



**STONEY POINT FIRE DEPARTMENT INC.  
Stations 13 & 19**

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November 2, 2016

SUBJECT: Minutes of the November 2<sup>nd</sup> Public Hearing and monthly Board of Directors Meeting.

The monthly Board of Directors' meeting of the Stoney Point Fire Department Inc., was called to order by Vice Chairman Townsend immediately following the public hearing meeting and was led in prayer by Secretary Pate at 8:00 PM. The meeting was conducted at Station 19.

**A. Roll Call**

**Members Present:**

Larry D. Townsend	Vice. Chairman
Angus Pate	Secretary
Gary Turlington	Tresurer
Joel A. Siles	Member
Jerry R. Hall	Member
Freddy L. Johnson Sr.	Fire Chief

**Members Absent:**

Daniel C. Brown	Chairman
Freddy Johnson Jr.	Deputy Chief

**B. ANNUAL / SPECIAL / PUBLIC HEARING MEETING**

1. Chairman Daniel Brown was unable to attend the public hearing; therefore Vice Chairman Larry Townsend called the meeting to order at 7:30 p.m. on Wednesday November 2, 2016 at the principle office of the corporation, Stoney Point Fire Department Station 19 located at 2190 Lake Upchurch Drive, Parkton. The meeting was conducted in the department's board room. Vice Chairman Townsend introduced the members of the board and explained that the Board of Directors are present to lead a public hearing concerning our proposed purchase of two (2) Pierce Fire Apparatuses and the associated tax exempt loan from First Citizen Bank in the amount of \$1,400,000.00 with a 2.45% tax exempt rate fixed for ten (10) years, with a ten year amortization on the term. The loan will encompass a new Pierce Arrow-XT Fire Engine for \$655,500.00 and a new Pierce Arrow-XT Walk-In Heavy Rescue Truck for \$737,000.00 as well as some incidental equipment. The public hearing provides the opportunity for residents and taxpayers within the Stoney Point Fire District to ask questions, raise concerns or make public recommendations about our intent to purchase the two (2) new fire apparatuses and to obtain the accompanying tax exempt loan from First Citizens Bank.

Vice Chairman Townsend indicated that the public hearing was advertised by notice published in the Fayetteville Observer on Wednesday October 19, 2016 and again on Wednesday October 26, 2016. In addition, he stated that notice of the public hearing was also advertised for seven (7) consecutive days in the on-line version of the Fayetteville Observer to insure broadest public dissemination. A copy of the official notice will be enclosed in the minutes. (See Enclosure #2)



Vice Chairman Townsend asked Chief Johnson to briefly expound about our two new proposed trucks. Chief Johnson Sr. stated that as part of our strategic planning process, we have an Apparatus Replacement Plan and as part of that plan we formed a committee comprised of firefighters, line officer and chaired by the Deputy Fire Chief for the purpose of comprising specifications for the proposed fire apparatuses that meet our needs. The plan includes the purchase of one (1) Engine to replace a 1981 Pierce Fire Engine and one (1) Heavy Rescue Walk in Rescue Truck to accommodate the multitude of rescue equipment required for a certified Heavy Rescue Unit. Chief Johnson also stated that this will be our first new apparatus purchase since purchasing two (2) front line Pierce Fire Engines in 2004, which are our newest front line apparatuses. Our remaining Engine Companies are all over thirty years old. Our two (2) new apparatuses are designed specifically for the diverse needs of our local demands, and will be part of our core fire defense and rescue systems. Vice Chairman Townsend also detailed the fact that it is our intent to take advantage of Pierce Manufacturing 100% advance or pre-pay option which provides an overall savings of \$73,628.00 for both trucks. Mr. Mike Long, 2706 Longfield Road, Fayetteville (See Enclosure # 7) the sole attendee provided positive testimony and supported the purchase of the two (2) apparatuses and financing plan. Vice Chairman Townsend also informed the membership that approval from both the City of Fayetteville and the Cumberland County Board of Commissioners is also required and all supporting documents have been delivered to both agencies. With no further public comments Vice Chairman Townsend thanked Mr. Long for his appearance and comments.

Vice Chairman Townsend informed the members of the board that several official loan documents associated with the First Citizens Bank loan must be completed and authenticated, requiring board action. The following documents require action by the board **CERTIFIED COPY OF CORPORATE RESOLUTION TO AUTHORIZE TAX EXEMPT LOAN TO VOLUNTEER FIRE DEPARTMENT FOR PURCHASE OF FIRE TRUCK(S) NC VFD2A**, another form is the **NC VFD 11B a NON-ARBITRAGE CERTIFICATE FOR VOLUNTEER FIRE DEPARTMENTS (LOAN FOR PURCHASING A FIRE TRUCK)**, and **NC VFD 10 TAX-EXEMPT AGREEMENT FOR VOLUNTEER FIRE DEPARTMENTS**. The members of the board reviewed the documents and Vice Chairman Townsend called for a motion to adopt and approve the **CERTIFIED COPY OF CORPORATE RESOLUTION TO AUTHORIZE TAX EXEMPT LOAN TO VOLUNTEER FIRE DEPARTMENT FOR PURCHASE OF FIRE TRUCK(S) NC VFD2A** (See Enclosure # 8) and authenticate all the associated loan forms identified above and enclosed as (Enclosure # 9 and 10) Treasurer Gary Turlington made a **MOTION** to adopt and approve the required Corporate Resolution to authorize the Tax Exempt Loan to Volunteer Fire Department (Stoney Point VFD) to purchase two Fire Trucks, and to authorize Chairman Daniel C. Brown and Secretary Angus Pate to affix their signature as required. The motion was **SECONDED** by Director Jerry Hall and **APPROVED** by all members present. Chief Johnson was instructed to obtain the required signature and corporate seals from Secretary Pate and Chairman Brown.

With no further business in correlation with the public hearing and entailed administrative loan requirement, Vice Chairman Townsend called for a motion to adjourn the public hearing portion of the meeting and move into our regular monthly business meeting. Director Jerry Hall made a **MOTION** to adjourn the public hearing and start our regular business meeting. The motion was **SECONDED** by Director Joel Siles and **APPROVED** by all members present at 8:00 PM.



## **C: READING AND APPROVAL OF THE MINUTES OF THE LAST MEETING**

1. Secretary Pate presented the minutes from the September 20, 2016 monthly Board of Directors meeting for review and approval. There was no meeting conducted during the month of October due to on-going Hurricane Matthew recovery efforts. The meeting was postponed until the scheduled November 2<sup>nd</sup> Public Hearing meeting. Vice Chairman Townsend called for the approval of the September 20, 2016 minutes. **MOTION** A motion was made by Director Jerry Hall to approve the September 20, 2016 minutes as presented by the secretary. The motion was **SECONDED** by Director Joel Siles and **APPROVED** by all members present.

## **D: REPORT OF THE FIRE CHIEF**

### **1. General Information:**

1. The Chief discussed the board vacancy created with the passing of Treasurer Al Grupy. He stated that Vice Chairman Townsend talked with Mr. Roger Hall from Bayshore Drive concerning the vacancy, and Mr. Hall expressed an interest in serving on the board to represent the Lake Upchurch community. Our board make up consists of three (3) member representation from the Lake Upchurch Community. If no qualified member is available and under those circumstances any qualified member residing within the Stoney Point Fire District can be appointed. Because of Hurricane Matthew and scheduling conflicts he was not able to meet with Mr. Hall and hopes to do so between now and our next meeting in December.

