

SUPPLEMENTAL AGENDA

REGULAR CITY COUNCIL MEETING

January 8, 2018

5:30 p.m.

CITY HALL COUNCIL CHAMBER
313 COURT STREET
THE DALLES, OREGON

Item to be Added to Agenda

11. ACTION ITEM

E. Central Oregon Animal Friends/Home At Last Proposal

Izetta Grossman, City Clerk



AGENDA STAFF REPORT

AGENDA LOCATION: Action Item #11-E

MEETING DATE: January 8, 2018

TO: Honorable Mayor and City Council

FROM: Julie Krueger, City Manager

ISSUE: Request for funding for animal shelter

CITY COUNCIL RELATED GOALS: Support of the animal shelter would be addressed in Goals B, working and partnering with governmental agencies and non-profits; C, enhancing community livability; and E, promoting civic responsibility and promoting health and public safety through partnerships.

BACKGROUND: Home at Last Animal Shelter (HAL) has been in financial crisis for approximately two months. Their Board has worked very hard to conduct fundraising events and worked continually to keep the shelter open for the community. During this time, there have been numerous meetings involving Board members, City representatives and Wasco County representatives, to develop a long term solution that will keep the shelter thriving in our community.

The Central Oregon Animal Friends (COAF) is a non-profit organization, operating a shelter in Madras. They have made a proposal to merge with HAL and to operate the shelter here in The Dalles. Their proposal and their proposed merger agreement are attached for background.

The request of the City is a one-time financial contribution of \$25,000, which is also being matched by Wasco County. In addition to these contributions, the City would continue to provide animal control for the community and Wasco County will deed the building and property to COAF.

BUDGET IMPLICATIONS: If approved, this contribution would come from the contingency. The contingency is below the desired 10%; however, we have exceeded our goal for the beginning fund balance and we are confident that the City is in a healthy

financial condition to allow for this one-time expenditure.

COUNCIL ALTERNATIVES:

- A. Staff recommendation: *Move to approve a one-time contribution to the Central Oregon Animal Friends in the amount of \$25,000 to be paid from the contingency fund.*
- B. The City Council could determine a lesser contribution. The impact of such a decision may result in a reduced contribution by Wasco County, thus not providing adequate funds for the new organization to take over operations.
- C. The City Council could decline to provide any funding for the shelter.



Wasco County Shelter Proposal

Executive Summary

Central Oregon Animal Friends is pleased to offer our proposal to operate the Wasco County Animal Shelter. We have a full understanding of the commitment needed to fulfill the services requested by Wasco County and look forward to helping you by operating the shelter in a conscientious and reliable manner. Central Oregon Animal Friends DBA Three Rivers Humane Society has been a part of the Madras community and has provided services to Jefferson County for 5 years. Our management team and Board of Directors have the highest professional qualifications and a set of core values that include integrity and commitment to community. We combine a broad range of experience and specialized knowledge of the animal welfare field, reflecting over 4500 adoptions in the last 7 years. We have witnessed the outcomes of our expertise over the years and have seen how they positively affect the communities in which we have worked and the people we have served. In the last 7 years, the management team of Central Oregon Animal Friends has had a history of fiscal responsibility completing two successful shelter restructures and creating a thriving nonprofit. We will carry this sound financial management and positive model into the operation of the Wasco County Animal Shelter. It is our intent to broaden the adoption base and increase the visibility of Wasco County by attracting adopters from inside and outside the region; creating enhanced revenue for the shelter and community businesses.

Mission Statement

Central Oregon Animal Friends is committed to promoting healthy, safe and lifelong relationships between people and their pets through sustainable programs of education, adoption and spay/neutering. We will endeavor to fight for the abused and abandoned, and foster a community where no companion animal will be killed because it is homeless.

Management Philosophy

- We shall provide shelter and care for animals in need.
- We shall provide programs and services which enhance the bond between animals and people.
- We shall be advocates for animals speaking for those who cannot speak for themselves.
- We are committed to Central Oregon Animal Friends' mission and goals.
- We strive to lead by example, promoting trust and respect while supporting and empowering staff.

