

# REVISED FORM APPLICATION EXHIBIT 7a, 7b, 7c, 7d

Please see attached contracts and agreements.

STATE OF NORTH CAROLINA

COUNTY OF CARTERET

MUTUAL AID WATER SERVICE AGREEMENT

THIS AGREEMENT is made and entered into this the 21<sup>st</sup> day of February, 2011, by and between the County of Carteret, a body politic and corporate, organized and existing under the laws of the State of North Carolina (hereinafter referred to as "CC"), and the Town of Beaufort, a body politic and corporate, organized and existing under the laws of the State of North Carolina (hereinafter referred to as "TOB").

WITNESSETH

WHEREAS, the County of Carteret operates and manages groundwater supply wells, a water treatment facility and a water distribution system located within its service area boundaries; and

WHEREAS, the Town of Beaufort operates and manages groundwater supply wells, a water treatment facility and a water distribution system located within its service area boundaries; and

WHEREAS, the parties recognize that water and its treatment is an important issue concerning long-term environmental soundness and that there exists a limited and finite capacity to supply, treat and distribute potable water; and

WHEREAS, the County of Carteret and the Town of Beaufort recognize that a coordinated approach to supplying and distributing potable water improves each system's capacity to serve its citizens resulting in increased growth and economic opportunities; and

WHEREAS, the County of Carteret and the Town of Beaufort have reached an agreement for providing mutual aid and assistance for the supply of potable water under emergency conditions described herein and the parties desire to set forth the terms and conditions of this agreement.

NOW, THEREFORE, in consideration of the mutual benefits, representations, and Agreements contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree, each with the other, as follows:

I. PURPOSE.

The Purpose of this agreement is to set forth the understandings and agreements of the parties regarding:

- A. The purchase of potable water by the County of Carteret and the Town of Beaufort under emergency mutual aid conditions.

II. CARTERET COUNTY RESPONSIBLE FOR CONNECTION OF CARTERET COUNTY WATER SYSTEM TO THE TOWN OF BEAUFORT WATER SYSTEM AND FOR CONSTRUCTION OF BOOSTER PUMP STATION TO CONVEY WATER FROM TOWN OF BEAUFORT WATER SYSTEM TO CARTERET COUNTY WATER SYSTEM

Carteret County shall cause the design and construction of water pumping and distribution facilities within its water distribution system to connect existing CC water lines on US 70 near Shell Landing Road to existing Town of Beaufort water lines along US 70 near Shell Landing Road thereby connecting the two water systems in a manner that will allow the transfer of water in the event valves separating the two water systems are opened. Under normal operating conditions, valves separating the two water systems will remain in the closed position such to prevent the transfer of water between the two systems. In the event of any emergency conditions, as described hereinafter, each party shall have the right to request emergency mutual aid and purchase of water from the other party through the connection points described above. Carteret County plans to construct automatic valves, piping and controls that will automatically allow the purchase of water from the Town of Beaufort water system upon the event water pressure in the Carteret County water system along highway 70 falls below 30 psi. Normal water pressure in the Carteret County water system along US 70 is approximately 50 psi.

The Town of Beaufort shall make a one-time payment in the amount of \$5,000 to Carteret County on or before June 30, 2011 in consideration for these improvements to be constructed by Carteret County.

III. EMERGENCY MUTUAL AID CONDITIONS

Emergency mutual aid conditions under which either party could be requested by the other to sell treated potable water are defined as, but not limited to, those conditions under which either party cannot provide treated potable water to some or all of its water customers, for any reason, and conditions for which a supplemental supply of treated potable water is needed to maintain water pressure above 30 psi and meet the basic, life sustaining and public health needs of those water customers.

In the event of emergency mutual aid conditions, each party agrees to provide and sell potable treated water to the other party to the maximum extent possible without violating any State or Federal rules or regulations pertaining to its water system.

The rate per thousand gallons at which the Town of Beaufort will sell water to Carteret County under Emergency Mutual Aid conditions shall be no higher than the lowest unit rate for water charged to any other Town of Beaufort customer. The rate per thousand gallons at which Carteret County will sell water to the Town of Beaufort under Emergency Mutual Aid conditions shall be the same rate at which the Town of Beaufort sells water to Carteret County.

IV. TERM OF AGREEMENT

The term of this Agreement shall be initially for forty (40) years, and thereafter may be renewed or extended for a ten (10) year additional term or terms as may be agreed upon.

Both parties shall commence on or before the thirty-eighth (38th) anniversary of this Agreement, good faith negotiations of the terms and conditions contained herein, to provide for the Agreement's continuation for an additional term of ten (10) years on the basis which serve the interests of each party.

Both parties agree that subsequent ten (10) years term extensions of this Agreement shall be made in this same manner, for a total time period mutually agreed upon by both parties.

V. DELIVERY AND BILLING FOR SERVICE

The quantity of water furnished under Emergency Mutual Aid Conditions shall be metered for the purpose of billing. In the event of a meter malfunction, the quantity of water shall be estimated. The basis for the estimate shall consider water produced in the preceding month and historical usage patterns of both parties

All billings shall be paid within thirty (30) days of the billing date. A late payment charge of one percent (1%) per month shall be applicable to all bills not paid within thirty (30) days of the billing date.

VI. LIMITED WARRANTY

The TOB agrees that the TOB shall be solely responsible for all water entering the TOB's water distribution system from CC's water distribution system via the emergency mutual aid connection, which includes, but is not limited to, responsibility for the quality of all water under all applicable Federal and State statutes and regulations, including the Safe Drinking Water Act of 1974, as amended, and the North Carolina Drinking Water Act, NCGS Section 130A-311.

