CANADY & SON EXTERMINATING, INC.
LICENSE NC 1606 PW
113 SWEETWATER DRIVE, WILMINGTON, NC 28411
PHONE: (910) 686-9541 FAX: (910) 686-1347

TREATMENT AND LIMITED REPAIR CONTRACT FOR SUBTERRANEAN TERMITES
(EXCLUDES FORMOSAN TERMITES AND ANY AERIAL INFESTATION BY TERMITES)

CUSTOMER: THE PALMS HOA DATE: 1/29/20 & Cnqd to June *

CUSTOMER'S BILLING ADDRESS: PO BOX 964, HAMPSTEAD, NC 28443

CUSTOMER'S SERVICE ADDRESS: 104,106 PHOEBE COURT SUB DIVISION: THE PALMS-HAMPSTEAD

STRUCTURE(S) TREATED: DUPLEX(SLAB) HOME PHONE: _____ WORK PHONE: _____

GENERAL CONDITIONS

This Contract between Canady & Son Exterminating, Inc., (hereinafter "Canady"), and Customer covers only the primary structure listed above. (No fences, detached garages, out-buildings, decks or other building or construction at the above address are covered unless specified in writing and shown on the diagram.) **NOTE:** All references to termites apply only to Native Eastern Subterranean Termites. This Contract only provides treatment for Native Eastern Subterranean Termites (genus Reticulitermes).This Contract does not control or protect against Formosan Termites (Coptotermes Formosanus Shiraki) nor any aerial (above ground) infestation of any kind, such as but not limited to, drywood, dampwood or Formosan termites (Kalotermes, Incisitermes, Cryptotermes), carpenter ants, powder post beetles, or wood boring beetles. This Contract does not provide for protection from or treatment for any other wood destroying organism, mold, fungus, insect or pest.

For the sum of $ 600.00 , Canady will inspect and treat the identified structure(s) for a period of (1) one year and is effective 1/29/20 through 1/29/30 ? 31. This Contract may be renewed annually after the first anniversary of the initial term herein and can be renewed for up to (9) years thereafter, as specified in Paragraph 3 for an annual renewal fee of $ 150.00 . The annual renewal fee may be adjusted after the first anniversary date of this Contract, at the sole discretion of Canady.

CANADY AND CUSTOMER AGREE TO THE FOLLOWING TERMS AND CONDITIONS:

1. **SELECTION OF TREATMENT.** Canandy agrees to apply a standard stand-alone treatment of a liquid termiticide to the structure(s) listed above. Such treatment will be in accordance with the chemical manufacturer's instructions, U.S. EPA approved labels and the requirements of federal and state laws and regulations. Customer will cooperate with Canady as to the application of the liquid termiticide. Customer will comply with ALL requirements of the manufacturer of the chemicals, as expressed on the labels of the chemicals, and federal and state laws and regulations of which Customer is deemed to be on notice.

2. **PERFORMING THE WORK.** Canady will perform the work in a workman-like manner. Canady will exercise reasonable care while performing any work hereunder to try to avoid damaging any part of the structure(s), plants or animals. Under no circumstances or conditions shall Canady be responsible for damage caused by Canady at the time the work is performed except those damages resulting from gross negligence on the part of Canady.

3. **RENEWAL FEE & INSPECTION.** Canady will perform a visual inspection of readily accessible areas of the structure(s) annually for the renewal fee set forth hereinabove. Canady will not open walls, remove floor coverings or move furniture. This Contract will renew on an annual basis for up to nine (9) years from the initial anniversary date, unless either party gives notice in writing, at least thirty (30) days prior to any anniversary date, of its election not to renew the Contract. The annual renewal fee may be adjusted after the first anniversary date of this Contract, at the sole discretion of Canady. Customer may terminate this Contract, notwithstanding the thirty (30) day notice requirement, upon receipt of Canady's notice of increase in fees. However, if Customer does not cancel this Agreement by the required time period by written notice, then this Agreement will automatically renew for an additional one (1) year period and the Customer shall be responsible for paying the renewal fee as set forth in this paragraph. Customer understands that, upon the anniversary of the tenth year, this contract will expire, if not cancelled earlier as provided herein, and Canady will not continue inspection and treatment of the premises unless Customer executes a new Contract and pays the fee set forth therein as required.

4. **CONDITIONS CONDUCIVE TO INFESTATION.** The Customer will fully cooperate with Canady during the term of this Contract, and will maintain the area(s) treated free from any factors contributing to infestation, such as wood, trash, lumber, direct wood-soil contact, cellulose debris, or standing water under pier type structure. Customer will notify Canady of and eliminate faulty plumbing, leaks, and dampness from drains, condensation or leaks from the roof or otherwise into, onto, or under the area(s) treated. Canady may terminate this Contract if Customer fails to correct any condition, including, but not limited to the conditions listed above, which contribute or may contribute to infestation, and Canady will be released from any further obligation under the contract upon notice of termination to Customer. Customer agrees that Canady will not be held responsible for any damage caused to the structure(s) treated as a result of any said conditions. The Customer must report any signs and/or evidence of termites or damage within fourteen (14) days of discovery of said infestation and/or damage. Failure of Canady to notify customer of any of the above conditions does not relieve Customer of responsibility under this paragraph, or waive Canady's right to terminate this Contract.