- We are coaches developing the diverse skills of individuals in an environment which fosters open communication.
- We expect all staff to be responsible and accountable. Successes and mistakes are opportunities to learn and grow.
- We advocate effective use of our resources and humane care of animals.

Vision

Our vision for a successful progressive humane animal program is to foster a community of reciprocity with veterinarians, county animal control agencies, pet owners, and potential adopters, with a common commitment to:

- Create an environment of compassionate and respectful treatment of companion animals
- Work toward the goal of putting an end to pet overpopulation through education and community spay/neuter programs
- Promote an atmosphere where euthanizing healthy, adoptable animals is not acceptable.

Organization

Central Oregon Animal Friends, founded in October 2012, is a nonprofit community-based Humane Society registered as a nonprofit 501(c)3 business entity with the State of Oregon Corporation Division and the Internal Revenue Service respectively. Central Oregon Animal Friends operates under the DBA of Three Rivers Humane Society registered with the State of Oregon Corporation Division. Central Oregon Animal Friends was structured to a no-kill philosophy from nothing more than a firm belief that there was a better way to treat the needy pets in our community and a firm commitment to make these changes happen. By utilizing “best practices” in our daily operation we strive to fulfill this commitment to reach the highest save rate possible through innovative programs such as creative marketing programs, reduced cost spay/neuter, community adoption events, transfer programs, and community foster home and volunteer programs. Three Rivers Humane Society has a yearly intake of approximately 1100 dogs and cats and a budget of \$369,000. The current facility houses 10 indoor kennels and 24 outdoor kennels and an average inventory of 60-80 dogs (average of 40 puppies & 20 cats & kittens in foster). After a successful capital campaign, we are in the midst of constructing a 5600 sq ft building with 41 indoor kennels and new office space.

The organizational structure is as follows:

- Board - Central Oregon Animal Friends is governed by a board of 4 directors. The number of directors shall be no less than three (3) and no more than seven (7). The Board is accountable for the policies of the organization and strategic planning for the current and future operations.
- Executive management and employees -The shelter is managed by an Executive Director and Director of Operations. The Executive Director is responsible for overseeing the financial solvency and overall responsibility for the long-range plans and strategies of the business. The Director of Operations is responsible for the operation of the shelter and its services. Both positions are independently accountable to the Board.
- Shelter Employees - Shelter employees shall consist of a Shelter Manager and Kennel Technicians. During start-up, additional assistance will be provided by current Madras management. Over time, more positions will be created.

Management Team & Staff

Executive Director

Stephen Drynan, Central Oregon Animal Friends Executive Director, brings over 25 years of management and animal care experience. Using a broad open door policy, community members and law enforcement officials will find him to be approachable and responsive. Starting in retail and wholesale management he moved to the trucking industry for the next 15 years as an owner operator, Safety Manager, and finally to a Terminal/Division Manager for a large food grade transportation company. While a Terminal Manager, he volunteered as a business consultant and foster for Home at Last Humane Society in The Dalles, Oregon for 4 years. After a company downsize and layoff of his trucking management position, he was hired as the Business Manager and co-director with his wife Jerilee Drynan at Home at Last. During the following years he and Jerilee completed a successful restructure bringing Home At Last from financially strained to solvency. They left the organization with over \$250K in assets before moving to Central Oregon. He and Jerilee then completed a second successful restructure for Humane Society of The Ochocos in Prineville over the next year. Stephen & Jerilee co-founded Central Oregon Animal Friends in 2012 and he has been the full time Executive Director to date.

