

Engineered Tank Care Proposal  
for  
The Town of Bridgeville  
Delaware

January 23, 2023





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*"We have enjoyed a long standing relationship with Southern Corrosion and they have always provided us with a quality job at a fair price. I think they are the most customer oriented professional tank maintenance company we have ever dealt with. A rare find in today's world."*

• Bryant Fleming •  
GAFFNEY BPW, WTP SUPERINTENDENT



## THE SOUTHERN CORROSION Story

Southern Corrosion, Inc. was founded in 1983 with a new vision for the care and maintenance of water tanks...a vision founded in the principles of engineering, superior workmanship, and outstanding customer service.

We create customized tank maintenance programs that provide better asset management, better cash flow, and better value for tank owners throughout the Mid-Atlantic and Southeast.

### ENGINEERED TANK CARE™

Our programs are designed and approved by on-staff engineers. We focus on tank life and appearance, water quality, and a level of care and attention to detail that is unequalled in our industry. When a tank enters our Engineered Tank Care program, we are fully vested in the life and future of that tank. It's all about maximizing water tank life, keeping tanks looking their absolute best, and making tank management cost-effective, simple, and worry-free.

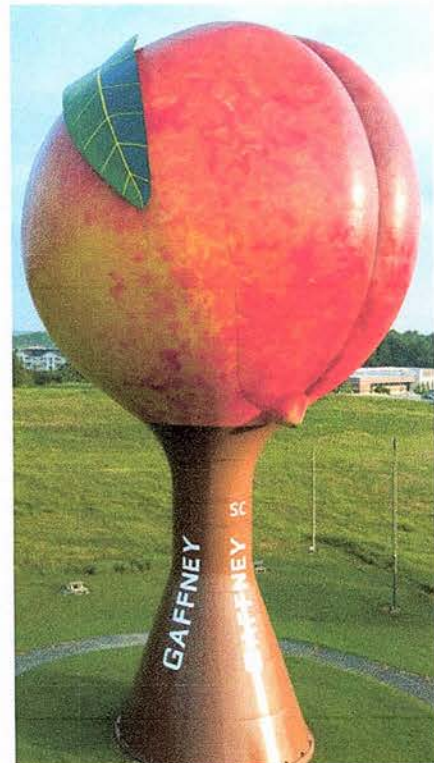
### DEPENDABLE, EXPERT TANK CARE

From the initial inspection through the creation and implementation of each custom program, our customers have come to expect superior service and consistent results. We have our own, dedicated crews strategically located throughout our regions and sales representatives that live in the areas they service. We're proud to call our customers friends and neighbors.

You'll know exactly what your tank maintenance is going to cost, when maintenance will be performed, and why it is needed. We work with our customers to make sure that every aspect of their plans fit with their needs and budgets. No surprises. No hidden costs. We take pride in every tank in our program.

#### Our Engineered Tank Care services include:

- Painting, Restoration, and Repair
- Inspections and Washouts
- Engineered Tank Care™ Maintenance Plans
- Elite Inspections & Maintenance
- Cell Antenna Engineering Analysis





## SOUTHERN CORROSION Key Staff



**JIM SKILTON, *President***

Jim Skilton has been Southern Corrosion's President since 1989, and part of the company's management team for almost 30 years. He is a certified NACE Level 1 coatings inspector, and earned the designation of Protective Coatings Specialist from the Society for Protective Coatings (SSPC). Jim earned a Bachelor of Science in Business Administration from the University of Delaware and a Masters Degree in Business Administration from Campbell University. As part of his work, Jim teaches Engineered Tank Care™ seminars and continuing education classes.



**ELBERT BASOLIS, *Co-Owner***

Elbert Basolis is an expert in temporary water tank solutions and co-owner of Southern Corrosion. He is also CEO of Garrison Enterprises, a mechanical contracting company serving the water industry, an owner or active participant in at least 6 other complimentary industrial businesses, and the Co-Chairman of the Board of Yardville National Bank, NA, which was recently purchased by PNC bank. Elbert splits his time between his home in New Jersey, and his North Carolina based offices.



