

**MEMORANDUM OF UNDERSTANDING BETWEEN PENDER COUNTY
GOVERNMENT, PENDER EMS AND FIRE, INC., PENDERLEA FIRE DEPARTMENT,
and THE MAPLE HILL VOLUNTEER FIRE DEPARTMENT, INCORPORATED.**

WHEREAS, Pender EMS and Fire, Inc. ("PEMS&F"), a North Carolina non-profit corporation provides fire protection, emergency medical services, rescue and other all-hazard mitigation services to the residents of Pender County, a North Carolina county government ("County"); and

WHEREAS, the Penderlea Fire Department ("Penderlea"), and The Maple Hill Volunteer Fire Department, Incorporated ("Maple Hill"), both North Carolina non-profit corporations provide fire protection, first responder medical services and other all-hazard mitigation services to the residents of the County; and

WHEREAS, PEMS&F, Penderlea and Maple Hill are each governed by separate non-profit Boards of Directors ("Boards"), pursuant to an agreement between the County and the three non-profit corporations ("Parties") for the provision of fire, EMS and rescue services; and

WHEREAS, the County Board of Commissioners decided during a regular meeting on June 16, 2025, to exercise the County's rights and ability to provide the contracted fire and EMS services internally as of July 1, 2026, as authorized by North Carolina General Statute Chapter 153A and consistent with the county's contract with the parties, last executed in 2024.

NOW, THEREFORE, in consideration of these premises, the County and the Parties resolve the following in this memorandum of understanding:

1. **Authorization to Proceed.** Reflective of the information in this MOU, the County and the Parties hereby authorizes both County and non-profit staffs, the County Attorney and the Parties' respective legal staffs to proceed forward to prepare and present a definitive agreement between the County and the Parties to finalize the terms and conditions of a merger of the Parties into the County's service delivery structure.
2. **Projected Date of Merger and Merger Agreement.** The projected date of the merger is set for **July 1, 2026**, at which time the County will no longer contract with the Parties for services. As part of the merger process, the County and the Parties will create an agreed-upon timeline for completion of essential duties and responsibilities such as organizational and financial analysis. The County and the Parties' willingness to accept the merger is conditional upon the execution of a mutually acceptable agreement ("Merger Agreement") that sets out the rights and duties of both the County and the Parties including without limitation the transfer of

all assets. Also, it is noted that all related Relief Funds must follow NCGS requirements, which may remain under a private, non-profit organization.

3. **Reserves Dedicated to Fire and EMS Services.** The Parties agree to clearly identify all reserve funding as evidenced by financial statements as of April 1, 2026, and bank statements from the same date. The Parties agree that at the time of merger, this reserve funding will be immediately transferred to the County, and this identified funding will only be used to support/provide fire and EMS service needs and will not be used for any other purposes. Communication regarding fiscal matters between the Parties and the County will need to be constant (at least monthly) until the effective date of the merger.
4. **Interim Period Operating Responsibility.** During the period from the date of this MOU through the Effective Date of the Merger Agreement ("Interim Period"), the Parties shall be responsible for the EMS operations and Fire Protection Services pursuant to the Current Agreement in the ordinary course of business, according to current operating standards and in compliance with all laws and regulations.

During the Interim Period, the Parties shall not make any material changes to its operations or standards and shall not make any capital acquisitions (other than what is already budgeted), incur any new debt, refinance any existing debt, surplus any assets, encumber or dispose of any property, give easement to any property, or enter into any agreements, except those that may be cancelled on not more than thirty (30) days' notice, make any changes to employee compensation or benefits, or any other material changes outside of what is already budgeted that exceed \$30,000, without written notification to the County or through the annual budget process.

The Parties must also fully comply with all terms, conditions, and requirements of current contracts with Pender County Government during the Interim Period. The purpose of these restrictions on fire department operations is to preserve the status quo, maintain current performance, operating standards, and the financial condition of the Parties during the Interim Period.

The parties acknowledge that it is the intent of Pender County to contract with Union Rescue prior to the effective date of the merger. Union Rescue will take full responsibility for service delivery under their contract with Pender County. It is understood that PEMS&F is not responsible for Union Rescue and their contract.