Director of Operations

COAF's Director of Operations, Jerilee Drynan, one of the founders of the Alaska Humane Society in 1979, has been in animal welfare in different capacities much of her adult life. Jerilee worked for 10 years in the Head Start program as a teacher and Site Director and went on to manage two other child care centers. Jerilee volunteered for Salem Friends of Felines for several years and she and Stephen have fostered over 500 cats and kittens. After moving to The Dalles she worked for Home At Last Humane Society for the next 6 years which included serving as an Adoption Counselor and Operations Manager/Co-Director. After completing a successful restructure of Home At Last she moved to Central Oregon where she and Stephen then completed a second successful restructure for Humane Society of The Ochocos in Prineville over the next year. She & Stephen co-founded Central Oregon Animal Friends in 2012 and she has been the full time Director of Operations.

Staff

It is the Board of Directors intent to hire highly qualified management and staff. These staff members will be exceptionally dedicated to the animals they serve and will be familiar with their individual needs. Retaining these valuable staff members will maintain continuity for Central Oregon Animal Friends and Wasco County.

Staff Training

Central Oregon Animal Friends staff will be trained in animal behavior, health, & safety through educational video training, mentorship, on the job experience, and clear, consistent direction. Opportunities will be provided to access ongoing training opportunities for staff members and will ensure the quality of care for the animals and community they serve.

Staff Recruitment and Retention

Central Oregon Animal Friends offers competitive compensation and benefits to enhance recruitment and retention of the most desirable staff.

Animal Care

Veterinary Care

We will use the services of local veterinarians, including Columbia Veterinary Hospital, The Dalles Veterinary Hospital, and My Family's Pet Doctor.

Shelter Care

All dogs and cats entering the shelter will have an initial health evaluation noting weight, body condition, injuries, and health concerns. All animals will be vaccinated upon arrival. Our records will indicate all pertinent information regarding the animal. Animals found to have injuries or health issues beyond our staff's medical treatment skills, will be transported to a veterinarian as soon as possible

Holds

Dogs brought in as bite holds will be housed in an outside kennels clearly marked with a warning sign and a secure lock at all times. (Inside kennels can create a dangerous situation for staff when required to move the animal on a daily basis for cleaning purposes.) The dogs files would contain pertinent police reports. Dogs suspected of being neglected or abused would have an initial health evaluation , with the addition of documenting photographs taken at admission. The veterinarian would be asked to provide assessments of the dog's condition, treatment, and documentation of their findings. This information would be made available to those involved in the dog' s welfare case. Confidentiality will be maintained at all times.

Animal Tracking

We utilize the software system Petpoint to track all intakes and adoptions of shelter animals. PetPoint is a comprehensive, easy-to-use, web-based animal management program. The Petpoint management system provides a detailed inventory of animals, including, but not limited to, individual identifying code or name, date of intake, type, breed, gender, license, if any, microchip information, vaccination records, owners name if known, notation of dog code citations, medical treatments provided, and whether the animal was adopted, transferred, placed with a rescue agency or euthanized, as well as reason for disposition. Petpoint also provides adopters with low cost pet insurance for their newly adopted pet. All animals leaving the shelter will be microchipped and the new owners' information will be registered to the microchip at the time of adoption

Guidelines for Standards of Care in Animal Shelters

As a Program contractor we are familiar with, and follow the “Guidelines for Standards of Care in Animal Shelters”. As stated in the Guidelines for Standards of Care in Animal Shelters publication: "While some changes can be made simply and easily, others may require physical changes to a facility, additional training, or more advanced planning. The first step for each organization should be to urgently address and correct any unacceptable practices. Aside from those immediate changes, implementing change based on the Guidelines should be a gradual and thoughtful process designed to provide maximum benefit for the animals . As change is made, careful attention should be given to the goals of maximizing quality of life and lifesaving capability." With this as our guiding principle , we will go about fine-tuning and adjusting current practices quickly but thoughtfully. The Five Freedoms for Animal Welfare must always guide action. They are:

1. **The Freedom from Hunger and Thirst.** We feed all animals twice daily and fresh water is available at all times.
2. **The Freedom from Discomfort.** Animals will be given soft places to rest in their kennels/cages.
3. **The Freedom from Pain, Injury, or Disease.** We will vaccinate all in-coming animals for distemper, canine parvovirus, parasites, and kennel cough. They will receive boosters as appropriate for age and veterinary recommendations. Veterinary care will be provided to all animals deemed in pain and/or injured. (Pain management medications will be provided as directed by a veterinarian.) We have medical protocols to treat a variety of diseases.
4. **Freedom to Express Normal Behavior.** We provide supervised play times for dogs. Dogs are social beings and living alone in a kennel for days on end can be frustrating and detrimental to a dog's mental health. With supervised interaction, dogs can learn beneficial play skills, making them better partners for an adoptive home with an existing dog. Dogs in supervised play sessions release pent up energy and keep muscles strong and healthy. A well exercised dog is less likely to be destructive to the kennel and its contents. Cats are provided time out of their cages for play, staff and volunteer attention, and time to explore their environment.
5. **Freedom from Fear and Distress.** We have a volunteer dog trainer to guide staff in interacting with dogs in the kennels. The trainer will have protocols for each dog to support staff and volunteer interactions with fearful and distressed dogs. Calming

pheromone spray, clinically-tested musical CD's, frequent hand feeding of treats, and patient encouragement will assist our supportive efforts. A renewed effort to recruit community volunteers will have many positive benefits for fearful and distressed dogs in the shelter and give the dogs more opportunities for care. Our trainer will be available to owners after the adoption for support in the transition process into a new home. Cats are housed away from dogs and given time to adjust to the shelter environment, They are provided places to climb, hide, and observe.

Assessing Suitability for adoption/transfer

The criteria we will use to determine suitability of a dog for adoption is observation over time of daily behaviors, dog to dog interactions, and dog to people interactions by staff and dog trainer. The dog trainer will administer the "Am I Safe?" temperament assessment, designed by Sarah Kaljnas; Certified Dog Behavior Consultant If available, the personality profile completed by the previous owner will be considered as well.

The criteria used to transfer a dog to another dog welfare agency will be length of stay, breed specific needs, opportunities for a change of venue for renewed interest, our lack of available space or resources. The dogs we transfer will be current on vaccines, of an adoptable age and temperament, and have full disclosure of any special behavioral or health needs. We will have an agreement with the receiving agency that they will inform us if they find the dog to be unadoptable while in their care, so that we may reclaim the dog.

Cats will be assessed through observation and interaction. Those findings will be shared with potential adopters to assist in finding a suitable match.

Euthanasia

Central Oregon Animal Friends is committed to the preservation of life and operates under the no-kill philosophy. This means that Central Oregon Animal Friends resolutely affirms that it will not euthanize for reasons amounting to insufficient operational capacity such as space, manpower, and the like. As long as an animal is adoptable, we make a commitment to provide quality care until we find his or her forever home. There are times however where euthanasia is necessary for medical or behavioral issues and Central Oregon Animal Friends has a responsibility to all of the animals in our care, as well as to the public, to ensure their safety and quality of life.

The staff and Board of Directors of the Central Oregon Animal Friends recognize that the subject of euthanasia is emotionally charged and, at times, very difficult. We also recognize that it requires both reflection and open discussion. Given the sensitivity of the practice of

euthanasia and the organization's requirement to maintain transparency and objectivity, each animal in our care is evaluated as an individual and the euthanasia of any animal will fall under the requirements of the following two categories:

1. Deteriorating medical condition that is untreatable and causing suffering to an animal. Euthanasia decisions will be made for animals that are suffering from a disease, injury, or congenital or hereditary condition that adversely affects the animals health and who are not likely to become healthy or treatable even if provided care. The decision of euthanasia will be documented, approved, and signed by the Executive Director, Director of Operations, and shelter dog trainer after discussion with an attending veterinarian.

