(s);

personally came before me this day and acknowledged that Elizabeth Jenkins of CV-WWT, LLC, et. al. that he/she, in such capacity and being authorized to do so, voluntarily executed the foregoing on behalf of the corporation for the purpose stated therein and in the capacity indicated.

Witness my hand and official stamp or seal this __th day of February, 202__.

Notary Public Signature

Print Name: _____

My Commission Expires: _____

[AFFIX NOTARY SEAL BELOW-NOTE THAT SEAL MUST BE **FULLY LEGIBLE**]

STATE OF NORTH CAROLINA
COUNTY OF CURRITUCK

BILL OF SALE - WASTEWATER

KNOW ALL MEN BY THESE PRESENTS that Elizabeth Jenkins of CV-WWT, LLC. (Seller), in return for valuable consideration received by the Seller from Currituck Water & Sewer, LLC (Buyer), a limited liability company, the sufficiency of which is hereby acknowledged, has bargained and sold and does by this instrument bargain, sell, and convey to the Buyer, its successors and assigns, the entire sanitary sewer treatment, storage, disposal and collection system located at Carolina Village Subdivision, Currituck County, North Carolina, including, but not limited to mains, lift stations, tank, pumps, controls, electrical equipment, chemical feed equipment, collection mains, lift stations, valves, tees, ells, crosses, sewer main easements within publicly dedicated rights of way, and services, all property conveyed hereby being referred to as the Property.

To have and to hold the Property in fee simple.

IN TESTIMONY WHEREOF, the Seller has hereunto set his hand this the __th day of February 202_.

By: _____
Title: _____

OFFICIAL COPY

MAR 26 2024

Notary Page for Bill of Sale – CV-WWT, LLC Wastewater System
County of Currituck, North Carolina

I, the undersigned, a Notary Public of the County and State aforesaid, verify that _____, of CV-WWT,LLC, et. al. whose identity has been proven by satisfactory evidence, said evidence being:

- I have personal knowledge of the identity of the principal(s)
- I have seen satisfactory evidence of the principal's identity, by a current state or federal identification with the principal's photograph in the form of a _____
- _____ A credible witness has sworn to the identity of the principal(s);

personally came before me this day and acknowledged that Elizabeth Jenkins of CV-WWT, LLC, et. al. that he/she, in such capacity and being authorized to do so, voluntarily executed the foregoing on behalf of the corporation for the purpose stated therein and in the capacity indicated.

Witness my hand and official stamp or seal this __th day of February, 202__.

Notary Public Signature

Print Name: _____

My Commission Expires: _____

[AFFIX NOTARY SEAL BELOW-NOTE THAT SEAL MUST BE **FULLY LEGIBLE**]

**First Amendment to the Amended and Restated Asset Purchase Agreement and
Utility Construction and Maintenance Agreement**

between

CV-WWT, LLC (Sellers)

and

Currituck Water and Sewer, LLC (Buyer)

Dated: August 15, 2023

OFFICIAL COPY

Mar 26 2024

FIRST AMENDMENT TO THE AMENDED AND RESTATED ASSET PURCHASE AND UTILITY CONSTRUCTION AND MAINTENANCE AGREEMENT

THIS FIRST AMENDMENT TO AMENDED AND RESTATED ASSET PURCHASE AND UTILITY CONSTRUCTION AND MAINTENANCE AGREEMENT (this "First Amendment"), is made as of the 15th day of August 2023 ("Effective Date") by and between **Currituck Water and Sewer, LLC**, an North Carolina limited liability company ("Buyer"), and **CV-WWT, LLC** ("Seller"), a North Carolina limited liability company and provides as follows:

WITNESSETH

WHEREAS, Buyer, Seller and Equity First NC, a North Carolina limited liability company entered into that certain Amended and Restated Asset Purchase and Construction Management Agreement dated as of February 7, 2022 (the "Agreement");

WHEREAS, in response to questions raised by North Carolina Public Staff, the Buyer and Seller desire to amend and clarify certain provisions of the Agreement to specify the Buyer's obligations to Seller and Buyer's obligation to take possession of the Deeded Property and water and sewer assets, as more particularly hereinafter set forth.