CC shall furnish the TOB at the point of delivery described above with water of its quality commensurate with that furnished to CC's customers within the Carteret County Water System Service Area. CC makes no other warranty, express or implied, in connection

with the provision and sale of water pursuant to this Agreement. CC has no liability under any circumstances for deficiency or failure in the quantity, quality, or supply of water occasioned by any cause whatsoever.

**CC MAKES NO IMPLIED WARRANTY OF MERCHANTABILITY OF FITNESS FOR ANY PARTICULAR USE OR PURPOSE IN CONNECTION WITH THE SALE OF WATER.**

A list of chemicals used in the treatment of water at the CC Water Treatment Facility is available for inspection during normal business hours at that facility. The chemicals used may change from time to time. CC shall notify the TOB of any significant change in the water treatment process or finished water quality.

CC agrees that CC shall be solely responsible for all water entering CC's water distribution system from the TOB water distribution system via the emergency mutual aid connection, which includes, but is not limited to, responsibility for the quality of all water under all applicable Federal and State statutes and regulations, including the Safe Drinking Water Act of 1974, as amended, and the North Carolina Drinking Water Act, NCGS Section 130A-311.

The TOB shall furnish CC at the point of delivery described above with water of its quality commensurate with that furnished to the TOB's customers within the TOB Water Service Area. The TOB makes no other warranty, express or implied, in connection with the provision and sale of water pursuant to this Agreement. The TOB has no liability under any circumstances for deficiency or failure in the quantity, quality, or supply of water occasioned by any cause whatsoever.

**THE TOB MAKES NO IMPLIED WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR USE OR PURPOSE IN CONNECTION WITH THE SALE OF WATER.**

**VII. DEFAULT**

If either party defaults hereunder and such default is not cured within thirty (30) days after written notice thereof from the other party then the non-defaulting party may thereupon terminate this Agreement by written notice to the defaulting party or may seek such other remedies and recourses as may be available to it at law or in equity.

**VIII. REPRESENTATIONS AND MODIFICATIONS OF AGREEMENT**

No officer, official, employee or agent of CC or the TOB may, or shall have the authority or power to, amend, modify or alter this Agreement or waive any of its conditions so as to bind CC or the TOB by making any promise or representation not contained herein, unless such modification or revision is:

- A. In writing; and
- B. Formally approved in the same manner as this Agreement is originally approved;  
and
- C. Duly executed by all parties hereto.

IX. NO THIRD PARTY BENEFICIARIES

Nothing contained in this Agreement shall create a contractual relationship with or cause of action in favor of a third party against CC or the TOB.

X. ENTIRE AGREEMENT

This Agreement and all attachments hereto and all material incorporated herein, represents the entire understanding and agreement of the parties with respect to the subject matter hereof, supersede all prior oral negotiations and can be amended, supplemented, modified or changed only as provided herein.

This Agreement also supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may only be amended by written instrument signed by CC and the TOB.

XI. SEVERABILITY

If any section, subsection, sentence, clause, phrase, or portion of this Agreement is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions of this Agreement.

XII. SUCCESSORS AND ASSIGNS

This Agreement may not be assigned by either party without written consent of all other parties. Subject to the foregoing, this Agreement shall be binding upon and its benefits inure to the parties, their successors and assigns. This provision shall not be construed as impeding the right of either party to sell finished water to other governmental entities.

XIII. TERMINATION / EXTENSION OF AGREEMENT

CC and the TOB agree that either party may terminate this Agreement with a six (6) year written notice of intent to terminate.

In the event that any breach of this Agreement is not cured within six (6) months following written notice of such breach, this Agreement may be terminated by the party not responsible for or causing the breach.

This Agreement may be terminated in the event a court of competent jurisdiction or any federal or state agency with authority to do so, restricts or limits, directly or indirectly, any of CC's or the TOB's rights to obtain, sell, contract for, purchase, distribute or treat water at facilities addressed by this Agreement.

XIV. FORCE MAJEURE

This Agreement is subject to force majeure, and performance hereunder may be excused in the event of accidents, acts of God, weather conditions, regulations or restrictions imposed by other government entity or agency, or any other delay beyond the control of the parties hereto. If delivery of water service hereunder within a reasonable time is prevented by any cause of force majeure, then this Agreement may, at the option of either party, be suspended until the ability of the parties to perform their respective rights and obligations is restored.

XV. WAIVER AND INDEMNITY

To the fullest extent allowed by law, CC assumes responsibility for and shall hold harmless, defend and indemnify TOB against all liability, claims, judgments, losses, costs, and expenses (including reasonable legal fees), for any injury, loss, or damage to persons or property including fines by any Federal or State agency and also including personal injury or property damage on account of, or in any way arising out of, the design, construction, maintenance and operation of water utility infrastructure owned by CC.

To the fullest extent allowed by law, the TOB assumes responsibility for and shall hold harmless, defend and indemnify CC against all liability, claims, judgments, losses, costs, and expenses (including reasonable legal fees) for any injury, loss, or damage to persons or property, including fines by any Federal or State agency, and also including personal injury or property damage on account of, or in any way arising out of the design, construction, maintenance and operation of water utility infrastructure owned by the TOB.

Neither party shall be responsible to indemnify the other against any claim, damage or loss for bodily injury or property damage to the extent that such damages are caused by the negligence of the other party or its agents, employees, contractors or other representatives. Each party shall notify the other in writing of any claim for indemnification hereunder, and shall describe in such notice the nature and cause of the claim. The party against whom the claim is asserted shall be allowed a reasonable time and opportunity to cure, mitigate, defend and otherwise address the claim.