2. Behaviors that are beyond correction that are deemed to pose an unacceptable danger to the staff, other animals, themselves, or the public. Any animal that is in this category will be closely monitored by management, staff, and the shelter dog trainer in an attempt to reverse the pet's unsafe behaviors. If the animal appears to pose a serious danger to humans, the animal would not meet adoptability criteria. The decision of euthanasia will be documented, approved, and signed by the Executive Director, Director of Operations, and the contracted shelter dog trainer.

Programs

Operations

As with our Madras facility, Central Oregon Animal Friends will operate under a DBA to be determined. Central Oregon Animal Friends will establish convenient public hours of access, including weekend hours. Public hours will include being open at least thirty (30) hours per week that includes five (5) different days per week, including either a Saturday or a Sunday. Animals in the Program will be treated with care and respect, and provided a clean, comfortable and healthy environment. An appropriate environment will be provided to minimize stress levels, and address social and exercise needs. The health and welfare of the animals is a foremost consideration. Central Oregon Animal Friends will follow a clear set of protocols regarding kennel admission and intake procedures, care and welfare of animals, employee conduct, and kennel and adoption operations.

Owner release & stray animal intake services

Central Oregon Animal Friends will accept owner surrendered animals as it has the space to do so. A wait list will be maintained if no space is available. Our first priority is

the stray dogs of the city and county and will never turn them away.

Redemption & Adoption

It is important to Central Oregon Animal Friends that stray animals are reunited with their owners. Owners of reclaimed dogs will be required to provide proof of a current rabies vaccine. With proof of current rabies vaccine, but without a current County license, the dog will be licensed at the time of reclaim. Without a current rabies certificate, owners are required to place a \$20 license deposit and are allowed 8 days to provide a rabies certificate from a licensed veterinarian. With that certificate, the dog will be licensed in keeping with Wasco County ordinance. Law enforcement officials will be contacted if after 8 days owners do not return with the proof of rabies vaccine. Strays are held 3 days without identification and 5 days with identification. After the hold time has elapsed, the animal becomes the property of Central Oregon Animal Friends. The animal will then be assessed for adoption. Adoptions are facilitated through an application screening process to determine eligibility. We dialogue with potential adopters to learn more about their needs and wants in a new pet. We strive to find the best fit for each adopter and answer all questions regarding a particular animal to our best ability. We provide potential adopters with any information we received from previous owners. All animals are sterilized BEFORE being adopted. We microchip all animals and register the microchip to the new owners at the time of adoption. We offer follow up support after adoptions, as needed. We always accept adopted animals back into our care if the owner is unable or unwilling to care for the animal. We will encourage and advertise adoption opportunities in our quarterly newsletter, Facebook page, Petfinder.com, our website, radio, and outreach adoption events. As a Petco adoption partner, we will hold adoption events in the local Petco store.

Outreach

We would engage with and provide outreach to the community at large by holding outreach and adoption events. We will communicate with the media on an ongoing basis to keep the shelter in the news and promote public awareness, utilize speaking opportunities at service clubs and local groups, and establish a shelter newsletter. We plan to visit retirement home residents and bring dogs for their enjoyment. We plan to visit schools and educate children about bite prevention. We plan to provide spay/neuter assistance to low-income community members. We will maintain a welcoming, approachable environment at the shelter and publicly appreciate the efforts of community volunteers. Central Oregon Animal Friends is a member of the Jefferson County Chamber of Commerce and our management often attends chamber events. We will become an active member of the Wasco County Chamber of Commerce as well.

Volunteers/Foster Homes

One of our very most valuable and precious resources is our volunteer force. Central Oregon Animal Friends is able to provide the number and quality of services and programs because of the generous assistance of our animal shelter volunteers. We believe that volunteers deserve training and communication to enhance their experience in an organization. We offer orientation and on-going training to our volunteers; including a handbook for reference of rules, safety issues, and requirements for increased participation. We are committed to providing each volunteer a rewarding and productive volunteer experience with our organization. Our dedicated foster homes give our animals extra TLC and a safe place until their forever homes can be found. Foster homes must meet a list of requirements to become qualified and then are provided all the tools and supplies for their foster animal.

