

PROMISSORY NOTE

\$616,000.00

Virginia Beach, Virginia
November 14, 2024

FOR VALUE RECEIVED, Kempsville Volunteer Rescue Squad, Inc., ("Maker") promises to pay, without offset, to the order of the City of Virginia Beach, ("Noteholder") at Municipal Center, Virginia Beach, VA, or such other place as Noteholder may designate in writing, the principal sum of SIX HUNDRED SIXTEEN THOUSAND DOLLARS AND ZERO CENTS (\$616,000.00) together with interest thereon.

From the date of this Note, interest on the unpaid principal balance shall accrue at the rate of ZERO Percent (0%) per annum.

Payment on principal shall be as follows:

On or before November 15, 2030 - \$123,200.00
On or before November 15, 2031 - \$123,200.00
On or before November 15, 2032 - \$123,200.00
On or before November 15, 2033 - \$123,200.00
On or before November 15, 2034 - \$123,200.00

This note may be prepaid in whole or in part without penalty. Any such prepayments shall be applied to principal.

If the Noteholder has not received the full amount of the annual payment by the end of 15 calendar days after the date it is due, Maker will pay a late charge to the Noteholder. The amount of the charge will be 15% of any overdue payment of principal. Maker will pay this late charge promptly but only once on each late payment.


If Maker does not pay the full amount of each annual payment on the date it is due, Maker will be in default, and the entire principal amount hereof, together with all accrued interest and late charges, shall become immediately due and payable at the option of the Noteholder. Failure to exercise this option upon any default shall not constitute or be construed as a waiver of the right to exercise such option subsequently.

Presentment, demand, protest, notices of dishonor and of protest, and all defenses and pleas on the ground of any extension or extensions of the time for payment or of the due dates of this note, the release of any parties who are or may become liable hereon, in whole or in part, before or after maturity, with or without notice, are waived by the Maker and are jointly and severally waived by any endorsers, sureties, guarantors and assumers hereof. It is further agreed by each of the foregoing parties that they will pay all expenses incurred in collection this obligation, including reasonable attorney's fees, if this obligation or any part hereof is not paid when due.

Notwithstanding the preceding, this Promissory Note may be forgivable pursuant a repayment agreement between Maker and Noteholder.

WITNESS the following signature(s).

Kempsville Volunteer Rescue Squad


Title: PRESIDENT Date: 14 NOV 2024 (SEAL)

Agreement between the City of Virginia Beach and the Kempsville Volunteer Rescue Squad

THIS AGREEMENT is made and entered into this _____ day of _____, 2024, by and between the CITY OF VIRGINIA BEACH, VIRGINIA ("CITY") and the Kempsville Volunteer Rescue Squad, a Virginia non-stock corporation ("RESCUE SQUAD"), in accordance with the provisions of Code of Virginia §§ 27-15.2 and 27-23.6.

WHEREAS, the RESCUE SQUAD maintains equipment and personnel for emergency medical services within the City of Virginia Beach; and

WHEREAS, the RESCUE SQUAD desires to provide the CITY with qualified and certified volunteer personnel and equipment to provide emergency medical services, and

WHEREAS, the CITY hereto desires to support the volunteer emergency medical services in Virginia Beach provided by the RESCUE SQUAD; and

WHEREAS, the CITY and RESCUE SQUAD desire to implement a loan forgiveness program should an EMS billing program and a right-of-refusal for the CITY; and

be established,

WHEREAS, it is mutually deemed sound, desirable, practicable, and beneficial for the parties to enter into this agreement to render support and services to one another in accordance with these terms.

WITNESSETH

For and in consideration of the mutual promises and covenants set forth herein, and for other valuable consideration related to the acquisition of vehicles, the parties enter into the following agreement as defined below:

RESPONSIBILITIES OF THE CITY

A. Provide a no interest loan for the purchase of the vehicle(s). The CITY and RESCUE SQUAD desire for such loan to be paid over a period of years through the establishment of an EMS Billing Program. Provided the CITY does not establish an EMS Billing Program prior to July 1, 2030, all payments upon the loan and NOTE shall be discharged and forgiven by the CITY.

