INSPECTION AND MAINTENANCE AGREEMENT

STATE OF NORTH CAROLINA, COUNTY OF IREDELL

This agreement is made and entered into this 2nd day of October, 2021 by and between Dane and Erika Palmer (hereinafter referred to as the "Owners") and AQWA, Inc. (hereinafter referred to as the "Contractor"). The effective date corresponds to the date of the Health Department Operations Permit.

WITNESSETH

WHEREAS, the Owners own or control the property upon which a ground absorption sewage treatment system (hereinafter "system") is installed, such system being designated a Type Va system (Treatment Standard II w/nitrogen reduction) under the Rules for Sanitary Sewage Collection, Treatment and Disposal found at 15A N.C. Administrative Code 18A.1900 et seq.; and,

WHEREAS, 15A N.C. Administrative Code 18A.1961 requires a contract to be executed between the system Owners and a management entity prior to the issuance of an Operation Permit for said system; and,

WHEREAS, 15A N.C. Administrative Code 18A.1961 requires that a condition of the Operation Permit for said system be that a properly executed contract between the system owners 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. Administrative Code 18A.1961 to manage a Type Va, TS II 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 Owners 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 169 Northlake Dr, Statesville, NC 28677:

   a) The Contractor shall inspect the system at least at the frequency, required in Table V (b) of 15A N.C. Admin. Code 18A.1961(b) for a Type Va System and as specified in the State approval document for the equipment.

   b) The Contractor shall monitor the routine operation of the system using the telemetry equipped control panel at least monthly and make such performance data available to the Owners if requested.

   c) The Contractor shall take up to two laboratory samples of effluent per year from the system as prescribed by the Health Department to monitor system performance at no additional expense to the Owners.

   d) The Contractor shall perform the maintenance procedures in accordance with the conditions of the Operation Permit, specifications as set forth by the design engineer, 15A N.C. Administrative Code 18A.1961, specifications of the applicable N. C. Department of Natural Resources system approval document, and the manufacturers Operations and Maintenance Manual. Routine maintenance procedures include: inspect the structural integrity and maintain all of the physical and mechanical components of the system, inspect the performance and condition of the AdvanTex® Treatment

System and drip drainfield, check and set pressures in the system, check and adjust pump delivery rate of the system, clean septic tank filter if applicable and accessible, perform any other requirements of the operations permit.

e) The Contractor shall have an Operator on call 24 hours daily. All emergency services will be billed to the Owners.

f) 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. Administrative Code 18A.1961(b) for a Type Va System.

g) If an inspection indicates the need for system repairs, the Contractor shall notify the local health department within 48 hours of the inspection.

h) The Contractor shall notify the Owners of needed repairs, which are outside of the scope of routine scheduled maintenance described in subparagraph (d) above. The Contractor shall perform necessary repairs to the system at the request of the Owners and shall be entitled to payment therefore at the Contractor's normal charge for services and materials.

i) The Contractor shall employ or shall contract with a State certified Operator(s) if required by Table V (b) of 15A N.C. Administrative Code 18A.1961(b) for a Type Va System.

j) The Contractor shall respond to a request for service or maintenance call within twenty-four (24) hours upon receipt of request.

2. The Owner's Obligations.

a) The Owner shall pay to the Contractor the sum of $895.00 for periodic inspections (first year, four inspections) and $695.00 (customary rate subsequently), for routine maintenance procedures, required sampling and periodic reports. The annual fee will be renewed at the end of each 12 month period. The annual fee may be amended upon sixty (60) days advance notice to the Owner but may not be increased more than six (6) percent 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 unscheduled service or maintenance calls. One unscheduled service or maintenance call is included in the first year's fee. All subsequent unscheduled service or maintenance calls will be at $85 per hour, with a four hour minimum, plus materials. 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 incur a late fee of $25 per month for each month payment is not received by the Contractor.

b) Within thirty (30) days of receipt of notice of needed repairs pursuant to paragraph 1.h. above, the Owners shall request the Contractor to complete needed repairs.

c) The Owners 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 and requirements of the local health department.

d) The Owners shall keep the area of the septic system equipment and drain field properly mowed and protected from traffic.

e) The Owners shall provide year-round telephone service to the telemetry control panel, which requires access to the home phone line with "toll free" 800 number access. Or the Owner can provide hard-wired Ethernet equipment directly between the home router and the control panel if the control panel is set up to do so.

f) The Owners shall apply and enforce the "Do's and Don'ts" as prescribed by the manufacturer in the provided publication.

3. Term. This Agreement shall remain in effect until terminated.

a) Automatic Termination. This agreement shall automatically terminate if the Operations Permit for the system is revoked and all appeals of 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 the Owners. The Owners 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 Owners and to the local health department thirty (30) days in advance of the date of termination. Cause shall be defined as:

a) failure of the Owners 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 the Owners of the bill. If said bill is paid after notice of termination of this Agreement, the Agreement shall continue in effect; or,

b) failure of the Owners to provide to the Contractor authorization to complete needed repairs within thirty (30) days of receipt of notice of needed repairs pursuant to paragraph 1.h. above. If said authorization to complete needed repairs or evidence of completion of 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; or,

c) failure of the Owners 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 Owners. The Owners shall notify the Contractor of the name and address of any purchaser of the property on which the system is located. The Owners 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. Prepaid annual service fees are non-refundable and any prorations are to be handled between seller/purchaser at closing. All prepaid service and account balance will be transferred to the purchaser at closing and any proration will be reconciled between seller and purchaser at closing.