XVI. MEDIATION

Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to the institution of legal or equitable proceedings by either party. The Parties agree that the mediation will be conducted and governed by the North Carolina Rules Implementing Statewide Mediated Settlement Conferences in Superior Court Civil Actions, and N.C.G.S. Sect. 7A-381(c)

except as specifically provided otherwise herein. The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in Carteret County, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

XVII. GOVERNING LAW

This Agreement shall be governed by the laws of the State of North Carolina. The venue for settlement of disputes shall be the courts within the County of Carteret.

XVIII. NOTICES

All notices or other communications which shall be made pursuant hereto shall be in writing and shall be deemed to be given and received (a) when hand delivered to the address stated below, (b) three (3) days after being mailed to the address stated below, postage prepaid by certified or registered mail of the United States, return receipt requested to the address set forth below:

TO: Town of Beaufort  
P.O. Box 390  
215 Pollock Street  
Beaufort, NC 28516  
Attn: Town Manager

TO: County of Carteret  
Courthouse Square  
Beaufort, NC 28516  
Attn: County Manager

Either party to this Agreement may change its designated person or designated address at any time and from time to time by giving notice of such change to the other.

XIX. RATIFICATION

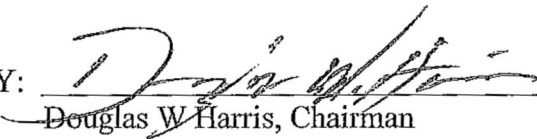
This Agreement shall not be binding upon either party until ratified by the governing boards of the TOB and CC and recorded in the meeting minutes of a meeting of each respective governing board.



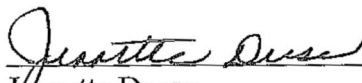
IN TESTIMONY WHEREOF, the TOB and CC have caused this AGREEMENT to be executed by their respective Mayor and Chairman, their corporate seal to be affixed and attested by their respective Clerks, all by the authority of the respective governing boards, its official seal affixed and attested to by the Secretary to the governing board, the day and year first written above.

Executed by the County of Carteret, this the 21 day of February, 2011.

COUNTY OF CARTERET

BY:   
\_\_\_\_\_  
Douglas W Harris, Chairman  
County of Carteret

ATTEST:

  
\_\_\_\_\_  
Jeanette Deese  
Clerk to the Board

This AGREEMENT has been preaudited in accordance with the provision and requirements of the Local Government Budgeting and Fiscal Control Act.

BY:   
\_\_\_\_\_  
Dee Meshaw, Finance Officer  
County of Carteret

STATE OF NORTH CAROLINA

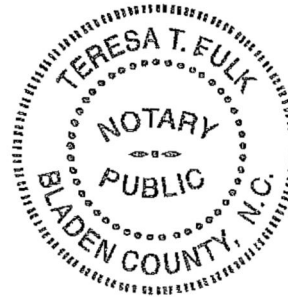
COUNTY OF CARTERET

I, Teresa T. Fulk, a Notary Public of the County and State aforesaid, certify that Douglas W. Harris, who being by me duly sworn, says that he is Chairman of the Board of the County of Carteret, and that Jeanette Deese is Clerk of said Board, that the seal affixed to the foregoing and attested instrument is the seal of the County of Carteret, North Carolina, and that said instrument was signed by him as Chairman of the Board and by the Clerk of said Board, who affixed the official seal of the County of Carteret to said instrument; and that the said Douglas W. Harris, Chairman of the Board of the County of Carteret, acknowledged said instrument to be the act and deed of the County of Carteret.

WITNESS my hand and Notarial Seal, this the 21<sup>st</sup> day of February, 2011.

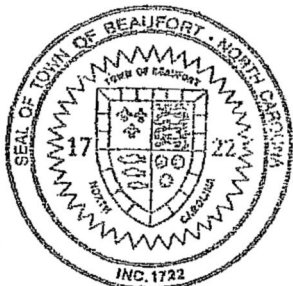
Teresa T. Fulk  
Notary Public

My Commission Expires: 3-13-2013



The Board of the Town of Beaufort, meeting in regular session on February 14, 2011, did approve this Agreement dated February 14, 2011.

TOWN OF BEAUFORT



BY:

Richard L. Stanley  
Mayor

ATTEST:

Michèle Davis  
Town Clerk

This AGREEMENT has been preaudited in accordance with the provision and requirements of the Local Government Budgeting and Fiscal Control Act.

BY:

Charles W. Burgess, Town Manager  
Town of Beaufort

STATE OF NORTH CAROLINA

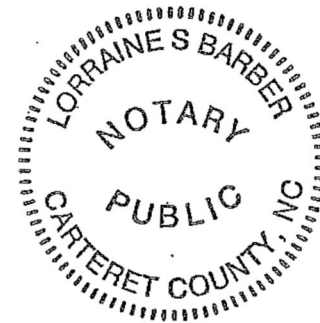
COUNTY OF CARTERET

I, LORRAINE S BARBER, a Notary Public of the County and State aforesaid, certify that Richard L. Stanley who being by me duly sworn, says that he is Mayor of the Town of Beaufort, and that Michele Davis is Town Clerk of said Town of Beaufort, that the seal affixed to the foregoing and attested instrument is the seal of the Town of Beaufort, and that said instrument was signed by him as Mayor of said Town and by the Town Clerk, who affixed the official seal of the Town of Beaufort to said instrument; and that the said Richard L. Stanley, Mayor of the Town of Beaufort acknowledged said instrument to be the act and deed of the Town of Beaufort.