2. **Guests:** None

### **3. Personnel:**

2. The Chief updated the members of the board on our current staffing level, which is holding steady with eight applications in the process of being verified and 11 applications on the wait list.
3. The Chief informed the board members that one (1) of our members during training last Monday night October 17, 2016 at Station 15 suddenly went into a seizure. The Firefighter was transported to Cape Fear Valley via ambulance and admitted. The seizure occurred while the group was on break. The Chief stated that there was good support and our firefighter was actually in good spirits under the circumstances while talking in the Emergency Room. The appropriate Workers Compensation Forms were filed, however the claim was denied. Seizures are not covered by workers compensation, and considered a medical issue. Our Firefighter is covered however with Tri-Care and has filed a claim through Tri-Care.
4. Chief Johnson advised that next month in December the 2017 North Carolina State Firefighters Association Annual Roster Certification of members will be due. Current dues are \$20.00 per member. All our members are certified, whereas we exceed the minimal annual training requirements.



#### 4. Vehicles:

1. The Chief demonstrated to the board the new Air Trailer 1981 and answered questions concerning the operation of the trailer and prime mover. He stated that once all the training is completed we will place the unit in service. In the interim we still have on loan the Fort Bragg Mobile Air Trailer.
2. The Chief stated that our 2016 Sierra GMC (1371) is in Kinston at B&G Electronics to have all the emergency warning lights and radios installed. Our unit was not damaged during Hurricane Matthew but there will be a delay due to employee access issues with the B&G location, which had just been cleared up by NC DOT.
3. The Chief stated that work is still on-going as time permits on Engine 1319 (1960 American LaFrance Fire Truck) which is being restored. This project will be on-going until complete which he anticipates sometimes next year. He also stated that the 1960 hard top American LaFrance Engine donated by retired Greensboro Fire Captain Joe Smith will be picked up next week and delivered to Station 19. This unit will be a parts truck only, whereas many original parts are still in excellent condition, including the transmission and diesel motor.
4. The Chief stated that Engine 1332 (2004 Pierce Dash) will not engage into pump gear. The issues appears to be more serious, whereas the manual override pump shift option is also not working. The truck will have to go to Atlantic for repairs. It is currently out of service while coordination to have it repaired are being made. The truck will be out of service for several weeks.
5. Because of the recent storm associated with Hurricane Matthew, which produced record floods here in Cumberland County as well as the region our units operated in high water. As a safety precaution we are checking all the transfer cases to insure there is no water. We did find water in the transfer case of Brush 1941 one of our 5 Ton trucks, therefore both the front and rear transfer cases were drained and refilled with clean lubricants.
6. Chief Johnson advised that Engine 1932 our 1984 Pierce Engine during a daily maintenance check revealed anti-freeze on the oil stick. The unit was immediately taken out of service to be checked. The examination revealed a cracked head gasket. Because of the age of the truck Gregory Poole was not able to repair the engine and recommended we take the truck to Wilmington. The mechanics in Wilmington recommended a complete engine overhaul in lieu of just repairing the head gasket. The engine overhaul was approved and comes with an extended warranty.
7. The Chief stated that 1362, our 2015 GMC Sierra utility truck revealed an oil leak and makes a noise when shifting into gear. The truck is under warranty and is currently at Flow GMC for repairs.
8. Boat 19, 14ft inflatable zodiac rescue boat sustained propeller damage during water rescue operations during Hurricane Matthew, when removing residents from their flooded trailers in Parkway Mobile Home Park. The propeller was replaced. The expense will be submitted with our FEMA response expense reimbursement application.



9. FY 2016-2017 Vehicle, Equipment and Fuel Expenditures as of November 2, 2016 (List from Quicken) (Previous two (2) Fiscal Years for comparison purposes)

<b>UNIT #</b>	<b>NOMENCLATURE</b>	<b>FY 14/15</b>	<b>FY 15/16</b>	<b>FY 16/17</b>
1311	1984 Pierce Dash Engine	5,710.73	3,049.25	22.38
1331	2004 Pierce Dash Engine	16,559.54	5,725.94	0.00
1332	2004 Pierce Dash Engine	7,629.80	13,909.12	52.32
1333	1988 Pierce Dash Engine	Out of Service-Fire	767.14	**47,834.51
1341	1990 AMC General 5 Ton Cargo Brush	14,611.78	2,109.89	41.01
1351	Future Ladder Truck Early 2017	Not Applicable	Not Applicable	0.00
1362	2015 GMC Sierra 2500 HD 4 X 4	Not Applicable	42.80	26.73
1371	2002 Silverado 1500 HD 4 X 4	3,227.00	410.90	MVA Totaled
1371	2016 GMC Sierra 1500 4 X 4	Not Applicable	Not Applicable	0.00
R-13/1376	1984 International Rescue	1,568.36	19,877.91	261.40
1391	Future Command Vehicle 2017	Not Applicable	Not Applicable	0.00
1931	1994 Quality Gladiator Engine (SOLD)	1,575.83	(SOLD) N/A	(SOLD) N/A
1932	1986 Pierce Dash Engine	2,342.53	963.70	4,792.97
1941	1984 AMC 5 Ton Truck	65.14	2,221.80	0.00
1960	1960 American LaFrance (Antique)	Not Applicable	8,507.29	593.81
1961	1984 Chevrolet ¾ Ton Diesel	Not Applicable	101.34	0.00
1962	2015 GMC Sierra 2500 HD 4 X 4	Not Applicable	3,312.25	26.73
1981	2016 Mobile Air Trailer	Not Applicable	Not Applicable	0.00
Boat 13	19" Rescue One Connector Boat	734.10	247.80	1,007.31
Boat 19	14" Zodiac Inflatable	Not Applicable	0.00	0.00
Trailers	2009 Boat Trailer Double Stack	Not Applicable	0.00	0.00
U-Trailer	Utility Trailer (Small)	Not Applicable	81.38	0.00
Cmd Trl	2006 FEMA Trailer	Not Applicable	0.00	0.00
MISC	<b>RELATED VEH EXPENSES</b>	4,445.07	15,988.55	5,599.38
	<b>Total Vehicle Maintenance</b>	62,284.90	78,151.31	60,231.82
	<b>EQUIPMENT OTHER</b>	11,724.54	13,716.61	3,696.17
	<b>TOTAL VEH/EQUIP EXPENSES</b>	<b>74,009.44</b>	<b>91,867.92</b>	<b>63,927.99</b>
	<b>BUDGETED (\$ 80,000)</b>			
	<b>GASOLINE &amp; FUELS (\$ 40,000)</b>	22,240.55	16,422.24	11,545.89
	<b>FY-BUDGETED TOTAL (120,000)</b>	<b>96,249.99</b>	<b>108,290.16</b>	<b>75,473.88</b>
	<b>Total over / under Budget</b>	<b>-23,750.01</b>	<b>11,709.84</b>	

\*\* 1333 expenses include insurance payment of \$ 38,000 for fire damages to the apparatus.

10. Chief Johnson emphasized to the board that it is important to remember in the future that we must subtract the \$38,000.00 from the total budget identified above in order to compensate for insurance payments received for fire damage on Engine 1333.