**ED SOLTIS, *Operations Manager***

Ed Soltis is a certified NACE Level 1 coatings inspector and a SSPC C3 Supervisor for Deleading Industrial Structures. He specializes in surface preparation, painting and minor repairs. He has almost 30 years of experience in water tank maintenance, and has been Southern Corrosion's Manager of Operations since 2008.



**RYAN LUCY, *Area Representative***

Ryan, a graduate of Hampden-Sydney College, has been with Southern Corrosion since 2016 and has eight years prior sales experience. He is NACE Level 1 certified.



**RICH SKILTON, *Area Representative***

Rich Skilton's expertise includes lead abatement for steel superstructures. He is the second generation of his family to work in the water tank maintenance business: his first job as a teenager was working on tanks. He's also one of our certified trainers in Engineered Tank Care™.



**MICHAEL DOUGLAS, *Engineer***

Michael Douglas is Vice President responsible for engineering. He is a Professional Engineer licensed in Alabama, Florida, Georgia, South Carolina, North Carolina, Virginia, Maryland, Delaware, and Pennsylvania. He has extensive experience with public water supply systems and drinking water regulation. His previous work includes overseeing more than 600 water systems in 16 counties as a Regional Engineer. Michael is a North Carolina State University graduate with a Bachelor of Science degree in Civil Engineering.

**FREDERICK GRYCKIEWICZ, *Engineer***

Frederick Gryckiewicz, is both a Virginia and North Carolina licensed Professional Engineer. He is a graduate of the University of Connecticut with a Bachelor of Science in Engineering. Before joining the Southern Corrosion team, Mr. Gryckiewicz worked in engineering management for 30 years.



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TANKCARE.NET



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## SOUTHERN CORROSION Testimonials

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“As a small utility, we are constantly looking for ways to cut costs without compromising compliance or the services we offer our customers...Southern Corrosion demonstrated exceptional customer service, responded quickly, scheduled the repairs at a time convenient to us and delivered on their promise. We are excited about the opportunity to work with Southern Corrosion and hope the relationship lasts for years to come!”

**PAMELA BAUGHAM**, *General Manger*  
*Louisa County Water Authority in Louisa, VA*

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“We are incredibly pleased with the service we receive. Southern Corrosion keeps our water tanks in tip-top condition.”

**TRAVIS MARBURY**  
*Magee’s Creek Water Association in Tylertown, MS*

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“The customer service has been second to none, the quality of work received has been top notch, and they have always made sure that our needs have been met and our tanks maintained to their best shape... I look forward to continuing as a satisfied customer for many years to come.”

**JEREMY RANDALL**, *General Manager*  
*Montmorenci-Couchton Water & Sewer District Inc. in Aiken, SC*

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“They know what they are doing, and you can’t get a better value for your dollar.”

**STEVE HAMILTON**  
*Wayne County Sanitary Districts in Goldsboro, NC*

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“Small municipalities, like ours, need help keeping our water storage tanks maintained, fully operational and compliant. Southern Corrosion has provided the Town of Ridgely, Maryland with excellent service and guidance that is helping to maximize the life of our water tank. We highly recommend Southern Corrosion for all of your water tank needs.”

**DAVID CRIST**, *Director of Public Works*  
*Ridgely, MD*



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## SOUTHERN CORROSION Testimonials

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“Southern Corrosion has been maintaining our tanks for over ten years now. I have been very impressed by the crews performing our washouts and coating system. Those guys work very efficiently and go the extra mile from others I have worked with. They maintain a good-looking jobsite during the process of applying the interior or exterior coating system. They are always conducting themselves in a professional manner and communicate their progress to our designated contact person. Always great to work with. Recommend them highly.”

**ALAN JOHNSON**, *Division Director of Water & Wastewater Treatment*  
*Danville, VA*

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“We signed with Southern Corrosion in 2018 and would not hesitate to recommend their company. They are readily available for any questions or concerns. Both the sales staff and labor employees are great to work with. With the company’s suggested ten year maintenance schedule the town can feel confident that our tank meets the standards that our residents deserve.”