WITNESS, my hand and Notarial Seal, this the 21<sup>st</sup> day of February 2011.

Lorraine S Barber  
Notary Public

My Commission Expires: May 10 2014



# Carteret County Government



*Board of Commissioners*  
Sam Stell, Chairman  
Doug Brady, Vice-Chairman  
Bettie Bell  
Pat Joyce  
Jimmy LaShan  
Jonathan Robinson  
Mac Wells

*County Manager*  
Robert M. Murphy  
Tel: (252) 728-8450  
Fax: (252) 728-2092

December 13, 1999

**MEMO TO:** Board of Commissioners

**FROM:** Robert Murphy, County Manager

**SUBJECT:** Approval of Utility Agreement between Carteret County and the East Craven Water and Sewer District

Attached for your consideration is a utility agreement between the County and the East Craven Water and Sewer District. The attached agreement outlines conditions for the interconnection of the County's water system and the East Craven water system.

The project plans for the proposed Mill Creek water system include a connection to the East Craven water system. Under the attached agreement, East Craven and the County agree to sell water to each other when necessary as a result of normal service needs, natural disaster, or other emergency. The agreement specifies that each party may refuse or restrict the sale of water to the other in the event that normal or emergency conditions affect the seller's ability to provide water to its own customers. The agreement also outlines billing practices and requires the County to install metering equipment at the point of interconnection.

The interconnection of the two water systems will enhance each party's ability to provide an adequate water supply to its customers. The attached utility agreement, by interconnecting the two water systems, also establishes a regional utility system as defined by the state. The creation of a regional utility system will enhance future water and wastewater grant applications submitted by the County, including the Mill Creek water system grant that has been re-submitted.

Approval of the attached utility agreement is recommended.

STATE OF NORTH CAROLINA  
COUNTY OF CARTERET

THIS AGREEMENT made this 19<sup>th</sup> day of November, 1999 by and between EAST CRAVEN WATER AND SEWER DISTRICT, hereinafter called EAST CRAVEN; and THE COUNTY OF CARTERET, hereinafter called County; all parties being governmental entities under the laws of the State of North Carolina;

WITNESSETH:

WHEREAS, East Craven and County own, operate and maintain public water systems in Carteret County, and

WHEREAS, the water systems of East Craven and County are proposed to be interconnected near the Harlowe community to allow the transfer of water between the water systems, and

WHEREAS, East Craven and County believe it is in the best interests of their respective water customers to enter into this Agreement as hereinafter set forth.

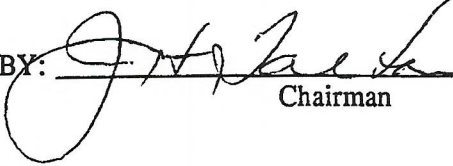
NOW, THEREFORE, EAST CRAVEN and COUNTY hereby enter into this Agreement as follows:

1. East Craven will sell to the County as much water as it needs for normal service needs or in the event of a natural disaster or for emergency use by the County provided however, East Craven may refuse or restrict the sale of water to the County in the event it would affect the normal or emergency needs of East Craven and its customers for water. The County and its customers agree to comply with any conservation measures in effect in East Craven at the time said water is being sold to the County.
2. The County agrees to sell to East Craven as much water as it needs for normal service or in the event of a natural disaster or for emergency use by East Craven provided however, the County may refuse or restrict the sale of water to East Craven in the event it would affect the normal or emergency needs of the County and its customers for water. East Craven and its customers agree to comply with any conservation measures in effect in the County at the time said water is sold to East Craven.

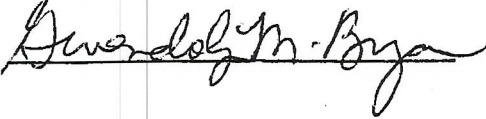
3. Each party shall pay to the other within thirty days of the receipt of a statement for water used by the respective party the amount billed to it. The parties agree to use the rate schedule then in effect at the time said water is supplied to either respective party.
4. The County will install at its own expense metering equipment for properly measuring the quantity of water to be delivered to either party at or near the intersection of NCSR 1391 and NC Highway 101 near Harlowe. Each party agrees to operate and maintain at its own expense its metering equipment. In the event of any error in the reading of meters or any subsequent metering equipment installed by either party, the parties agree to use East Craven's metering policy for errors then in effect if and when an error occurs in the amount of water furnished.
5. Each party agrees to request service and receive authorization from the other party prior to receiving service.
6. Each party agrees to indemnify and hold the other harmless from and against all losses, damages, claims, costs, and expenses, including reasonable attorneys fees, arising out of the terms of this agreement and specifically from the supplying of water from either party to the other party.
7. In consideration of the signing of this agreement, the parties hereto for themselves, their agents, official, employees and servants agree not to discriminate in any manner on the basis of race, sex, color, creed or national origin in reference to the subject matter of this Agreement.
8. This Agreement shall continue in effect until terminated by mutual agreement of the parties or upon the giving of written notice by one party to the other of its intent to terminate this Agreement, such written notice to be given at least twelve months prior to the effective date of the termination.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

EAST CRAVEN WATER AND SEWER DISTRICT

BY:   
Chairman

ATTEST:



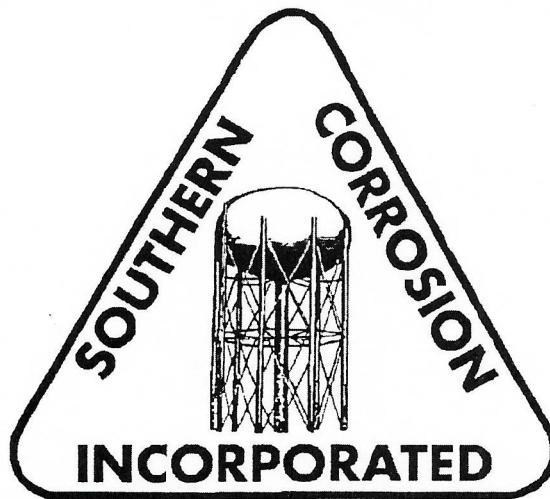
COUNTY OF CARTERET

BY: \_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Clerk to the Board





## WATER TANK MANAGEMENT AGREEMENT

This Agreement made and entered into as of the Effective Date: 10-16-06 by and between SOUTHERN CORROSION, INC., a North Carolina corporation, having its principal office at 738 Thelma Rd, Roanoke Rapids, North Carolina, (hereinafter referred to as "Southern Corrosion") and Carteret County, NC (hereinafter referred to as the "Owner");

### WITNESSETH:

The Owner desires that Southern Corrosion perform certain maintenance service on the water tank known as the 200,000 Gallon Elevated Tank as described in the proposal which is attached hereto and by reference made a part here of (the "Maintenance Services"); and

Southern Corrosion desires to perform such Maintenance Services described in said proposal selected by the Owner upon the terms and conditions set forth in this Agreement.

Now, Therefore, in consideration of the mutual promises and covenants set forth herein the parties hereto agree as follow:

**1. DEFINITIONS.** For the purposes of this Agreement the following definitions shall apply:

(a) "Effective date" shall mean the date on which this Agreement, executed by the Owner, is accepted by Southern Corrosion by the execution thereof by its appropriate corporate officers at its principal office.

**2. TERMS OF MANAGEMENT AGREEMENT.** The initial term of this Agreement shall be for a period of twelve (12) months commencing on the Effective Date, unless otherwise terminated or canceled as provided in Paragraph 7. The initial term shall be automatically extended successive additional periods of twelve (12) months each unless the Owner notifies Southern Corrosion in writing sixty (60) days prior to the expiration of the then existing term that it does not extend this Agreement.

**3. PERFORMANCE OF MAINTENANCE SERVICES.** Southern Corrosion shall

perform the Maintenance Services selected by the Owner and described in proposal attached hereto and by reference made a part hereof.

**4. CHARGES.** The Owner shall pay Southern Corrosion charges for Maintenance Services selected by Owner as set forth on the proposal attached hereto and by reference made a part hereof. All charges shall be due and payable upon receipt of Southern Corrosion's invoice therefor.

**5. REPRESENTATIONS BY THE OWNER.** The Owner hereby makes the following representations and warranties:

(a) The Owner has full power and lawful authority to execute and deliver this Agreement and to consummate and perform the transactions contemplated hereby. This Agreement constitutes the valid obligation of the Owner legally binding upon the Owner and enforceable against the Owner in accordance with its terms.

**6. REPRESENTATIONS BY SOUTHERN CORROSION.** Southern Corrosion represents and warrants to Owner all of which represents and warranties that:

(a) That Southern Corrosion is fully authorized to enter into this Management Agreement. Southern Corrosion has full corporate power and lawful authority to execute and deliver this Agreement and to consummate and perform the transactions contemplated hereby. This Agreement constitutes the valid obligation of Southern Corrosion legally binding upon Southern Corrosion and enforceable against Southern Corrosion in accordance with its terms.

**7. TERMINATION/CANCELLATION.** This Agreement may be terminated/canceled by Southern Corrosion if Owner is in default of any provision hereof and such default has not been cured within twenty (20) days after notice of default is given to Owner or Owner becomes insolvent or seeks protection voluntarily or involuntarily under any Bankruptcy Law.

(a) In the event of any termination/cancellation of this Agreement, Southern Corrosion may (1) declare all amounts owed to Southern Corrosion to be immediately due and payable, (2) cease performance of all Maintenance Service hereunder without liability to Owner.

(b) In the event of default hereunder, Owner agrees to pay interest at the highest legal rate on all sums due under the Agreement and all costs of collection including a reasonable attorney's fee of fifteen percent (15%) of said amount due Southern Corrosion.

(c) The foregoing rights and remedies shall be cumulative and in addition to all other rights and remedies available in law or in equity to Southern Corrosion.

**8. LIMITATION OF LIABILITY.** In no event shall Southern Corrosion be liable to Owner for indirect, special or consequential damages or lost profits arising out of or related to this Management Agreement of the performance or breach thereof even if Southern Corrosion has been advised of the possibility thereof. Southern Corrosion's liability to Owner hereunder if any, shall in no event exceed the total of the amounts Owner has paid Southern Corrosion hereunder.

**9. EXCUSABLE DELAY.** Southern Corrosion shall not be liable for any delays or failure in performance of Maintenance Services hereunder if such delays or failures are due to strikes, inclement weather, acts of god or other causes beyond Southern Corrosion's reasonable control.

**10. REGULATIONS.** Performance of the Maintenance Services is predicated on work practices, methods, and procedures legal as of the effective date. Subsequently enacted regulations that effect or alter Southern Corrosion's work practices, methods, and procedures, to perform, or add additional burdens to performance, will be grounds for renegotiating the amount of payment originally agreed upon.