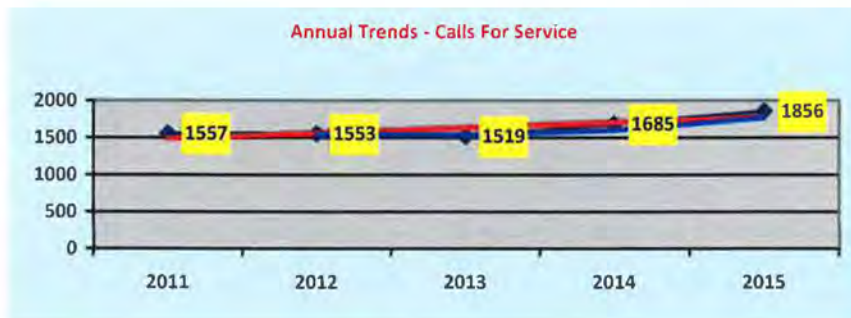
**5. Grounds and Buildings:**

1. The Chief stated that power has been turned on in our new storage building at Station 19. Payment for the electrical work in the amount of \$20,408.00 came from the Trail of Terror funds. In order to reduce electricity costs, the entire building was outfitted with LED lighting. He further stated that he is in the process of getting bids to install a gas heating system in the building similar to the system utilized in the apparatus bay at Station 19.
2. The Chief stated that storm damage associated with Hurricane Matthew was minor. We did incur minor flooding at Station 13 in the rear of the station and lost several trees here at station 19. We also incurred damage to our Trail of Terror, which was repaired in time for the following weekend.

**5. Fire Conditions:**

1. Chief Johnson briefed the members on our current call volume through September 2016. Currently our call volume is trending below last year's responses.  
(See Charts below – Monthly calls by year and annual trend line chart.)

<b>SPFD INCIDENT RESPONSE DATA</b>						
<b>MONTH</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
JANUARY	143	116	135	158	161	159
FEBRUARY	166	115	135	123	173	136
MARCH	134	110	126	139	142	156
APRIL	127	111	99	144	159	139
MAY	116	103	119	145	161	144
JUNE	136	138	136	139	169	126
JULY	122	135	101	181	152	135
AUGUST	120	140	118	130	150	175
SEPTEMBER	135	115	97	122	152	169
OCTOBER	134	136	124	130	139	
NOVEMBER	100	153	112	131	145	
DECEMBER	117	134	113	143	164	
<b>TOTALS</b>	<b>1557</b>	<b>1532</b>	<b>1519</b>	<b>1685</b>	<b>1861</b>	<b>1339</b>



6. **Training Report:**

1. Because of the Trail of Terror during the month of October, all training was cancelled in order to support our annual fund raiser. Assistant Chief Murphy did attend the one (1) week CPSE Training Officers Credentialing Course at the Charlotte Fire Department training academy.

**REPORT OF THE TREASURER:**

1. Treasurer Turlington provided the current fund balance and financial information from all sources.

Current Fund Balances:	<b>As of today is</b>	\$	1,102,809.72	First Citizens
			CD	\$ 210,014.69 = <b>14.5% of Budget.</b>
	Total Cash Flow Available	\$	1,312,824.43	Total Available Funds

**Fiscal Year 2016 – 2017 Budget Information**

<b>Approved County FY 15/16 Budget</b>	<b>998,945.00</b>
County Budget Funding Received YTD \$	118,452.95
County Budget Funding Pending YTD \$	880,519.05

<b>Approved Fayetteville FY 15/16 Budget \$</b>	<b>414,536.80</b>
Fayetteville City Funding Received YTD \$	207,268.40
Fayetteville City Funding Pending YTD \$	207,268.40

Gates Four Annexation Taxes FY 12/13 owed by COF \$ 12,763.00

<b>Approved Town of Hope Mills Contract FY 15/16 Budget \$</b>	<b>57,714.00</b>
Town of Hope Mills Contract Funding Received YTD \$	0.00
Hope Mills Budget Funding Pending YTD \$	57,714.00

Other Income Hope Mills-Old Mutual Aid (\$ 12,000.00 Anl)	\$ 12,000.00
Town of Hope Mills Full Responder Contract Fee	\$ 45,714.00 based on last year's pay out
Town of Hope Mills 1 time Debt Assumption Payment	\$ 16,451.06-On-Going

<b>Combined County / COF / &amp; Hope Mills Approved FY 16/17 6 Budget</b>	<b>\$ 1,471,195.80</b>
Combined City / HM & County Budget Received YTD - \$	325,721.35
Combined City HM & County Budget Pending - \$	1,145,474.50
Other Income CCFCA - \$	0.00
Other Income /Tax Refund (Sales & Fuel Tax) - \$	27,932.02
Assistance to Firefighters Grant (AFG) Funds - \$	0.00

**Total Board Funds YTD received 15/16 to date all Sources \$ 353,653.37**

1. Treasurer Gary Turlington advised that because he came straight from work to the meeting he was not able to pick up the August and September financial records and reports. He stated that he will have them all next month during our December meeting.



2. Vice Chairman Townsend informed the members of the board that \$55,000.00 dollars was moved from our general board account into our Certificate of Deposit with North State Bank, which is also known as our rainy day fund. This transaction was approved by the board during our June 21, 2016 meeting and is in line with our goal to achieve a 20% rainy day fund based on our annual budget. We are currently at 14.5% with the latest deposit.
3. **Auxiliary Account** - Treasurer Tracie Johnson via e-mail provided the Auxiliary treasurer's fund balance as of today at \$ **326,113.00**, with additional deposits pending from the October 31, 2016 Halloween night Trail of Terror ticket and concession sales.
4. **Miscellaneous FF Account** - The Chief stated that there is no change to our current fund balance of \$ **5,797.72** with a deposit pending.
5. **Relief Fund** – There is no change to the Relief Fund and the current Relief Fund balance with North State Bank remains at \$ **61,642.45**. Relief Fund Treasurer Townsend advised that the 2016 relief fund disbursement was deposited into our relief fund account by the state.

Vice Chairman Townsend, who is also the Treasurer of the Department's relief fund announced that the re-imburement into our board account for payment of the annual pension fund for our members has been approved, and therefore our general board account will be reimbursed in the amount of \$3,240.00 from the Relief Fund. (See Enclosure # 3)

Vice Chairman Townsend also advised the board members that we requested to the North Carolina State Firefighters (NCSFA) permission to make a one (1) time payment to Engineer David Stewart, whose family truck was lost during the flood associated with Hurricane Matthew. This caused a tremendous hardship on Engineer Stewart and the local Relief Board voted to authorize a \$1,000.00 payment from the relief fund to Engineer Stewart providing it is approved by the state. Chief Johnson stated that although the state applies very stringent rules for payments associated with hardship, this was approved by the NCSFA and he passed around an e-mail from the NCSFA outlining approval.

6. **Child Passenger Safety Seat Account** – The current CPSS fund balance with Wells Fargo is \$ **1,350.75**. This fund is exclusively for CPS equipment and is maintained by donations.