**CINDY MCFARLANE**  
*Town of Vienna, MD*

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“We’ve been Southern Corrosion customers for many years. They do a wonderful job of maintaining our water tanks and respond instantly if there’s an emergency.”

**MACON ROBERTSON**  
*Warren County, NC*

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“I would recommend Southern Corrosion for anybody’s water tank maintenance needs.”

**PATRICK MCBRAYER**  
*Ecu, MS*

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“Southern Corrosion has been doing tank maintenance for the Benedictine School for years. Their professional commitment and quality of their workmanship are outstanding. Great Company.”

**CARLTON PIPPIN**, *Facilities Manager, Maintenance*  
*Benedictin in Ridgely, MD*

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“The service provided by Southern Corrosion has been professional and valuable to the Authority... Southern Corrosion has made keeping our tanks safe, secure, and in compliance with regulations an easy process.”

**JOHN RYBA**, *Operations Manager*  
*Township of Falls Authority in Fairless Hills, PA*



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## SOUTHERN CORROSION Testimonials

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"Iron and manganese continue to be a maintenance item for our community water system as it is for many systems in eastern North Carolina. Residents and visitors alike want water that tastes good, smells good, and looks good, but we both know what can happen if our tanks are not properly maintained like our treatment facilities and distribution systems...We appreciate the work you do and the services you provide. Your kind of work isn't for everyone...However, we are fans of yours and simply want to be sure it is acknowledged."

**DAVID M. TAWES**, *Director*  
*Chowan County Water Department in Edenton, NC*

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"I'm always very satisfied with their work."

**WILL TEASTER**  
*Brown's Creek Water Association in Union, SC*

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"We signed with Southern Corrosion in 2018 and would not hesitate to recommend their company. They are readily available for any questions or concerns. Both the sales staff and labor employees are great to work with. With the company's suggested ten year maintenance schedule the town can feel confident that our tank meets the standards that our residents deserve. We have developed a good rapport with Southern Corrosion, Inc. over the last five years."

**EDUARDO GONZALES**, *Assistant Director Public Works & Engineering*  
*Homestead, FL*

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"...Also to let you know, your work on our water tower has even impressed the town citizens on how neatly and professionally your work has been and all the local people I have had the opportunity to meet through my working paths have said nothing but great things and how well your team has done. They love your work – after all, it is "their" water tower!"

**STEVE CALLAHAN**, *Superintendent, Water and Wastewater Treatment*  
*Towne of Trappe, MD*



## FUTURE ANTENNA INSTALLATION

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Many tank owners choose to defer water tank maintenance costs by leasing their tanks to cellular phone providers or other communication companies. Such additions can increase future tank maintenance costs if not designed properly. Under this contract, we will review the installation plans for any antenna installations to eliminate damage and future maintenance costs to your tanks and provide a post installation inspection to ensure that installation conforms to the approved installation plans.

## EXISTING CONDITIONS

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This service proposal is based upon the actual structural conditions found on your tanks at the time of the proposal. Any additions or changes by the Owner (i.e. Antenna installation, sign lighting, etc.) may affect the maintenance costs included in this service. We reserve the right to re-evaluate or modify this contract if such a change takes place. (Also see "Future antenna installation")

## ELECTRICAL & ANTENNA TRANSMISSION HAZARDS

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Our proposal is based upon the Owner deactivating, or otherwise making safe, any electrical wires or connections to any tank. OSHA requires that our personnel work at least 15 feet from any "live" electrical hazards. When applicable, we will protect any antennas and have assumed that the Town will verify that harmful microwave transmissions do not emanate from any such antennas during our work.

## ACCESS TO RECORDS

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Our customer records are maintained in a cloud based data system that is accessible from a desktop computer, notepad, or smartphone. The records maintained include a copy of the contract, recent inspection reports, and schedule of work. The system we use is also used by Volvo, Deloitte, the National Football League (NFL), Sony, Time Warner Cable, Sotheby's and others.

