Contract for Inspections of On-Site Wastewater Systems (Type IV & V)

This Contract is entered into **this 13th day of FEBRUARY 2024** by and between Lake Norman Sewer and Septic Services, LLC, a full service provider and a North Carolina company of Lincoln County, North Carolina (hereinafter the "ORC" or Operator in Responsible Charge) and **JBR CUSTOM HOMES INC** (owner)

Preamble

The ORC 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 NC Admin. Code 18A.1900 et seq.; and 15A NC Admin. Code 18A.1961 requires that a condition of the Operation Permit for Type IV & V 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. The ORC is a management entity which employs certified operators of a type authorized by 15A NC 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 the Agreement, it is hereby agreed by and between the Owner and the ORC as stipulated below.

Conditions of the Contract

A. The ORC, 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 the Maintenance Agreement, then the Owner may request the ORC to provide an estimate. At the authorization of the Owner the ORC will perform the necessary repairs at the ORC's then-prevailing charges for services and materials.
    4. If the ORC's services are terminated, the ORC will notify the local environmental regulatory agency within 48 hours.
B. The Owner, in consideration of the services performed, agrees:
    1. To pay the ORC for its services according to the schedule of charges as set out in the Maintenance Agreement.

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 the ORC to complete the needed repairs.
3. To notify the ORC 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 system as is reasonably necessary for the ORC to comply with its obligations under this Agreement.

Terms of the Agreement

1. This Agreement shall be effective for **one year** from the date of this contract. This contract will have to be renewed each year.
2. The real property to be serviced under this contract is listed on the Maintenance Agreement.
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 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.

Limited Warranty

THE ORC'S SOLE DUTIES AND RESPONSIBILITIES UNDER THIS AGREEMENT IS TO PROVDE INSPECTION AND ROUTINE MAINTENANCE ONLY AS SPECIFIED IN THIS AGREEMETN. INSPECTIONS WILL COMPLY WITH APPLICABLE CODES, LAWS AND REGULATIONS IN FORCE AT THE TIME OF THE INPSECTION 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 REAIR OR REPLACEMENT AND CONSEQUENTIAL DAMAGE OR DAMAGES FOR DELAY ARE LIMITED TO THE TOTAL SUMS PAID THE ORC UNDER THIS AGREEMETN 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 SYTSMS COVERED BY THIS AGREEMETN WITHOUT PRIOR NOTICE TO THE ORC OR ACCEPTANCE OF THE WORK BY THE ORC DURING THE TERM OF THIS AGREEMETN VOIDS ANY WARRANTY GRANTED HERIN AS TO THE ORC.

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. The ORC may perform its duties and responsibilities by subcontract but the ORC 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:
JBR CUSTOM HOMES INC
128 HUNTS LANDING DRIVE
MOORESVILLE NC, 28117

Lake Norman Sewer and Septic Services, LLC
Po Box 889
Denver, NC 28037

Environmental Regulatory Agency:
Iredell County Environmental Health Department
610 east center Ave
Mooresville, NC 28117

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

Each party has executed this Agreement with full power, authority and legal right to enter into; to bind itself to the rights, duties and responsibilities under this Agreement, which is binding on the parties, their successors and assigns, heirs and personal representatives, on the date first above written.

OWNER:

Lake Norman Sewer and Septic Services, LLC

By:
Title: Owner

License number:
Subsurface Water Pollution Control System Operator #995940