#### **REPORT OF COMMITTEES:**

- |    |   |           |
|----|---|-----------|
| 1. | Policy Committee -                          | No Report |
| 2. | Building & Grounds Committee -              | No Report |
| 3. | Small Tools & Gear Committee -              | No Report |
| 2. | Equipment & Vehicle Replacement Committee - | No Report |
| 5. | Budget Committee -                          | No Report |





## **G. OLD BUSINESS:**

1. The Chief updated the members of the board on the CCFCA Freedom Application issue. All the tablets are in and stored pending the OSSI Freedom Application purchase. He stated that he had hoped that the new program would be deployed in November, but he learned during the last CCFCA meeting that approval is still pending by the Cumberland County Board of Commissioners. Because of Hurricane Matthew the BOC meeting was cancelled and the item has been placed on the agenda for the first meeting in November. According to OSSI, the vendor for the Freedom Application it will take approximately 8 weeks to implement the program once the approved purchase order is received from Cumberland County, pushing the implementation date possibly into next year.
2. Chief Johnson informed the members of the board that work and preparation is on-going for our accreditation site review. All our FESAM files have been completed and submitted to our Peer Team Leader.
3. Chief Johnson passed around a letter from Glatfelter Claims Management, Inc. (VFIS) concerning the subrogation of our accident involving our 2002 Chevrolet Silverado. Partial reimbursement for damages incurred in the accident have been recouped.
4. Vice Chairman Townsend brought up to Chief Johnson that during the September meeting there was discussion by the board to start tracking all our accidents and the associated costs, and he did not see the mention thereof in our September meeting minutes. Chief Johnson stated he was correct and that the omission in the minutes was an oversight and that he already briefed his staff on the new criterion. He stated that the information is available, whereas we investigate all our accidents and take appropriate corrective action. Our Department Safety Officer is responsible for all accident investigations and rendering a report with recommendations. He also stated that we can certainly go back and produce funds expanded on accidents.

## **H. NEW BUSINESS:**

1. Chief Johnson briefed the members of the Board concerning a request he received from the Cumberland County Board of Elections requesting to use Station 19 as a polling site for the November 8, 2016 National Election. The Cotton Fire Department previously served as the polling site for the precinct, however the department was flooded during Hurricane Matthew and the building has since been rendered unsafe by the building inspectors. He granted permission to use Station 19 for a polling site on November 8, 2016. Voting will take place in our meeting room and will commence at 0630 AM and remain open until 7 PM.
2. Chief Johnson advised the board members that persons unknown in Washington County Tennessee fraudulently wrote several checks on our Child Passenger Seat account with Wells Fargo Bank. The Child Passenger Seat account is maintained through donations and all funds are re-invested into child safety seat needs. Our department is a certified Child Safety Seat installment station. No funds were lost, whereas the bank caught the attempt when the checks were being requested to be cashed. A suspect has been identified and the Washington County Sheriff's Office is working the case. (See Enclosure # 4)



3. Chief Johnson updated the membership on our on-going automation process and passed around the latest update e-mail from our Information Technology representative Firefighter Frederickson. He also informed the members in order to maintain our automation requirements here at Station 19 we updated our internet support with Time Warner Cable. This was required due to our new camera security system and the update will allow us to monitor our cameras via the internet.
4. The Chief passed around our VFIS Insurance Policy renewal invoice, from Lamarr Johnson and Associates. Lamarr is our local representative. Our Commercial Package Policy is \$15,058.00 and our Commercial Auto Policy is \$15,987.00 for a total of \$ 31,045.00. Our policy period runs annually from December 01, 2016 through December 01, 2017. (See Enclosure #5) Premiums are due before the effective date of the coverage.
5. Chief Johnson passed around a Fayetteville Child Care Center (FCCC) thank you note. Chief Johnson stated that we send our Fire Life Safety Educator and a truck to the center to conduct fire prevention with the children and staff during fire prevention week. We also participated in our local schools and several civic organizations. Hurricane Matthew response and recovery caused us to cancel several scheduled events, with the Cumberland County Fire Safety coming up this Saturday at the Cross Creek Mall. He stated that our department takes advantage of every opportunity to spread our fire prevention message to the public very seriously, and we generally deliver on all requests. (See Enclosure # 6)
6. Chief Johnson briefed the board on our Hurricane Matthew coordination and associated responses. He showed the members of the board an official letter of complaint addressed to Cumberland Emergency Services Director Randy Beeman, dealing with pre-hurricane Matthew preparation efforts, whereas the Cumberland County Volunteer Fire Departments were left out of the entire process until after the letter was delivered on Friday October 7, to Mr. Beeman and the County Managers Office. It was then that a series of conference calls were initiated between Emergency Services and all the Cumberland County VFD's. Chief Johnson stated that he received a positive call from County Manager Amy Cannon, and considers the matter handled. He also advised that during Hurricane Matthew all the Cumberland County Fire Departments served as Points of Distribution (PODs) for water distribution and both Station 13 and 19 provided FEMA water to our local residents in need.
7. Chief Johnson passed around a newspaper article dealing with fatigue over the Hurricane Matthew response time. The article outlines members from our department and was printed on Thursday October 13, 2016.
8. Vice Chairman Townsend reviewed SOG 4A-002 Bid Process and stated that we should include language concerning state contract pricing and purchasing, with Chief Johnson stating that Piggyback Purchases address this issue. He stated that we do in fact participate in piggyback purchases and seek out North Carolina State Contract pricing on a regular basis to save money.
9. The Chief informed the members of the board that our Station 13 Conference Room chairs, require replacing the chairs are about 20 years old and completely worn out. We will replace them and the radio room chairs all at the same time. The chairs are 300 Lbs. compatible, black in color and will bear our Stoney Point Fire Department Patch. The chairs for the conference room will also have arm rests, whereas



the chairs slated for the radio rooms will have the arm rests omitted. Each chair will run \$ 219.00 each and we will be ordering 13 chairs. A discussion followed on the damaged chair in the Station 19 Board Room. Chief Johnson stated that he will review video footage to see what happened to the chair.

10. Chief Johnson advised the board members that on Monday November 28, it is our turn to host the Cumberland County Fire Chiefs Association monthly meeting. The dinner meeting starts at 7 PM and will be conducted here at Station 19. He invited the members of the board to come out and participate.
11. Lastly Chief Johnson announced that our annual family Christmas and Awards dinner is coming up on Sunday December 11, 2016 at 1 PM here at Station 13. Please put this on your calendars and join us for the special event. He stated that Chairman Brown this year celebrated his 50<sup>th</sup> membership anniversary with our department and he wants to recognize that tremendous achievement of longevity.

**I: CLOSED SESSION - WHEN APPLICABLE**

N/A

**I: ADJOURNMENT**

Vice Chairman Larry Townsend entertained a motion to adjourn. A **MOTION** was made by Director Joe Siles to adjourn. The motion was **SECONDED** by Director Jerry Hall and **APPROVED** by all members present. The meeting adjourned at 2100 hours. **The next Board of Directors meeting is scheduled for Tuesday December 20, 2016 at Station # 13 @ 7:30 PM.**

Respectfully Submitted:

*Angus R. Pate*

ANGUS R. PATE  
Secretary

**Cc.**

- 1 - Each Board Member
- 1 - Board File / Minutes Book / Web Page
- 1 - Accountant File Copy

**10 Enclosures:**

1. SPFD Board of Directors Attendance Roster November 2, 2016
2. Fayetteville Publishing Company – Notice of Proposed Tax Exempt Loan – Add
3. NC State Firefighters Association – Certification by the CEO – Relief Fund
4. Washington County Sheriff's Office – Incident # 16-43614
5. SPFD VFIS Insurance Invoice Commercial Package Policy
6. Thank You Note – Fayetteville Child Care Center
7. November 2, 2016 - Public Hearing Sign in Sheet –
8. CERTIFIED COPY OF CORPORATE RESOLUTION TO AUTHORIZE TAX EXEMPT LOAN TO VOLUNTEER FIRE DEPARTMENT FOR PURCHASE OF FIRE TRUCK(S) NC VFD2A
9. NC VFD 11B a NON-ARBITRAGE CERTIFICATE FOR VOLUNTEER FIRE DEPARTMENTS (LOAN FOR PURCHASING A FIRE TRUCK)
10. NC VFD 10 TAX-EXEMPT AGREEMENT FOR VOLUNTEER FIRE DEPARTMENTS.