5. **ADDITIONS OR ALTERATIONS.** This Contract covers only the structure(s) identified herein. Prior to the structure(s) being modified, altered or otherwise changed, or removal or addition of soil around the foundation, the Customer will notify Canady in writing. Such additions may result in the need for additional treatment of the premises. Canady reserves the right to terminate this Contract if Customer fails to notify Canady of any modification, alteration or change to any structure(s) or soil around the foundation of any structure(s). Additional services because of any addition or alteration will be provided by Canady at the Customer's expense, and may require an adjustment in the annual renewal fee.

6. **CHANGE IN LAW.** This Contract shall be interpreted, regulated and adjudicated in accordance with applicable federal, state and local laws and regulations as they exist at the time this Contract is executed. Should any federal, state or local law be changed regarding Canady's services or treatment, Canady may take whatever steps are necessary to comply with said laws.

7. **ENTIRE CONTRACT.** This Contract, together with attachment(s), if any, constitutes the entire agreement between the parties. No other representation or statements, whether oral or written, are binding upon the parties.

8. **CHOICE OF LAW.** This Agreement shall be constructed and enforced in accordance with the laws of the State of North Carolina.

By signing this Contract, I, the Customer, certify that I have read and fully understand the provisions on the front and back of this Contract (specifically including the ARBITRATION CLAUSE contained in Paragraph 18 and SPECIFIC EXCLUSIONS contained in Paragraph 19 on the reverse side) with all its terms and conditions without limitation, and it being Specifically understood that Canady & Son Exterminating, Inc., and the undersigned are bound only by the terms and conditions of this Contract and not by any other representations oral or otherwise. The Customer may cancel this Contract at any time prior to midnight of the third (3rd) business day after execution of this Contract.

Sandra C. Sullivan 1/29/20

Canady & Son Exterminating, Inc., Representative Date

_____ _____

Customer Date

ADDITIONAL TERMS AND CONDITIONS ON REVERSE SIDE

CHEMICAL LIMITED REPAIR CONTRACT

9. **NON-PAYMENT.** The Customer will pay Canady's invoices upon receipt. Canady may terminate this Contract if payment is not received within thirty (30) days of the date of invoice. In the event legal action is necessary to collect any amount due Canady, Canady shall be entitled to recover from Customer all reasonable costs of collection, including reasonable attorney's fees and expenses, in addition to any outstanding amount due Canady. In addition, interest at the rate of 1.5% per month, being 18% annually or the highest rate allowed by applicable law will be assessed on any past due amounts owed by Customer until paid. This Contract and any extension of its term will be effective only upon payment of the charges as provided herein.

10. **EXISTING DAMAGE.** Canady is not responsible for the repair of either visible termite damage (noted on the attached diagram) or of hidden damage existing as of the date of this Contract. The diagram covers only those areas that were visible, accessible and unobstructed at the time of inspection and does not cover areas such as, but not limited to, areas enclosed or inaccessible, concealed by wall coverings, floor coverings, ceilings, furniture, equipment, appliances, or stored articles, or any area in which inspection would necessitate removing or defacing any part of the structure. Because damage may be present in areas which are inaccessible to a visual inspection, Canady does not guarantee that the damage disclosed on the diagram represents all of the existing damage as of the date of this Contract. The diagram is not drawn to scale.

11. **DAMAGE.** Canady is not responsible for (1) any past or existing damage to the structure(s) or its contents at the date of this Contract caused by any wood-destroying organisms or insects, including termites whether visible or hidden, or (2) any costs or expenses incurred by Customer as a result of such damage, or (3) any damage caused by or related to any of the conditions described in Paragraph 4 above. If at any time during the term of this Contract, Native Eastern Subterranean Termites appear and infest the structure(s), Canady agrees to repair any and all new termite damage to the treated structure(s) (i.e., damage where live termites are found by a representative) at the expense and direction of Canady. Canady's obligation to perform under this paragraph shall arise only if all the conditions herein are met. **CANADY'S TOTAL REPAIR OBLIGATION IS LIMITED TO $25,000.00. CANADY WILL NOT REPAIR ANY DAMAGE DISCOVERED AFTER CONTRACT DATE UNLESS LIVE ACTIVE INFESTATION IS FOUND.** Canady will not repair any existing damage identified on the diagram attached hereto.

12. **NOTICE OF CLAIMS, ACCESS TO PROPERTY.** Any claim under the terms of the Contract must be made immediately in writing to Canady. Canady is only obligated to perform under this Contract if the Customer allows access to the identified structure for any purpose contemplated by the Contract, including but not limited to reinspection, whether the inspection was requested or considered necessary by the Customer or required by the Contract and requested or considered necessary by Canady.

13. **SEVERABILITY.** If any part of this Contract is held to be invalid or unenforceable for any reason, the remaining terms and conditions of this Contract will remain in full force and effect.