*"I would like to send out a big thank you to Southern Corrosion of Roanoke Rapids, North Carolina...They did an outstanding job and I was really impressed with how fast the issue was addressed."*

• Frank Davis •

ADMINISTRATOR • CAMPBELL COUNTY, VA UTILITIES



*"Southern Corrosion has supported our elevated water tower and ground water storage tank needs since 2016. They have provided tank interior / exterior refinishing and annual inspections and maintenance. We are pleased with the level of service they provide, and appreciate their honest evaluations and recommendations."*

• Darren Keller •

MANAGER, FACILITIES • CURTISS-WRIGHT • CHESWICK, PA

## REPAIRS

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Our maintenance service schedule will detail exactly what repairs will be performed during regularly scheduled intervals.

## EMERGENCY RESPONSE

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Emergencies that threaten the immediate use of the tank will be responded to within the response time specified. The response referred to is for the purpose of our assessment of the emergency situation. If possible, repairs will be completed during the initial response. These emergency repairs are included in the maintenance service.

## AESTHETICS

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Feel free to consult with us concerning alternative exterior finish coat color schemes and logos. These items can be included in the original agreement or can be added to the service.

## SAFETY

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If needed, the service can include alterations necessary to bring the tank into compliance with current OSHA regulations or AWWA standards.

## GRAFFITI

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The service includes the coating over or removal of graffiti one time each year, if required. Removing or overcoating graffiti is not normally considered an emergency response; it is a scheduled event. If graffiti appears, we will review the security of the tank site involved, and additional measures may need to be addressed by the Owner, if it is desired to continue this protection.



## INSURANCE

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The sample insurance certificate enclosed provides you with an example of the insurance coverage we will provide the Customer. We intend to renew our policies at the same coverage levels indicated on the sample certificate. For your further protection, we will supply you with a pollution liability insurance policy that protects you from lead contamination claims. For more than 10 years, general liability insurance policies have specifically excluded coverage for contamination claims. To insure for the liability of improper job site handling of hazardous wastes, you need this insurance. This insurance is provided at no extra cost. Our prices do not include the cost of supplying performance and payment bonds. If this is required, our bonding company is the Great American Insurance Company, of Cincinnati, Ohio. For Southern Corrosion, Inc. to provide these bonds, please add 3% to all service premiums quoted. If provided, the bonds will be renewed annually, after the cancellation period for the next year's service has expired.

## VISUAL & WASHOUT INSPECTIONS

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Tanks will be visually inspected annually. The annual visual inspections have three basic purposes. First, functional items such as the safety of ladders, the continued operation of float gauges, and the absence or damage of structural items such as sway rods, struts, etc. can continually be monitored.

Second, the coating system can be visually evaluated for the presence or absence of coating breakdown or surface holidays. This provides evidence of the rate of deterioration of the coating system, an important item in determining recoating cycles for the tank, as well as arresting any steel corrosion before it reduces the effective structural steel thickness.

Third, access can be controlled, especially unauthorized access. Graffiti, vandalism, and the presence or absence of locked hatches and ladder gates confirm the security level of the tank site.

Additionally, as scheduled, a washout inspection will be performed. A washout inspection includes draining the tank, removing all sediment and debris, and a complete visual inspection of both the interior and exterior. All findings will be documented in a bound inspection report, annotated with photographs for detailing conditions.

Any corrective maintenance needed will be added to the maintenance schedule.

## CORROSION PROTECTION & PAINTING

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Our maintenance service schedule will detail exactly what maintenance painting will be performed during regularly scheduled intervals.



## ENGINEERED TANK CARE Service

Southern Corrosion Inc.'s Engineered Tank Care Service offers comprehensive coverage for your tank maintenance needs. The purpose of the service is to extend the life of your tank(s) and their existing coatings for as long as possible. The service includes corrosion protection, repairs, painting, regularly scheduled inspections, and a guaranteed emergency response time. The service does not include tasks associated with the operation of the water system, installation or repair of underground piping, any structures that are not part of the tank, any electrical work, telemetry, cutting the grass around the tanks, or fence maintenance. The service does not include additional modifications to the tank beyond the tank's existing configuration unless included in the specifications of our proposal. The service can include maintenance on the cathodic protection system if the tanks are equipped with cathodic protection, and you request this to be included in the service.