## 2016

### BOARD OF DIRECTORS ATTENDANCE ROSTER

##	NAME	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
		(19) Sta. 13	(16) Sta. 19	(15) Sta. 13	(19) Sta. 19	(17) Sta. 13	(21) Sta. 19	(19) Sta. 13	(16) Sta. 19	(20) Sta. 13	(18) Sta. 19	(02) Sta. 13	(20) Sta. 19
01	Daniel C. Brown - President(2020)	P	P	P	P	P	P	N/A	N/A	P	N/A	X-E	
02	Larry Townsend V-President (2018)	P	P	P	P	P	P	N/A	N/A	P	N/A	P	
03	Alan R. Grupy - Treasurer (2020)	X-E	X-E	X-E	X-E	X-E	X-E	N/A	N/A	*N/A	*N/A	*N/A	*N/A
04	Angus Pate - Secretary (2020)	P	P	P	P	P	P	N/A	N/A	P	N/A	P	
05	Joel Siles – (2018)	P	P	X-E	P	P	P	N/A	N/A	P	N/A	P	
07	Jerry Hall – (2018)	P	P	P	P	P	P	N/A	N/A	P	N/A	P	
08	Gary Turlington(2018)	P	P	P	X-E	X-E	P	N/A	N/A	X-E	N/A	P	
09	Freddy Johnson Sr. - Chief (Annually)	P	P	P	P	P	P	N/A	N/A	P	N/A	P	
10	Freddy Johnson Jr. - Deputy Chief	P	P	P	P	P	P	N/A	N/A	P	N/A	X-E	
11	Matthew W. Williams - Asst Chief	X	X	X	X	X	X-E	N/A	Retired	Retired	Retired	Retired	Retired
12	Sean Johnson – Asst Chief	X-E	N/A	X-E	X-E	P	X-E	N/A	N/A	N/A	N/A	X-E	X-E
13	Kevin T. Murphy – Asst. Chief	X-E	N/A	X-E	X-E	X-E	X-E	N/A	N/A	N/A	N/A	X-E	X-E

**P-Present - A-Absent - N/A – No Meeting Conducted A-E – Absent & not required to attend by invitation only. N/A No Meeting-P-T telephonic participation.**

- Due to summer vacations Board of Directors meetings are not scheduled for the months of **July** and **August** unless there is a pressing need or emergency.
- **\*N/A** = Board Treasurer Al. Grupy passed away during the summer break after long battle with cancer. A replacement will be appointed by the Board at a future meeting.
- Due to Hurricane Matthew the **October 18, 2016** meeting was canceled due to on-going recovery efforts within the department.
- A special public hearing meeting was conducted on Wednesday November 2, 2016 which will also serve as the monthly November meeting.

## Enclosure # 1 Board Minutes November 2, 2016

# AFFIDAVIT OF PUBLICATION

NORTH CAROLINA  
Cumberland County

## NOTICE OF PROPOSED TAX EXEMPT LOAN (TO VOLUNTEER FIRE DEPARTMENT)

TO ALL MEMBERS OF THE GENERAL PUBLIC WHO RESIDE WITHIN THE FIRE DISTRICT OF THE STONEY POINT FIRE DEPARTMENT ("VFD") A public hearing will be held on November 2, 2016, at 7:30 o'clock pm at Stoney Point VFD Station 19, located at 2190 Lake Upchurch Road, Parkton, North Carolina, 28371, North Carolina for the purpose of approving a proposed tax-exempt loan by First-Citizens Bank & Trust Company to the VFD. At this meeting, you may submit written comments or participate orally. All members of the public are invited to attend. In connection with this public meeting, please note the following:

### 1. PURPOSE OF LOAN (check applicable purpose)

- (a)  For the construction of a fire station for the VFD, including the purchase of land upon which the fire department will be built
- (b)  The purchase of a fire truck or fire trucks

### 2. AMOUNT OF LOAN

The maximum principal amount of the loan is \$1,400,000.00

The VFD will own and operate the station or fire trucks to be financed at the VFD's address which is:

2190 Lake Upchurch Drive  
Parkton, North Carolina 28371

Before the undersigned, a Notary Public of said County and state, duly commissioned and authorized to administer oaths, affirmations, etc., personally appeared. CINDY O. MCNAIR

Who, being duly sworn or affirmed, according to law, doth depose and say that he/she is a LEGAL SECRETARY of DB North Carolina Holdings, Inc., a corporation organized and doing business under the Laws of the State of Delaware, and publishing a newspaper known as the FAYETTEVILLE OBSERVER, in the City of Fayetteville, County and State aforesaid, and that as such he/she makes this affidavit; that he/she is familiar with the books, files and business of said Corporation and by reference to the files of said publication the attached advertisement of CL Line NOTICE OF PROPOSED TAX EXEMPT LOAN TO VOLUNTEER FIRE DEPARTMENT TO ALL MEMBERS OF THE GENERAL PUBLIC WHO RESIDE WITHIN THE FIRE DISTRICT OF THE STONEY POINT OF STONEY POINT FIRE DEPT

was inserted in the aforesaid newspaper in space, and on dates as follows:

10/19/2016, 10/26/2016

and at the time of such publication The Fayetteville Observer was a newspaper meeting all the requirements and qualifications prescribed by Sec. No. 1-597 G.S. of N.C.

The above is correctly copied from the books and files of the aforesaid corporation and publication.

*Cindy O. McNair*

LEGAL SECRETARY

Title

Cumberland County, North Carolina

Sworn or affirmed to, and subscribed before me, this 8 day of November, A.D., 2016.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal, the day and year aforesaid.

*Pamela H. Walters*

Pamela H. Walters, Notary Public

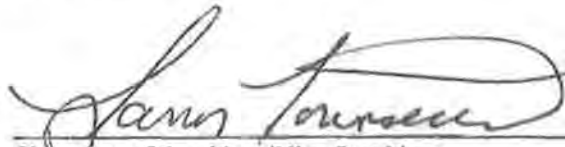
My commission expires 5th day of December, 2020.

MAIL TO: STONEY POINT FIRE DEPT  
7221 STONEY POINT RD  
FAYETTEVILLE, NC 28306

0004809000

**CERTIFICATE OF PUBLIC HEARING**

I, the ~~President~~ Vice President of the Stoney Point Fire Department Inc.  
[name of the Volunteer Fire Department] (the "VFD"), hereby certify to First-Citizens Bank & Trust  
Company that I, acting on behalf of the VFD, caused public notice to be published in at least one  
newspaper of general circulation available to residents within the jurisdiction of the VFD (attached hereto  
is the original **Affidavit of Publication** from the newspaper evidencing such notice); that the  
aforementioned public notice was published once a week for two successive calendar weeks (on the same  
weekday of each of the two weeks), with the first publication date at least fourteen days, but not more  
than thirty days, before the date of the public hearing; that the aforementioned public notice invited  
interested members of the general public to express their views, orally and in writing, regarding a  
proposed tax-exempt loan from First-Citizens Bank & Trust Company to the VFD; that I conducted said  
public meeting on the day, place and time as provided in the published notice; and that I provided a  
summary of any comments received from the general public at the public hearing regarding the proposed  
loan to the person(s) actually approving the loan prior to such approval.