**11. GENERAL.**

(a) Notices. Notice of the breach of any covenant, warranty or other provision of the Agreement and all communications and notices provided for in this Agreement shall be deemed given when in writing, addressed to the parties at the addresses set forth below, and deposited, certified mail, postage prepaid in the United States mail:

Owner:

Carteret County  
302 Courthouse Square  
Beaufort, NC 28516

Southern Corrosion Inc.  
738 Thelma Rd  
Roanoke Rapids, NC 27870

(b) Assignment. This Agreement may not be assigned by either party without the prior written consent of the other party, which consent by either party shall not be unreasonably withheld.

(c) Governing Law. This Agreement shall be construed in accordance with the laws of the State of North Carolina.

(d) Entire Agreement. This Agreement is an integrated document and contains the entire agreement between the parties. No modifications, extensions, or waiver of this Agreement or any of the provisions hereof, nor any representation, promise or condition relating to the Agreement shall be binding upon the parties hereto unless made in writing and signed by the parties hereto.

(e) Binding effects. The provisions of this Agreement shall bind and inure to the benefit of Southern Corrosion and the Owner, and their successors, legal representatives and assigns.

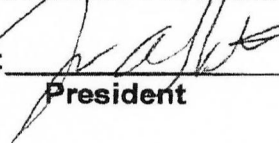
IN WITNESS WHEREOF the parties have hereto executed this Agreement in the manner provided by Law, this the day and year first above written.

**ATTEST:**

  
**Asst. Secretary**

(Corporate Seal)

**SOUTHERN CORROSION, INC.**


**BY:**   
**President**

**ATTEST:**

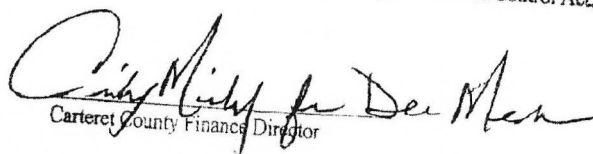


**CARTERET COUNTY, NC**

**BY:** 

  
**County Attorney**

This instrument has been preaudited in the manner  
required by the Local Government Budget and Fiscal Control Act.

  
Carteret County Finance Director

**SOUTHERN CORROSION INC.**  
**WATER TANK MANAGEMENT SCHEDULE**

**Date:** February 13, 2006  
**Customer:** Carteret County, NC  
**Tanks:** 200,000 Gallon Elevated Tank

**Year 1 - 2006**

- 1) Visual inspection and repairs uncovered through inspection.

**Year 2 - 2007**

- 1) Visual inspection and repairs uncovered through inspection.

**Year 3 - 2008**

- 1) Visual inspection and repairs uncovered through inspection.

**Year 4 - 2009**

- 1) Visual inspection and repairs uncovered through inspection.

**Year 5 - 2010**

- 1) Visual inspection and repairs uncovered through inspection.  
2) **Repaint Exterior:**  
a) Pressure wash all exterior surfaces using 4,000 psi pressure washers.  
b) Spot clean all bare metal surfaces using hand and power tools in accordance with SSPC surface preparation methods #2 & #3.  
c) Spot prime coat all bare metal surfaces using an epoxy-mastic primer at 2.5 to 3.5 mils dry film thickness.  
d) Apply a full finish coat of polyurethane to all exterior surfaces at 2 to 3 mils dry film thickness.  
e) Reapply the existing sign, "CARTERET COUNTY", as it currently appears.  
3) **Wash-out Interior:**  
a) Wash-out interior using 4,000 psi pressure washers to remove accumulated mud and sediment.  
b) Disinfect interior using AWWA Disinfection Method #2, spray method.  
4) **Inspection Report**

**Year 6 - 2011**

- 1) Visual inspection and repairs uncovered through inspection.

**Year 7 - 2012**

- 1) Visual inspection and repairs uncovered through inspection.

**Year 8 - 2013**

- 1) Visual inspection and repairs uncovered through inspection.

**Year 9 – 2014**

- 1) Visual inspection and repairs uncovered through inspection.

**Year 10 – 2015**

- 1) Visual inspection and repairs uncovered through inspection.

2) Inspection Report

3) Repaint Interior:

- a) Abrasive blast all interior surfaces to bare metal in accordance with SSPC surface preparation method #10, near white grade.
- b) Apply a full prime coat of epoxy that is NSF approved for contact with potable water at 4 to 5 mils dry film thickness.
- c) Apply a "stripe" coat of epoxy that is NSF approved for contact with potable water to all weld seams below the high water level using paint brushes and rollers.
- d) Apply a full finish coat of epoxy that is NSF approved for contact with potable water at 4 to 5 mils dry film thickness.
- e) Disinfect interior using AWWA Disinfection Method #2, spray method.
- f) Test abrasive blast debris for the 8 RCRA Heavy metals using the TCLP Method.
- g) Dispose of abrasive blast debris in accordance with Federal, State, and Local regulations.

4) Repaint Exterior:

- a) Pressure wash all exterior surfaces using 4,000 psi pressure washers.
- b) Spot clean all bare metal surfaces using hand and power tools in accordance with SSPC surface preparation methods #2 & #3.
- c) Spot prime coat all bare metal surfaces using an epoxy-mastic primer at 2.5 to 3.5 mils dry film thickness.
- d) Apply a full finish coat of polyurethane to all exterior surfaces at 2 to 3 mils dry film thickness.
- e) Reapply the existing sign, "CARTERET COUNTY", as it currently appears.

**SCHEDULE CONTINUATION**

The tank will be visually inspected every year. The tank interior will be washed-out at 5 year intervals and an inspection report provided, until 15 years has elapsed from the last time the interior was recoated. The tank interior will be recoated at 15 year intervals. The exterior will be recoated at 5 year intervals.