As a part of the service, we provide a detailed schedule of exactly what services will be performed in each year. Also included is an emergency response service that will guarantee a response time to emergency situations that threaten the immediate use of the tank.

The maintenance service term is based on a mutually agreeable time duration (ie. perpetual). Annual premiums can be structured monthly, quarterly, or annually. Pick terms that best suit your needs. Also, the service can be canceled up to 60 days prior to the renewal date for the next year's service.

### THE SERVICE PREMIUM QUOTE COVERS:

1. Emergency Service
2. Regularly scheduled interior washouts when applicable.
3. All interior & exterior cleaning, painting, and repairs.
4. Maintenance and upkeep of the tank.
5. Planning & budgeting for both short-term & long-term maintenance needs.



*"We have been in a maintenance program with SCI since 2013 and are very pleased with their workmanship and productivity...I value the corporate stability and family values exhibited by Southern Corrosion and highly recommend their services."*

• Mark Estes •

EXECUTIVE DIRECTOR • HALIFAX COUNTY SERVICE AUTHORITY  
SOUTH BOSTON, VA



# WATER TANK MANAGEMENT Schedule

**Date:** January 23, 2023  
**Customer:** The Town of Bridgeville, Delaware  
**Tanks:** 125,000 Gallon Town Hall Standard Elevated Tank  
400,000 Gallon Heritage Shores Watersphere

## YEAR 1 - 2023

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- ▶ **125,000 Gallon Town Hall Standard Elevated Tank**
  1. **Visual inspection and repairs uncovered through inspection.**
  2. **Repairs and Modifications:**
    - a. Install a new fall prevention safety cable system to the exterior shell ladder.
  
- ▶ **400,000 Gallon Heritage Shores Watersphere**
  1. **Visual inspection and repairs uncovered through inspection.**

## YEAR 2 - 2024

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- ▶ **125,000 Gallon Town Hall Standard Elevated Tank**
  1. **Visual inspection and repairs uncovered through inspection.**
  
- ▶ **400,000 Gallon Heritage Shores Watersphere**
  1. **Visual inspection and repairs uncovered through inspection.**

## YEAR 3 - 2025

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- ▶ **125,000 Gallon Town Hall Standard Elevated Tank**
  1. **Visual inspection and repairs uncovered through inspection.**
  2. **Wash Out tank interior:**
    - a. Wash out tank interior to remove accumulated sediment. Clean interior floor surfaces and shell wall surfaces that can be reached from the floor using 4,000 psi pressure washers or higher.
    - b. All debris will be removed from the tank and piled adjacent to the shell manway. Disposal of the debris will be the responsibility of others.
    - c. Sterilize the tank interior using AWWA Disinfection Method #2, spray method.
  3. **Repairs and Modifications:**
    - a. Install a new fall prevention safety cable system to the interior wet area ladder.



▶ **400,000 Gallon Heritage Shores Watersphere**

1. Visual inspection and repairs uncovered through inspection.

## **YEAR 4 - 2026**

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▶ **125,000 Gallon Town Hall Standard Elevated Tank**

1. Visual inspection and repairs uncovered through inspection.

▶ **400,000 Gallon Heritage Shores Watersphere**

1. Visual inspection and repairs uncovered through inspection.

## **YEAR 5 - 2027**

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▶ **125,000 Gallon Town Hall Standard Elevated Tank**

1. Visual inspection and repairs uncovered through inspection.

▶ **400,000 Gallon Heritage Shores Watersphere**

1. Visual inspection and repairs uncovered through inspection.

2. **Repaint Exterior:**

- a. Pressure wash all exterior surfaces using 4,000 psi pressure washers or higher.
- b. Clean all rusted areas using scrapers, hand & power wire brushes in accordance with SSPC surface preparation methods #2 & #3, hand & power tool cleaning.
- c. Spot prime coat all bare metal surfaces using an epoxy-mastic primer applied at 2.5 to 3.5 mils dry film thickness.
- d. Apply two full finish coats of Acrylic paint to all exterior surfaces at 2.0 to 3.0 mils dry film thickness.
- e. Replace tank signs as existing.

