

**JOINT EXERCISE OF POWERS AGREEMENT  
OF  
THE WEST END ANIMAL SERVICES AGENCY**

This JOINT EXERCISE OF POWERS AGREEMENT (the “Agreement”) is dated this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, for reference purposes only, and is entered into by and between the cities of Ontario and Chino, who may be referred to herein individually as a “Member Agency” or “Party” and collectively as “Member Agencies,” “Members,” or Parties.”

**RECITALS**

A. The Member Agencies have the authority under California law to operate animal shelters and provide associated animal control programs within their respective jurisdictions.

B. Each Member Agency is a public agency authorized and empowered to contract with the other Member Agency for the joint exercise of powers under the Joint Exercise of Powers Act, Sections 6500, *et seq.*, of the California Government Code (the “Act”).

C. Each Member Agency is a local public entity, and are municipalities in contiguous geographical proximity, having similar animal control and sheltering needs, and a history of coordination and cooperation between each other.

D. Each Member Agency presently contracts with the Inland Valley Humane Society for animal shelter and control services, but desires to transition to jointly providing and managing such services directly, in order to achieve cost savings and operational efficiencies for the benefit of the persons residing in the Member Agencies’ respective service areas.

E. The Member Agencies desire to enter into this Agreement to create the West End Animal Services Agency as a joint powers agency for the purposes set forth herein.

**NOW, THEREFORE**, for and in consideration of the mutual covenants and conditions hereinafter stated, the Member Agencies agree as follows:

1. **Recitals.** The recitals above are true and correct, and are hereby incorporated into the terms of this Agreement as though fully set forth herein.

2. **Term.** The term of this Agreement shall commence as of August 1, 2024 or the date the Member Agencies have fully executed this Agreement, whichever is later, and continue until terminated pursuant to the terms of this Agreement.

3. **Definitions.** Except where the context otherwise clearly requires, the following words and phrases shall have the meanings specified below:

“Act” shall mean the Joint Exercise of Powers Act of the State of California, commencing with California Government Code Section 6500, as now existing or as may hereinafter be amended or supplemented.

“Agency” shall mean the West End Animal Services Agency, a joint powers authority created by this Agreement in accordance with the Act, made up of the Member Agencies.

“Agency Area” means that geographic area encompassing the total combined jurisdictional boundaries of the Member Agencies, as lawfully changed from time to time.

“Agreement” shall mean this Joint Exercise of Powers Agreement by and between the Member Agencies, as supplemented, amended, and/or restated from time to time.

“Board” or “Board of Directors” means the governing body of the Agency as established by this Agreement.

“Board Member” or “Director” means a member of the governing body of the Agency.

“Fiscal Year” means July 1 of one year through June 30 of the following year.

“Formation Date” means the date when this Agreement took effect pursuant to Section 2.

#### 4. **Creation of Agency.**

4.1 Agency Created. The Agency is formed pursuant to the provisions of the Act, which authorizes two or more public agencies, by a joint powers agreement entered into respectively by them and authorized by their legislative or governing bodies, to exercise jointly any power or powers common to the member agencies. The Agency shall be a public entity separate from the Member Agencies and is responsible for the administration of this Agreement.

(a) Confirmation of Agency Name. The Agency is known as the “West End Animal Services Agency.”

4.2 Notices. Within thirty (30) days after the Formation Date, the Agency shall cause a notice of its formation to be prepared and filed with the office of the California Secretary of State containing the information required by California Government Code § 6503.5. Within seventy (70) days after the Formation Date, the Agency shall cause a statement of information concerning the Agency, as required by California Government Code § 53051, to be filed with the office of the California Secretary of State and with the County Clerk, of any information as required by Government Code § 53051(a).

4.3 Agency Area. The geographic boundaries of the Agency (“Agency Area”) shall be coextensive with those of the Member Agencies, as may be lawfully changed from time to time.

4.4 Bylaws. The Board may adopt bylaws and any other regulations, policies, or procedures for the operation of the Agency not inconsistent with State constitutional, statutory, or decisional case law, the California Code of Regulations, or this Agreement.

#### 4.5 Purpose.

(a) The purpose of this Agreement is to jointly exercise animal control, animal shelter, and related services, and to facilitate cooperation among the Member Agencies with respect to issues related to the operation and management of an animal shelter and administrative oversight thereof, as well as provision of animal services within each Member Agency's jurisdiction and within the jurisdictions of such agencies as the Agency may contract with for such services. The purpose shall be accomplished in the manner set forth in this Agreement. The Member Agencies each possess the powers necessary or convenient for the accomplishment of such purposes.

(b) Through the Agency and its governing body, the Member Agencies shall collaborate, cooperate and seek to determine ways in which the Member Agencies, the citizens residing within the Agency Area, and other agencies who may contract with the Agency for animal control or shelter needs can benefit from joint services.

(c) The Member Agencies shall jointly benefit through the sharing of resources, which may include but is not limited to the sharing of executive and/or administrative staff. Among other public benefits, the Member Agencies and those with whom the Agency contracts shall receive reduced costs and more efficient services through the sharing of such resources.

(d) The purposes of this Agreement shall not be construed as limiting, and the Agency and its Board shall be authorized to further define the means by which the joint exercise of services may be accomplished.

(e) The Agency may, if approved pursuant to the provisions of this Agreement, accept new Parties to this Agreement, and the purposes of this Agreement shall include the provision of animal control, animal shelter, and related services within the territorial jurisdiction of any new Parties. The purposes of this Agreement shall apply to any new Parties.

#### 5. Powers of Agency.

5.1 Generally. The Agency shall exercise the powers common to the Member Agencies, powers otherwise permitted under the Act, and powers necessary to accomplish the purposes of this Agreement.

5.2 Specific Powers. The Agency is hereby authorized, in its own name, to do all acts necessary, convenient and appropriate for the exercise of the foregoing powers for the purposes set forth in this Agreement and to do any or all of the following:

(a) Setting and adopting policies for the operation of the Agency.

(b) Adopting an annual budget.

(c) Employing personnel, consultants, advisors and independent contractors, setting parameters for labor negotiations, and ratifying labor agreements.

(d) Entering into contracts, leases and other agreements, which may include, but are not limited to, a contract for administrative and fiscal services and a contract with a Certified Public Accountant for annual audit services or contracts for service to other jurisdictions.

(e) Applying for, receiving and disbursing grants, loans or other aid from any private or public agency.