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. Administrative Code 18A.1961 to manage a Type Va system upon thirty (30) days written notice to the Owners 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 the 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. 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 the default or a breach by the 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 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 Owners: Dane and Erika Palmer, 169 Northlake Drive,, Statesville, NC 28677

To the Contractor: AQWA, Inc., 2604 Willis Court, Wilson, NC 27896

To the Local Health Department: 318 Turnersburg Hwy., Statesville, NC 28625

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 questions concerning its validity, the system 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 Inspection and Maintenance of the system and constitutes the entire Inspection and Maintenance Agreement between the Parties. To be effective, any 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 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 actions, remain in full force and effect.

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.

Owners:

Erika Palmer — Signature

Erika Palmer — Printed Name

Dane Palmer — Signature

Dane Palmer — Printed Name

Contractor
Mike Barry
Chief Operating Officer, AQWA, Inc.

TREATMENT EQUIPMENT DISCLOSURE

Property Physical Address: 169 Northlake Dr., Statesville, 28677,
State of North Carolina, County of Iredell

The Owner owns or controls the property 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. Administrative Code 18A.1900.

The Environmental Management Commission adopts rules governing the operation and maintenance of innovative wastewater systems approved and permitted under Subsection (a) of Section 130A-343 of the General Statutes of North Carolina to protect the public health and environment. The implementing code, 15A N.C. Administrative Code 18A.1961, requires a contract to be executed between the system and a management entity prior to the issuance of an Operation Permit for the Treatment System and shall be in effect for as long as the system is in use. The AdvanTex® Treatment System Dealer, AQWA Inc., the management entity for the system, requires that the Inspection and Maintenance Agreement be in place for as long as the AdvanTex® Treatment System equipment is in operation.

An Inspection and Maintenance Agreement for the system and associated equipment must be in place for the first three years of operation in order to maintain the Manufacturer's Warranty on the equipment. Discontinuance of the Inspection and Maintenance Agreement places the system and equipment out of service, which places the equipment in noncompliance with any and all expressed or implied warranty agreements. The Inspection and Maintenance Agreement shall be for a period of no less than thirty-six months and be renewed every thirty-six months. Inspection and maintenance of the system must be performed by a service provider trained and authorized by the AdvanTex® Treatment System Equipment Dealer to service the equipment. The Equipment Dealer will provide for inspection and maintenance services and may offer the Owner a list of Authorized Service Providers from which to choose. The Inspection and Maintenance Agreement shall have a minimum of two service visits per year, but shall include all necessary visits to meet conditions or requirements of the State of North Carolina, the system and equipment Design Engineer, or the County or Regional Health Department.

Discontinuance of the Inspection and Maintenance Agreement places the system and equipment Out of Service, which places the equipment in noncompliance with any and all expressed or implied warranty agreements. If the system is placed Out of Service, the local North Carolina Department of Health Office or Department may be notified and an Out of Service Notification recorded by the Equipment Dealer or Authorized Service Provider. The Equipment Dealer and Authorized Service Provider shall have the authority to record an Out of Service Notification on the property deed, remove this document from the

property deed when the equipment is removed from the property, place the system Out of Service for non-payment of fees or denial of reasonable access to the system for the purpose of inspection and maintenance by the Authorized Service Provider, and release any system information to mortgage, title and insurance companies, or regulatory agencies.

The system is equipped for 24 hour performance monitoring. The system includes a telemetry control panel requiring permanent connection to home phone service for system performance reporting to the Manufacturer via 800 number service. Telephone installation to the wastewater control panel will be completed prior to start-up inspection and issuance of the Operations Permit and service will be established by the Owner within 5 working days following issuance of the Certificate of Occupancy. Discontinuance of telephone service or access places the system Out of Service.

This document will be filed with the Deed of the property by the Owner prior to start-up and issuance of the operations permit by Iredell County. This agreement is binding upon subsequent owners as long as the equipment is in operation and shall be disclosed at property transfers.

Owners:

Erika Palmer
Signature

Erika Palmer
Printed Name

Dane Palmer
Signature

Dane Palmer
Printed Name

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STATE OF North Carolina :

COUNTY OF Iredell :

I, Lisa P. Carter, a Notary Public of the County and State aforesaid, certify that Dane and Erika Palmer personally came before me, this day and acknowledged the due execution of the foregoing document for the purposes therein expressed.

WITNESS my hand and Notarial Seal, this 2nd day October, 2021.

Lisa P. Carter
Notary Public

Lisa P. Carter
Notary Public
Iredell County, NC
My Commission Expires September 06, 2025

SEAL

09/06/2025
Commission Expires