State of North Carolina
County of Iredell

Permit Number 28853

THIS AGREEMENT is made and entered into this the 5 day of Feb, 2016, by and between Mark Kenney (hereinafter the "Owner") and **Allen Hoke** (hereinafter the "Contractor).

WITNESSETH

WHEREAS, the Owner owns or controls the property upon which a ground absorption sewage treatment system (hereinafter "system") is installed, such system being designated a Type IVA system under the Rules for Sanitary Sewage Collection, Treatment and Disposal found at 15A N.C. Admin. Code 18A.1900 et seq.; and

WHEREAS, 15A N.C. Admin Code 18A, 1961 requires a contract to be executed between the system owner and a management entity prior to the issuance of an Operation Permit for said system; and

WHEREAS, 15A N.C. Admin Code 18A, 1961 requires that a condition of the Operation Permit for said system be that a properly executed contract between the system owner and a management entity shall be in effect for as long as the system is in use; and

WHEREAS, the Contractor is a management entity of a type authorized by 15A N.C. Admin. Code 18A 1961 to manage a Type IVA system.

NOW THEREFORE, 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 the Contractor as stipulated below.

1. The Contractor's Obligations. The Contractor shall perform the following services on the owners system located at 162 Sagemore Rd. Mooresville NC 28117

A. The Contractor shall inspect the system at the least at the frequency required in Table V(b) of 15A N.C. Admin. Code 18A. 1961(b) for a Type IVA system.

B. The Contractor shall perform the following routine maintenance procedures in accordance with the conditions of the Operation Permit.

(1) Inspect the structural integrity and maintain all of the physical and mechanical components of the system.
(2) Inspect the performance and condition of the drain field.
(3) Flush and clean the laterals of the system.
(4) Check and set pressures in the system.
(5) Check and adjust pump delivery rate of the system.
(6) Clean septic tank filter if applicable and accessible.
(7) Perform any other requirements of the Operations Permit.

C. The Contractor shall report the result of its inspections to the home Owner after each inspection and to the local Health Department at the frequency specified in Table V(b) of 15A N.C. Admin. Code 18A. 1961(b) for a Type IVA System.

D. If an inspection indicates the need for system repairs, the Contractor shall notify the local Health Department within 48 hours of the inspection.

E. The Contractor shall notify the Owner of needed repairs which are outside the scope of routine maintenance described in subparagraph (b) above. The Contractor shall perform necessary repairs to the system that require the use of hand tools only at the request of the Owner and shall be entitled to payment therefore at the Contractors normal charge for services and materials. The Contractor shall not perform repairs that require the use of heavy equipment, electrical license or plumbing license.

2. The Owner's Obligations.

A. The Owner shall pay the Contractor upon signing this contract, the sum of $_____ for the first year of periodic inspections, routine maintenance procedures and periodic reports. The annual fee may be renewed at the end of each 12 month period. The annual fee may be amended upon sixty (60) days advance notice to the Owner but may not increase more than 20 percent per year. The Owner shall pay in the following methods;

( ) $_____ to be paid at the time of the signing of this agreement and $_____ to be paid before The second scheduled inspection of the calendar year.

( ) $_____ to be paid at the time of the signing of this agreement.

B. The Owner shall pay to the Contractor his normal and customary fees for any work performed on the system (**$30.00** per hour, with minimum of one hour, plus cost of materials) as a result of nonscheduled service of maintenance calls. All fees for nonscheduled service or maintenance are due and payable within thirty (30) days of billing. Payments due to the Contractor and unpaid by the Owner after thirty (30) days shall accrue interest from the date due until paid at a rate of 1.5 percent per month.

C. The Owner shall keep the area of the septic system drain field properly mowed and protected from traffic. The Owner shall keep the designated repair area reserved for future repair to the septic system

D. The Owner shall provide to the Contractor with such access to the system as is reasonably necessary for the Contractor to comply with the terms of this Agreement.

3. Term - This agreement shall remain in effect until termination.

A. **Automatic Termination**
This agreement shall automatically terminate if the Operation Permit for the system is revoked and all appeals of the revocation are exhausted or time for taking an appeal has passed.