(f) Cooperate with other agencies, nonprofit groups and private entities as appropriate to participate in joint projects related to animal control or sheltering services, or any other purpose of the Agency set forth in this Agreement.

(g) Setting fees for service where permitted by law.

(h) Receiving, disbursing and investing funds.

(i) Purchasing and holding title to property, and obtaining leaseholds, licenses and other interests in property, including the authority to acquire, dispose of, construct, manage, maintain or operate any building, works or improvements.

(j) Issuing revenue bonds pursuant to California Government Code Section 6540, *et seq.*

(k) Obtaining in its own name all necessary permits, licenses, opinions and rulings.

(l) Expending funds of the Agency, only for the purpose of carrying out the provisions of this Agreement as they now exist or may hereafter be amended. Such powers shall be exercised in the manner provided in the Act subject only to such restrictions as set forth in this Agreement or other applicable law.

(m) Suing and being sued in its own name.

(n) Carrying out and enforcing all of the provisions of this Agreement.

(o) To incur debts, liabilities or obligations, which do not constitute a debt, liability or obligation of any Member Agency except as otherwise required by law.

(p) To receive gifts, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and governmental entities, provided that the Agency consents to such gifts, contributions and donations.

(q) To fix the compensation, if any, paid to the Board of Directors, Executive Director of Animal Services, Secretary, Treasurer, Controller and Attorney, in compliance with all applicable laws.

(r) To prescribe the duties, compensation and other terms and conditions of employment of other agents, officers and employees.

(s) To adopt reasonable rules and regulations for the conduct of the day-to-day operations of the Agency.

(t) To invest money in the treasury, pursuant to Government Code section 6505.5, that is not required for the immediate necessities of the Agency, as the Agency determines advisable, in the same manner and on the same conditions as local agencies, pursuant to Section 53601 of the Government Code.

(u) To exercise any and all powers which are provided for in the Act as they exist on the Formation Date or may hereafter be amended.

(v) Other powers and duties incidental to those enumerated herein.

5.3 Manner of Exercise of Common Powers. The powers of the Agency shall be limited only by the terms of this Agreement, the Act, and applicable law, as amended from time to time. The laws of the State of California applicable and common to general law cities shall govern the Agency in the manner of exercising its powers common between the cities, subject to such restrictions as are applicable to the City of Ontario in the manner of exercising such powers, as required by Government Code section 6509.

## 6. Governance.

6.1 Board of Directors. The Agency shall be governed by a Board of Directors (“Board”) composed of Directors representing the Member Agencies (each a “Board Member” or “Director”). If there are two Member Agencies, the governing body of the City of Ontario shall appoint and designate in writing two regular Directors and the governing body of City of Chino shall appoint and designate in writing one regular Director. If there are three or more Parties to this Agreement, the governing body of each Member Agency shall appoint one regular Director. Each Director, and any alternate, shall be a member of the Member Agency’s governing body. Each Member Agency will be entitled to representation on the Board in accordance with its financial contribution proportion (as set forth in Exhibit B to this Agreement) and as further described in Section 6.4(d), below. Each of the Board Members, and any alternates, shall be appointed as determined by the respective Member Agencies’ governing bodies and any applicable local policies. Each Director and alternate serves at the pleasure of the appointing Member Agency’s governing body and may be removed at any time, with or without cause, at the sole discretion of the appointing Member Agency’s governing body. If a Director or alternate’s membership on the appointing Member Agency’s governing body ceases, his or her membership on the Board shall also cease. All the powers and rights of the Agency shall be exercised by the Board, subject to the rights reserved by the Member Agencies as set forth in this Agreement; provided, however, that the Board may delegate such powers and authority to committees, sub-committees, and others as the Board deems appropriate. The alternate appointed by each Member Agency shall have the authority to attend, participate in and vote at any meeting of the Board when the regular member is absent.

6.2 Compensation. Directors may receive such compensation from the Agency for services as may from time to time be established by the Board, subject to the limits of applicable

law. Directors shall be reimbursed for necessary and actual expenses incurred in the conduct of the Agency's official business as permitted by law and by policies adopted by the Board.

6.3 Board Officers. The role of Board Chair and Vice Chair shall be filled as follows:

(a) The Board of Directors shall, at its first meeting and periodically thereafter as may be specified in its Bylaws or otherwise agreed upon, elect a Chair and Vice-Chair by majority vote. The Chair and Vice-Chair shall coordinate with the Secretary to set meeting agendas and shall also have the duties set forth in any adopted Bylaws of the Agency. If either the Chair or Vice-Chair ceases to be a Director, the resulting vacancy will be filled at the next meeting of the Board.

(b) The Chair, or in the Chair's absence the Vice Chair, shall preside at and conduct all meetings of the Board and execute agreements and other official instruments on behalf of the Agency. In the absence or inability of the Chair to act, the Vice Chair shall act as Chair. In the absence of the Chair and the Vice Chair, the absent members may appoint a different member of the Board to serve as an alternate.

6.4 Meetings of the Board.

(a) *Annual Meeting.* The Board shall hold an annual meeting to review the services provided by the Agency and to consider approval of a budget, which shall be a regular meeting conducted in accordance with the provisions of the Ralph M. Brown Act, Sections 54950 *et seq.* of the California Government Code. The Board may hold additional regular meetings as determined by the Board and may adopt such procedures and resolutions for conducting such meetings and other business as the Board deems appropriate. Alternatively, the Board may establish an executive or other committee to hold regular meetings.

(b) *Conduct of Meetings.* All meetings of the Board including, without limitation, regular, adjourned regular, and special meetings shall be called, noticed and conducted in accordance with the provisions of the Ralph M. Brown Act, Sections 54950 *et seq.* of the California Government Code.

(c) *Quorum.* A simple majority of the Board that also represents at least 50% of the Agency's Voting Shares (defined below) shall constitute a quorum for the purpose of transacting business. In the absence of a quorum at any meeting of the Board, a majority of the Directors present, or the Chair in the absence of all Directors, or the Secretary may adjourn the meeting from time to time without further notice, but no other business may be transacted.

(d) *Voting.* Once a quorum has been established, in general, except when Special Voting is expressly required pursuant to subsection (i) below, the affirmative vote of a majority of the quorum that also represents at least 50% of the Agency's Voting Shares shall be required for the Agency to take any action. All votes taken pursuant to this section shall be referred to as a "Regular Vote." The consequence of a tie vote or a majority vote that does not represent at least 50% of the Agency's Voting Shares shall be "no action" taken.

