Subsurface (Class IV) Inspection and Maintenance Agreement

Date: Oct. 11, 2016

Agreement between:	and	Lentz Wastewater Management, Inc.
Adams Homes AEC, LLC 3401 St. Vardell Ln Ste. B Charlotte, NC 28217 (the "Owner")		Jarrid M. Lentz 463 Lentz Rd Statesville, NC 28625 (the "Operator")

The Owner owns or controls the property upon which a ground absorption sewage treatment system ("system") is installed, being designated a Type IV system that requires a contract to be executed between the system owner and management entity. In consideration of the premises and of the mutual covenants and promises contained in this Agreement, it is agreed by the Owner and the Operator as stipulated below:

The Operator Obligations: The Operator shall perform the following services on the Owner's system located at:

105 Nesting Quail Ln

Mooresville, NC 28117

a. The Operator shall inspect, document, and report the system every 6 months.
b. If an inspection indicates the need for system repairs, the Operator shall notify the local health department within 48 hours of the inspection.
c. The Operator shall notify the Owner of needed repairs, which are outside of the scope of routine maintenance described in this contract. The Operator shall perform necessary repairs to the system at the request of the Owner, and shall be entitled to payment at the Operator's normal charge for services and materials.
d. The Operator shall respond to a request for a nonscheduled service or maintenance call within 48 hours after receipt of such request.

2. The Owner's Obligations:
   a. The Owner shall pay to the Operator:
      - $300 total per year (two [2] visits each billed at $150)
      - Any charges for necessary replacement parts
      - Any charges for pumping/removal of solids from tanks
      - Additional maintenance (clearing around any septic components, such as: septic tank, pump tank, drainfield lines, etc.) or labor repair and service calls requested by client billed at a minimum of $55 per hour.

   The annual fee may be amended upon sixty (60) days advance notice to the Owner. The Owner shall pay to the Operator the normal and customary fee for any work performed on the system as a result of nonscheduled service or maintenance calls. All fees are due and payable at the time of services rendered. Unless prior arrangements have been made, fees due to the Operator and unpaid by the Owner are considered past due after seven (7) days of completion of services. Unpaid fees shall accrue interest from the due date until paid, at a rate of 1.5% per month.
3. Term: This Agreement shall remain in effect until terminated.
   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 the 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 Operator and to the local health department thirty (30) days in advance of the date of termination.
   d. Termination by the Operator
      - The Operator 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:
        1. Failure to remit payment for any bill for services performed under and in accordance with this Agreement if said bill is not paid within seven (7) days of receipt by the Owner of the bill. If said bill is paid after notice of termination of this Agreement, but prior to the date of termination of this Agreement, this Agreement shall continue in effect; or

2. Failure of the Owner to provide to the Operator authorization to complete needed repairs or satisfactory evidence that needed repairs to the system were completed by another entity. If said authorization to complete needed repairs or evidence of completion of said repairs is provided after notice of termination is given but prior to the date of termination of this Agreement, this Agreement shall continue in effect; or
3. Failure of the Owner to allow the Operator such access to the system as is reasonably necessary in order for the Operator to comply with the terms of this Agreement.

- The Operator may terminate this Agreement without cause, by notification to the Owner no less than ninety (90) days in advance of the termination date. The Operator may also 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 Operator 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 Operator
      - The Operator may assign its rights and duties under this Agreement to another management entity, which is qualified to manage the system, upon thirty (30) days written notice to the Owner and to the local health department.
5. Use of Subcontractors: The Operator may subcontract with such manufacturers, suppliers and contractors as it deems desirable to perform any of the Operator's duties under this Agreement. The Operator shall at all times remain responsible for the performance of and payment for all work performed by all subcontractors.
6. Representatives: 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.
7. Notice: Every notice required under this Agreement shall be in writing and shall be deemed sufficiently given if delivered in person or sent by certified or registered mail, return receipt requested, postage prepaid to the Party to be notified and addressed as follows:

To the Owner:	Adams Homes AEC, LLC 3401 St. Vardell Ln Ste. B Charlotte, NC 28217
To the Operator:	Lentz Wastewater Management, Inc. Jarrid M. Lentz 463 Lentz Rd. Statesville, NC 28625
To the Local Health Department:	Iredell County Environmental Health 610 E. Center Avenue Mooresville, NC 28115

The date of any Notice shall be the date of personal delivery or the date shown on the return receipt as the date of delivery or attempted delivery, as the case may be. Changes in the respective addresses to which notice may be directed may be made from time to time by either Party by notice to the other Party.

8. Place of Agreement: This Agreement and any questions concerning its validity, the system construction or performance shall be governed by the laws of the State of North Carolina.
9. 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 this Agreement must be in writing and must be signed by both Parties.
10. Severability: In the event that any provision of this 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, modification or supplements to this Agreement.

10/11/16

(Owner's Signature) (Date)

Jarrid M Lentz 10/11/2016

(Mr. Jarrid M. Lentz – Operator's Signature) (Date)