B. **Termination by Mutual Consent**
The Parties may mutually agree to terminate this Agreement by giving written notice of termination by mutual consent to the local Health Department thirty (30) days in advance of the date of termination.

C. **Termination by the Owner**
The Owner may terminate this Agreement by giving notice to the Contractor and to the local Health Department thirty (30) days in advance of the date of termination.

D. **Termination by the Contractor**

(1) The Contractor may terminate this Agreement for cause by giving written notice of intent to Terminate this Agreement to the Owner and to the local Health Department thirty (30) days in advance of the date of termination. Cause shall be defined as;

(a) failure to remit payment for any bill for services performed under and in accordance with this agreement if said bill is not paid within thirty (30) days of receipt by the Owner Of the bill. If said bill is paid after notice of termination is given but prior to the date of termination of this Agreement, this Agreement shall continue in effect; or

(b) failure of the Owner to allow the Contractor such access to the system as is reasonably necessary in order for the Contractor to comply with the terms of this agreement.

(2) The Contractor may not terminate this Agreement without cause, but may assign its rights and duties under this Agreement as provided in paragraph 4, below.

4. **Assignment.**

A. Assignment by the Owner. The Owner shall notify the Contractor of the name and address of any purchaser of the property on which the system is located. The Owner shall also notify any purchaser of the property on which the system is located of the existence of this Agreement and shall assign all rights and duties under this Agreement to said purchaser.

B. Assignment by the Contractor . The Contractor may assign its rights and duties under this Agreement to another management entity which is qualified pursuant to 15A N.C. Admin. Code 18A. 1961 to manage a Type IVA system upon thirty (30) days written notice to the Owner and the local Health Department.

5. **Representations**

The Parties represent to each other that each has the power, authority, and legal right to enter into and perform its obligations as set forth in this Agreement.

6. **Regulatory Amendments**

References in this Agreement to sections of the Administrative Code shall include such rules as they may be amended in the future.

7. **No Implied Waiver**

The waiver by either Party of a default or a breach by the other Party of any provision of this agreement shall not operate or be construed to operate as a waiver of any subsequent default or breach. The failure at any time of either Party to enforce any provision of this Agreement (a) shall not be construed to be waiver of such provisions, or of any other provision; and (b) shall not in any way affect the validity of this Agreement, or nay part of this Agreement, or the right of either Party thereafter to enforce each and every provision of the Agreement.

8. **Notice.**

Every notice required under this Agreement shall be in writing and shall be deemed sufficiently given if delivered in person or sent by mail and addressed as follows;

To the Owner
Mark Kenney
162 Sagemore Rd
Mooresville NC 28117

To the Contractor;

Allen Hoke
14402 Lucia Riverbend Highway
Mount Holly, North Carolina 28120

To the local Health Department;

Iredell County Health Department
610 E Center Ave
Mooresville NC 28115

The date of any Notice shall be the date of delivery. Changes in the respective addresses to which notice may be made from time to time by either Party by notice to the other Party.

9. **Place of Agreement**

This Agreement and any questions concerning it's validity, construction of and performance shall be governed by the laws of the State of North Carolina, notwithstanding the place of execution, or the order in which the signatures of the Parties are affixed.

10. **Entire Agreement and Amendment**

This Agreement supersedes all prior negotiations, agreements and understandings between the Parties with respect to the subject matter hereof and constitutes the entire Agreement between the Parties with respect to the subject matter hereof. To be effective, any amendment or modification to the Agreement must be in writing and must be signed by the Parties.

11. **Severability**

In the event that any provision of the Agreement shall, for any reason, be determined to be invalid, illegal or unenforceable in any respect, the Parties shall negotiate in good faith and agree to such amendments, modifications or supplements of or to this Agreement or such other appropriate actions as shall, to the maximum extend practicable in light of such determination, implement and give effect to the intentions of the Parties as reflected in the Agreement, and the other provisions of the Agreement shall as so amended, modified, supplemented or otherwise affected by such action remain in full force and effect.

IN TESTIMONY WHEREOF, the Parties hereto have executed this Agreement in duplicate originals, one of which is retained by each of the Parties, the day and year first above written.

(~~OWNER~~) PAID 1ST YEAR CONTRACT BY Lacy Hensley

(CONTRACTOR) Brent Allen Holz.

SS# 989653