

STATE OF NORTH CAROLINA

COUNTY OF LENOIR

FUNDING AGREEMENT

THIS FUNDING AGREEMENT made and entered into this 7th day of August, 2017, by and between The City of Kinston, party of the first part, (hereinafter referred to as "City"), and the Lenoir County SPCA, Inc., party of the second part, (hereinafter referred to as "SPCA");

WITNESSETH:

That the Lenoir County Animal Shelter located at 2455 Rouse Road in Kinston, Lenoir County, North Carolina is a facility that is jointly owned by the City of Kinston and Lenoir County. That the SPCA is a non-profit organization that operates and manages the Lenoir County Animal Shelter for the benefit of the City and County in the care of dogs and cats that come into the Lenoir County Animal Shelter. That in the management and operation of the Lenoir County Animal Shelter various costs are incurred and mandated by the State of North Carolina in the boarding, care and disposition of animals. That the yearly average number of animals brought into the Lenoir County Animal Shelter from the City of Kinston is approximately eight hundred (800) animals. That the mandated costs per animal at the Lenoir County Animal Shelter is Ninety-Six and 00/100 Dollars (\$96.00).

NOW THEREFORE, this Funding Agreement between the City and the SPCA is designed to provide full mandated funding to the SPCA for the animals that come to the Lenoir County Animal Shelter from the City. As such, the parties hereto have agreed to enter into this Funding agreement under the following terms and conditions:

1. **TERM.** This Funding Agreement shall be effective for a period of five (5) fiscal years beginning July 1, 2017 and ending on June 30, 2022. Both parties agree that this Funding Agreement may be modified in order to allow both parties to evaluate overall mandated costs. As such this Funding Agreement may be reviewed and amended annually by agreement of the parties.

2. **FUNDING AMOUNT.** For the first eight hundred (800) animals per fiscal year that come to the Lenoir County Animal Shelter from the City of Kinston, the City shall pay unto SPCA the sum of **Ninety Six and 00/100 Dollars (\$96.00) per animal** for a maximum per year of **Seventy Six Thousand Eight Hundred and 00/100 Dollars (\$76,800.00)**. For each additional animal that comes to the Lenoir County Animal Shelter from the City per fiscal year, the City agrees to pay to SPCA the sum of **Twenty Two and 00/100 Dollars (\$22.00)**. Said amount representing the variable costs associated with the additional animals.

3. **PAYMENT OF FUNDS.** City shall pay ***Six Thousand Four Hundred and 00/100 Dollars (\$6,400.00)*** to SPCA on a monthly basis with payments being made no later than the 15th day of each month. The final payment per fiscal year will be adjusted to reflect the actual number of animals received by the Lenoir County Animal Shelter from the City of Kinston.

4. **DUTIES AND RESPONSIBILITES.** SPCA agrees and understands that in exchange for the receipt of funds under this Funding Agreement from City, SPCA will make every effort to operate the Lenoir County Animal Shelter in an efficient and cost effective manner. SPCA also understands and agrees to operate and manage the Lenoir County Animal Shelter in accordance with any and all applicable Federal, State and Local laws and regulations. City understands that in the delivery of animals to SPCA at the Lenoir County Animal Shelter, City shall comply with any and all applicable Federal, State and Local laws and regulations as it

relates to the transport, care and handling of animals in a proper and humane manner.

5. LAW APPLICABLE. This Funding Agreement is entered into in North Carolina and shall be construed under the laws, statutes, and ordinances of such jurisdiction.

6. SEVERABILITY. The provisions hereof are independent covenants and should any provision or provisions contained in this Funding Agreement be declared by a Court or other tribunal of competent jurisdiction to be void, unenforceable, or illegal, then such provision or provisions shall be severable and the remaining provisions hereof shall remain in full force and effect.

7. COMPLETE TERMS. All negotiations and agreements between City and SPCA as it relates to this Funding Agreement have merged herein. No modifications hereof or other purported agreements of the parties shall be enforceable unless the same is in writing and signed by the appropriate and authorized parties for City and SPCA.

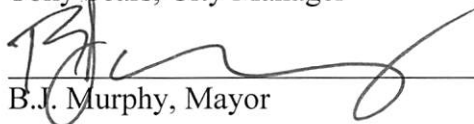
8. DESCRIPTIVE HEADINGS. The descriptive headings here are for convenience only and shall not be deemed to affect the meaning or construction of any provision hereof.

IN TESTIMONY WHEREOF, City and SPCA have executed this Funding Agreement in duplicate originals, as of the day and year first above written, one of which is retained by each of the parties.

City of Kinston:

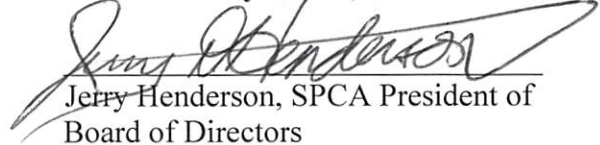


Tony Sears, City Manager



B.J. Murphy, Mayor

Lenoir County SPCA, Inc.:



Jerry Henderson, SPCA President of Board of Directors

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



Donna Goodson, Finance Director