Signature of President/Vice President

Larry D. Townsend

Print or Type Name

NC VFD14

**TRANSMITTAL LETTER FOR  
NOTICE OF PROPOSED TAX-EXEMPT  
FINANCING FOR VOLUNTEER FIRE DEPARTMENT**

October 17, 2017

Fayetteville Observer  
458 Whitfield St.  
Fayetteville, NC 28302

RE: Notice of Public Hearing

Ladies and Gentlemen:

Please publish the enclosed Notice of Proposed Tax-Exempt Loan to Stoney Point Fire Department Inc.  
\_\_\_\_\_ [name of the Volunteer Fire Department]  
once a week for two successive calendar weeks (on the same week day of each of the two weeks), with the first publication date to be at least 14 days, but not more than 30 days, before the date of the public hearing in the enclosed Notice.

Please send the billing statement for this service directly to the undersigned together with the Affidavit of Publication. If it is necessary to make payment before the Affidavit can be issued, please notify me immediately.

Yours very truly,

Stoney Point Volunteer Fire Department  
By:   
Signature

Print Name: Freddy L. Johnson Sr. Fire Chief

VFD Address: 2190 Lake Upchurch Drive

Parkton, North Carolina 28371

**CERTIFICATION BY THE EXECUTIVE DIRECTOR  
NORTH CAROLINA STATE FIREMEN'S ASSOCIATION  
FOR USE OF FIREMEN'S LOCAL RELIEF FUNDS PURSUANT TO  
G. S. 58-84-35 SUBSECTIONS (2.1), (4), (5) AND/OR (6)**

The undersigned Executive Director of the North Carolina State Firemen's Association having received and reviewed the application of the Trustees of the Firemen's Relief Fund for

**Stoney Point Fire Department**

for certification to use Local Relief Funds pursuant to G. S. 58-84-35 subsections (2.1), (4), (5) and/or (6), finds:

A. The balance in the Local Relief Fund of

**Stoney Point Fire Department**

exceeds the balance required pursuant to the standards established by the Executive Board of the North Carolina State Firemen's Association; and

B. The proposed use is authorized by North Carolina G. S. 58-84-35 subsections (2.1), (4), (5) and/or (6).

It is certified that the Local Relief Fund for

**Stoney Point Fire Department**

is actuarially sound, and the Trustees may use a portion of the amount in said Local Relief Fund above the required minimum as follows:

**On September 27, 2016, a request was received from Larry Townsend, Relief Fund Treasurer for the Stoney Point Fire Department, to support a one-time disbursement of \$3,240.00 to assist with the department's cost of the Fire Rescue Pension Fund monthly membership fee for the department's members. This request is approved. Please submit a copy of the relief fund check(s) or a cashier's check(s) with the relief fund Chairman and Treasurer signatures affixed to the NCSFA once the funds are disbursed. A copy of the request and this approval document remains on file in the office of the NCSFA.**

This the 28<sup>th</sup> day of September, 2016



Tim Bradley

Executive Director

North Carolina State Firemen's Association





**WASHINGTON COUNTY SHERIFF'S OFFICE**  
**ED GRAYBEAL, SHERIFF**

MAILING ADDRESS:  
P.O. BOX 1217 • JOHNSON CITY, TN 37605-1217

PHYSICAL ADDRESS:  
114 W. JACKSON BOULEVARD • JONESBOROUGH, TN 37659

WWW.WCSO.NET

October 28, 2016

Stoney Point FD  
7221 Stoney Point Rd  
Fayetteville, NC 28306

Dear ,

Please find enclosed a Sheriff's Office report on your fraud of October 27th. We hope the information will be useful as a record for insurance purposes or otherwise reporting your loss.

This service is provided to you in our continuing effort to render as much assistance as possible. If we can help you in any other way, please don't hesitate to call on us.

Sincerely,

A handwritten signature in black ink that reads 'Ed Graybeal'.

Ed Graybeal, Sheriff

EG/sr

**Enclosure # 4**  
**SPFD Board Minutes 11-02-2016**

ADMINISTRATION  
(423) 788-1414  
FACSIMILE: (423) 788-1518



DETENTION CENTER  
(423) 753-1701  
FACSIMILE: (423) 753-5011

FIRST NATIONALLY ACCREDITED SHERIFF'S OFFICE IN TENNESSEE

# Washington County Sheriff's Office

Incident # 16-43614

Location: 125 Coxes Springs Rd Fall Branch, TN 37656	District: Zone 1
Reported: 10/27/2016 11:29	Occurred: 10/27/2016 11:00 - 11:00
Officer(s): Reporting: Michael Gardner II (399), Car # 175	Submitted: 10/27/2016 12:56

**Offenses (1)**

**26A False Pretense/Swindle/Confidence Game**

Gang Activity: None/Unknown      Bias Motivation: None  
 Drug Related: No      Status: Completed

**Complainant**

**Overbay, Carmen** (complainant is victim)

**Victims (2)**

**Overbay, Carmen**

Sex: Female      Race: White  
 DOB/Age Range: 43      Drivers License: Unknown  
 Address: Street Address Redacted  
 Fall Branch, TN, 37656-2119  
 Height: 5'05"      Weight: 170 lbs  
 Hair Color: Brown      Eye Color: Brown

**Stoney Point FD**

Address: Street Address Redacted  
 Fayetteville, NC, 28306

**Properties (1)**

**Fraud check**

Brand/Make: Wells Fargo      Model: N/A  
 Property Type: Negotiable Instrument      Status: Stolen & Recovered  
 Value: \$1.00      Evidence #:  
 Related to: 26A False      Description: Check with correct information, fake  
 Pretense/Swindle/Confidence Game      check

**Narrative/Case Notes (1)**

On 10/27/2016 at 11:00 hours, Investigator Michael Gardner II (399) responded to a False Pretense/Swindle/Confidence Game at the Washington County Sheriff's Office which occurred at 125 Coxes Springs Rd. The victim #1 received a check through the mail in reference to selling her truck on Craigslist. When she received the check, she contacted the information which was printed on the face of the check. The victim #2 stated that the information and checking information was correct but never used or allowed any other individuals to use the account. The victim #1 brought all items to the Washington County Sheriff's Office. This Investigator did speak with victim #2 and they advised that the account information was for a "child safety seat account" only.

# Lamarr Johnson & Associates Inc

223 Cool Spring Street ♦ P.O. Box 489 ♦ Fayetteville, NC 28302-0489  
910 - 484 - 1750



Lamarr Johnson  
President

ACCOUNT NO.    DATE

10-26-16

Stoney Point Fire Department, Inc.  
7221 Stoney Point Road  
Fayetteville NC 28306

All premiums payable  
on or before effective  
date of coverage.

INSURED  
NAME

\$ \_\_\_\_\_  
PAYMENT ENCLOSED

Effective Date	Company	Policy No.	Property Insured	Premium
12-01-16 - 12-01-17	VFIS		Commercial Package Policy Commercial Auto Policy	15,058.00 15,987.00 <hr/> 31,045.00

COMMENTS:  
Thank you.

If this coverage is no longer wanted or needed, please return  
the policy immediately for cancellation.  
THANK YOU FOR YOUR BUSINESS!



Fire Department

10/24/16

We just want to take the time out to Thank you for showing the kids a great time at our Summer Social. We really appreciate the time you'all took out of your busy schedule to enjoy the day with us. Hopefully we will see you all next year.

