ROLLANS *Soil & Environmental Services, PA.*

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Ashley Rollans, *NC Licensed Soil Scientist, Certified Septic Installer, Certified Wastewater Operator & Certified Septic Inspector* **Contacts**: *704.746.5046*
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Project #: *01-1265*
February 18th, 2013

TO: ANNISTON HOA
Attn: David Malloy
Via Email: dmmii@yahoo.com

Re: Proposal for Biannual Septic Maintenance Inspections (Type IV Systems), Annual Septic Maintenance Inspections (Type III & IIIB Systems) and Reporting for all Septic Systems with an Operations Permit in Anniston Subdivision, Davidson, NC.

As per a previous conversation regarding Maintenance of Septic Systems in Anniston Subdivision you requested a proposal (cost estimate) for work performed on a biannual and annual basis depending on system type. This estimate is for the services & reporting requirements to Local Health Department, Homeowners and HOA Management Entity. This proposal ins based on an biannual inspection period for Type IV Systems and an annual inspection period for Type III & IIIB Systems. Inspections will be scheduled for systems with Operations Permits that have received a post installation inspection (Initial System Inspection). Below are details of the proposal.

Septic Maintenance Inspections (Type III, IIIB & IV Systems)*.....*$170.00/System/Year

-Inspection Period for Type IV Systems is biannual and Type III & IIIB Systems is annual
-Inspection of System Components including Tanks, Alarm, Control Panel & Drainfield
-Inspection Reports mailed to Homeowners and HOA Management Entity
-Inspection Reports (required) provided to Local Health Department Annually

There are currently 76 Operational Systems in Anniston. At this point the annual cost based on the number of residences is $12,960.00, This number will increase over time based on home construction in the neighborhood and will be billed according to inspection requirements. Additionally the percentage of Type IV vs Type III & IIIB systems will change over time. Therefore the blended annual price per residence may need to be reevaluated based upon the Type of systems that receive Operations Permits over time.

Rollans Soil & Environmental Services, PA has performed the maintenance of septic system in Anniston Subdivision since it's inception and appreciates your business. Please feel free to contact us if you have any questions regarding this proposal.

Thank you

S. Ashley Rollans

Riverstone Incorporated into Anniston

STATE OF NORTH CAROLINA INSPECTION AND MAINTENANCE AGREEMENT

THIS AGREEMENT is made and entered into this____ day of _____, 20____, by and between Anniston Homeowners Association, Inc (hereinafter the "Owner") and Rollans Soil & Environmental Services PA.

WHEREAS, the Owner owns the common area and by rights and easements subscribed in the Declaration of Covenants, Conditions, and Restrictions for Anniston recorded in Iredell County, Book 1617, Page 1924 and is responsible for the semi-annual inspection and seeing that lot owners maintain their individual septic lines and systems. Such ground absorption sewage treatment system (hereinafter "system") installed shall be a Type II-IV system under the rules for Sanitary Sewage collection, Treatment and Disposal found at 15A NC Admin. Code 18A 1900 et seq, and

WHEREAS, the contractor is a management entity of a type authorized to manage a Type II-IV system by 15A NC Admin code 18A 1961.

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 Obligation. The contractor shall perform the following services on the Owner's system located in the Anniston Subdivision.
   - A. The Contractor shall inspect the system at least semi-annually.
   - B. The Contractor shall perform the maintenance procedures semi-annually in accordance with the conditions of the Operation Permit and provide a written report for the Owner and the Lot Owner.
   - C. The contractor shall report the results of its inspections to the local health department at the frequency specified in Table V (b) of 15A NC Admin code 18A 1961(b) for a Type IV 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 and lot Owner of needed repairs that are outside of 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 therefore 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 NC Admin code 18A 1961 (b) for a Type IV system.
   - G. The Contractor shall respond to a request for a nonscheduled service or maintenance call within 24 hours after receipt of such request.

2. The Owner's Obligations.
   - A. The Owner shall pay to the Contractor the sum of $ 170.00 per year for each system for periodic inspections, routine maintenance procedures and periodic reports. The owner shall pay to the Contractor his normal and customary fees and any work performed on the system as a result of nonscheduled service or maintenance calls. All fees are due and payable within thirty (30) days of billing. Payments due to the Contractor and unpaid by the Owner after thirty (30) days are subject to interest charges, which accrue from the due date until paid at a rate of 1 ½ percent per month.
   - B. Within 5 days of receipt of notice of needed repairs pursuant to paragraph 1. E. above, the Owner shall request the Contractor to complete needed repairs or shall provide to the Contractor evidence that the needed repairs were satisfactorily completed by another entity.
   - C. The Owner shall provide 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.
   - 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 or termination by mutual consent to the local health department ninety (90) days in advance of the date of termination.
   - C. Termination by Owner.
     The owner may terminate this agreement by giving notice to the contractor and to the local health department ninety (90) days in advance of the date of termination.
   - D. Termination by Contractor.
     (1) The Contractor may terminate the Agreement for cause by giving written Notice of intent to terminate this Agreement to the Owner and to the local health department ninety (90) days in advance of the date of termination. Cause shall be defined as:

(a) Failure to remit payment for any invoice for services performed under and in accordance with this Agreement if said bill is not paid within thirty (30) days of receipt of termination is given, but prior to the date of Termination of this Agreement , the Agreement shall continue in effect; or

(b) Failure of the Owner to provide to the Contractor authorization to complete needed repairs or satisfactory evidence that needed repairs to the system were completed by another entity within five (5) days of receipt of notice of needed repairs pursuant to paragraph 1.E above. If said authorization to complete needed repairs or evidence of completion 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:

(c) 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 with cause, but may assign its rights and duties under this Agreement as provided in Paragraph 4 below.

4. 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.

5. Use of Subcontractors. The Contractor may subcontract with such manufacturers, suppliers, and contractors as it deems desirable to perform any of the Contractor's duties under this Agreement.

6. 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.

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

8. No Implied Waiver. The waiver by either Party of a default or breach by 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 a waiver of such provisions, or of any other provision; and (b) shall not in any way affect the validity of this Agreement, or any part of this Agreement, or the right of either Party thereafter to enforce each and every provision of this Agreement.

9. 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:	Anniston Homeowners Association Inc 17824 Statesville Rd, Suite 112 Cornelius, NC 28031
To the Contractor:	Rollans Soil & Environmental Services PA 470 N Broad St, Suite D Mooresville NC 28115
To the local Health Dept	Iredell Co Health Department 610 E Center Ave 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.

10. Place of Agreement. This Agreement and any question concerning its validity, construction or 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.

11. 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, an amendment or modification to this Agreement must be in writing and must be signed by the Parties.

12. 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, modifications or supplements of or to this Agreement or such other appropriate actions as shall, to the maximum extent practicable in light of such determination, implement and give effect to the intentions of the Parties as reflected in this Agreement, and the other provisions of this Agreement shall, as so amended, modified, supplemented or otherwise affected by such action, remain in full force and effect.

13. Additional Services: Other than routine maintenance and reporting, all additional services performed by Rollans Soil & Environmental Services, PA will be billed to the Home Owners Association at the normal billing rate, plus mileage at the current federal mileage rate.

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

Maintenance operation contract with Rollans Soil & Environmental Services PA must run for a minimum twelve (12) month period. After twelve (12) months, contract may be terminated by thirty (30) days written notice by either party.

Anniston Homeowners Association Inc

Kris Milstead - Agent

(Owner)

Rollans Soil & Environmental Services PA

(Contractor)

* Note: This contract will run in concert with a formal proposal (see Attached) dated February 18th 2013.