R & H of Lake Norman Inc.

Wastewater System Installation and Management
Inspection and Maintenance Agreement

STATE OF NORTH CAROLINA, COUNTY of Iredell
This agreement is made and entered into this date of 8/20/04,
by and between ST Lawrence Homes (the "Owner")
and R & H of Lake Norman Inc. (the "Contractor").

Witnesseth

WHEREAS, the owner owns or controls the property upon which a ground absorption Sewage Treatment system is installed, such system being designed a Type 4 system under the Rules for Sanitary Sewage Collection, Treatment and Disposal found at 15A N.C. Adm. Code 18A 1900 et seq.; and

WHEREAS, 15A N.C. Adm. 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. Adm Code 18A. 1961 to manage a Type 4 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 Contractors Obligations. The Contractor shall perform the following services on the Owner's system located at Lot 43 Templeton Bay

a. The Contractor shall inspect the system at least the frequency required in Table V(b) of 15A N.C. Admin Code 18A1961(b) for a type 4 system.

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

c. The Contractor shall report results of inspections to the local department at the frequency specified in Table V(b) of 15AN.C. Admin Code 18A.1961 for a Type 4 system.

d. If an inspection indicates the need for system repairs, the Contractor shall notify the health department within 24 hours the then 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 at the request of the Owner and shall be entitled to payment thereof at the Contractor's normal charge for services and materials.

f. The Contractor shall employ or shall contract with a certified operator(s) if required by Table V(b) of 15A N.C. Admin Code 18A. 1961 (b) for a Type 4 system.

g. The Contractor shall respond to a request for a non-scheduled service or maintenance call within 72 hours after receipt of such request.