STATE OF NORTH CAROLINA
COUNTY OF Iredell - Statesville

CONTRACT FOR INSPECTIONS OF ON-SITE WASTEWATER SYSTEMS TYPE II, III, IV and V

This Contract is entered into this 28th day of August, 2006 by and between TCW Wastewater Management, Inc., a North Carolina Corporation of Union County, North Carolina (hereinafter "TCW") and EEC Builders (hereinafter "The Owner").

Preamble

TCW is contracting with The Owner to provide inspection services as described on Attachment A for the fees or charges also shown in Attachment A.

The Owner owns or controls the property upon which a ground absorption sewage treatment system ("System") is installed, such System being designated as a type II, III, IV or V system under the Rules for Sanitary Sewage Collection. Treatment and Disposal found at 15A N.C. Admin. Code 18A. 1900 et seq.; and 15A N.C. Admin. Code 18A.1961 requires that a condition of the Operation Permit for certain systems be that a properly executed inspection contract between the System Owner and a management entity shall be in effect for as long as the System is in use. TCW is a management entity which employees certified operators of a type authorized by 15A N.C. Admin. Code 18a.1961 to manage and inspect type II, III, IV, and V systems.

In consideration of the premises and of the mutual covenants and promises contained in this Agreement, it is hereby agreed by and between the Owner and TCW as stipulated below.

Conditions of the Contract

A. TCW, in consideration of the payment by the Owner as set out in the schedule of services and charges in Attachment A, incorporated herein, agrees:

1) To provide the services set out in Attachment A according to the minimum schedule of inspections/services required by regulations for the lots or parcels set out in Attachment B.

2) To report results of the inspections to the local environmental regulatory agency having jurisdiction as required by applicable laws or regulations.

3) If inspections indicate the need for System repairs:

   a) to notify the local environmental regulatory agency within 48 hours.
   b) to give notice to the "Owner" of needed repairs, and, if the necessary repairs are outside the scope of the routine maintenance described in Attachment A, then The Owner may request TCW to provide an estimate. At the authorization of The Owner TCW will perform the necessary repairs at TCW's then prevailing charges for services and materials.

4) If TCW's services are terminated, TCW will notify the local environmental regulatory agency within 48 hours.

B. The Owner, in consideration of the services performed, agrees:

1) To pay TCW for its services according to the schedule of charges as set out in Attachment A.

2) Within 30 days of receipt of notice of repairs under A (3) above, the Owner(s) must provide proof that repairs have been performed by a licensed or qualified entity and the System is functioning properly or request and authorize TCW to complete the needed repairs.

3) To notify TCW promptly of any emergency or malfunction known to it which may violate environmental, health, or other laws and regulations, and to authorize immediate repair as necessary to restore the System to proper function and operation.

4) To use reasonable efforts to provide and to maintain at all times, such access to the Systems as is reasonably necessary for TCW to comply with its obligations under this Agreement.

C. **Terms of the Agreement**

1) This Agreement shall be effective for one year from the date of this contract, and will be automatically renewed from year-to-year thereafter, unless written notice of termination and non-renewal is given to the other party not less than 60 days prior to the end of the then current annual contract year.

2) The real property to be serviced under this contract is listed on Attachment B.

3) This Agreement automatically terminates if the Operation Permit for the system is revoked and all appeals of the revocation are exhausted or time for making an appeal has passed.

4) The parties may terminate at the end of the then current term by consent of each party or by not less than 60 days written notice to the other party prior to the end of the then current contract year, and not less than 30 days written notice to the local environmental regulatory agency.

5) This Agreement may be terminated for cause for breach which remains unremedied after 15 days written notice to the defaulting party.

D. **Limited Warranty**

TCW'S SOLE DUTIES AND RESPONSIBILITIES UNDER THIS AGREEMENT IS TO PROVIDE INSPECTION AND ROUTINE MAINTENANCE ONLY AS SPECIFIED IN THIS AGREEMENT. INSPECTIONS WILL COMPLY WITH APPLICABLE CODES, LAWS, AND REGULATIONS IN FORCE AT THE TIME OF THE INSPECTION AND REPORT. WORK AND MATERIALS USED IN REPAIRS ARE WARRANTED ONLY TO BE OF GOOD WORKMANSHIP, FREE OF DEFECTS, AND CONFORM TO THE SYSTEMS SPECIFICATIONS AND EQUAL TO THE ORIGINAL PARTS AND EQUIPMENT. THE OWNER'S SOLE REMEDY UNDER THIS EXPRESS WARRANTY IS REPAIR OR REPLACEMENT AND CONSEQUENTIAL DAMAGE OR DAMAGES FOR DELAY ARE LIMITED TO TOTAL SUMS PAID TCW UNDER THIS AGREEMENT FOR THE PARTICULAR LOT OR PARCEL FOR THE THEN CURRENT YEAR. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE, ARE EXPRESSLY AND SPECIFICALLY EXCLUDED. REPAIRS, REPLACEMENTS, ADDITIONS AND CHANGES BY OTHERS TO THE SYSTEMS COVERED BY THIS AGREEMENT WITHOUT PRIOR NOTICE TO TCW OR ACCEPTANCE OF THE WORK BY TCW DURING THE TERM OF THIS AGREEMENT VOIDS ANY WARRANTY GRANTED HEREIN AS TO TCW.

E. **Miscellaneous**

1) Transfer of rights, responsibilities, and duties under this Agreement by any party shall be valid only on written notice and consent signed by all parties, which consent shall not be unreasonably or arbitrarily withheld.

2) TCW may perform its duties and responsibilities by subcontract but TCW will remain directly liable and responsible to the Owner under the terms of this Agreement.

3) Waiver of default or a breach of the Agreement by any party shall not operate nor be construed as a waiver of further or subsequent defaults or breach of this Agreement. Failure to take action in any default or breach does not bear action on such default at any time subsequent to such breach or default.

4) This Agreement constitutes the entire agreement of the parties, incorporating, and superseding all prior representations and negotiations and may not be changed or amended except in writing signed by the parties. The Agreement shall be interpreted under North Carolina law. Any part of the Agreement declared void, illegal, or unenforceable will not affect other provisions of the Agreement.

5) Disputes arising under this Agreement shall be determined by any method of Alternative Dispute Resolution the parties choose, including but not limited to, mediation or arbitration, under the Uniform Arbitration Act of North Carolina or its equivalent, or such means or methods as the parties agree to in writing.

6) Notices are deemed delivered if delivered in person; by certified or registered mail; by courier; or delivery service, if properly receipted, charges and postage prepaid, as follows:

Owner:
EFC Builders
101 Castles Gate Dr
Mooresville NC 28117

TCW Wastewater Management, Inc.
P. O. Box 1830
Indian Trail, NC 28079

Environmental Regulatory Agency:
Iredell-Statesville Environmental Health
318 Turnersbury Hwy
Statesville NC 28678

A party may change its address my giving notice in the manner provided above.