FCCC Family

# STONEY POINT FIRE DEPARTMENT INC.

November 2, 2016 - Public Hearing Sign in Sheet

##	PRINT NAME	SIGNATURE	ADDRESS
01	Mike Long		2706 Longfork Rd Fayetteville NC 28306
02			
03			
04			
05			
06			
07			
08			
09			
10			

**CERTIFIED COPY OF CORPORATE RESOLUTIONS TO AUTHORIZE  
TAX-EXEMPT LOAN TO VOLUNTEER FIRE DEPARTMENT  
TO PURCHASE A FIRE TRUCK(S)**

Stoney Point Fire Department Inc.  
\_\_\_\_\_  
(Name of Volunteer Fire Department)

I, the undersigned, do certify to First-Citizens Bank & Trust Company (the "Bank"):

- (i) that I am the Secretary/Assistant Secretary of the above-named Volunteer Fire Department (the "VFD"),
- (ii) that the VFD is a nonprofit corporation duly organized and existing under the laws of the State of North Carolina that has been approved by the Internal Revenue Service as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"),
- (iii) that Daniel C. Brown is the President/~~Vice President~~ of the VFD,
- (iv) that the following is a true copy of the resolutions duly adopted by the Board of Directors of the VFD effective on the 2nd day of November, 2016,
- (v) that the following resolutions were adopted (check and initial one of the following)
  - af at a duly authorized and held meeting of the Board of Directors at which a quorum was present and proper notice was given, OR
  - \_\_\_\_\_ by unanimous written consent, and
- (vi) that such resolutions have not been rescinded or modified and such resolutions are still in full force and effect:

WHEREAS, the Board of Directors of the VFD has determined that it is in the best interests of the VFD to borrow money from Bank to purchase a fire truck(s); and,

WHEREAS, in order to induce Bank to make said loan, the VFD is willing to grant to Bank a security interest in said fire truck(s) or such other property as may be satisfactory to Bank; and,

WHEREAS, Bank is willing to make said loan to the VFD; and,

WHEREAS, both Bank and the VFD intend that the interest to be received by Bank be considered tax-exempt interest pursuant to Section 103 of the Code.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the VFD is authorized to borrow from Bank the sum of \$ 1,400,000.00 to be used for the purchase of a fire truck(s); and,

RESOLVED FURTHER, that the VFD is authorized in connection with such loan to grant to Bank a security interest in said fire truck(s) or other property; and,

RESOLVED FURTHER, that the President/Vice President of the VFD, in conjunction with the Secretary/Assistant Secretary, as appropriate, are authorized to execute notes, security agreements and other documentation required by Bank on behalf of the VFD in connection with said loan, including without limitation, a Registered Promissory Note, a Security Agreement, the Internal Revenue Service Form 8038-G or 8038-GC, a Tax-Exempt Agreement, a Non-Arbitrage Certificate and a Certificate of Public Hearing; and,

RESOLVED FURTHER, that the Secretary/Assistant Secretary of the VFD be, and hereby is, authorized to certify to Bank the foregoing resolutions and that the provisions thereof are in conformity with the Articles of Incorporation and bylaws of the VFD and that there is no provision in the Articles of Incorporation or bylaws of the VFD limiting the power of the Board of Directors on behalf of the VFD to borrow the aforementioned sum from Bank and to give the aforementioned security therefor; and,

RESOLVED FURTHER, that the Secretary/Assistant Secretary of the VFD be, and hereby is, authorized to certify to Bank that Daniel C. Brown is President/~~Vice President~~ of the VFD; and,

RESOLVED FURTHER, that the appropriate officers of the VFD be, and hereby are, authorized to take all other steps necessary and desirable in connection with effecting the transactions contemplated by these resolutions.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said VFD, this the 2nd day of November, 2016.

  
\_\_\_\_\_  
ANGUS PATE Secretary



**NOTE: THIS DOCUMENT DOES NOT HAVE TO BE COMPLETED IF THE PRINCIPAL AMOUNT OF THE LOAN DOES NOT EXCEED \$1,000,000.00.**

**NON-ARBITRAGE CERTIFICATE  
FOR VOLUNTEER FIRE DEPARTMENTS  
(LOAN FOR PURCHASING A FIRE TRUCK)**

First-Citizens Bank & Trust Company ("Bank") is making a loan to the Stoney Point  
Fire Department Inc. [name of Volunteer Fire Department] ("VFD")  
for the purchase of a fire truck or fire trucks, and in connection therewith, the undersigned officer of VFD  
hereby certifies to Bank the following:

1. The total principal amount of Bank's loan to VFD is 1,400,000.00  
( \$ ) (the "Loan").
2. As of the date of the Loan, VFD does not expect that any portion of the proceeds of the Loan will be used directly or indirectly (i) to acquire "higher yielding investments," which means to acquire any investment property that produces interest (or other income) over the term of the Loan that is higher than the interest paid on the Loan or (ii) to replace funds that were used directly or indirectly to acquire "higher yielding investments." Further, at no time in which the Loan is outstanding shall VFD intentionally use, directly or indirectly, any portion of the proceeds of the Loan (i) to acquire "higher yielding investments" or (ii) to replace funds that were used directly or indirectly to acquire "higher yielding investments."
3. VFD has entered into a binding commitment to purchase a fire truck or fire trucks. Such fire truck or fire trucks will be placed in service on or before April 30, 2018. All of the principal from the Loan shall be used for the purchase of the fire truck(s), and it is reasonably anticipated that all such amounts shall be expended therefor within 18 months from the date of the Loan; however and in all events, as of the date of the Loan, VFD reasonably expects and anticipates that 100% of the proceeds of the Loan will be expended for the purchase of a fire truck or fire trucks within the three (3) year period beginning on the date of the Loan and VFD represents and warrants that none of the Loan proceeds are or will be invested in any investment property.
4. There are no funds to be accumulated or held which are pledged as security for, or will be used to pay, the Loan.
5. The undersigned certifies that he is President of VFD and as such is one of the officers of VFD charged by the Board of Directors of VFD with the responsibility of applying for and undertaking the Loan on behalf of VFD. To the best of the knowledge and belief of the undersigned certifying officer, the expectations of VFD as stated herein are reasonable.



6. This Certificate is executed and delivered on behalf of VFD pursuant to Section 1.148-2(b)(2) of the Income Tax Regulations under Section 148 of the Internal Revenue Code of 1986, as amended.

*Daniel C. Brown*  
Signature of Officer

DANIEL C. BROWN  
Name of Officer

President  
Title of Officer

November 2, 2016  
Date

**TAX-EXEMPT AGREEMENT FOR VOLUNTEER FIRE DEPARTMENTS**

THIS TAX-EXEMPT AGREEMENT (the "Agreement"), made and entered into as of the 2nd day of November, 2016, by and between Stoney Point Fire Department Inc. [name of Volunteer Fire Department] ("VFD"); and FIRST-CITIZENS BANK & TRUST COMPANY ("Bank");

**WITNESSETH:**

WHEREAS, VFD has requested that Bank make a loan to VFD in the original principal amount of (\$ 1,400,000.00) (hereinafter called the "Loan"); and,

WHEREAS, VFD has requested that Bank grant to VFD an interest rate on the Loan of 1,400,000.00 percent ( 2.45 %) (hereinafter called the "Interest Rate"); and,

WHEREAS, the Interest Rate that Bank has offered to VFD is conditioned upon:

- (i) the interest to be paid to Bank by VFD pursuant to the Loan being tax-exempt pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and
- (ii) the present federal and state income tax rates applicable to the taxable income of Bank, and
- (iii) the Loan being a "qualified tax-exempt obligation" as defined in Section 265(b)(3) of the Code; and,

WHEREAS, in order to induce Bank to make the Loan to VFD using the Interest Rate, Bank requires that VFD make certain representations and warranties to Bank in connection with the Loan.