NOW, THEREFORE, for and in consideration of the sum of One Dollar (\$1.00), cash in hand, paid by Buyer, and the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Buyer and Seller, Buyer and Seller hereby agree as follows:

TO CLARIFY, AMEND OR REPLACE CERTAIN PROVISIONS OF THE ASSET PURCHASE AND UTILITY CONSTRUCTION AND MAINTENANCE AGREEMENT, AS FOLLOWS:

1. To clarify that the thirty day requirement applies to EFNC's grant of System Easement, the 7TH WHEREAS of the Agreement has been modified to separate the two statements by replacing the comma with a semi colon and create a separate WHEREAS for the second statement to reflect the intent of this provision. As such the 7TH WHEREAS of the Agreement is hereby deleted and shall be replaced with the following:

WHEREAS, within thirty days of executing this agreement, EFNC agrees to grant or cause to be granted the System Easements to CWS in existing well sites and two future well sites as identified on a plat recorded in Deed Book 1256 page 684, Deed Book 1256 page 687 and Deed Book 1267 page 222 in the Currituck County Registry, and

WHEREAS, CWS agrees to take ownership of the Water and Wastewater Utility Systems, such that CWS can upgrade the Water Utility System to serve the approximate 184 mobile homes in the Upgraded CVNC MHC Community, and

2. To clarify how the Purchase Price is allocated among the assets, Section 4.1 of the Agreement is hereby deleted and shall be replaced with the following:

4.1 Purchase Price. The purchase price for the Deeded Property (183.24 acres), and the System Easements, Water Utility System, and Wastewater Utility System (collectively the Purchased Price) shall be \$175,000. The allocation of the purchase price shall be as follows:

Description	Allocated Price	Purchase Price
Parcel: 0002000043A0000 (Addison Tract 2A): 59.58 Acres	\$56,891.03	(32.509%)
Parcel: 0002000043B0000 (Addison Tract 2B): 101.16 Acres	\$96,594.44	(55.197%)
Parcel: 000200000500000 (Tract 2 22.5): 22.5 Acres	\$21,484.53	(12.277%)
Water & Sewer System Easements	\$10.00	(0.006%)
Water System Assets	\$10.00	(0.006%)
Wastewater System Assets	\$10.00	(0.006%)
Total	\$175,000.00	

The Parties hereby acknowledge and agree that the Purchase Price and the other payment and consideration described in the Article IV, constitute sufficient good and valuable consideration for the Water Assets, the Wastewater Assets, the Deeded Property and the System Easements granted hereunder and the Parties respective obligations.

3. To memorialize the agreement of the Parties to extend the thirty day requirement for EFNC to convey the Deeded Property, Section 4.7 of the Agreement is hereby amended and shall be replaced with the following:

4.7 Conveyance of Deeded Property and System Easements. As soon as practical upon executing this agreement, EFNC (a) shall grant the System Easements such that CWS can operate, maintain, renew, and upgrade the Water System and (b) convey the Deeded Property such that CWS can design, permit, construct, operate, maintain, renew, replace, and upgrade the Wastewater System with the Upgraded WWWT. CWS will pay taxes and assessments following conveyance.

4. To correct the conflict between Section 5.6 and Section 5.7, Section 5.7 (a) iv has been deleted. Section 5.7 of the Agreement is hereby deleted and shall be replaced with the following:

5.7 Documents to be delivered upon execution of this Agreement.

 - a. Contemporaneous with the execution of agreement, EFNC, or CV-WWT, as applicable, shall deliver to CWS, the following documents:
 - i. Executed Bulk Services Agreement;
 - ii. Executed Operation & Management Agreement between Envirolink and CWS;
and
 - iii. Termination of Agreement between ONSWC and Sellers;
 - b. Contemporaneous with the execution of agreement, CWS shall deliver or cause to be delivered to Sellers, as applicable, the following documents:
 - i. Executed Bulk Services Agreement;
 - ii. Executed Operation & Management Agreement between Envirolink and CWS;
and
 - iii. Termination of Agreement between ONSWC and Sellers;

5. To clarify the intent of the Agreement and correct unintended confusion, Section 8.1 of the Agreement is hereby deleted and shall be replaced with the following:


(d) . Except as amended herein, all other terms and conditions of the Agreement are ratified and confirmed and remain as stated therein. Certain defined terms used herein, as indicated by the initial capitalization thereof, shall have the same meanings as ascribed to such terms in the Agreement. This First Amendment may be executed in counterparts. Facsimile or PDF counterparts of this First Amendment upon collation shall serve as original copies of this First Amendment.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed pursuant to due authority, all as of the date first above written.

Buyer

Currituck Water and Sewer, LLC

By: 

Printed: Michael Myers

Title: Manager

Seller

CV-WWT, LLC

By: _____

Printed: Robert Miller

Title: Manager

Consent: Equity First of NC, LLC

By: _____

Printed: Robert Miller

Title: Manager

4485539_1

OFFICIAL COPY

Mar 26 2024

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed pursuant to due authority, all as of the date first above written.

Buyer

Currituck Water and Sewer, LLC

By: _____

Printed: _____

Title: _____

Seller

CV-WWT, LLC

By:  _____

Printed: Robert Miller

Title: Manager

Consent: Equity First of NC, LLC

By:  _____

Printed: Robert Miller

Title: Manager

4485539_1

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Mar 26 2024