(i) "Special Voting" requiring higher or different thresholds is required: (i) where different voting requirements are provided for by applicable law or this

Agreement; and (ii) approval of the annual budget and amendments, issuance of any bonds, exercise of eminent domain, incurrence of any debts, liabilities, obligations, certificates of participation or other evidence of indebtedness, and confirmation of the nominee for the position of Executive Director of Animal Services, each of which shall require an affirmative vote of the majority of the membership of the Board representing at least 50% of the Agency's Voting Shares and, in addition, an affirmative vote of Board Members representing at least two Member Agencies. This section shall not prohibit the Board from delegating the authority to purchase goods and services, including goods and services consistent with any adopted or applicable Agency purchasing policy, specified herein.

(ii) "Voting Shares" means the respective voting shares of each Member Agency as established in Exhibit B, as may be updated from time to time in the manner described therein. If the City of Ontario has two Directors on the Board, the Voting Shares attributable to the City of Ontario shall be divided equally between the Ontario Directors.

(e) *Location and Date.* The Board shall meet at the Agency's principal governance and business office as set forth in a resolution adopted by the Board, or at such other place as may be designated by the Board for its regular, adjourned regular, and special meetings consistent with this Agreement. The dates upon which, and the hour and place at which, any regular meeting shall be held shall be fixed by resolution of the Board and a copy of such resolution shall be provided to each Member Agency.

(f) *Agendas and Minutes.* The Board may select, appoint, or employ a Secretary to keep or cause to be kept, at the principal business office, the principal governance office, or such other place as the Board may order, a book or electronic copy of minutes of all meetings of the Board and its committees as required by law, with the time and place of holding, whether regular or special, the notice thereof given, the names of those present at the meetings, and the proceedings thereof. As soon as practicable after each meeting, the Secretary shall cause a copy of the minutes to be forwarded to each director of the Board, and to the Member Agencies. The Secretary need not be a director and shall serve at the pleasure of the Board.

## 6.5 Board Committees

(a) *Committees.* The Board may create any standing or ad hoc committees as it sees fit. The Board may delegate to any committee the authority to approve any action or transact any business of the Board, except for business that is required by this Agreement to be approved by the full Board.

(b) *Actions of Full Board.* Approval of budgets, issuance of any bonds, exercise of eminent domain, and incurrence of any debts, liabilities, obligations, certificates of participation or other evidence of indebtedness as may be set forth in the Agency's effective purchasing policy and any legislative actions as defined by State law shall require an action of the full Board and shall not be delegated to any Board committees.

(c) *Procedures.* Except for exempt ad hoc committees, all meetings of committees including, without limitation, regular, adjourned regular, and special meetings shall be called, noticed and conducted in accordance with the provisions of the Ralph M. Brown Act,

Sections 54950 *et seq.* of the California Government Code. Committees shall maintain minutes of their proceedings.

## 7. **Executive Officers and Personnel**

7.1 **Executive Officers.** The executive officers of the Agency shall include the Executive Director of Animal Services, Treasurer, Auditor/Controller, Secretary, and such other executive offices as created by the Board. All executive officers shall report to the Board.

(a) *Executive Director of Animal Services.* The Executive Director of Animal Services will be an officer nominated by a Nominating Committee composed of the City Manager of each Member Agency, or their designees, and subject to confirmation by the Board. The Nominating Committee may nominate one or more candidates for final consideration and appointment by the Board. The Executive Director of Animal Services shall carry out the decisions of the Board and act as the signatory for the Agency on all actions requiring approval of the Board unless otherwise required by law. The Executive Director of Animal Services shall be responsible for the proper and efficient day-to-day operation of the Agency as is or hereafter may be placed in his or her charge, or under his or her jurisdiction or control, pursuant to the provisions of this Agreement, or of any ordinance, resolution, bylaw or minute order of the Board. The Board shall confirm the nominee for the position of Executive Director of Animal Services (by an affirmative vote of the majority of the membership of the Board representing at least 50% of the Agency's Voting Shares and, in addition, an affirmative vote of Board Members representing at least two Member Agencies) and oversee the performance of the Executive Director of Animal Services. The Executive Director of Animal Services shall report to the Board on all of the following, in a manner prescribed by the Board:

- (i) Plan, coordinate, supervise, and evaluate the Agency's operations, and conduct day-to-day operations of the Agency;
- (ii) Supervise and manage Agency personnel;
- (iii) Make recommendations to the Board on Agency operations;
- (iv) Establish policies and procedures of the Agency to implement directives from the Board;
- (v) In conjunction with the Treasurer, prepare an annual budget for submission to the Board.

The Executive Director of Animal Services shall be subject to dismissal by a majority vote of the Board representing at least 50% of the Voting Shares of the Agency.

(b) *Treasurer.* The Board shall appoint as the Agency Treasurer: (1) the Treasurer or Finance Director of one of the Member Agencies; (2) a certified public accountant; or (3) such other officer or employee of one of the Member Agencies as the Board shall deem qualified to act as the Agency Treasurer, so long as permitted by law. The Agency Treasurer shall perform such duties as are set forth in this Agreement and any other duties specified by the Board or as required by the Act, and shall perform the duties specified in Government Code



sections 6505 and 6505.5, as amended from time to time. The Agency Treasurer shall be the depository of funds and shall have custody of all money of the Agency, from whatever source. The Board may at any time select, employ, or appoint a new or different Agency Treasurer meeting one or more of the above qualifications.

(c) *Auditor/Controller.* The initial Agency Auditor or Agency Controller shall be the same person serving as the Agency Treasurer. The Agency Auditor or Agency Controller shall perform such duties as are set forth in this Agreement and any other duties specified by the Board or as required by the Act. The Board may at any time select, employ, or appoint a new or different Agency Auditor or Agency Controller who shall be: (1) the auditor or controller of one of the Member Agencies; or (2) such other officer or employee of one of the Member Agencies as the Agency shall deem qualified to act as Agency Auditor or Agency Controller, so long as permitted by law.

(d) *Secretary.* The Board shall appoint a Secretary who shall serve at the pleasure of the Board. The Secretary shall be the official custodian of records for the Agency, make all filings requested by the Board and legally required, and be responsible for agendas and meeting minutes as provided in Section 6.4(f) of this Agreement.

