INTERLOCAL AGREEMENT GOVERNING ANIMAL CONTROL SERVICES

Ivins City, a Utah municipal corporation ("Ivins"), and Santa Clara City, a Utah municipal corporation ("Santa Clara"), hereby enter this instrument effective as of July 1, 2026 (the "Effective Date"), to commence as of July 1, 2026 (the "Commencement Date").

RECITALS

A. Ivins and Santa Clara are parties to a verbal arrangement (the "Original Agreement") to share animal control services, which provides, among other things, that the animal control services will be provided by Ivins and that Santa Clara will reimburse Ivins for half the cost of one full-time animal control officer.

B. The parties desire to formalize and completely restate the Original Agreement to, among other things, demonstrate their continued commitment to the shared service, provide for new cost-sharing percentages and to provide certainty regarding the term.

TERMS

Based on the foregoing recitals and the following covenants, obligations, terms and conditions, the receipt and sufficiency of which as adequate consideration the parties hereby acknowledge, the parties agree as follows:

(1) Amendment and Restatement of the Original Agreement. Upon the Commencement Date, all terms derived from the Original Agreement will be deemed amended and restated in full herein for all purposes. All obligations related to the operation of animal control services shall be governed by the terms of this instrument.

(2) Obligation to Provide Animal Control Services. Ivins shall continue to conduct the operations of the animal control services in a neutral, efficient, and professional manner as provided in the document titled "Duties and Operations" attached hereto as Exhibit A, which is by this reference incorporated herein in full.

(3) Cost-Sharing. Santa Clara shall reimburse Ivins for expenses incurred to provide the animal control services, according to the percentages of animal intakes attributable to each city. For each annual calculation, the intake percentage will be provided by animal control staff based on calendar year internal reporting. Santa Clara shall be entitled to audit the reporting upon request. The intake percentages will further be averaged over the preceding 5 calendar years, with the most immediate past year being reduced to 80% of the intake for that immediate past year, the next immediate past year being reduced to 90% of the intake for that next immediate past year, and the 3rd through 5th past years not being reduced at all. For example, for the first calculation for the FYE 2027 (July 2026 through June 2027), the animal intake information will use 80% of the animal intake percentage for the 2025 calendar year, 90% of the animal intake percentage for the 2024 calendar year, and

100% of the animal intake percentage for the 2023, 2022, and 2021 calendar years.

(a) First Year Calculation. For the first fiscal year (FYE 2027 – July 2026 through June 2027), the calculation, resulting in a reimbursement percentage for Santa Clara of 35.1%, is as follows:

Animal Intakes Percentage

City	Year 1 2025 (.8)	Year 2 2024 (.9)	Year 3 2023 (1.0)	Year 4 2022 (1.0)	Year 5 2021 (1.0)	5 Year %
Santa Clara	31.7%	25.7%	45.5%	33.9%	38.7%	34.0%
Ivins	68.3%	74.3%	54.5%	66.1%	61.3%	66.0%

(b) Subsequent Calculations. For each fiscal year following, the reimbursement amount will be calculated using the same formula, using the most recent intake percentages tracked by animal control staff. Notwithstanding the foregoing, if the calculation according to the formula in this Section 3 results in a percentage change in the amount a party is paying in excess of 1% for any given year, the amount each party shall pay shall be adjusted so that the percent change is equal to 1%.

(4) Remittance. The parties shall make payments for the respective services quarterly. On the first business day of each quarter, or reasonably soon thereafter, the party to whom the payment is due shall deliver a written invoice to the paying party. The paying party shall have until the first business day that is at least 45 days after the delivery of the invoice to make the payment. Any payment not paid when due shall accrue annual interest at the rate specified in UCA §15-1-4(3)(a) or its successor.

(5) Budgets.

(a) Annual Budgets. Ivins shall annually by the last Wednesday of March, prepare and deliver to Santa Clara a detailed budget request identifying the full budget for the animal control services for the next fiscal year. Subject to any circumstance outside each party's control, each party shall appropriate the amount necessary to cover the budget request on a fiscal year basis as part of the party's normal budgeting process. While each party's percentage share of a budget may differ from year-to-year based on the percentages calculated pursuant to Section (3) above, the total amount of any budget, excluding one-time, non-operational expenses, such as apparatus purchases, shall not, except as agreed to by the parties, increase from the previous fiscal year's budget by more than six percent or a percentage calculated as the Consumer Price Index (CPI) for the prior calendar year plus the percentage increase in total population based on the Utah State Tax Commission Sales Tax Report for both cities, whichever is higher.