3. **Repaint Interior Wet Area:**

- a. Abrasive blast all rusted interior wet surfaces to bare metal in accordance with SSPC surface preparation method #10, near white grade. Abrasive blast all remaining interior wet surfaces in accordance with SSPC surface preparation method #7, brush blast.
- b. Apply a full prime coat of epoxy that is NSF approved for contact with potable water to all interior wet surfaces at 4.0 to 6.0 mils dry film thickness.
- c. Apply a "stripe coat" of epoxy that is NSF approved for contact with potable water to all weld seams and ladders, applied using paint brushes and rollers at 2.0 to 3.0 mils dry film thickness.
- d. Apply a full finish coat of epoxy that is NSF approved for contact with potable water to all interior wet surfaces at 4.0 to 6.0 mils dry film thickness.
- e. Caulk unwelded roof lap seams using Sikaflex 1a polyurethane caulk.
- f. Sterilize interior using AWWA Disinfection Method #2, spray method.
- g. Test abrasive blast debris for the 8 RCRA heavy metals using the TCLP Method.
- h. Dispose of abrasive blast debris in accordance with Federal, State, and Local regulations.



#### 4. Repaint Interior Dry Area:

- a. Abrasive blast all rusted interior dry surfaces to bare metal in accordance with SSPC surface preparation method #6, commercial grade. Abrasive blast all remaining interior dry surfaces in accordance with SSPC surface preparation method #7, brush blast.
- b. Apply two full coats of epoxy paint to all interior dry surfaces at 3.0 to 4.0 mils dry film thickness per coat.
- c. Test abrasive blast debris for the 8 RCRA heavy metals using the TCLP Method.
- d. Dispose of abrasive blast debris in accordance with Federal, State, and Local regulations.

### YEAR 6 - 2028

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#### ▶ 125,000 Gallon Town Hall Standard Elevated Tank

1. Visual inspection and repairs uncovered through inspection.

#### ▶ 400,000 Gallon Heritage Shores Watersphere

1. Visual inspection and repairs uncovered through inspection.

### YEAR 7 - 2029

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#### ▶ 125,000 Gallon Town Hall Standard Elevated Tank

1. Visual inspection and repairs uncovered through inspection.

#### ▶ 400,000 Gallon Heritage Shores Watersphere

1. Visual inspection and repairs uncovered through inspection.

### YEAR 8 - 2030

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#### ▶ 125,000 Gallon Town Hall Standard Elevated Tank

1. Visual inspection and repairs uncovered through inspection.
2. Repaint Exterior:
  - a. Pressure wash all exterior surfaces using 4,000 psi pressure washers or higher.
  - b. Clean all rusted areas using scrapers, hand & power wire brushes in accordance with SSPC surface preparation methods #2 & #3, hand & power tool cleaning.
  - c. Spot prime coat all bare metal surfaces using an epoxy-mastic primer applied at 2.5 to 3.5 mils dry film thickness.
  - d. Apply two full finish coats of Acrylic paint to all exterior surfaces at 2.0 to 3.0 mils dry film thickness.
  - e. Replace tank signs as existing.

**3. Wash Out tank interior:**

- a. Wash out tank interior to remove accumulated sediment. Clean interior floor surfaces and shell wall surfaces that can be reached from the floor using 4,000 psi pressure washers or higher.
- b. All debris will be removed from the tank and piled adjacent to the shell manway. Disposal of the debris will be the responsibility of others.
- c. Sterilize the tank interior using AWWA Disinfection Method #2, spray method.