5. **Service Level Continuity.** Both the County and the Parties agree that substantially the same level of fire protection and emergency medical services will be provided to Pender County being served as of the date of this MOU contrasted to service delivery of the system under the management of Pender County after the date of merger. In addition, the County and the Parties mutually recognize the critical value of working and functioning as a comprehensive fire and rescue

service delivery system. The County will maintain or enhance minimum staffing levels for both fire and EMS services as is in place on the date of this MOU post-merger to the extent that conditions will allow. As the levels of service delivery significantly change for any reason during the Interim Period, that information should be communicated to all the other Parties (such as Advanced Life Support to Basic Level service).

6. **Transfer of Assets.** The parties agree to transfer all assets which were purchased using local, state or federal funds, including all real property assets and equipment for the purpose of providing fire suppression, EMS, or special operations. These assets will be turned over to the county at the time of closing ahead of the effective date of the merger for exclusive use of continuing their purposes. Donation funds and assets will be evaluated on a case-by-case basis based on purpose or use.

7. **Initial Full-Time Employee Transfer.** The County and the Parties agree that all current full-time employees of the Parties that meet County guidelines and standards for employment will immediately become County employees with full County benefits beginning on the effective date of the merger. It is the County's intent to hold harmless the Parties' employee's total compensation when becoming County employees, as permitted by state law. Annual base salary will remain at or above current levels. The County agrees to honor the Parties' employee's continuous service hiring dates for all full-time employees and will work with the Parties for a seamless transition into the County organization for benefits related to longevity, earning leave, etc. For all full-time employees, the County will transfer up to 240 hours of vacation leave from the Parties. In addition, the County will transfer up to an additional 240 hours to Administrative Leave (480 hours total) on the merger effective date. This administrative leave must be exhausted before sick, or vacation leave hours are used. Any other leave that the Parties' employees have earned beyond 480 hours as of the merger date will be credited to sick leave with the County. After the effective date of the merger agreement, County fire employees eligible under the Fair Labor Standards Act (FLSA) will utilize the FLSA 7(k) schedule provisions as enabled for local governments.
Pender County will accept unused sick leave from other local government units with proper documentation from the other government entity. If any employee retires before they are vested in the NC Local Government Employee Retirement System (NCLGERS), Pender County would pay out any unused sick leave to the employee.

8. **Equitable Positions.** All full-time employees of the Parties who become County employees on the effective date of the merger agreement will be placed in realistically equitable positions in the County. To maintain current service levels, all operational and logistics personnel are expected to remain in their existing position (such as Firefighter>Firefighter, EMT>EMT, Mechanic>Mechanic,

Lieutenant>Lieutenant, Battalion Chief>Battalion Chief). The County will work with employees on a case-by-case basis should the County's position requirements not align with the Parties' position requirements. These situations will be addressed either through grandfathering or establishing mutually agreed upon individual development plans. However, all persons transferring to the County are expected to maintain the professional credentials that they have as of the effective date of the merger (Such as Paramedic or EMT).

9. **Full-Time Employee Benefits.** The County recognizes the specialized health needs of EMS and fire service personnel and are committed to providing comprehensive health coverage and access to all regional providers currently and in the future to all County employees, including the Parties' employees after the effective date of the merger agreement. The County plans to provide membership to all full-time employees in the North Carolina Local Government Employee's Retirement System (NCLGERS), County 2.5% contribution to 401K, State Health Plan, \$10K Life Insurance, EAP, monthly membership in the North Carolina Firefighter's and Rescue Squad Worker's Pension Fund, respective professional organization membership, VFIS Accident and Sickness insurance coverage, and certain voluntary employee elected benefits will be optional/available to county employees as well. Before the effective date of the merger agreement, each current full-time employee of the Parties will be provided with an individual data sheet that outlines the value of benefits provided by the County.

10. **Part-Time Employees.** The County will continue substantially equitable part-time employment for persons working less than 1,000 hours annually after the effective date of the merger agreement, subject to work need and availability. Benefits would include monthly membership in the North Carolina Firefighter's and Rescue Squad Worker's Pension Fund, respective professional organization membership, and VFIS Accident and Sickness insurance coverage.