(b) Fixed Facilities. Fixed Facilities means immobile, permanent structures, buildings, or land improvements used in the provision of services under this instrument. For the purposes of this instrument, all furniture, fixtures, and equipment that are associated with a Fixed Facility shall be considered part of the Fixed Facility. All costs associated with the construction, furnishing, repair, maintenance, or expansion of Fixed Facilities shall be borne solely by the party in which the facility is located and therefore shall not be included in the shared budget. Vehicles shall not be considered Fixed Facilities.

(c) Expenses. The shared budget should include all expenses necessary to provide the services described in Exhibit A, but shall exclude the expenses for Fixed Facilities as described in subsection (b) above. Exhibit B is a chart of accounts that shall be excluded in the expenses.

(d) Revenues and Grants. All revenues and grants collected for providing the service shall be shared by reducing the net expenses equal to the amount of the revenues and/or grants. This includes but is not limited to revenues from other jurisdictions as well as grants. Grants received for the purpose of repairing, expanding, or remodeling a Fixed Facility are not shared.

(e) Budget Amendment Increase. An annual budget may be increased by amendment outside of the normal annual budget process in the amount necessary to cover expenses that could not have been reasonably foreseen during the annual budget process, such as expenses to cover an increase caused by a vendor increasing its fee compensation by more than what was expected or expenses to cover additional services caused by emergencies in the areas of one or both of the parties or the areas that are covered by mutual aid agreements. The parties have a duty to notify the other party when such an event is clearly apparent in a reasonable timeframe.

(6) Term. The initial term of this instrument shall be 6 years. Unless this instrument is terminated as provided in this Section 6, it shall automatically renew for successive 6-year terms until terminated. The parties may terminate this instrument only as described in this Section 6.

(a) 6-Year Review. At the end of each 6-year term, either party may, pursuant to a good-faith determination by its city council that continuing with this instrument is not in the best interest of its citizens, terminate this instrument for any reason or no reason, without any cause whatsoever. Prior to terminating, the parties must meet and confer to attempt to resolve the need to terminate. If the parties are unable to resolve the need to terminate, the terminating party must deliver to the other party a written notice of termination by no later than September 30 of the year preceding the end of the current term, with an effective termination date of the end of the current term. For example, to terminate after the first 6-year term (termination effective as of June 30,

2032), the terminating party must deliver the notice of termination no later than September 30, 2031; to terminate after the next 6-year term (termination effective as of June 30, 2038), the terminating party must deliver the notice of termination no later than September 30, 2037. No other termination without cause shall be allowed.

(b) For Cause Termination. Either party may terminate this instrument for cause only as described in this Section (6)(b). Prior to terminating, the parties must meet and confer to attempt to resolve the need to terminate. If the parties are unable to resolve the need to terminate, the terminating party must deliver to the other party a written notice of termination by no later than September 30 of the current fiscal year, with an effective termination date of the end of the current fiscal year. Any notice of termination must identify the circumstances constituting cause and must give the non-terminating party at least 30 days to cure the cause, but only if a cure can be reasonably accomplished within 30 days. If the non-terminating party is unable to cure the cause within 30 days of receipt of the notice, this instrument shall be terminated in full as of the end of the current fiscal year. Only the following circumstances may be deemed cause entitling termination under this section, subject to the required conference, notice and opportunity to cure:

(i) Failure to Make a Payment. If Santa Clara fails to make a payment required hereunder, Ivins may terminate by delivering the required notice of termination within 45 days of the date the payment was due. Regardless of whether Ivins elects to terminate, Ivins may pursue any legal remedies to recover the unpaid payment, including by offsetting any payments due from Ivins to Santa Clara under any other interlocal agreement by an amount equal to the amount that was not paid.

(ii) Failure to Maintain Required Licenses. If Ivins fails to obtain or maintain any license required to provide the services, Santa Clara may terminate by delivering the required notice of termination at any time after discovering the noncompliance, but only while the noncompliance continues.

(iii) Failure to Maintain Service Standard. If Ivins fails to maintain coverage for the services in a manner that meets the service standard (see Exhibit A) within Santa Clara's boundaries, Santa Clara may terminate by delivering the required notice of termination. Before delivering the required notice of termination, the Santa Clara's city council must make a good-faith determination that the situation is of sufficient public concern to warrant termination and is not simply a pretext to terminate for another reason, including budgetary concerns.