B. Provide standardized equipment required for operations within the City including, but not limited to mobile communications devices and biomedical equipment.

C. Provide or pay for insurance for damage to ambulances with a \$50,000 deductible and provide or pay for liability insurance for ambulances, emergency service and support vehicles owned by the RESCUE SQUAD.

D. Provide fuel for the vehicle.

E. Provide all vehicle maintenance and inspection services, including payment of the annual maintenance fee, in support of the vehicle(s) through the CITY's Division of Automotive Services, so long as the vehicle(s) remain CITY-insured. The Division of Automotive Services shall maintain maintenance records and allow the RESCUE SQUAD's officers access to those records.

RESPONSIBILITIES OF THE RESCUE SQUAD

A. The RESCUE SQUAD shall repay the loan for the vehicle(s) according to the Promissory Note. The RESCUE SQUAD shall have the ability to request reasonable relief on the due date/amount should extenuating circumstances occur. This request shall be made to the EMS Chief no less than 30 days prior to the payment due date, and the EMS Chief may provide an extension not to exceed six months upon a written determination that the extension is the result of extenuating circumstances. No more than one extension shall be granted without authorization from the City Council.

B. The CITY shall have the first right-of-refusal to purchase the vehicle(s) prior to the RESCUE SQUAD offering such vehicle to any other potential purchaser. If the CITY forgives the loan based on subsection A in "Responsibilities of the City," the purchase price for the CITY shall be \$0. In all other instances, the purchase by the CITY will be at the then fair market value to be negotiated by the RESCUE SQUAD and CITY subject to an offset if a portion of the loan remains outstanding. The CITY'S refusal, if any, shall be reduced to writing. If the vehicle(s) be sold, after satisfying all conditions of the loan, including repayment, the CITY-owned equipment shall be removed and returned to the CITY prior to the sale of the vehicle(s), unless prior arrangements have been made to reimburse the CITY for the fair market value of the CITY-owned equipment.

C. If, notwithstanding the provisions of subsection E in the prior section, the RESCUE SQUAD elects not to use the services of the CITY's Division of Automotive Services for any and all maintenance and inspection services, it shall be the responsibility of the RESCUE SQUAD to maintain the vehicle(s) in accordance with the manufacturer's recommended maintenance schedule and procedures. The RESCUE SQUAD shall pay for all necessary maintenance and repairs and shall only use repair shops that are acceptable to the EMS Chief.

DEFAULT AND MODIFICATION

A. In the event that the RESCUE SQUAD defaults on the loan, the CITY may in its sole discretion agree to a modification of this agreement, in accordance with the modification procedure set forth in the next subsection. If the parties do not agree in writing to a modification of this agreement, then, upon default of the loan, ownership of the vehicle(s) shall revert to the CITY. The CITY shall provide a rebate to the RESCUE SQUAD based on the net difference between the fair market value of the vehicles and the unpaid portion of the loan. If the CITY and the RESCUE SQUAD are unable to agree upon the fair market value of the vehicle(s), the parties shall select a third party who is acceptable to both the CITY and the RESCUE SQUAD to determine the fair market value of the vehicle(s).

B. This agreement may be reviewed at any time upon the direction of the City Manager. Each party must agree in writing to any subsequent modifications.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

CITY OF VIRGINIA BEACH

KEMPSVILLE VOLUNTEER RESCUE SQUAD,
INC.

City Manager/Authorized Designee

By: KEVIN LIPSCOMB

Title: PRESIDENT Date 14 Nov 2024

ATTEST:

City Clerk

APPROVED AS TO CONTENT:

APPROVED AS TO LEGAL SUFFICIENCY:

Virginia Beach EMS Chief

City Attorney's Office

APPROVED AS TO RISK MANAGEMENT:

Virginia Beach Risk Management