11. **Volunteer Continuity and Support.** Volunteers are essential to the Fire and EMS service delivery system in Pender County now and into the future. Volunteer retention and recruitment and maintaining volunteers within the service delivery system is expressly important to the County and will be a high priority within this merger. Volunteers who meet established minimum criteria will be identified on appropriate rosters, be provided incentives, such as but not limited to, monthly membership in the North Carolina Firefighter's and Rescue Squad Worker's Pension Fund, VFIS Accident and Sickness insurance coverage, respective professional organization membership, performance stipends, pay-per-call, training opportunities and other programs as available. The County will put necessary support systems in place to enable volunteers throughout the County. The value of volunteers capable of interior firefighting as well as providing support functions are recognized.

12. **Special Operations Continuity.** The County will maintain special operations service delivery systems and structures in areas such as the tanker task force, heavy rescue, swift water rescue, high angle rescue, search and rescue, marine operations, State Medical Assistance Team (SMAT), drone operations, and similar special operations services post-merger.

13. **ISO Rating/Records Management System/Quality Assurance.** The County will provide one core, centralized records management system (RMS) for both fire and EMS incidents as required by the State of North Carolina. The County will also maintain or enhance quality assurance (QA/QI) programs within EMS functions.

Additionally, both the County and the Parties agree that the current ISO Ratings of each of the Parties desire to be consistent or improved after the merger. The County agrees to continue to actively support positive ISO related achievements after the effective date of the merger. At the time of this MOU, PEMS&F is recognized as an ISO Class 3/9E in both the Long Creek Grady District and Pender EMS and Fire District. Penderlea is currently recognized with an ISO Class 4/9E rating. Maple Hill is currently recognized with an ISO Class 4/9E rating.

14. **Apparatus and Equipment Maintenance Continuity.** The Parties are scheduled to receive one (1) fire engine, and one (1) aerial ladder during FY 25-26, one (1) aerial ladder during FY 26-27 and have on order four (4) ambulances. These seven (7) total apparatuses will be accepted by the County as of the effective date of the merger and the County will assume any financial responsibility for these seven (7) apparatuses. Furthermore, maintenance of apparatus and all loose equipment is an operational and safety priority for the Parties and that element is recognized by both the Parties and the County. Under the County, emergency vehicle maintenance will be performed by certified Emergency Vehicle Technicians (EVTs) when necessary. Also, continuation of warranty work by EVT's is essential to maintaining the current apparatus and shall be maintained.

15. **Training Delivery Systems Continuity.** The Parties and the County acknowledge the high value of training for all fire and EMS personnel and will maintain all training systems and structures as of the date of this MOU post-merger to the extent allowed by state regulatory agencies. This would include remaining a delivery agency as recognized by the North Carolina Fire and Rescue Commission and training programs sanctioned by the North Carolina Office of Emergency Medical Services, including the Collection Effectiveness Index (CEI), DEA license, FireRescue 1, and the NCOEMS System Plan.

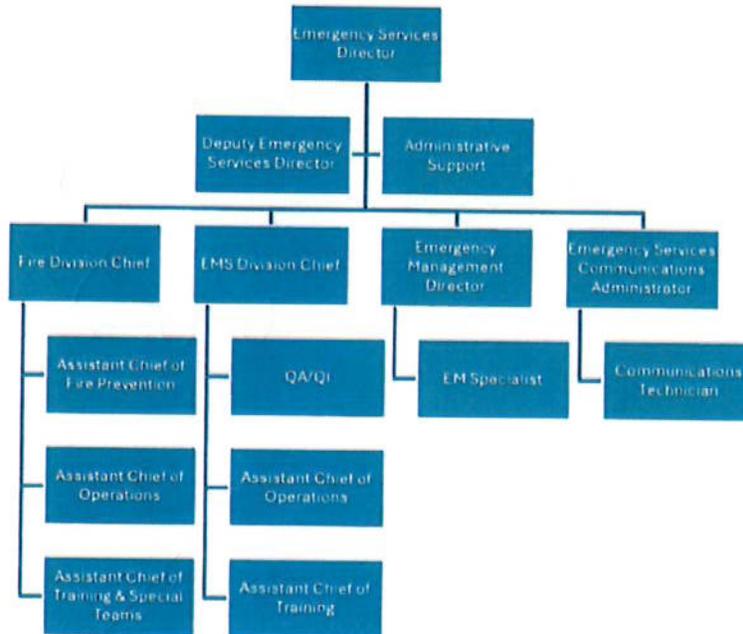
16. **Health and Safety Considerations.** The County will maintain current health and safety considerations for all personnel becoming County employees because of this merger. These considerations include, but are not limited to, existing programs in place striving to comply with current national consensus standards NFPA 1580