14. **DISCLAIMER.** (A.) Canady's liability under this Contract will terminate if Canady is prevented from fulfilling its responsibilities under this Contract by circumstances or causes beyond the control of Canady. (B.)This Contract specifically excludes protection from Formosan Termites (Coptotermes Formosanus Shiraki). This Contract only provides treatment for Native Eastern Subterranean Termites (genus *Reticulitermes*). (C.) Canady disclaims any liability for special, incidental or consequential damage. **CANADY MAKES NO GUARANTEES OR WARRANTEES, EXPRESSED OR IMPLIED, EXCEPT THOSE SPECIFICALLY STATED HEREIN. CANADY EXPRESSLY DISCLAIMS ALL WARRANTEES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.** The use of the word "will" in connection with an action by Canady or Customer expresses a contractual obligation to perform such action and does not constitute a warranty by either party regarding the performance of such action.

15. **TRANSFERABILITY.** This Contract will terminate upon transfer of ownership of the described structure(s). However, Canady, at its discretion, may transfer the contract to a new Purchaser provided the new Purchaser signs a transfer addendum, as purchaser, and signs a graph showing the condition of the structure(s) at transfer, pays a fee to cover administrative cost of transfer, and pays a renewal fee as established by Canady.

16. **TERMINATION.** Canady's liability under this Contract will terminate and Canady will be excused from the performance of any obligations under this Contract should 1) Customer allow another pest control operator and/or company to treat the subject structure(s) during any term hereof, 2) Customer utilize any home remedy products, "do-it-yourself" products, over-the-counter products or chemicals to eradicate termites that could cause a negative resolution or chemical reaction, or 3) Canady be prevented or delayed from fulfilling its responsibilities under the terms of this Contract by reasons or circumstances reasonably beyond Canady's control, including, but not limited to, acts of war, whether declared or undeclared, acts of any duly constituted government authority, strikes, acts of God, or refusal of Customer to allow Canady access to the structure(s) for the purpose of treatment or carrying out the terms and conditions of this Contract.

17. **BINDING ARBITRATION.** In the event of a dispute between Canady and/or its employees and Customer arising out of or relating to this Contract, or to the identified property in any way, whether by virtue of contract, tort, or otherwise, including but not limited to the interpretation of the terms and conditions of this Contract, the making of the Contract, or breach of any provision of this Contract, the parties hereby expressly agree to submit their dispute to binding arbitration for resolution in accordance with the rules and requirements of the American Arbitration Association. The parties acknowledge and understand that by agreeing to submit their dispute to binding arbitration they are effectively waiving their right to trial by jury as a means of resolving disputes. Furthermore, the parties acknowledge that they desire to arbitrate any dispute arising from this agreement in an effort to resolve such dispute(s) quickly and avoid the costs of litigation. Judgment upon such arbitration award may be entered in any court having jurisdiction. Each party shall be responsible for paying any attorney's fees, expert witness' fees and other expenses it incurs on its behalf in connection with the arbitration, plus one half the arbitrator's fee and one half of any expenses incurred by the arbitrator, and the award shall assess the arbitrator's fee and expenses accordingly.

18. **SPECIFIC EXCLUSIONS:** The Contract does not cover and Canady will not be responsible for:

1) Damage resulting from moisture conditions, including but not limited to fungus or mold, whether visible or not;
2) Damage resulting from wood in direct contact with the soil, whether visible or not;
3) Damage resulting from stucco, synthetic stucco, EIFS and/or rigid foam board and/or expanded foam materials in contact with the soil and/or covering interior or exterior foundation walls in such a way as to provide termites with hidden or protected access to the structure, whether visible or not;
4) Damage resulting from masonry failure or grade alteration(s);
5) Damage and/or treatment caused by infested wood and/or furniture introduced into the structure after initial treatment.
6) Personal expenses such as lodging, meals, transportation, lost rent, etc. incurred as a result of treatment, re-treatment and/or damage repair.

These specific exclusions are in addition to the other exclusions contained in this Contract.

Damian C. Sullivan

Canady Representative _____ Customer _____

19. **CHEMICAL SENSITIVITY.** If Customer or other occupants of the structure(s), or adjacent buildings, believe they are or may be sensitive to pesticides/termiticides or their odors, or if Customer or other occupants have consulted with a medical doctor, or other healthcare provider, regarding such sensitivity, Customer must notify Canady in writing, in advance of treatment of the structure(s). Canady reserves the right, upon receipt of such notification, to deny or terminate service. Failure to provide such notification represents Customer's assumption of risk and waiver of any claims against Canady in connection with such sensitivity.

Damian C. Sullivan

Canady Representative _____ Customer _____

20. **Spray Foam Insulation, Encapsulated Crawl Spaces:** In the event that Customer installs spray foam insulation in crawl spaces and/or attics or encapsulates the crawl space, thereby rendering these areas inaccessible to inspection this Contract becomes **VOIDABLE** at the discretion of Canady. Canady will not be held liable for any damages arising from or related to infestations that result due to the inability to inspect areas of the property due to spray foam insulation in crawl spaces and/or attics or encapsulation of crawl spaces. It is the Customer's duty to inform Canady of any spray foam insulation installations and/or crawl space encapsulations prior to such work being performed.