7.2 Official Bond. Pursuant to Government Code section 6505.1, the public officer, officers or persons who have charge of, handle or have access to any property of the Agency shall file an official bond in an amount of \$25,000, unless fixed by the Parties to this Agreement in a different amount by unanimous decision of the Board.

### 7.3 Other Officers and Staff

(a) *Attorney for Agency.* The Board of Directors may appoint a person, office, or firm to serve as Attorney for the Agency, who would attend all meetings of the Board of Directors; provided, however, that the absence of the Agency Attorney shall not affect the validity of any meeting. The Attorney shall perform such other duties as the Board of Directors specifies.

(b) *Officers and Professional Services.* The Board may select, appoint, or employ any other officers, or providers of professional and expert services, as may be necessary or appropriate to accomplish the purposes of this Agreement, including but not limited to, legal counsel, financial consultants, accountants, engineers, architects, contractors, appraisers and any other consultants and advisors, which may be a corporation, partnership, firm or individual. The Board may delegate to the Executive Director of Animal Services or to a committee the authority to hire officers and professional services.

(c) *Shared Resources.* The Board may contract with a Member Agency to provide necessary administrative services to the Agency as appropriate. All personnel employed by the individual Member Agencies shall remain employees of their respective Member Agency unless and until the Agency affirmatively employs such personnel pursuant to its powers. No express or implied employment contract between any Member Agency employee and the Agency exists as a result of this Agreement. The Board may designate a Member Agency to serve as Interim Administrator as further described in Exhibit A.

7.4 Interference Prohibited. The Board and the Member Agencies shall deal with the administrative services of the Agency (which includes the Agency's Treasurer, Auditor/Controller and Secretary) only through the executive officer of the Member Agency providing the administrative services (if provided by a Member Agency) or the Executive Director of Animal Services (if provided by an employee of the Agency), except for the purpose of inquiry. Neither the Board, the governing body of any Member Agency, nor any individual members of either shall give orders to any subordinate of the Executive Director of Animal Services.

7.5 Rules and Regulations. The Board shall forthwith adopt rules and regulations and perform all other acts necessary so that the Agency may hire personnel.

8. Equipment and Facilities.

8.1 Animal Shelter and Other Real Property.

(a) *Animal Shelter and Administrative Buildings.* The buildings that house the animal shelter and administration office operated by the Agency will be constructed by and owned by the Agency. The real property upon which the shelter building will be located is currently owned by the City of Ontario and is intended to be transferred to the Agency pursuant to a separate agreement. The original Member Agencies (the cities of Ontario, Chino, and any new Member Agencies who join the Agency pursuant to Section 14 of this Agreement by July 1, 2025) shall be the only entities with an ownership interest in the above-described real property following its transfer, and shall pay the Agency for their respective ownership interests in the property through their quarterly payments to the Agency over a period determined by the Agency and the original Member Agencies. New Member Agencies who join the Agency pursuant to Section 14 of this Agreement shall have an ownership interest in any other real property purchased by the Agency or construction pursuant to a construction contract awarded following the effective date of their inclusion in the Agency, and shall have the opportunity to assume the ownership interest of an original Member Agency should an original Member Agency withdraw from the Agency pursuant to Section 16 of this Agreement.

(b) *Member Agency Buildings and Structures.* Buildings and structures existing and owned by Member Agencies prior to the effective date of this Agreement may be utilized for the Agency's use, but shall remain the property of the respective Member Agency. Each Member Agency shall be responsible for the maintenance and insurance of Member Agency buildings. The Agency shall not directly own, maintain, or insure any existing building or structure other than those identified in subsection (a) above, unless the Agency and a Member Agency expressly agree in writing that the Agency accepts ownership, responsibility for maintenance, or responsibility to insure a particular building or structure. Any building constructed or owned by the Agency after the Formation Date shall be the property of the Agency, and in the event of dissolution of the Agency, shall be disposed of as provided in this Agreement.

(c) *Contributions of Real Property.* Any Member Agency may contribute real property to the Agency for the Agency's use. The Member Agency owning the interest in the real property shall continue to own said interest, unless the Member Agencies and Agency agree otherwise. The Board and the Member Agency owning the interest shall agree on the terms of the contribution.

(d) *Lease or Purchase of Additional Stations.* The Agency shall be authorized to lease, purchase, or obtain any other interest in real property for the Agency's uses.

## 8.2 Equipment and Other Personal Property.

(a) *Equipment Provided by Member Agencies.* As soon as reasonably practicable, the Agency shall inventory all equipment owned by the Member Agencies that is available for the Agency's use. All Member Agency equipment shall remain the property of that Member Agency, unless the Agency and that Member Agency otherwise agree. The Member Agency may contribute additional equipment for the Agency's use upon terms agreed between the Member Agencies and the Agency. The Agency may rent or borrow equipment from the Member Agencies for temporary use. All equipment owned by the Agency or subject to an equipment lease for financing purposes, shall remain the property of the Agency.

(b) *Acquisition of Equipment.* The Agency may acquire any equipment or other personal property for the Agency's use.

8.3 Separate Property of the Parties. Exhibit C, attached and incorporated by reference, establishes the property which is owned by a Member Agency and not the Agency, notwithstanding that the Agency may use that property.

## 9. Financial Provisions.

9.1 Administrative Services. Administrative services may be provided by the Member Agencies as described in Exhibit A, attached and incorporated by reference to this Agreement.

9.2 Operational and Capital Costs. All operational and capital improvements costs shall be allocated among the jurisdictions in accordance with the cost-sharing formula in Exhibit B, adopted by the Board and the governing bodies of the Member Agencies, and attached and incorporated by reference into this Agreement. Operational costs shall include costs for administrative services described in Exhibit A.

9.3 Billing of Members. Member Agencies will be billed quarterly by the Agency Treasurer, in accordance with the provisions of this Agreement Exhibit B. Member Agencies agree to pay the invoices on a quarterly basis.

9.4 Capital Purchases. Capital purchases that solely benefit a Member Agency shall be funded by that Member Agency. All other capital purchases shall be funded on terms established by the Board. The funding of capital purchases that are not budgeted shall be separately approved by the Board.

## 9.5 Budget.

(a) *Adoption.* The Board shall initially adopt a budget within 90 days of execution of this Agreement. The Board shall adopt a budget for operation and capital costs, and costs of special services and contract services, in time to allow review by the Member Agencies prior to April 30th of each fiscal year. The Agency's fiscal year shall be July 1 to June 30. No expenditures may be made by or on behalf of the Agency unless authorized by a budget or budget amendment approved by the Board.