(Standard for Emergency Responder Occupational Health and Wellness), NFPA 1583 (Standard on Health Related Fitness Programs for Fire Department Members), NFPA 1710 (Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments), and NFPA 1720 (Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Volunteer Fire Departments).

17. **Maintenance of Additional Operational Considerations.** Post-merger, the County agrees to maintain reciprocal automatic aid agreements with fire departments in neighboring counties to the extent possible. Also, the County agrees to maintain the same EMS billing system and provider that is currently in use by the Parties (EMS-MC) as is allowable under the current contract. Technology in place at the time of merger will also be maintained and enhanced. Operational policies, procedures, standard operating guidelines, etc. in place as of the date of this MOU will be maintained to the extent possible. The County also agrees to maintain membership in state recognized professional organizations such as, but not limited to, the North Carolina State Firefighter's Association, the North Carolina Association of Fire Chiefs, the North Carolina EMS and Rescue Association, and the Eastern North Carolina Firefighter's Association.
18. **Defined Benefits Plan.** PEMS&F will have full responsibility for funding and managing their current defined, pre-tax benefits plan for persons within the organization who were employed by PEMS&F prior to 2019. The County accepts responsibility for this liability that PEMS&F cannot cover.
19. **Strategic Plan.** The County will develop an overall strategic plan for fire and EMS services and will strive to adopt said plan no later than December 31, 2027. This strategic plan will outline a future state of all fire and EMS service delivery systems in Pender County into the future.
20. **Governance Board Makeup.** All Parties agree to maintain the current board of director composition from the date of this MOU until six months after the effective date of the merger agreement. This is to ensure continuity before, during and after the effective date of the merger agreement until the fiscal year closes out.
21. **Medical Director.** Both the County and the Parties desire to maintain the current services and essential direction from the current medical director of the Pender County EMS System.
22. **Costs.** Except as set forth herein or in the Merger Agreement, each Party will be responsible for its respective costs, including, without limitation, expenses of legal counsel, accountants, and other advisors, incurred at any time in connection with pursuing the consummation of this Agreement, the Merger Agreement and the

Merger contemplated thereby. NCFCC Consultant fees, consistent with the current NC Association of County Commissioners contract, will be paid by Pender County.

23. **Core Organizational Structure.** The County intends to utilize the general organizational structure as outlined below for the provision of fire and EMS services after the effective date of the merger.



24. **Termination.** Unless extended by written agreement of the Parties, this Agreement shall terminate the earlier of (i) the execution of the Merger Agreement, or (ii) written notice of termination by either Party.

25. **Choice of Law.** This agreement shall be governed by, and constructed in accordance with, the laws of North Carolina and the exclusive remedy for an alleged breach is mediation, followed by binding arbitration if required.

IN WITNESS WHEREOF, the parties hereto have executed this joint Agreement:

Duly adopted this 2 day of September 2025
By the Pender County Board of Commissioners.



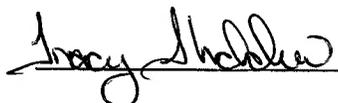
Randy Burton, Chairman
Pender County Board of Commissioners

Duly adopted this 5 day of August 2025
By Pender EMS and Fire, Inc.



President
Pender EMS and Fire, Inc.

ATTEST:



Clerk to the Board, Pender County

Duly adopted this 18 day of August 2025
By Penderlea Fire Department



President
Penderlea Fire Department

Duly adopted this ___ day of ___, 2025
By The Maple Hill Volunteer Fire
Department, Incorporated

President
The Maple Hill Volunteer Fire
Department, Incorporated