**After Year 10:**

The next wash-out & report is scheduled for Year 15 of the Service (Year 2020), the next repainting of the tank exterior is scheduled for Year 15 of the Service (Year 2020),

and the next repainting of the tank interior is scheduled for Year 25 of the Service (2040).


At no time does the service include the complete abrasive blasting of the exteriors of any of the tanks.

### **PRICING & TERMS**

Necessary repair of any coatings or appurtenances noted during our inspections will be added to our service schedule at no additional cost. These necessary repairs include paint failed areas and areas of corrosion. If the coating is continuing to protect the steel from corrosion, paint repair is not necessary. The definition of paint failure does not include loss of gloss, color fading, mildew, discoloration, or any other defects that are aesthetic

Emergency service will apply during the entire period. We will guarantee a 24 hour response time. Corrective maintenance noted during our inspections will be added to our schedule at no added expense. Our annual premium for the first year of the service is \$6,873.00 per year. All subsequent year premiums will be the total of the immediate prior year's premium amount plus the % change in the CPI (Consumer Price Index) for that previous year (ie. Year 2 premium equals Year 1 premium plus the % change in the CPI for Year 1).

Each year represents a 12 month period beginning with the effective date of the contract, rather than the actual calendar year. The Owner will be given the opportunity to schedule the yearly work at any time during the 12 month period that represents the contract term. The annual premium is due within 30 days of the contract date. Premiums quoted are firm for 60 days.

  
JAMES A. SKILTON  
President

Jeanette S. Deese, NCCCC  
Carteret County  
Clerk to the Board



CWSNC W354 SUB 398  
Carteret County Fair Value Determination  
Revised Form Application Exhibit 7d

302 Courthouse Square  
Beaufort, NC 28516

Business: (252) 728-8580  
Cell: (252) 342-0513  
Fax: (252) 728-2092  
jeanettet@carteretcounty.gov.org

ERN CORROSION INC.  
MENT ADDENDUM TO CONTRACT – ADD  
C BELOW TO SERVICE

**Date:** May 21, 2012  
**Customer:** Carteret County, NC  
**Tank:** 200,000 Gallon Mill Creek Water Tank - 2

**SCHEDULE**

**Year 1 - 2012**

1) Visual Inspection & any repairs uncovered through inspection.

**Year 2 - 2013**

1) Visual Inspection & any repairs uncovered through inspection.

**Year 3 - 2014**

1) Visual Inspection & any repairs uncovered through inspection.

**Year 4 - 2015**

1) Wash-out Interior:

- A) Wash-out interior to remove accumulated sediment on the tank floor.
- B) We will sterilize the interior by way of A.W.W.A. disinfection method #2, spray method.

2) Inspection Report

**Year 5 - 2016**

1) Visual Inspection & any repairs uncovered through inspection.

**Year 6 - 2017**

1) Visual Inspection & any repairs uncovered through inspection.

**Year 7 - 2018**

1) Visual Inspection & any repairs uncovered through inspection.

**Year 8 - 2019**

1) Visual Inspection & any repairs uncovered through inspection.

OFFICIAL COPY

AUG 11 2022

## Year 9 - 2020

### 1) Repaint Exterior:

- A) Pressure wash all exterior surfaces using 4,000 psi pressure washers or higher.
- B) Clean all rusted areas to bare metal using hand & power tools in accordance with SSPC surface preparation methods #2 & #3, hand & power tool cleaning.
- C) Prime coat all bare metal surfaces with an epoxy-mastic primer applied at 2.5 to 3.5 mils dry film thickness.
- D) Apply one(1) full finish coat of polyurethane paint to all exterior surfaces applied at 2 to 3 mils dry film thickness.
- E) Reapply the existing sign, "CARTERET COUNTY", as it currently appears.

### 2) Wash-out Interior:

- A) Wash-out interior to remove accumulated sediment on the tank floor.
- B) We will sterilize the interior by way of A.W.W.A. disinfection method #2, spray method.

### 2) Inspection Report

## SCHEDULE CONTINUATION

The tanks will be visually inspected every year. The tank interiors will be washed-out at 5 year intervals and an inspection report provided, until 15 years has elapsed from the last time the interior was recoated. The tank interior will be recoated at 15 year intervals. The exteriors will be recoated at 5 year intervals.

### After Year 9:

The next wash-out & report is scheduled for Year 19 of the Service (Year 2030), the next repainting of the tank exterior is scheduled for Year 14 of the Service (Year 2025), and the next repainting of the tank interior is scheduled for Year 14 of the Service (2025).

At no time does the service include the complete abrasive blasting of the exterior of the tank.

## PRICING & TERMS

Necessary repair of any coatings or appurtenances noted during our inspections will be added to our service schedule at no additional cost. These necessary repairs include paint failed areas and areas of corrosion. If the coating is continuing to protect the steel from corrosion, paint repair is not necessary. The definition of paint failure does not include loss of gloss, color fading, mildew, discoloration, or any other defects that are aesthetic.

Emergency service will apply during the entire period. We will guarantee a 24 hour response time. Corrective maintenance noted during our inspections will be added to our schedule at no added expense. Our annual premium for the first year of the service is \$7,107.00. All subsequent year premiums will be the total of the immediate



prior year's premium amount plus the % change in the CPI (Consumer Price Index) for that previous year (ie. Year 2 premium equals Year 1 premium plus the % change in the CPI for Year 1).

Each year represents a 12 month period beginning with the effective date of the contract, rather than the actual calendar year. The Owner will be given the opportunity to schedule the yearly work at any time during the 12 month period that represents the contract term. The annual premium is due within 30 days of the contract date. Premiums quoted are firm for 60 days.

