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FIRE PROTECTION CONTRACT

This agreement dated this 10th day of OCTOBER, 2009, by and between **DUNN'S CORNERS FIRE DISTRICT**, a quasi-municipal corporation chartered by the legislature of the State of Rhode Island having a mailing address of One Langworthy Road, Westerly, Rhode Island 02891 (hereinafter referred to as "**DUNN'S CORNERS**") and **QUONOCONTAUG CENTRAL BEACH FIRE DISTRICT**, a quasi-municipal corporation chartered by the legislature of the State of Rhode Island having a mailing address of 54 NINIGRET AVE., Charlestown, Rhode Island 02813 (hereinafter referred to as "**CENTRAL BEACH**").

RECITALS:

(1) **DUNN'S CORNERS** is a quasi-municipal corporation chartered by the legislature of the State of Rhode Island and is authorized to provide fire protection to those areas of the Towns of Westerly and Charlestown as described in its charter as amended.

(2) **CENTRAL BEACH** is also a quasi-municipal corporation chartered by the legislature of the State of Rhode Island and authorized to provide fire protection to that area of the Town of Charlestown as described in its charter as amended.

(3) **DUNN'S CORNERS** presently maintains an active firefighting department that provides fire protection services to **CENTRAL BEACH** ON fee basis.

(4) **DUNN'S CORNERS** and **CENTRAL BEACH** each deems it desirable and in the public interest to enter into a written contract for fire protections services by **DUNN'S CORNERS** in the incorporated area of **CENTRAL BEACH** upon the terms herein stated.

(4) By resolution of its Board of Governors duly adopted on October 10, 2009, **CENTRAL BEACH** is authorized to enter into this contract, and subject to ratification of the voters at a special meeting to be held on or before June 30, 2010.

(5) **DUNN'S CORNERS** is authorized to enter into this agreement by a resolution duly adopted on 1/27/2010 by the voters of **DUNN'S CORNERS**.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein and for other valuable consideration **CENTRAL BEACH** hereby agrees and contracts with **DUNN'S CORNERS** for adequate fire protection for real and personal property in the incorporated area of **CENTRAL BEACH** for the term and payment and other provisions herein expressed and **DUNN'S CORNERS** agrees to furnish said fire protection for real and personal property in the incorporated area of **CENTRAL BEACH** for the term and payment and other provisions herein expressed.

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FIRE PROTECTION CONTRACT PROVISIONS

1. **DUNN'S CORNERS** will respond to any call for the extinguishment of a fire or other emergency situation occurring in or impacting the incorporated area of **CENTRAL BEACH**, including the use of other fire companies for backup support, unless **DUNN'S CORNERS** is unable to respond to such call because of (a) events constituting a force-majeure, or (b) another emergency to which it has responded and which requires use of all available resources. It is the intent of the parties hereto that **DUNN'S CORNERS** shall respond to the same situations and render the same services to **CENTRAL BEACH** that it currently provides to the property owners of **DUNN'S CORNERS** during the term of this agreement.

2. **DUNN'S CORNERS** agrees to maintain adequate and sufficient equipment and facilities, and provide adequate personnel and training, and maintain adequate and sufficient protocols with other fire companies for backup support, in all cases sufficient to provide adequate fire protection service to **CENTRAL BEACH**, taking into account the other areas serviced by **DUNN'S CORNERS**.

3. It is further understood and agreed that for and in consideration of the monies paid by **CENTRAL BEACH** pursuant to this contract **DUNN'S CORNERS** shall defend, indemnify and hold harmless **CENTRAL BEACH** for any and all liability, causes of action and damages, loss or expense incurred by **CENTRAL BEACH** arising out **DUNN'S CORNERS** operations including any loss or damage to or expenses incurred in the operation of fire apparatus or other equipment belonging to **DUNN'S CORNERS** and the cost of any materials used in connection with any call for assistance unless said liability, causes of action and damages, loss or expense was caused by the negligence or intentional acts of **CENTRAL BEACH**.

4. **DUNN'S CORNERS** as owner of the equipment to be used in answering calls for assistance in **CENTRAL BEACH**, agrees it will assume full responsibility for injuries to persons or property or deaths resulting from **DUNN'S CORNERS** negligence in the operation of any such equipment while answering any such calls, and will obtain liability insurance therefore. **DUNN'S CORNERS** shall provide **CENTRAL BEACH** with a Certificate of Insurance evidencing the existence of such insurance, which Certificate shall name **CENTRAL BEACH** as an additional insured. Such Certificate shall also provide for thirty (30) days prior written notice to **CENTRAL BEACH** of the cancellation or failure to renew such policy.

