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April 15, 2015

VIA FIRST CLASS MAIL

Jack Parks
Chairman of the Board
Providence Volunteer Fire Department
525 Hemby Road
Weddington, NC 28104

Re: Fire Suppression Agreement dated July 1, 2012 and Request for Assurances

Dear Jack:

At the last meeting of the Weddington Town Council, the Council directed me as Town Attorney to notify the Providence Volunteer Fire Department ("Providence") that, unless Providence can provide adequate assurances of its ability to meet its obligations under the Fire Suppression Agreement, the Town intends to terminate the Agreement for cause and prepare to provide fire protection for the Town through other means. As is its right under the Agreement, the Town does not intend to increase the funding for Providence for fiscal year 2015-2016. Providence's request for an increase is the latest in a series of such requests, and the Town has concluded that Providence's most recent request is not the result of real changes in the resources needed to provide fire protection.

The Town's analysis of Providence's financial condition shows that, should Providence's funding be held flat for the upcoming fiscal year, Providence will be unable to provide the services to the Town required by Fire Suppression Agreement through the end of the 1st quarter of that fiscal year, and certainly not through the end of the calendar year. To the contrary, the Town's analysis indicates that Providence will likely exhaust its funding by December 2015 and be unable to provide fire protection.

The Town's analysis relies in part on Providence's representation that it requires approximately Two Hundred and Fifty Thousand Dollars (\$250,000) on hand to manage cash flow to operate the fire department. At this time, Providence has approximately One Hundred and Eighty Thousand Dollars (\$180,000) on hand and no other liquid reserves.

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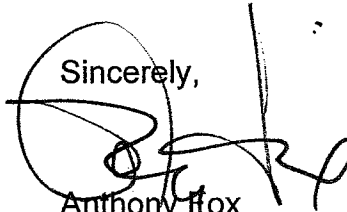
In addition, in February 2015, Providence indicated that it had a projected deficit of Seventy Thousand Nine Hundred Eighty-Six Dollars (\$70,986) with no showing of how the deficit would be solved. With its limited cash reserves, it does not appear that Providence will be able to meet its obligations to provide fire protection services under the Agreement.

The Town cannot wait and see if Providence will fail to provide fire protection. Doing so would threaten the safety of Town residents and businesses by exposing them to potentially inadequate and insufficient fire protection services. Therefore, the Town intends to move forward with finding an alternative provider for fire suppression services unless the Town receives adequate assurances from Providence that it can meet its obligation.

The Town requests that Providence provide detailed documentary evidence that Providence can financially perform its obligation under the Fire Suppression Agreement if its funding is held flat for the upcoming fiscal year. The information should include an explanation about how Providence will increase its cash reserves or reduce its expenses (while still provide the required level of service) so that it can meet its obligations.

The Town requests that Providence provide these assurances that it can meet its obligations under the Fire Suppression Agreement within 10 business days of the day of this letter. Otherwise, the Town will have no choice but to continue with its plan to seek alternative solutions for the provision of fire services within the Town limits of the Town of Weddington. If Providence fails to provide those adequate written assurances as requested, the Town will terminate the Fire Suppression Agreement 90 days from the date of this letter.

Sincerely,



Anthony Fox
Town Attorney

BD:swg

cc: Bill Deter, Mayor
Members of The Weddington Town Council