(iv) Breach of Contract. If either party breaches any term hereof, the non-breaching party may terminate by delivering the required notice

of termination within 90 days of discovering the breach. Termination shall be the only remedy for any breach of this instrument, except the failure to make any payments due hereunder or a breach of Section (6)(b)(iii) above or Sections (8)(a) or (8)(b) below.

(7) Animal Control Work Group. The parties shall meet and confer regularly to facilitate open communication and prompt identification and resolution of issues. The parties shall do so through a committee (the "Animal Control Work Group") that shall be comprised of each party's city manager and mayor and two city council members from each party. The Animal Control Work Group may meet at the same time as the Public Safety Work Group that already exists between the parties.

(8) Effect of Termination. If either party elects to terminate under Sections (6)(a) or (6)(b) above, Ivins will cease to provide animal control services to Santa Clara as of the termination date.

(a) Continuity of Operations. Notwithstanding any termination, Ivins shall in good faith continue to provide animal control services through the termination date. A breach of this provision shall entitle Santa Clara to any relief available at law or equity, including injunctive relief and/or damages to recover amounts spent by Santa Clara to provide the animal control services within its boundaries.

(b) Staff Adjustments. While Santa Clara may negotiate with members of the Ivins staff providing animal control services, unless otherwise agreed to by Ivins, Santa Clara may not hire such staff until the day after the termination date, so as to facilitate continued operations through the termination date. A breach of this provision regarding the effective dates of any hires shall entitle Ivins to any relief available at law or equity, including injunctive relief.

(c) Division of Assets. The parties shall divide the assets proportionally according to the contribution percentage each has paid for the preceding ten (10) fiscal years, including for time periods before this instrument, if applicable. Fixed Facility assets shall not be divided and shall remain with the party that owns them.

(i) Appraisals to Establish Value. If the parties cannot agree on the values of any such assets, either or both parties may obtain an appraisal from a professional, experienced, qualified, and, if regulated, licensed appraiser. If only one party obtains an appraisal, the value shall be the value determined by that appraisal. If both parties obtain an appraisal, the value shall be the average of both appraisals, unless the two appraisals differ in value by more than 10%, in which case the two appraisers shall select a neutral third appraiser to appraise the asset, with the value then being the average of all three appraisals. Any appraisal more than 1 year old

at the time assets are divided shall be deemed stale and not qualified to be used in the value calculation.

(ii) Division Process. Once the values are determined, each party shall be allocated value equal to the total value of the assets, multiplied by the percentage contribution for that party calculated pursuant to Section (8)(c) above.

(A) Exchange of List of Desired Assets. On a date mutually agreed to by the parties, or in the absence of an agreement on the date, on the last business day that is 90 days before the termination date, the parties shall meet to exchange a sealed list of assets that each party would like to receive, valued as appraised. The lists shall be separate for each department and shall not exceed the value allocated to each party for that department. All assets that are not sought by both parties shall be given to the requesting party as of the termination date. Any assets not requested by either party shall be divided by a panel pursuant to Section (8)(c)(ii)(C) below. If a party fails to participate in the meeting, that party shall be deemed to not have requested any of the assets and shall receive the assets not requested by the other party.

(B) Bidding to Resolve Mutually Requested Assets. For all assets that are requested by both parties, in the same meeting both parties' allocation value shall be reduced by the value of assets that were acquired in Paragraph (8)(c)(ii)(A) above. The non-terminating party shall have first choice to select the first mutually requested asset. If that party does not have enough allocated value to acquire that party's preferred first choice of asset, that party may release a previously selected asset to increase that party's allocated value. After the selection, the terminating party will have an option to select the next asset or assets up to a value that exceeds the value of the first asset acquired by the other. The non-terminating party would then follow suit following the same alternating procedure until all the items have been allocated. If one party runs out of allocated value, that party must either stop selecting assets or, upon agreement of the other party, pay the other party to buy them out.

(C) Process to Divide Remaining Assets. For all assets not divided pursuant to Sections (8)(c)(ii)(A) and (B) above, each party shall identify a qualified, experienced, and neutral mediator located in Washington County, Utah to serve on a division panel. Together, those selected individuals shall select a third qualified, experienced, neutral mediator to also serve on the division panel. Together the three mediators shall divide, in a binding manner, all other assets, such that the

parties shall each receive as close to their percentage value of the assets of each department as reasonably possible. In determining which remaining assets should go to which party, the panel shall consider the assets already received by each party so as to not leave one party without a certain type of asset if such asset is available and reasonably needed by the other party.