(b) *Failure to Obtain Budget Approval.* In the event the Board does not adopt a budget prior to start of a fiscal year, the budgeted amounts of all expenses shall, except as required for debt payments or provided in multi-year agreements and other similar continuing legal obligations, remain the same as the amounts last approved by the Board in its most recently adopted budget; provided, however, that the amounts shall be increased by the Consumer Price Index ("CPI"). The CPI shall mean the Bureau of Labor Statistics' Consumer Price Index for All Urban Consumers in the Riverside-San Bernardino-Ontario area (Riverside-San Bernardino-Ontario CPI-U) for the twelve (12) month period ending the January prior to the beginning of the fiscal year. This factor shall be applied to the budget until such time as a new budget is adopted by the Board. Any shortfall in available funds and other non-reserve funds shall be made up from available reserves dedicated by the Board for such purpose and, if insufficient to cover the shortfall, any available reserve funds which have not been designated by the Board for a particular purpose or otherwise legally restricted for other purposes. Reserves shall mean any available cash or investments. In the event that a shortfall in available funds exceeds available unrestricted reserves of the Agency, such resulting unfunded shortfall shall be carried forward into the subsequent fiscal year. Member Agencies shall have no obligation to cure such unfunded shortfall other than as may be provided in a separate agreement, including, but not limited to, a special services agreement under Exhibit B.

9.6 Invoicing. Upon completion of the initial budget, and thereafter at such other intervals as determined appropriate by the Board, the Agency shall determine the amount of the budget expenses payable during the ensuing period pursuant to each Member Agency's share of expenses required by this Agreement, and the budget approved by the Board. The Agency shall submit to each Member Agency an invoice showing the Member Agency's share for the applicable period together with a calculation of the Member Agency's share. Each Member Agency shall pay to the Agency the amount invoiced within 30 days after the date of the invoice. Any amount not paid within 60 days of the date of an invoice shall be delinquent.

9.7 Default and Delinquency. Any Member Agency which defaults in its obligation to pay or advance any amounts due pursuant to this Agreement after such amounts have become delinquent shall be deemed to have waived and relinquished any rights and benefits it may have under this Agreement. Any defaulting Member Agency shall be liable to the Agency for interest on the unpaid amount at the rate of 10% per annum, or the maximum rate allowed by law if it is less than 10% per annum, until the overdue invoice amount is paid in full. If the Agreement is terminated, then the defaulting Member Agency shall remain liable for payment of its share of debts, liabilities and obligations under this Agreement incurred prior to the date of termination, plus interest.

9.8 Accounting. The Agency shall maintain strict accountability of all funds, receipts and expenses, and shall keep and maintain appropriate records and accounts of all funds, receipts and expenses under this Agreement in accordance with generally accepted accounting practices for California public agencies and the requirements of the Act. The Agency shall allow any Member Agency, or any of its employees, accountants, attorneys or agents to review, inspect, copy and audit any such records and accounts.

9.9 Record of Contributions. The Agency shall maintain records of all equipment, property and assets contributed by each Member Agency and by the Agency, including any staff resources contributed to the Agency.

9.10 Audit. The records and accounts of the Agency shall be audited annually by an independent certified public accountant and copies of such audit reports shall be filed with the State and each Member Agency pursuant to the requirements of Section 6505 through 6505.6 of the Government Code. The audit shall conform to generally accepted auditing standards. Such report shall be filed within 12 months after the end of the fiscal year or years under examination, and no later than fifteen (15) days after receipt of such audit reports by the Agency.

9.11 Expenditures. The Board shall establish and comply with a system and procedure for the review and approval of Agency expenditures and claims and the drawing and signing of Agency warrants or checks. All expenditures shall be consistent with the approved budget, except as otherwise determined by the Board.

9.12 Commitment to Use of Agency Services. In order to ensure and maximize the financial success of the Agency, following the Agency's commencement of providing animal shelter and/or control services, the Member Agencies agree to direct all inquiries and needs for animal shelter and/or control services within their respective jurisdictions to the Agency.

## 10. **Debts, Liabilities, Obligations; Contracts with Public Retirement Systems.**

10.1 Subject to all applicable laws, including but not limited to Government Code section 6508.1, all debts, liabilities, and obligations of the Agency shall be those of the Agency, and do not constitute debts, liabilities, or obligations of any one or more of the Member Agencies. The responsibilities and obligations of each Member Agency to this Agreement shall be solely as provided in this Agreement, or as provided in supplemental agreements or amendments as shall be executed by the Member Agencies.

10.2 The Agency shall not contract with a "public retirement system," as defined in Government Code section 6508.1(b), unless this Agreement is amended to expressly authorize such a contract. If the Parties amend this Agreement to authorize such a contract, such amendment shall address the Parties' respective responsibilities for the Agency's retirement liabilities in the event of termination or withdrawal.

10.3 The debts, liabilities and obligations of each Member Agency in existence or accrued as of the full execution of this Agreement shall remain the debts, liabilities and obligations of that Member Agency and shall not be assumed by or transferred to the Agency. After the execution of this Agreement by both Member Agencies, however, any existing debt,

liability or obligation of the Member Agencies may be expressly approved or accepted by the Agency by a formal written action of the Board.

## 11. **Indemnity and Hold Harmless; Insurance.**

11.1 **Indemnification of Member Agencies.** The Agency shall indemnify, defend and hold harmless the Board of Directors, the individual Member Agencies, and their members, officers, directors, employees and agents from and against any and all liability, loss, damages, expenses, costs (including, without limitations, costs and fees of litigation or arbitration) of every nature, arising out of any Agency act or omission related to this Agreement, except such loss or damage which was caused by the willful misconduct of the Board of Directors, any individual Member Agency, or their members, officers, directors, employees and agents.

11.2 **Indemnification for Prior/Separate Acts.** Each Member Agency (Indemnifying Member Agency) shall defend, indemnify and hold harmless the Agency, each Director, the other Member Agency, and the Agency and each Member Agency's respective Council or governing body members, officers, agents and employees, from any and all claims, losses, damages, costs, injuries and liabilities of every kind, including attorney's fees and expert's fees, arising directly or indirectly from the Indemnifying Member Agency's acts or omissions occurring prior to the effective date of the Agency's initial Effective Date, or that otherwise occur outside the scope of this Agreement.

