MacLeod Construction
PO Box 864
Denver, NC 28037
1-704-483-3580

Inspection and Maintenance Agreement for Iredell County, North Carolina

This agreement is made and entered into this seventh day of December, 1993, by and between James M. Makar (hereinafter the "Owner") and Robert L MacLeod (hereinafter the "Contractor").

Whereas, the owner owns or controls the property upon which a ground absorbtion sewage treatment system (hereinafter "System") is installed, such System being designated a Type IV System under the Rules for Sanitary Sewage Collection, Treatment, and Disposal found at 15A NC Admin. Code 18A.1900 et seq.; and

Whereas, 15A NC 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 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 the above Code to manage a Type IV 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 Owner's System located at Lot 5 Ridgecliff, Troutman.

a. The Contractor shall inspect the System at the frequency required in Table V(b) of 15A NC Admin. Code 18A.1961(b) for a Type IV System.

b. The Contractor shall perform the following routine maintenance procedures at appropriate intervals in accordance with the conditions of the operations permit:

1. Pressure check the System.

2. Check sludge level in pump tank.

3. Visually check the wiring connections for corrosion or deterioration.

4. Check system dose.

5. Check pressure heads on ditches.

6. Check all floats for proper alarm operation.

c. The Contractor shall report the results of his inspections to the Iredell County health Dept at the frequency specified in Table V(b) of 15A NC Admin. Code 18A1961(b) for a Type IV System.

d. If an inspection indicates the need for System repairs, the Contractor shall notify the Iredell County Health Dept within 48 hours of the inspection.

e. The Contractor shall notify the Owner of needed repairs which are outside of the scope of routine maintenance described in subparagraph (b) above. The Contractor shall perform necessary repairs at the request of the Owner and shall be entitled to payment therefor at the Contractor's normal charge for services and materials.

f. The Contractor shall respond to a request for a nonscheduled service or maintenance call within 48 hours after the receipt of such a request.

2. The Owner's Obligations:

a. The owner shall pay the Contractor the sum of $400.00 per year for periodic inspections, routine maintenance procedures and periodic reports. The annual fee may be amended upon 60 days advance notice to the Owner but may not be increased more than the equivalent of 10% per year. The owner shall pay the Contractor his normal and customary fees for any work performed on the System as a result of nonscheduled service or maintenance calls. All fees are due and payable within 30 days of billing. Payments due and unpaid after 30 days shall accrue interest from the due date until paid at a rate of 1.5% per month.

b. Within 15 days of the receipt of notice of needed repairs pursuant to paragraph 1.e. above, the Owner shall request the Contractor to complete the 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:

This Agreement shall remain in effect until terminated.

a. Automatic Termination will occur if the Operation Permit for this System is revoked and all appeals of the revocation are exhausted or time for taking an appeal has passed.

b. Termination by mutual consent will occur if both parties agree to terminate by giving notice of termination by mutual consent to the Iredell County Health Dept 30 days in advance of the termination.

c. Termination by the Owner will occur if the Owner gives notice to the Contractor and the Iredell County Health Dept 30 days in advance of the date of termination.

d. Termination by the Contractor will occur for cause if the Contractor gives written notice to the Owner and Iredell County Health Dept 30 days in advance of the date of termination. Cause shall be defined as:

1. Failure to remit payment as outlined in paragraph 2a.

2. Failure to provide to the Contractor authorization to complete repairs or proof of completion by another entity as outlined in paragraph 2b.

3. Failure of the Owner to provide access to the System as outlined in paragraph 2c.

e. The Contractor may not terminate this Agreement without cause, but may assign its rights and duties 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 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 NC Admin Code 18A.1961 to manage a TypeIV System upon 30 days written notice to the Owner and to Iredell County Health Dept.

5. 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 mail, return receipt requested, prepaid to the party to be notified and addressed as follows:

Owner: James M. Makar
Lot 5 Ridgecliff
Troutman, NC

Contractor: Robert L MacLeod
MacLeod Construction
PO Box 864
Denver, NC 28037

Health Dept: Iredell County Health Dept
Attn: Mike Dennis, R.S.

6. 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 made in writing and must be signed by the Parties.

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 James M Shaka

Attest

contractor

Attest