(iii) Alteration of Division Process. Nothing herein is intended to prohibit the parties from agreeing to alternative processes to appraise or divide the assets.

(9) Miscellaneous Terms. General miscellaneous terms that apply to this instrument are contained in the document titled "Miscellaneous Terms" attached hereto as Exhibit C and by this reference are incorporated herein in full.

(10) Notice. All notices, requests, and communications required hereby shall be in writing. Any party delivering any written document shall deliver the written document by any of the following means: (a) certified or registered mail, postage prepaid, return receipt requested, in which case the written document shall be deemed delivered upon the earlier of actual receipt or three business days after the postmark date, (b) recognized commercial overnight courier, in which case the written document shall be deemed delivered one business day after acceptance for next business-day delivery by the courier, or (c) personal delivery, in which case the written document shall be deemed delivered when received. The addresses to which the written documents shall be delivered are as follows:

If delivered to Ivins City:	Ivins City Attn: City Manager 85 N. Main St. Ivins, UT 84738
with a copy to:	Ivins City Attn: City Attorney 85 N. Main St. Ivins, UT 84738
If delivered to Santa Clara City:	Santa Clara City Attn: City Manager 2603 Santa Clara Dr. Santa Clara, UT 84765
with a copy to:	Santa Clara City Attn: City Attorney 2603 Santa Clara Dr. Santa Clara, UT 84765

Any party shall deliver notice of change of address in the manner described in this section. Rejection or other refusal to accept a notice or the inability to

deliver a notice because of a changed address of which no notice was given will be deemed to constitute receipt of the notice sent.

(11) Execution. By executing this instrument below, the executing individuals acknowledge that (1) they have read this instrument, (2) they understand its terms, (3) they have had the opportunity to have this instrument reviewed by independent counsel, (4) they have the full and complete authority to execute this instrument on behalf of the entity which they represent, and (5) they intend to bind the entity which they represent to the terms of this instrument in full. The failure of any executing individual to date their signature will not affect the validity of this instrument.

(12) Counterparts. The parties may execute this instrument in multiple counterparts with the same force and effect as if all signatures were set forth in a single document. Electronic and other copies shall have the same force and effect as the original.

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In witness of their intent to be bound by the above terms, the parties hereby execute this instrument as follows:

IVINS CITY

_____ By: _____
Date Kevin Smith, Mayor

Attested: By: _____
Kari Jimenez, City Recorder

Approved as to form: By: _____
Bryan Pack, City Attorney

SANTA CLARA CITY

_____ By: _____
Date Jarett Waite, Mayor

Attested: By: _____
Selena Nez, City Recorder

Approved as to form: By: _____
Matthew Ence, City Attorney

EXHIBIT A
Duties and Operations

Services

Ivins shall, within the territorial boundaries of both cities, including any areas annexed, and for the benefit of the people residing, visiting, and/or doing business in both cities, provide the following services through the animal control services:

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- All other services agreed to by the parties in writing.

Staffing

To facilitate the provision of such services, Ivins will have a goal to meet a staffing level with _____. The parties may adjust this staffing level at any time the parties agree in writing. Any hiring or firing of staff shall be done according to law and shall be made by Ivins.

Operations/Reporting

All staff shall report to the Ivins police chief. The police chief, or their designee, shall participate in all Santa Clara-based committees as requested by Santa Clara and shall present information to Santa Clara citizens as requested by Santa Clara.

All other employment and operational decisions shall be made by Ivins in its sole discretion; provided however that the police chief shall report monthly to the Santa Clara city council and shall respond to all inquiries from the Santa Clara mayor or city manager regarding the animal control services, including how complaints involving the animal control services are being or have been addressed and resolved.

The Ivins city manager shall also promptly respond to all inquiries from the Santa Clara mayor or city manager regarding how complaints involving the animal control services are being or have been addressed and resolved.

Resources

To further facilitate the provision of such services, Ivins shall provide support to the animal control services in the form of equipment, administrative staff, IT resources, HR staff, legal support, and financial staff support. Except for equipment and staff dedicated solely to the animal control services, the equipment and resources described in this paragraph shall not be included in the animal control services budget.

EXHIBIT B

Expenses Not Shared

This Exhibit B is incorporated by reference into the Restated Interlocal Agreement Governing Animal Control Services (the "Agreement") and is intended to clearly define which expenses are excluded from the shared cost and revenue calculations between Ivins City and Santa Clara City.