11.3 **Insurance.** The Agency shall acquire insurance protection as is necessary to protect the interests of the Agency and the Member Agencies. The premiums for insurance acquired by the Agency, as well as any anticipated funds necessary to pay for self-insured retentions and deductibles for insurance, shall be determined based upon actuarial studies and included in the budget. Any adjustments to the budget to pay for insurance premiums, self-insured retentions, and deductibles shall be prepared by staff for presentation to the Board of Directors for consideration and approval.

11.4 **Survival.** These defense, indemnification, and hold harmless obligations shall survive and continue in full force and effect after withdrawal of any Member Agency from this Agreement or termination of this Agreement for any reason with respect to any acts, errors or omissions that occurred before the date of such withdrawal or termination.

## 12. **Termination.**

### 12.1 **Termination.**

(a) If there are at any point only two Member Agencies in the Agency, either Member Agency may unilaterally terminate the Agreement with an effective termination date of June 30 of any Fiscal Year, provided that written notice is provided to, and received by, the Agency and the other Member Agency by the terminating Member Agency no later than June 30 of the prior Fiscal Year, as expressed by vote of the governing body of the terminating Member Agency. Any terminating Member Agency shall be obligated to pay that Member Agency's contributions for the Fiscal Year ending on the effective date of termination.

(b) The Member Agencies may all jointly agree by written consent to terminate the Agreement, as expressed by resolution of the governing boards of all Member Agencies (passed by vote of the membership of the governing body of each Member Agency). Such termination shall provide for adequate time to wind-up the affairs of the Agency and distribute any assets pursuant to this Agreement. The Member Agencies shall be obligated to pay their contributions until the effective date of termination.

12.2 Disposition of Member Agencies' Property Upon Termination. Any property that was acquired by a Member Agency prior to entering this Agreement, and that is required either by this Agreement or by any subsequent act or agreement to remain the property of the Member Agency, shall be returned to the Member Agency upon termination of this Agreement. Exhibit C lists the separate property of the Member Agencies, but a Member Agency may prove that it, and not the Agency, owns certain property by providing documentation establishing such ownership. If property is not listed in Exhibit C, and no documentation establishes ownership of that property, the property will be presumed to be owned by the Agency.

12.3 Disposition of Agency Property Upon Termination. Upon termination of this Agreement, the assets and property of the Agency shall be distributed as follows:

(a) First, if a Member Agency is in default of its obligation to pay or advance any amounts due to Agency pursuant to this Agreement, then any funds or assets of the defaulting Member Agency shall be applied to the Agency in satisfaction of any such delinquency.

(b) Second, any other funds on hand shall be used to liquidate and wind-up the affairs of the Agency.

(c) Third, any surplus funds on hand remaining after satisfaction of subsections (a) and (b) above shall then be returned to the Member Agencies in proportion to their proportional financial contributions made to the Agency.

(d) Fourth, any property acquired by a Member Agency prior to entering this Agreement shall be returned to the Member Agency which owned the property at the Formation Date; provided, however, that if any such property has been substantially improved, repaired or modified by Agency funds, it shall be distributed pursuant to subsection (e) below.

(e) Fifth, any property owned by the Agency in which the original Member Agencies or their successors hold an ownership interest pursuant to Section 8.1(a) shall be transferred or returned to such Member Agencies pursuant to a separate agreement of such Member Agencies entered into at that time. If such subsequent agreement is not successfully negotiated and agreed to within a reasonable period of time, then the Member Agency previously owning the property shall have the option, exercisable in its discretion, to purchase the property, in whole or in part, for fair market value at the time of the exercise of the option. Within 90 days notice of exercise of the option, or as soon as reasonably possible thereafter, the Agency shall notify the Member Agency previously owning the property of the Agency's reasonable determination of the amount of the purchase price of the property, including any improvements thereon. Upon mutual agreement on a purchase price determined under this section and payment

thereof, the Agency will sell, assign, transfer, convey and deliver to such Member Agency all of its right, title, and interest in the purchased assets, and Agency will pay the other original Member Agencies that had an interest in the property in proportion to their financial and equipment contributions made to the Agency during the operation of this Agreement and any ancillary agreements, including contributions specifically related to ownership interest in the subject property.

(f) Sixth, any remaining property and assets shall be divided and distributed amongst the Member Agencies pursuant to separate agreement of the Member Agencies entered into at that time. If such subsequent agreement is not successfully negotiated and agreed to within a reasonable period of time, then the remaining property and assets shall be sold and the net proceeds from any sale shall be distributed among the Member Agencies in proportion to their financial and equipment contributions made to the Agency during the operation of this Agreement and any ancillary agreements.

13. **Conflict Resolution.** The Member Agencies agree that any and all disputes, claims or controversies between the Member Agencies arising out of or relating to performance of this Agreement, shall be resolved pursuant to the conflict resolution provisions as follows:

13.1 The Member Agencies shall first meet and attempt in good faith to negotiate and resolve any dispute arising out of or relating to this Agreement, subject to subsequent approval of any such resolution by the respective governing boards. The Member Agencies may, in each Member Agency's respective discretion, appoint either an alternative representative of the governing body or an ad hoc committee constituting less than a quorum of the governing body to meet and attempt in good faith to negotiate and resolve any dispute arising out of or relating to this Agreement, subject to subsequent approval of any such resolution by the respective governing boards.

13.2 If the matter is not resolved by negotiation pursuant to Section 13.1 above, then the Member Agencies agree that the matter shall be submitted to mediation within a reasonable period of time after receipt of a written request from one Member Agency to the other Member Agency requesting such mediation. The Member Agencies shall cooperate with one another in selecting a mediator and in scheduling the mediation proceedings. Should the Member Agencies be unable to agree upon a mediator, they shall agree upon a mediation service and shall have that service select a mediator for them. The Member Agencies agree that they shall participate in the mediation in good faith and that they will share equally in the costs of mediation. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the Member Agencies, their agents, employees, experts and attorneys, and by the mediator or any employees of the mediator, are confidential, privileged and inadmissible for any purpose, including impeachment, in any litigation or other proceeding involving the Member Agencies, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation.

13.3 If the matter is not resolved by negotiation pursuant to Section 13.1 above, or by subsequent mediation pursuant to Section 13.2 above, then the Member Agencies may submit the matter to binding or non-binding arbitration, but only if both Member Agencies agree to



submit the particular controversy to arbitration. Neither Member Agency shall have a right to submit any controversy to arbitration without the other Member Agency's consent.