5. **DUNN'S CORNERS** shall have the right to bill individual landowners and residents of **CENTRAL BEACH** for the cost billed to **DUNN'S CORNERS** of contracted specialized services to a response site where **DUNN'S CORNERS** does not have the specialized capability or equipment, such as hazardous materials incidents. Any such billing will be consistent with billings to individual landowners and residents of **DUNN'S CORNERS** for similar contracted specialized services.

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6. It is expressly understood and agreed that the number of firefighters and the nature of equipment dispatched in answer to calls, the manner of fighting fires, and other operations at the scene of a fire, accident or other incident to which **DUNN'S CORNERS** is called, are matters within the judgment of the Fire Chief of **DUNN'S CORNERS** or his designee who may be in charge at the time, and there shall be no liability upon **CENTRAL BEACH** for any mistake of judgment in connection therewith.

7. (A) **DUNN'S CORNERS** shall provide to **CENTRAL BEACH** any and all such incident reporting information as **DUNN'S CORNERS** may from time to time be required to provide to the State of Rhode Island. The information that shall be provided shall be in such form and shall contain such information as required by the State of Rhode Island.

(B) **DUNN'S CORNERS** agrees that annually it shall file with **CENTRAL BEACH** an up-to-date list of all Officers of **DUNN'S CORNERS** including all members of the Operating Committee.

8. It is hereby mutually covenanted and agreed that the relation of **DUNN'S CORNERS** to the services to be performed by it under this contract shall be that of an independent contractor.

9. **DUNN'S CORNERS** shall at all times comply with all applicable laws, statutes, codes, rules and regulations.

TERM AND PAYMENT SCHEDULE

1. In consideration of the fire protection provided to **CENTRAL BEACH** during the term of this agreement, **CENTRAL BEACH** agrees to pay **DUNN'S CORNERS** as provided herein.

2. The term of this agreement shall be for seven (7) years commencing at the beginning of the **DUNN'S CORNERS** fiscal year for 2009-2010 through and including the fiscal year 2015-2016. The fiscal year for **DUNN'S CORNERS** is from June 1 to May 31st. **DUNN'S CORNERS** agrees to provide the fire protection services hereunder beginning June 1, 2009 with the understanding that the obligations of **CENTRAL BEACH** are subject to ratification by the voters of **CENTRAL BEACH** at a special meeting to be held on or before June 30, 2010.

Payment by **CENTRAL BEACH** for fire protection services as provided herein shall be calculated as follows:

a. The fee assessed **CENTRAL BEACH** for the fiscal year 2009-2010 is Sixty-Five Thousand and 00/100 (\$65,000.00) Dollars.

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b. **DUNN'S CORNERS** adopted budget for the 2009-2010 fiscal year as adopted July 15, 2009, is Six Hundred Eighty-Three Thousand Three Hundred Ten and 00/100 (\$683,310.00) Dollars.

c. The fee to be paid by **CENTRAL BEACH** in any fiscal year during the term of this agreement shall be the prior fiscal year's fee amount increased by a percentage equal to the sum of (i) two (2%) percent plus (ii) the percentage increase in the **DUNN'S CORNERS** adopted budget for the fiscal year the fee is to be paid over the prior fiscal year's budget or minus the percentage decrease for the fiscal year's budget, with a cap on any increase of six (6%) percent. The following table is for illustration purposes:

DUNN'S CORNERS	CENTRAL BEACH
Budget Change	Fee Change
-5%	-3%
-4%	-2%
-3%	-1%
-2%	0%
-1%	1%
0%	2%
1%	3%
2%	4%
3%	5%
4%	6%
5%	6%
6%	6%

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4. Payment shall be made by **CENTRAL BEACH** to **DUNN'S CORNERS**, in accordance with the above calculations, as follows:

October 31, 2009 - 50% of the amount of the fee for the first fiscal year
January 31, 2010 - 50% of the amount of the fee for the first fiscal year
October 31, 2010 - 50% of the amount of the fee for the second fiscal year
January 31, 2011 - 50% of the amount of the fee for the second fiscal year
October 31, 2011 - 50% of the amount of the fee for the third fiscal year
January 31, 2012 - 50% of the amount of the fee for the third fiscal year
October 31, 2012 - 50 % of the amount of the fee for the fourth fiscal year
January 31, 2013 - 50% of the amount of the fee for the fourth fiscal year
October 31, 2013 - 50% of the amount of the fee for the fifth fiscal year
January 31, 2014 - 50% of the amount of the fee for the fifth fiscal year
October 31, 2014 - 50% of the amount of the fee for the sixth fiscal year
January 31, 2015 - 50% of the amount of the fee for the sixth fiscal year
October 31, 2015 -50% of the amount of the fee for the sixth fiscal year
January 31, 2016 - 50% of the amount of the fee for the seventh fiscal year

In the event any of the above payments are not received within thirty (30) days of the due date then said payment shall accrue interest at the rate of twelve (12%) percent per annum until said payment is paid in full.

ADDITIONAL PROVISIONS

1. The parties hereto agree that the **DUNN'S CORNERS** Fire Chief shall be the authority having exclusive jurisdiction for any required permits or approvals relating to fire protection matters in **CENTRAL BEACH** during the term of this agreement.

2. The parties will use their best efforts to begin negotiations to extend or terminate this agreement no later than September 1, 2014 so as to reach agreement on any such termination or extension by April 1, 2015. This agreement will be renewed automatically for one (1) year periods from the time of its first expiration, unless either party notifies the other in writing at least two hundred fifty (250) days prior to its termination, or the termination date of any renewed period, of the party's decision not to renew it for an additional period for the annual fee as calculated herein or for such other annual fee as may be agreed on by the parties.

MISCELLANEOUS

1. This Fire Protection Contract is executed by duly authorized individuals of the respective parties and only after all approvals or consents (if any) have been obtained, except that the payment obligations of **CENTRAL BEACH** in accordance with the agreement are subject to ratification by the voters of **CENTRAL BEACH** at its 2010 annual meeting.

2. **DUNN'S CORNERS** is hereby prohibited from assigning, transferring, conveying, subletting or otherwise disposing of this agreement, or of its right, title or interest in this agreement, or its power to execute this agreement, to any other person or corporation without the previous consent in writing of **CENTRAL BEACH**.

3. **DUNN'S CORNERS** and **CENTRAL BEACH** acknowledge that they are both subject to the provisions of the Open Meetings Law (Rhode Island General Laws Chapters 42-46) and the Freedom of Information Law.

4. This agreement shall be governed by the laws of the State of Rhode Island.

5. This agreement constitutes the complete understanding of the parties.

6. No modifications of any provisions of this agreement shall be valid unless in writing and signed by both parties.

7. No waiver of any breach of any provision of this agreement shall be binding unless in writing and signed by the party waiving said breach. No such waiver shall in any way affect any other term or provision of this agreement or constitute a cause or excuse for a repetition of such or any other breach unless the waiver shall include the same.

8. It is understood and agreed by the parties that if any part, term, or provision of this contract is held by a court of competent jurisdiction to be illegal or in conflict with any laws of the State of Rhode Island or the United States of America the validity of the remaining portions or provisions shall not be affected. The parties shall negotiate in good faith to replace any invalid or illegal provision with a valid and legal provision, which, to the extent possible, will preserve the economic effect of the invalid or illegal provision.

9. Any Notices in writing required to be given to **DUNN'S CORNERS** shall be hand-delivered or sent by regular mail, postage prepaid, to the following address:

One Langworthy Road
Westerly, RI 02891

with a Copy To:

Vincent J. Naccarato, Esquire
NACCARATO & FRACASSA
96 Franklin Street
P.O. Box 2976
Westerly, RI 02891

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**RESOLUTION OF
QUONOCHONTAUG CENTRAL BEACH FIRE DISTRICT
BOARD OF GOVERNORS:**

BE IT RESOLVED:

That the Board of Governors after review and consideration of Proposed "Fire Protection Contract" (copy attached) hereby approves said Contract and hereby authorize the Moderator to execute the same in behalf of the Quonochontaug Central Beach Fire district and authorizes the Quonochontaug Central Beach Fire District Treasurer and/or the Moderator's designee to issue all checks or drafts necessary to implement this agreement.

DULY resolved on the 10th day of October, 2009.

**QUONOCHONTAUG CENTRAL BEACH
FIRE DISTRICT**

BY: Patricia Weed

BY: Richard C. Reed

BY: Paul Hebb

BY: Thomas J. Reed

BY: Myrtle

BY: George A. Pica

BY: W

BY: Barbara J. Reed