The following expenses are expressly excluded from shared cost calculations and shall remain the sole responsibility of Ivins City:

- Building & Grounds – Supplies / Maintenance
- Building Utilities
- S.C.H. Special Function Officer
- Capital Outlay – Furnishings

Updates or modifications to this Exhibit shall require written approval by both parties pursuant to the amendment provisions of the Agreement.

EXHIBIT C
Miscellaneous Terms

1. **Indemnification.** The parties are governmental entities under the "Utah Governmental Immunity Act" (Utah Code Ann. §63G-7-101, *et seq.)* (the **"Immunity Act")**. Consistent with the terms of the Immunity Act as provided herein, it is mutually agreed that each is responsible and liable for its own wrongful or negligent acts which are committed by it or by its agents, officials, or employees. The parties do not waive any defenses otherwise available under the Immunity Act, nor does either party waive any limits of liability currently provided by the Immunity Act.

   Each party shall defend, indemnify, save and hold harmless the other (including its respective elected and appointed officers and employees) from and against any and all demands, liabilities, claims, damages, actions and/or proceedings, in law or equity (including reasonable attorney's fees and costs of suit) relating to or arising from the operations of the department it controls, except where such demands, claims, actions or proceedings result from the negligence or misconduct of the other party, or its respective elected or appointed officers or employees, including but not limited to claims that the ordinances, policies, or actions of the other party are unlawful or unconstitutional.

2. **Claims and Disputes.** Claims, disputes and other issues between the parties arising out of or related to this instrument that cannot be resolved by the parties voluntarily shall be decided by litigation in the Fifth Judicial District Court of Washington County, Utah. Unless otherwise terminated pursuant to the provisions hereof or otherwise agreed in writing, both parties shall continue to operate their respective departments in good faith and payments shall continue to be made as required hereunder.

3. **Titles and Captions.** All section or subsection titles or captions herein are for convenience only. Such titles and captions shall not be deemed part of this instrument and shall in no way define, limit, augment, extend or describe the scope, content or intent of any part or parts hereof.

4. **Pronouns and Plurals.** Whenever the context may require, any pronoun used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plurals and vice versa.

5. **Applicable Law.** The provisions of this instrument shall be governed by and construed in accordance with the laws of the State of Utah.

6. **Integration.** This instrument constitutes the entire agreement between the Cities pertaining to the subject matter hereof, and supersedes all prior agreements and understandings pertaining thereto.

7. **Time.** Time is of the essence hereof.

8. **Survival.** All agreements, covenants, representations and warranties contained herein shall survive the execution of this instrument and shall continue in full force and effect throughout the term of this instrument.

9. **Waiver.** No failure by either party to insist upon the strict performance of any covenant, duty, agreement or condition of this instrument or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or of such or any other covenant, agreement, term or condition. Either party may, by notice delivered in the manner provided in this instrument, but shall be under no obligation to, waive any of its rights or any conditions to its obligations hereunder, or any duty, obligation or covenant of the other party. No waiver shall affect or alter the remainder of this instrument, but each and every other covenant, agreement, term and condition hereof shall continue in full force and effect with respect to any other then existing or subsequently occurring breach.

10. **Rights and Remedies.** The rights and remedies of the parties hereto shall not be mutually exclusive, and the exercise of one or more of the provisions of this instrument shall not preclude the exercise of any other provisions hereof.

11. **Severability.** In the event that any condition, covenant or other provision hereof is held to be invalid or void, the same shall be deemed severable from the remainder of this instrument and shall in no way affect any other covenant or condition herein contained. If such condition, covenant or other provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

12. **Exhibits.** All exhibits attached to this instrument are expressly made a part of this instrument as though completely set forth herein. All references to this instrument either in this instrument itself or in any of such writings, shall be deemed to refer to and include this instrument and all such exhibits and writings.

13. **Approval by Attorneys.** This instrument shall be submitted to the authorized attorneys for each of the Cities for approval in accordance with Utah Code Ann. §11-13-202.5.

14. **Amendment.** This instrument may not be amended or modified in any respect without the written consent of both parties. Promptly upon such consent, both parties shall mutually execute and deliver an amendment to this instrument. The amendment shall be effective upon this occurring.

15. **No Third-Party Beneficiaries.** This instrument is entered into by the parties solely for the benefit of the parties hereto. No obligation, benefit or rights are intended to be created or are created in any third party by execution hereof.

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