14. **New Members.**

14.1 **Addition of New Members.** The Board may set the terms and conditions for admitting new members (a "New Member Agency" or "New Member") that it deems appropriate either by amendment to this Agreement or reference to the Bylaws or other adopted resolution or policy of the Agency. New Members may only be admitted with unanimous approval of the Board and approval by each governing body of the Member Agencies. Approved New Members shall execute a copy of this Agreement, as amended, and shall thereafter be subject to all terms and conditions contained herein.

14.2 **Construction.** Except as otherwise expressly set forth herein, the terms of this Agreement shall be construed so as to apply to New Members the same as to the initial Member Agencies to the Agreement. New Members shall have the rights and obligations accorded to "Members" or "Member Agencies" (whether singular or plural) under this Agreement.

14.3 **Cost Share.** Prior to the acceptance of any New Member Agency, the proposed New Member Agency shall pay an amount, as determined by the Board, for the proposed New Member Agency's fair share of any start-up costs or other initial investments incurred by the Agency as consideration for admitting the New Member Agency.

14.4 **Funding of Services.** The Agency shall not provide any animal control, animal sheltering, or related services within a New Member Agency's geographic area unless and until the New Member Agency deposits sufficient funds to cover the estimated costs of services for a period of time as determined by the Board, to be not less than six (6) months.

15. **Contracting with Other Agencies.**

16.1 **Authority to Contract for Services.** In accordance with its statutory authority, the Agency may offer its services to nonmember public agencies upon such terms as may be mutually agreed upon by the parties.

16. **Withdrawal.** Notwithstanding any other provision of this Agreement, any Member Agency may withdraw from the Agency by providing the Agency with written notice of its intent to withdraw consistent with Section 12.1 of this Agreement, Termination. This includes providing written notice no later than June 30 of any Fiscal Year, a continuing obligation to pay that Member Agency's contributions for following Fiscal Year (the last date of which will be the effective date of termination), and following Section 12.1.b. for the procedure where the Members Agency may jointly agree by written consent on the withdrawal of a Member Agency. A withdrawal from the Agency constitutes a withdrawal of that Member Agency's representatives from the Board of Directors.

17. **Effect of Withdrawal.** The withdrawal of a Member Agency shall not terminate its responsibility to contribute its share of any obligation incurred by the Agency, including amounts determined by the Board for (1) liabilities and claims accrued during the time the agency was a Member Agency; or (2) budgeted expenses for the Fiscal Year in which notice of intent to

withdraw is effective. Except as the withdrawing Member Agency may agree, in writing, with the Board, the withdrawing Member Agency shall automatically relinquish all rights as a Member Agency under this Agreement, on the effective date of the withdrawal. Upon termination of this Agreement, a Member Agency that has withdrawn will be treated like all other Member Agencies for purposes of disbursement of Agency assets, unless otherwise agreed in writing and the remaining Member Agencies of the Agency can maintain the name “West End Animal Services Agency.”

18. **Conflict of Interest Code.** The Agency shall adopt a Conflict of Interest Code consistent with the Fair Political Practices Commission’s Model Conflict of Interest Code.

19. **General Provisions.**

19.1 **Integration.** This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract among the Member Agencies concerning the subject matter addressed herein, and supersedes all prior negotiations, representations or agreements, either oral or written, that may be related to the subject matter of this Agreement, except those other documents that are expressly referenced in this Agreement.

19.2 **Headings.** The section and subsection headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

19.3 **Consents.** Whenever any consent and/or approval is required under this Agreement from any Member Agency, said consent and/or approval shall not be unreasonably withheld.

19.4 **Construction and Interpretation.** It is agreed and acknowledged by the Member Agencies that this Agreement has been arrived at through negotiation, and that each Member Agency has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting Member Agency shall not apply in construing or interpreting this Agreement.

19.5 **Waiver.** The waiver at any time by any Member Agency of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter.

19.6 **Remedies Not Exclusive.** The remedies provided in this Agreement are cumulative and not exclusive, and are in addition to any other remedies that may be provided by law or equity. The exercise by either Member Agency of any remedy under this Agreement shall be without prejudice to the enforcement of any other remedy.

19.7 **Severability.** The invalidity, illegality or unenforceability of any provision of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

19.8 **Successors and Assigns.** Except as otherwise provided by law, the rights and duties of the Member Agencies under this Agreement shall not be assigned or delegated without the prior written consent of the other Member Agency. Any attempt to assign or delegate such

rights or duties in contravention of this Agreement shall be null and void. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities and other obligations of the Agency then in effect, and may be subject to such additional reasonable conditions of approval imposed by the Member Agency approving the assignment or delegation.

19.9 No Third Member Agency Beneficiaries. This Agreement shall not be construed to create any third party beneficiaries. This Agreement is for the sole benefit of the Member Agencies, and their permitted successors, transferees and assignees, and no other person or entity shall be entitled to rely upon or receive any benefit from this Agreement or any of its terms.

19.10 Amendment. This Agreement may be modified or amended only by a subsequent written agreement approved by the governing board of each Member Agency and executed by both Member Agencies pursuant to the terms and conditions of this Agreement.

19.11 Governing Law and Venue. Except as otherwise required by law, this Agreement shall be interpreted, governed by, and construed under the laws of the State of California. The County of San Bernardino shall be the venue for any litigation concerning the enforcement or construction of this Agreement.

19.12 Attorney Fees. In the event any legal action is brought to enforce or construe this Agreement, the prevailing party shall be entitled to an award of reasonable attorney fees, expert witness and consulting fees, litigation costs and costs of suit.

19.13 Notice. Any notice, demand, invoice or other communication required or permitted to be given under this Agreement shall be in writing and either served personally or sent by prepaid, first class U.S. mail to the City Clerk and City Attorney of each Member Agency.

Any notice or other communication served by personal delivery shall be deemed received when actually delivered. Any notice or other communication shall be deemed as received three days after deposit in United States mail, postage prepaid, return receipt requested.

19.14 Counterparts. This Agreement may be executed by the Member Agencies in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

[signature page follows]

**IN WITNESS WHEREOF**, the Member Agencies hereto have executed this Joint Exercise of Powers Agreement as of the date last executed as set forth below.