Spay/Neuter Program

Central Oregon Animal Friends works with several foundations to fund a public spay/neuter certificate program through grants.

Retail Sales

Central Oregon Animal Friends plans to maintain a shelter retail section to help fund their operations. Products for sale include dog & cat food, treats, toys, and leashes & collars.

Proposal

Central Oregon Animal Friends proposes to partner with Wasco County and The City of The Dalles and to enter into a management agreement and property lease agreement to operate the Wasco County Kennels as a separate 501(c)3 entity. Under this management contract will be a consideration amount for the intake and care of all stray dogs, police/court custody holds, and public courtesy holds of Wasco County.

This proposal includes the following provisions:

Home At Last Animal Friends:

Central Oregon Animal Friends would like to see one of the following scenarios take place in regard to Home At Last Animal Friends:

1. Home At Last Animal Friends would vacate the property leaving all county owned property (desks, kennels, etc.).

OR

2. (Preferred) After Due Diligence is completed and approved, Home At Last Animal Friends would merge with Central Oregon Animal Friends to become one 501c3 nonprofit. Central Oregon Animal Friends would acquire all debt, liquid assets, and fixed assets of Home At Last Animal Friends. Central Oregon Animal Friends Board will take the lead as the governing board thus dissolving the Home At Last Animal Friends Board. We would request that the current HAL Board become a fund raising committee for the shelter in The Dalles.

- The initial contract term will be for a three (3) year period with a review of contract terms and conditions at twelve (12) months. The contract may be extended for three (3) additional two (2) year periods upon mutual written agreement, for a total potential contract period of nine (9) years.
- We will ask Wasco County to pay Central Oregon Animal Friends consideration for the services provided to the County through onetime payment of \$25,000 and all licensing revenue. We will ask The city of The Dalles to pay Central Oregon Animal Friends consideration for the services provided a onetime payment of \$25,000.
- All adoption fees, stray redemption fees, intake fees, boarding, grants, and donations will go to Central Oregon Animal Friends.
- Central Oregon Animal Friends will be allowed to charge a service fee up to \$5.00 for issuing dog licenses for Wasco County. This fee will be on top of the County imposed license fees and all dogs adopted to and all return to owner dogs to Wasco County residents.
- All animals referred for hold by the Animal Control Officer or other police agency or public stray within Wasco County will be accepted by Central Oregon Animal Friends. Owners may be charged impound and daily care costs.
- We will ask Wasco County to deed the complete building and property of the Wasco County Kennels at no cost to Central Oregon Animal Friends with no less than a 120 day release clause.
 - All current inventory of the Wasco County Kennels will be available for use in operation of the shelter by Central Oregon Animal Friends at the time of transition.

Central Oregon Animal Friends welcomes the opportunity to establish a mutually beneficial and long term relationship with Wasco County and The City of The Dalles

[Continued]

in this endeavor.



Stephen Drynan, Executive Director

12/12/2017

Date



PLAN OF MERGER AND MERGER AGREEMENT

This Plan of Merger and Merger Agreement ("Plan of Merger") is made by and between Central Oregon Animal Friends, an Oregon nonprofit corporation registry #889107-90, Tax ID #46-1240416 ("COAF"), and Home At Last Animal Friends Inc., an Oregon nonprofit corporation registry #760178-89, Tax ID #93-1297310 ("HAL"), and shall be effective on _____, 201__ after filing of Articles of Merger with the Secretary of State of the State of Oregon ("Effective. Date").