NOW, THEREFORE, for and in consideration of these premises and other good and valuable considerations given by Bank to VFD, the receipt and sufficiency of which are hereby acknowledged, the parties hereto mutually agree as follows:

1. Subject to the provisions of this Agreement, the Loan to VFD by Bank shall accrue interest at the Interest Rate.
2. VFD hereby warrants and certifies to Bank the following:
  - A. It is a nonprofit corporation incorporated under Chapter 55A of the North Carolina General Statutes, is in good standing under the laws of the State of North Carolina, and has been approved as a tax-exempt organization under Section 501(c)(3) of the Code, and
  - B. One Hundred percent (100%) of the principal amount of the Loan shall be used for the acquisition, construction, reconstruction or improvement of a fire house (including, if applicable, land that is functionally related to the fire house) and/or a fire truck or fire trucks and the VFD reasonably expects and anticipates that 100% of the proceeds of the Loan will be expended for such purposes within the three (3) year period beginning on the date of the Loan, and

- C. VFD has entered into a binding commitment to purchase a fire truck or fire trucks and/or to acquire, construct or improve a fire house, and
  - D. VFD is required by written agreement to furnish fire fighting services to a city or county in North Carolina and if more than one city or county is served, VFD has a written agreement with each such city or county, and
  - E. VFD is the sole provider of fire fighting services to the area it serves, excluding irregular, emergency fire fighting services provided to the same area by other fire departments and excluding irregular, emergency services provided by VFD to areas outside its jurisdiction, and
  - F. There are no prohibitions or restrictions in VFD's Articles of Incorporation or bylaws that adversely affect the Loan and all necessary and desirable authorizations and actions have been undertaken by VFD to approve the Loan and any and all documents to be executed by VFD in connection therewith, and
  - G. VFD does not expect that any portion of the proceeds of the Loan will be used directly or indirectly (i) to acquire "higher yielding investments," which means to acquire any investment property that produces interest (or other income) over the term of the Loan that is any higher than the interest paid on the Loan or (ii) to replace funds that were used directly or indirectly to acquire "higher yielding investments." Further, at no time in which the Loan is outstanding shall VFD intentionally use, directly or indirectly, any portion of the proceeds of the Loan (i) to acquire "higher yielding investments" or (ii) to replace funds that were used directly or indirectly to acquire "higher yielding investment," and
  - H. There are no funds to be accumulated or held which are pledged as security for, or will be used to pay, the Loan.
3. If the Internal Revenue Service ("IRS"), counsel knowledgeable with respect to such matters and reasonably acceptable to VFD and Bank (engaged by either VFD or Bank to render an opinion thereon), or any court of competent jurisdiction shall determine that the interest on the Loan is includable in the gross income of the Bank for federal income tax purposes, then (i) the Interest Rate payable on the Loan, upon such determination, shall increase automatically to the Prime Rate of Bank, as said Prime Rate fluctuates from time to time plus \_\_\_\_\_% per annum, and (ii) VFD shall pay directly, or alternatively, shall indemnify Bank from if Bank pays directly, any and all costs, damage, interest, penalties, and any related costs, including attorneys' fees, payable or paid to the IRS, the state of North Carolina, any other taxing authority, or any other person or entity, relating to, or arising out of, the determination that the interest on the Loan is taxable. This adjustment in the Interest Rate on the Loan shall be effective retroactively to the original date of the Loan or, if such is the case, for such other period for which the Bank is required for federal income tax purposes to include such interest in its gross income. Any additional interest or any other payment due to Bank or other person or entity as a result of an interest increase shall be paid to Bank or such other person or entity within thirty (30) days following demand from Bank therefor, notwithstanding the fact that the Loan may have been repaid, in whole or in part, or may have reached the final maturity thereof.
4. VFD shall rebate to the United States an amount equal to the excess of any amount earned on any investment property acquired with the proceeds of the Loan over the amount that would have been earned if such investment property was inv

on the Loan. This rebate amount, if any, shall include any income attributable to the excess amount calculated by application of the first sentence of this paragraph, and the rebate amount, if any, shall be paid to the United States pursuant to the requirements in Section 148(f)(3) of the Code.

5. If at any time after the date of the Loan, there is any decrease in the combined marginal rate of federal and North Carolina income tax applicable to the taxable income of Bank ("Bank Tax Rate"), then the Interest Rate on the Loan shall be increased, effective as of the effective date of any such decrease in the Bank Tax Rate, by multiplying the Interest Rate on the Loan by a fraction, the numerator of which is one hundred percent (100%) minus the Bank Tax Rate in effect after such decrease in the Bank Tax Rate, and the denominator of which is one hundred percent (100%) minus the Bank Tax Rate in effect before such decrease in the Bank Tax Rate.
6. Pursuant to Section 265(b) of the Code, no deduction is allowed to Bank for Bank's interest expense that is allocable to tax-exempt interest unless the tax-exempt interest is from a "qualified tax-exempt obligation." For this purpose, VFD warrants and represents to Bank (i) that VFD reasonably anticipates the total amount of tax-exempt obligations to be undertaken by VFD within the calendar year in which the Loan is undertaken will not exceed Ten Million Dollars (\$10,000,000), (ii) VFD hereby designates the Loan as a "qualified tax-exempt obligation" within the meaning and for the purposes of Section 265(b)(3) of the Code and (iii) VFD has designated the Loan as a "qualified tax-exempt obligation" appropriately on the IRS Form 8038-G or 8038-GC, as appropriate. If at any time there is a Change in Deductibility (hereinafter defined), the Interest Rate payable hereunder shall increase to the rate which will provide to the Bank the effective yield which it would have received had there not been a Change in Deductibility. A "Change in Deductibility" means any determination by the IRS or any court of competent jurisdiction that the obligation of VFD hereunder is not a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code.
7. Pursuant to Section 149(b) of the Code, interest paid to Bank on the Loan is not tax-exempt if the Loan is federally guaranteed. For this purpose, VFD warrants and represents to Bank that at no time in which the Loan is outstanding shall VFD place any of the Loan proceeds in any account or deposit insured under federal law by the Federal Deposit Insurance Corporation, the National Credit Union Administration, or any similar federally chartered corporation.
8. Representations made by VFD herein shall survive the closing of the Loan and shall continue until any applicable statute of limitation expires on the last federal income tax return filed by Bank that contains, refers to, relates to or includes any item, amount or deduction related to the Loan.
9. Notwithstanding any provision herein to increase the Interest Rate on the Loan, in no event shall the Interest Rate plus any increase provided for herein exceed a total interest rate of (select one):

2.45 \_\_\_\_\_ percent ( \_\_\_\_\_ %) per annum, or

Bank's Prime Rate, as it fluctuates from time to time, plus \_\_\_\_\_ percent ( \_\_\_\_\_ %) per annum.

IN WITNESS THEREOF, VFD has caused this instrument to be executed in its corporate name by its President/Vice President, all by order of its Board of Directors duly given and Bank has caused this instrument to be properly executed, this the day and year first above written.

VFD:

Stoney Point Fire Department Inc.

\_\_\_\_\_  
[name of VFD]

By: *Daniel Brown*  
DANIEL BROWN, President

FIRST-CITIZENS BANK & TRUST COMPANY

By: \_\_\_\_\_  
\_\_\_\_\_  
President