**CITY OF ONTARIO**

By \_\_\_\_\_  
City Manager

Dated \_\_\_\_\_

ATTEST:

By \_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

**CITY OF CHINO**

By \_\_\_\_\_  
City Manager

Dated \_\_\_\_\_

ATTEST:

By \_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

**EXHIBIT A**  
**ADMINISTRATIVE SERVICES**

Personnel: To be separately hired/controlled by Agency, and/or to be provided by Member Agencies by agreement as part of their overall contribution.

Specifically, the Agency will require the following services:

- Human Resources/Risk Management
- Dispatch Services
- Information Technology Management
- Fleet Management
- Procurement and Purchasing
- Legal Services
- Facilities Management (including janitorial)
- Finance/Budgeting

Provision by a Member Agency of any of the above services shall be compensated by the Agency as set forth in a separate written agreement or as described below for Interim Administrator(s). Compensation methods may include payment of a quarterly fee by the Agency to the Member Agency or recognition of the quarterly amount as an indirect contribution made by the respective agency to be deducted from the contributing Member Agency's proportional allocation of costs for the operation of the Agency.

Interim Administration:

Until the Agency directly employs personnel to provide administrative services for the Agency or enters into a separate written agreement for employees of a Member Agency to provide administrative services, the Board may identify one or more Member Agencies to provide specified services as the Agency's "Interim Administrator(s)" pursuant to the terms and conditions set forth below:

- In no event shall the term of Interim Administrator extend beyond July 1, 2025, without approval of the Board, and any extension shall not last more than one (1) year.
- As Interim Administrator, the Member Agency shall perform all services reasonably necessary for the management and administration of the Agency, including but not limited to identifying key staff that will provide services to the Board and the Agency, including staff who shall serve as Secretary and Treasurer/Auditor-Controller pursuant to Section 7.1(b)-(d) of the Agreement.
- Such key staff shall at all times remain under the exclusive direction and control of the Member Agency. The Member Agency shall be responsible for all compensation, supervision, and administrative costs relating to Member Agency staff providing services as the Interim Administrator.

- In order to compensate the Member Agency for the performance of services as Interim Administrator, the agreed value of the Member Agency's indirect contribution shall be set forth in a writing approved by the Board and the Member Agency's City Manager following the Formation Date, and may be revised as necessary in a writing approved by the Board and the Member Agency based on the Member Agency's projections of the cost to perform its services as Interim Administrator. The compensation may be provided by payment of a quarterly fee by the Agency to the Member Agency or recognition of the quarterly amount as an indirect contribution made by the respective agency to be deducted from the contributing Member Agency's proportional allocation of costs for the operation of the Agency.
- For Agency-budgeted expenses incurred by the Member Agency for contractors, consultants, and other outside services, materials, and supplies, the Member Agency shall draw upon and expend its own funds and the Agency shall reimburse the Member Agency from Agency funds upon receipt of a quarterly invoice from the Member Agency or be credited in its quarterly payments to the Agency. The Agency shall pay each invoice or recognize the credit within thirty (30) days of its receipt.
- Interim Administrator contributions and reimbursable expenditures by the Member Agency shall be subject to the Agency's adopted budget, unless such amounts and reimbursable expenditures have been previously approved by the Agency's Board.
- A representative of the Member Agency, which shall be an employee of the Member Agency that is not assigned to deliver services as Interim Administrator, shall serve as the main point of contact for the Agency. Any concerns regarding the Member Agency's performance as Interim Administrator, including staff identified to perform services required of the Interim Administrator, shall be relayed to the designated point of contact. The Agency shall not have the ability to direct how services are to be performed, specify the location where services are to be performed, or establish hours or days for the performance of services provided by Member Agency staff.
- The Agency shall not have any right to discharge or discipline any member of the Member Agency's staff. The Member Agency is retained as an independent contractor and is not an employee of Agency. No employee or agent of the Member Agency shall become an employee of the Agency pursuant to the Member Agency's role as Interim Administrator, and Member Agency employees or agents assigned to provide services under this Agreement shall remain under the exclusive control of the Member Agency.
- The Agency shall defend, indemnify, and hold harmless the Member Agency serving as Interim Administrator and its officials, officers, employees, contractors, agents, and authorized volunteers from any and all claims, demands, damages, liabilities, fines, expenses, and related costs and fees, including attorney's fees, arising from or related to the Member Agency's performance of services as the Interim Administrator.

## **EXHIBIT B CONTRIBUTION FORMULA**

From and after the Formation Date, each Member Agency shall pay for the ongoing costs of the Agency according to the following formula, to be initially calculated at the time of the formation of the Agency.

### Initial Share of Contributions / Voting Shares

Ontario	65%
Chino	35%

### Determination of Future Share of Contributions / Voting Shares

Thereafter, each Member Agency's proportional share will be recalculated: (1) once every five years, and/or (2) upon a unanimous vote to authorize the induction of a New Member Agency pursuant to the Agreement. Expenses of the Agency are to be paid by each Member Agency in proportion to the services provided to each Member Agency. Determination of the proportion of services provided to each Member Agency shall be based upon actual or estimated number of calls for animal control service from each Member Agency, the number of animals sheltered from each Member Agency, and/or other factors reasonably bearing on the Agency's costs, as reasonably determined by the Board. For example, if Ontario receives 65% of the Agency's services and Chino receives 35%, Ontario's funding contribution would be 65%, Chino's would be 35%.

Every five years and upon a unanimous vote to authorize the induction of a New Member Agency, the Board shall adopt an addendum to this Exhibit B showing the updated Share of Contributions / Voting Shares, which shall be ministerially added to the Agreement.

### Offsets

Each Member Agency may offset its financial contributions by licenses/fee revenues, and/or by making "in-kind" contributions such as personnel or meeting room space. Costs for such contributions shall be reasonable and as set forth in a written agreement between a Member Agency and the Agency.

### Additional Costs for Special Services

If a Member Agency wants additional animal services in its jurisdictional area, the cost allocation for such additional service can be made upon action by the Board and reflected in a written "special services" agreement with the Member Agency. Full cost of "special services" should be borne by the requesting Member Agency.

### Services to Other Agencies

Other public agencies who contract with the Agency for services in their jurisdiction but who do not qualify or wish to be inducted as Member Agencies will be responsible for paying their actual costs pursuant to a written "contract services" agreement with the

Agency, plus any startup or entry costs deemed appropriate by the Board. Such public agency will be considered only a “contracting agency” and not a Member Agency with voting power or other rights of membership for purposes of this Agreement.



**EXHIBIT C**  
**INVENTORY OF EQUIPMENT AND PROPERTY**