RECITALS

1. COAF is an Oregon nonprofit corporation that has been recognized by the IRS as a 501 (c) (3) organization (Letter dated Feb. 8, 2013) and whose mission is: "Central Oregon Animal Friends is committed to promoting healthy, safe and lifelong relationships between people and their pets through sustainable programs of education, adoption and spay/neutering. We will endeavor to fight for the abused and abandoned, and foster a community where no companion animal will be killed because it is homeless."
2. HAL is an Oregon nonprofit corporation whose mission is: "Our commitment is to end pet overpopulation in the Mid-Columbia region through Spay/Neuter, Providing healthy, safe and loving homes for dogs and cats, Promoting positive relationships between people and their pets through outreach and education, and no companion animal will be killed simply because it is homeless."
3. The respective Boards of COAF and HAL have each determined that it is in the best interest of their respective corporations to combine their Corporations.
4. In furtherance of such combination, the Boards of Directors of COAF and HAL have each adopted this Plan of Merger and approved the merger ("Merger") of HAL into COAF in accordance and under the terms and conditions set forth herein.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Merger

- a. Upon the terms and subject to the conditions set forth in this Plan of Merger, at the Effective Date HAL shall be merged with and into COAF, whereupon the separate existence of HAL and its Board of Directors will cease and COAF shall be the surviving corporation in the merger ("Surviving Corporation").
- b. As soon as practicable after satisfaction or waiver of the conditions and obligations of the parties to consummate the Merger, COAF and HAL will file Articles of Merger with the Secretary of State of the State of Oregon, and will make all other filings or recordings required by applicable law in connection with this Merger.
- c. From and after the Effective Date, title to all real estate and all assets liquid and fixed owned by COAF and HAL shall be vested in the Surviving Corporation and the Surviving Corporation shall be responsible for all liabilities of COAF and HAL. Upon the Effective Date, Executive Director, Stephen Drynan, Board President, Paul Viemeister, and Board Secretary/Treasurer Sheila Dooley, will be the designated and sole signers on all HAL bank accounts, investments, and other liquid asset accounts.

2. Surviving Corporation

- a. The name of the Surviving Corporation shall remain Central Oregon Animal Friends and shall file a new DBA of Effective. Date name with the Oregon Secretary Of State Corporation Division.
- b. The Articles of Incorporation and by-laws of COAF in effect at the Effective Date shall be the Articles of Incorporation and by-laws of the Surviving Corporation until amended in accordance with applicable law.
- c. The by-laws of the Surviving Corporation shall be substantially in the form set forth in Exhibit A hereto.
- d. Prior to the Effective Date, the officers and Directors of COAF and HAL shall continue to serve in their respective capacities. The Directors of COAF shall become the governing Board and begin service as of the Effective Date.
- e. As of the Effective Date of this Plan of Merger, there is no voting membership of COAF or HAL.

3. Representations and Warranties

a. COAF represents and warrants to HAL that:

- i. COAF is duly organized, validly existing and in good standing under the laws of the State of Oregon.
- ii. COAF has made available to HAL complete and correct copies of its Articles of Incorporation and By-laws.
- iii. COAF has made available to HAL copies of its financial statements ("COAF Financial Statements") for 2017 to date.
- iv. Since the date of the last financial statement provided to HAL, COAF has conducted its operations in the ordinary course and there has not been any change in the financial condition, properties, or results of operations of COAF except those changes that, individually or in the aggregate, have not had and are not reasonably likely to have a material adverse effect on it.
- v. Except as disclosed in the COAF Financial Statements , there are no
 1. Criminal, civil or administrative actions, suits, claims, hearings, investigations or proceedings pending or, to the knowledge of COAFs Officers ("COAF Officers"), threatened against it.
 2. Obligations or liabilities, whether or not accrued, contingent, or otherwise, or any other facts or circumstances known to the COAF Officers that would reasonably be expected to result in any adverse claim against COAF.

b. HAL represents and warrants to COAF that:

- i. HAL is duly organized, validly existing, and in good standing under the laws of the State of Oregon.
- ii. HAL has made available to COAF complete and correct copies of its Articles of Incorporation and By-laws.
- iii. HAL has made available to COAF copies of its financial statements ("HAL Financial Statements") for the last two fiscal years or since inception.
- iv. Since the date of the last financial statement provided to COAF, Hal has conducted its operations in the ordinary course and there has not been any change in the financial

condition, properties, or results of operations of HAL except those changes that individually or in the aggregate, have not had and are not reasonably likely to have a material adverse effect on it.

