

**ONSLow COUNTY BOARD OF COMMISSIONERS AND
ONSLow COUNTY BOARD OF EDUCATION
ANNUAL CAPITAL OUTLAY FUNDING AGREEMENT**

To encourage excellence in education, fiscal sustainability and create more consistent long-range budget planning, the Onslow County Board of Commissioners (BOC) and the Onslow County Board of Education (OCS) hereby enter into this Annual Capital Outlay Funding Agreement ("Agreement"), which is effective on the specific date fully executed by the Chairman of each Board below.

FUNDING FORMULA:


Each year, the BOC agrees to fund OCS for the fiscal year in the total amount defined below in equal monthly installments that begin on July 15th each year:

| Fiscal Year | Increase | Total Capital Outlay |
|--------------------|-----------------|-----------------------------|
| 25-26 | 750,000 | 6,250,000 |
| 26-27 | 750,000 | 7,000,000 |
| 27-28 | 750,000 | 7,750,000 |
| 28-29 | 250,000 | 8,000,000 |

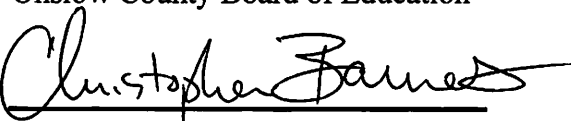
For the 2029-2030 fiscal year and each year after, if this agreement is not updated and extended the capital outlay shall be increased annually by the Producer Price Index for new school building construction Sector (NAICS 236222) or other mutually agreed upon factor if the stated index data is unavailable. This adjustment will be limited to five percent (5%) positive or negative in any given year with catch up allowances in the following years. The December PPI will be used for calculation. The December 2024 PPI is 228.506

INTENDED TERM AND TIMING OF AGREEMENT:

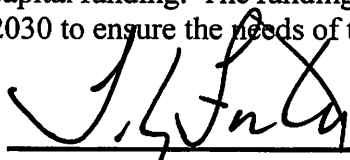
Both parties fully agree that this Agreement is intended to set the budget for the upcoming fiscal year by the end of January immediately preceding each fiscal year, providing stability and several months for both the BOC and OCS to plan prior to approving their respective budgets. Both parties further agree that their intent is to set an initial term of this Agreement to extend through January 2028, determining the FY28-29 budget funding, followed by annual adjustments in the subsequent years as previously described in this document. Notwithstanding these terms, however, both parties understand that funding the public schools is a legislative function and that future Boards cannot be bound by a current Board, and they therefore agree that each year, at a regular meeting in December or January, the Onslow County Board of Commissioners and the Onslow County Board of Education will affirm this Agreement or submit a written notice to the other party by January 18th that the Agreement will be terminated, effective for the following year. The County and OCS intend to make investments in the school system that will increase the total square footage of OCS. As such there are modifications that will need to be made for the total capital funding. The funding formula should be reviewed biannually beginning with the funding level for FY2030 to ensure the needs of the OCS are being met.



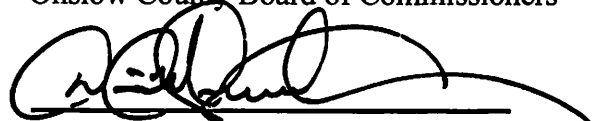
Elbert Garvey, Chair
Onslow County Board of Education



Dr. Christopher M. Barnes, Superintendent
Onslow County Schools



Tim Foster, Chairman
Onslow County Board of Commissioners



David Smitherman, Clerk to the Board
Onslow County Board of Commissioners