**▶ 400,000 Gallon Heritage Shores Watersphere**

1. Visual inspection and repairs uncovered through inspection.

**YEAR 9 - 2031**

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**▶ 125,000 Gallon Town Hall Standard Elevated Tank**

1. Visual inspection and repairs uncovered through inspection.

**▶ 400,000 Gallon Heritage Shores Watersphere**

1. Visual inspection and repairs uncovered through inspection.

**YEAR 10 - 2032**

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**▶ 125,000 Gallon Town Hall Standard Elevated Tank**

1. Visual inspection and repairs uncovered through inspection.

**▶ 400,000 Gallon Heritage Shores Watersphere**

1. Visual inspection and repairs uncovered through inspection.

**2. Wash Out tank interior:**

- a. Wash out tank interior to remove accumulated sediment. Clean interior floor surfaces and shell wall surfaces that can be reached from the floor using 4,000 psi pressure washers or higher.
- b. All debris will be removed from the tank and piled adjacent to the shell manway. Disposal of the debris will be the responsibility of others.
- c. Sterilize the tank interior using AWWA Disinfection Method #2, spray method.



## SCHEDULE CONTINUATION

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The tanks will be visually inspected every year. The tank interiors will be washed-out at 5 year intervals until 15 years has elapsed from the last time the interior was recoated. The tank interiors will be recoated at 15 year intervals and the tank exteriors will be recoated at 8 year intervals.

### AFTER YEAR 10:

▶ **125,000 Gallon Town Hall Standard Elevated Tank**

The next repainting of the tank interior is scheduled for Year 13 of the Service (2035), the next repainting of the tank exterior is scheduled for Year 16 of the Service (Year 2038), and the next wash-out of the tank interior is scheduled for Year 18 of the Service (Year 2040).

▶ **400,000 Gallon Heritage Shores Watersphere**

The next repainting of the tank exterior is scheduled for Year 13 of the Service (Year 2035), the next wash-out of the tank interior wet area is scheduled for Year 15 of the Service (Year 2037), and the next repainting of the tank interior wet area and interior dry area is scheduled for Year 20 of the Service (2042).

*At no time does the service include the complete abrasive blasting of the tank exteriors nor the pressure washing of any tank exteriors as a stand-alone maintenance item apart from being a surface preparation method for painting.*

*Exterior painting and logos are priced based on using the same color paint and logo designs. Unless specified in the scope of work any exterior color or logo change request may result in a premium increase and/or an additional one-time charge.*



## PRICING & TERMS

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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 \$30,511. 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 contract year (ie. Year 2 premium equals Year 1 premium plus the % change in the CPI for contract Year 1).

Because the value of the services performed in year 5 of the service greatly exceeds the accumulated value of the premiums paid during those years, the following additional payment will be due Southern Corrosion should the service be cancelled in the following year:

- ▶ If Year 6 is cancelled, an additional payment of \$20,008 will be due with the notice of cancellation.

### **THIS PRICE IS FIRM FOR 30 DAYS.**

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. Payment can be made monthly, quarterly, semi-annually, or annually.



## ENGINEERED TANK CARE Agreement

This Agreement made and entered into as of the Effective Date: \_\_\_\_\_, by and between SOUTHERN CORROSION, INC., a North Carolina corporation, having its principle office at 738 Thelma Rd, Roanoke Rapids, North Carolina, (hereinafter referred to as "Southern Corrosion") and the Town of Bridgeville, Delaware (hereinafter referred to as the "Owner"):

### WITNESSETH

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The Owner desires that Southern Corrosion perform certain maintenance service on the water tanks known as the 125,000 Gallon Town Hall Standard Elevated Tank and the 400,000 Gallon Heritage Shores Watersphere 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 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:

Town of Bridgeville  
101 North Main Street  
Bridgeville, DE 19933

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 Delaware.

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 insure 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:**

**SOUTHERN CORROSION, INC.**

\_\_\_\_\_  
Asst. Secretary

BY: \_\_\_\_\_  
President

(Corporate Seal)

**ATTEST:**

**TOWN OF BRIDGEVILLE, DELAWARE**

\_\_\_\_\_

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