- v. Except as disclosed in the HAL Financial Statements, there are no
 - 1. Criminal, civil or administrative actions, suits, claims, hearings, investigations or proceedings pending, or, to the knowledge of HAL's officers ("HAL Officers"), threatened against it,
 - 2. Obligations or liabilities, whether or not accrued, contingent or otherwise, or any other facts or circumstances known to HAL Officers that would reasonably be expected to result in any adverse claim against HAL.

4. Covenants

- a. COAF covenants and agrees after the date hereof and until the effective date:
 - i. The business of COAF shall be conducted in the ordinary and usual course and, to the extent consistent therewith. COAF shall use its best efforts to maintain its existing relations and goodwill with its vendors and employees, if any.
 - ii. COAF shall not enter into any new contracts or commitments that will extend beyond the effective date without the consent of HAL.
 - iii. COAF will coordinate with HAL all press releases and public announcements regarding the Merger.
 - iv. All costs and expenses incurred by either party in connection with this Plan of Merger shall be paid by the party incurring the expense.
- b. HAL covenants and agrees after the date hereof and until the Effective Date:
 - i. The business of HAL shall be conducted in the ordinary and usual course and, to the extent consistent therewith. HAL shall use its best efforts to maintain its existing relations and goodwill with its vendors and employees, if any.
 - ii. HAL shall not enter into any new contracts or commitments that will extend beyond the Effective Date without the consent of COAF.
 - iii. HAL will coordinate with COAF all press releases and public announcements regarding the Merger.

- iv. All costs and expenses incurred by either party in connection with this Plan of Merger and Merger Agreement shall be paid by the party incurring the expense.

5. Approvals

Both parties agree to submit this Plan of Merger for approval of their respective Boards on or before the Effective Date, with approval to occur by Effective Date. If this Plan of Merger is approved by the Boards of COAF and HAL by the votes required in the Articles of Incorporation or Bylaws of the respective parties and by the applicable laws of the State of Oregon, then Articles of Merger shall be executed and filed with the Secretary of State of the State of Oregon as soon as practicable thereafter.

6. Termination

This Plan of Merger may be terminated and the Merger abandoned at any time before the approval thereof by the Board of Directors of both COAF and HAL.

7. Amendment

This Plan of Merger may be amended with the approval of the Boards of Directors of the parties at any time prior to the effective date.

8. Extension; Waiver

At any time prior to the Effective Date, the Board of Directors of either party hereto may:

- a. Extend the time for the performance of any of the obligations or other acts of the other party hereto,
- b. Waive any inaccuracies in the representations and warranties of the other party contained herein or in any document or instrument delivered pursuant hereto, and
- c. Waive compliance by the other party with any of the agreements or conditions contained herein. Any such extension or waiver by a party shall be valid only if set forth in writing and delivered on behalf of such party.

9. Entire Agreement

This Plan of Merger constitutes the only agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter

hereof. All Exhibits hereto are a material part of this Plan of Merger and are incorporated herein by reference. This Plan of Merger, including any Exhibits hereto, may not be amended or modified, except in writing signed by all parties to this Plan of Merger.

IN WITNESS WHEREOF, the parties hereto, pursuant to the authority given them by their respective Board of Directors, have executed this Plan of Merger on the _____ day of _____, 201__

Central Oregon Animal Friends

Home At Last Animal Friends

Signature

Signature

Paul Viemeister, Board President

Mary Martin, Board President

Notary Public

State of OREGON County of _____ Signed (or attested) before me on (date)

_____, 20____ by (name(s) of individual(s)) Paul Viemeister & Mary Martin

_____ Notary Public - State of Oregon

Official Stamp Document

Description This certificate is attached to page ____ of a _____ (title or type of document), dated _____, 20 __, consisting of _____ pages.