Steve Overcash
for Sidney Haskins

INSPECTION AND MAINTENANCE AGREEMENT

STATE OF NORTH CAROLINA

COUNTY OF IREDELL

THIS AGREEMENT is made and entered into this1 day of MARCH 1999 by and between Mr. Sidney Haskins, (hereinafter the *Owner*) and Overcash Environmental Services, Inc. (hereinafter the *Contractor)*.

WITNESSETH

WHEREAS, the Owner owns or controls the property 137 St. Martins Ln., Statesville upon which a ground absorption sewage treatment system (hereinafter *system*) is installed, such system being designated a Type !V system under the Rules for Sanitary Sewage Collection, Treatment and Disposal found at 15A N.C. Admin. Code 18A.1900 et seq.; and

WHEREAS, 15A N.C. 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

WHEREAS, 15A N.C. Admin. Code 18A.1961 required that a condition of the Operation Permit for said system be that a properly executed contract between the system owner and 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. Admin. Code 18A.1961 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 Contractors Obligations. The Contractor shall perform the following services on the owner's system located at: 137 St. Martins Ln, Statesville.

   a. The Contractor shall inspect the system at least at the frequency in Table V (b) of 15A N.C. Admin. Code 18A.1961 (b) for a type IV system.

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

      (1) Semi annual inspection
      (2) Submit required reports to Iredell County Health Department

   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 N.C. Admin. code 18A.1961 (b) for a Type IV.

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 of needed repairs which 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 N.C. 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 Obligation**

a. The Owner shall pay to the Contractor the sum of $100.00 per year for periodic inspections, routine maintenance procedures and periodic reports. The annual fee may be amended after the end of the one year period per year. The Owner shall pay to 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 thirty (30) days of billing. Payments due to the Contractor, and unpaid by the Owner after thirty (30) days shall accrue interest from the due date until paid at a rate of 1.5 percent per month.

b. Within 30 days of receipt of notice of needed repairs pursuant to paragraph 1.3 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.** 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 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 Owner

The Owner may terminate this Agreement by giving notice to the Contractor and to the local health department thirty (30 days in advance of the date of termination.

d. Termination by the Contractor

(1) The Contractor 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 (3) days in advance of the date of termination. Cause shall be defined as:

(a) Failure to remit payment for any bill for services performed under and in accordance with this Agreement if said bill is not paid within thirty (30) days of receipt by Owner of this bill. If said bill is paid after notice of termination is given but prior to the date of termination of this Agreement, this 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 30 days of receipt of notice of needed repairs pursuant to paragraph 1.e above. If said authorization to complete needed 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 to allow 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 without cause, but may 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 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 of 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 N.C. Admin. code 18A.1961 to manage a Type IV System upon thirty (30) days written notice to the Owner and to the local health department.

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. The Contractor shall at all times remain responsible for performance of and payment for all work performed by all subcontractors.

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.** Reference to this Agreement to sections of the Administration 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 of a breach by the other Party of any provision of this Agreement shall not operate or be construed to operate a waiver of any subsequent default or breach. The failure at any time of either party to enforce any provisions, or of any other provisions; 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:
Mr. Sidney Haskins
137 St. Martins Ln.
Statesville, NC, 28677

To the Contractor:
Overcash Environmental Services
135 Oberkirch Drive
Mooresville, NC 28115