

VOLUNTARY ANNEXATION AGREEMENT
CONCERNING ASSUMPTION OF DEBT OF RURAL FIRE PROTECTION DISTRICT

This agreement made this ____ day of _____, 2022, by and between the Town of Apex, hereinafter referred to as "**Town**" and North Chatham Volunteer Fire Department, a rural fire protection district under Article 3A of Chapter 69 of the General Statutes, hereinafter referred to as "**Department**".

WHEREAS, the Town Council of the Town of Apex has adopted an ordinance annexing those areas ("**Areas**") described on Exhibit A (attached hereto and incorporated herein by reference), into the corporate limits of the Town pursuant to a petition ("**Petition**") of the owners in accordance with the provisions of Article 6A, Part 2 of Chapter 160A of the General Statutes; and

WHEREAS, the Department, prior to annexation, provides or provided fire service in the Areas; and

WHEREAS, pursuant to N.C.G.S. Section 160A-31.1, if the Department meets certain conditions, beginning with the effective date of annexation, Town is required to pay annually a proportionate share of interest and principal payments due on debt for facilities or equipment that existed at the time of submission of the petition for annexation; and

WHEREAS, the Department has met its conditions precedent under the Statute, and the parties hereto desire to agree to a payment schedule.

NOW THEREFORE, in consideration of the premises, the parties hereto agree as follows:

1. The parties agree:
 - a) The petition for annexation of Areas was submitted to Town on the 1st day of January 2022 ("**Petition Date**").
 - b) The effective date for annexation of Areas is the 23rd day of March 2022 ("**Effective Date**").
2. The Department has made the following representations and warranties, upon which the Town has relied:
 - a) The assessed value of the entire fire district served by the Department as of January 1 of the calendar year of the Effective Date is:

\$6,488,950,000_____
("**Assessed value of Fire District**")

b) The assessed value of the Areas annexed as of the Effective Date is:

\$780,079_____
("Assessed value of Areas")

c) The percentage, calculated in accordance with N.C.G.S. Section 160A- 31.1, that the assessed value of Areas bears to the assessed value of District is:

____.012_____%

d) The total debt related to facilities and equipment ("**Debt**") of the Department as of the Petition Date is:

\$____8,201,280_____
with annual payment of:

\$____962,490_____

e) The promissory notes, security agreements, deeds of trust, and amortization schedules attached in this agreement are true copies of documents representing existing valid obligations pertaining to the Debt.

3. Town agrees to prepay that percentage set forth in 2-c above of the total Debt of Department. Such payment shall be made in one lump sum payment ("**Lump Sum Payment**") that shall be made by Town to Department within 90 days of receipt by Town of approval of this Agreement by the Local Government Commission. The amount of this payment is \$_985.93_____ in principle and \$18.24_____ in interest for a total of \$1,004.17_____.
4. Department agrees that the total Lump Sum Payment shall be applied in prepayment of Debt. Such prepayment shall be made within 90 days of receipt of Lump Sum Payment by Department.
5. The parties agree that this Agreement is conditioned upon written approval of Agreement by the Local Government Commission ("**LGC**"). Upon execution of this Agreement by both parties, Town shall submit a copy of the Agreement to the LGC for review and approval.
6. Verification of Work Authorization; Iran Divestment Act Certification. Department, and all subcontractors, shall comply with Article 2, Chapter 64, of the North Carolina General Statutes. Department hereby certifies that Department, and all subcontractors, are not on the Iran Final Divestment List created by the North Carolina State Treasurer pursuant to N.C.G.S. 147-86.58.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year written above.

TOWN OF APEX

By: _____
Catherine H. Crosby, Town Manager

ATTEST:

Julie Reid, Interim Town Clerk

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

By: _____
T. Vance Holloman, Apex Finance Director

Rural Fire Protection District

By: _____
(Signature)

(Print name)

Title: _____