We agree to add this tank and maintenance schedule to the October 15, 2006 Water Tank Management contract.

ATTEST:

  
Asst. Secretary

(Corporate Seal)

SOUTHERN CORROSION, INC.

BY:

  
President


ATTEST:



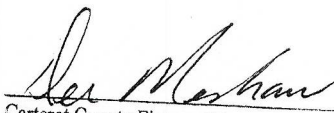
CARTERET COUNTY, NC

BY:

  
Robin V. Comer, Chairman

  
County Attorney

This instrument has been preaudited in the manner  
required by the Local Government Budget and Fiscal Control Act.

  
Carteret County Finance Director

**SOUTHERN CORROSION INC.**  
**WATER TANK MANAGEMENT ADDENDUM TO CONTRACT – ADD  
TANK BELOW TO SERVICE**

**Date:** July 1, 2016  
**Customer:** Carteret County, NC  
**Tank:** 200,000 Gallon Taylor Farm Road Elevated Water Tank

**SCHEDULE**

**Year 1 – 2016**

- 1) Visual Inspection & any repairs uncovered through inspection.

**Year 2 - 2017**

1) Wash-out Interior:

- A) Wash-out interior to remove accumulated sediment on the tank floor.
- B) We will sterilize the interior by way of A.W.W.A. disinfection method #2, spray method.

**Year 3 - 2018**

- 1) Visual Inspection & any repairs uncovered through inspection.

**Year 4 - 2019**

- 1) Visual Inspection & any repairs uncovered through inspection.

**Year 5 - 2020**

- 1) Visual Inspection & any repairs uncovered through inspection.

**Year 6 - 2021**

- 1) Visual Inspection & any repairs uncovered through inspection.

**Year 7 - 2022**

1) Repaint Exterior:

- a. Pressure wash all exterior surfaces using 4,000 psi pressure washers or higher.
- b. Clean all rusted areas to bare metal using hand & power tools in accordance with SSPC surface preparation methods #2 & #3, hand & power tool cleaning.
- c. Prime coat all bare metal surfaces with an epoxy-mastic primer applied at 2.5 to 3.5 mils dry film thickness.

- d. Prime coat all bare metal surfaces with an epoxy-mastic primer applied at 2.5 to 3.5 mils dry film thickness.
- e. Apply one(1) full finish coat of polyurethane paint to all exterior surfaces applied at 2 to 3 mils dry film thickness.
- f. Reapply the existing sign, "CARTERET COUNTY", as it currently appears.

**2) Wash-out Interior:**

- a. Wash-out interior to remove accumulated sediment on the tank floor
- b. We will sterilize the interior by way of A.W.W.A. disinfection method #2, spray method.

**SCHEDULE CONTINUATION**

The tank will be visually inspected every year. The tank interior will be washed-out at 5 year intervals until 15 years has elapsed from the last time the interior was recoated. The tank interior will be recoated at 15 year intervals. The exterior will be recoated at 5 year intervals.

**After Year 8:**

The next wash-out is scheduled for Year 8 of the Service (Year 2023), the next repainting of the tank exterior is scheduled for Year 12 of the Service (Year 2027), and the next repainting of the tank interior is scheduled for Year 12 of the Service (2027).

At no time does the service include the complete abrasive blasting of tank exterior nor the pressure washing of tank exterior as a stand alone apart from a surface preparation for painting.

**PRICING & TERMS**

Necessary repair of any coatings or appurtenances noted during our inspections will be added to our service schedule at no additional cost. These necessary repairs include paint failed areas and areas of corrosion. If the coating is continuing to protect the steel from corrosion, paint repair is not necessary. The definition of paint failure does not include loss of gloss, color fading, mildew, discoloration, or any other defects that are aesthetic

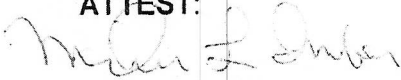
Emergency service will apply during the entire period. We will guarantee a 24 hour response time. Corrective maintenance noted during our inspections will be added to our schedule at no added expense. Our annual premium for the first year of the service is \$8,977.00. All subsequent year premiums will be the total of the immediate prior year' s premium amount plus the % change in the CPI (Consumer Price Index) for that previous year (ie. Year 2 premium equals Year 1 premium plus the % change in the CPI for Year 1).

Each year represents a 12 month period beginning with the effective date of the contract, rather than the actual calendar year. The Owner will be given the opportunity to schedule the yearly work at any time during the 12 month period that represents the contract term. The annual premium is due within 30 days of the contract date. Actual

payment can be made monthly, quarterly, semi-annually, or annually. Premiums quoted are firm for 60 days.

**We agree to add this tank and maintenance schedule to the August 22, 2012 Water Tank Management contract.**

ATTEST:

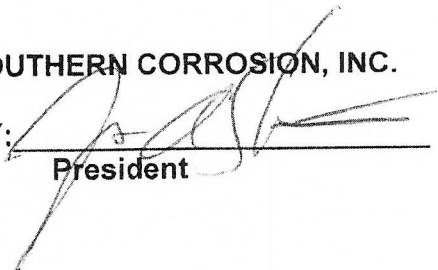


Asst. Secretary

(Corporate Seal)

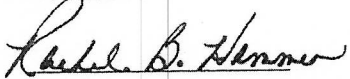
SOUTHERN CORROSION, INC.

BY:



President

ATTEST:




CARTERET COUNTY, NC

BY:



This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

  
Carteret County Finance Director