

**INTERGOVERNMENTAL AGREEMENT
FOR
VEHICLE MAINTENANCE AND REPAIR**

This Intergovernmental Agreement for Vehicle Maintenance/Repair (“Agreement”) is entered into this 7 day of July, 2026, by and between the Governing Board of Prescott Unified School District No. 1 of Yavapai County, a political subdivision of the State of Arizona (PUSD #1), and the Kirkland Elementary School District #23 of Yavapai County, a political subdivision of the State of Arizona (“Kirkland”) (each individually may be referred to herein as a “Party” and collectively as “Parties”).

RECITALS

WHEREAS, Kirkland owns buses which require repair and maintenance; and

WHEREAS, Kirkland is without a mechanic to repair and maintain its buses; and

WHEREAS, Kirkland would like to pay PUSD #1 for repairing and maintaining Kirkland’s high school bus; and

WHEREAS, PUSD #1 is willing to have PUSD #1’s mechanic repair and maintain Kirkland’s high school bus for consideration paid to PUSD #1 by Kirkland.

WHEREAS, PUSD #1 and Kirkland have agreed upon a rate of \$40.00 per hour for maintenance and repairs on Kirkland’s high school bus only. Parts and materials purchased by PUSD #1 for maintenance and repairs on Kirkland bus will be invoiced at cost.

AGREEMENT

NOW, THEREFORE, the Parties, for the mutual promises and consideration contained herein, agree to the following:

1. The purpose of this Agreement is to set forth the duties and responsibilities of Parties for the repair and maintenance of Kirkland high school bus by PUSD #1.
2. The term of this Agreement shall commence on July 8, 2026 and shall terminate on June 30, 2027. To renew this Agreement either Party shall deliver to the other Party notice of its intent to renew no later than sixty (60) days in advance of the date of termination of the then current term. Any such renewal shall be limited to a one-year term and be in the form of a written Amendment signed by both Parties.
3. Financing:
 - a. PSUD #1 shall provide the following:
 - i. a mechanic to repair and maintain Kirkland high school bus;
 - ii. for the reimbursement for parts and materials used in the repair and maintenance of Kirkland high school bus.
 - b. PUSD #1 shall send Kirkland an invoice for services, parts and materials rendered in a month, with such invoices to be delivered to Kirkland by the fifteenth (15th)

day following the month for which services were rendered. Each invoice shall be due and payable by Kirkland on the first day of the month following the date of invoice.

- c. In the event payment is not made by Kirkland within five (5) days of the due date of a properly delivered invoice, PUSD #1 may, at its sole discretion, suspend all work for Kirkland until payment is made, or terminate this Agreement.
- d. In the event Kirkland disputes the amount of any invoice, Kirkland shall notify PUSD #1 immediately upon receipt of such invoice, and the Parties shall cooperate to resolve the dispute. During the time the invoice is in dispute, Kirkland shall not be relieved of liability for payment, but may be reimbursed or have credit applied to Kirkland's account with PUSD #1, as the Parties determine, for any part of the payment that the Parties determine was improperly invoiced or paid.

4. Repairs and Maintenance

- a. For the purposes of this Agreement, the term "repairs and maintenance" shall mean minor maintenance and routine service, but shall not include major overhauls or repairs of major structural damage caused by collision, or repainting following a collision. Nothing in this paragraph shall be deemed to prohibit the Parties from negotiating such major services on an incident-by-incident basis considering all the facts and circumstances.
- b. Repairs and maintenance shall be provided in accordance with Best Available Techniques (BAT) intervals as approved by PUSD #1; provided, however, that PUSD #1 shall have priority for maintenance and repairs at all times and PUSD #1 makes no warranty as to the period of time for service of Kirkland's bus.
- c. All repairs and maintenance of Kirkland's high school bus will be done by PUSD #1's mechanic and no Kirkland employee will perform any minor maintenance and routine service.
- d. All repairs and maintenance shall be performed during the normal business hours of PUSD #1.
- e. Kirkland shall notify PUSD #1 that the high school bus requires repairs or maintenance, and PUSD #1 shall notify Kirkland when the bus is ready to be returned to Kirkland. Kirkland shall be responsible for all arrangements for and expenses of:
 - i. towing, if necessary, and delivery of the bus to PUSD #1 for repairs and maintenance; and
 - ii. removal of the bus from PUSD #1 property and for delivery of the bus to Kirkland following completion of repairs and maintenance.
- f. During the term of this Agreement, PUSD #1 shall maintain service records for each bus owned by Kirkland. At any time during the term of this Agreement, Kirkland may request copies of any such service records and PUSD #1 shall make such records available to Kirkland. Upon termination of this Agreement, PUSD #1 shall provide all service records on Kirkland-owned buses to Kirkland.

5. Termination

- a. This Agreement may be terminated without cause by either Party by delivery of written notice of intent to terminate, delivered to the other Party not less than thirty (30) days prior to the intended termination date.

- b. This Agreement may be terminated upon Event of Default by either Party. For the purposes of this Agreement, Event of Default shall mean:
 - i. Non-payment of an invoice within ten (10) days of due date: and
 - ii. Non-performance by either Party of its obligations under this Agreement.
 - c. Upon termination of this Agreement, Kirkland shall remove its bus from PUSD #1 premises, and PUSD #1 shall retain possession and ownership of all repair equipment and facilities. The Parties do not anticipate joint ownership of any property under this Agreement.
 6. The personnel of each Party shall not, for any purposes, be considered employees or agents of the other Party. PUSD #1 and Kirkland each assume full responsibility for the action or inactions of their own personnel while performing services under this Agreement and will be solely responsible for supervision, daily direction, control of payment of salary (including withholding employment taxes), worker's compensation and disability benefits of their own employees.
 7. This Agreement may be modified only by a written Amendment signed by both Parties.
 8. All notices, requests, demands, or other communication permitted or required to be given under this Agreement shall be in writing and shall be deemed given or made when sent by United States certified or registered mail, return receipt requested and postage prepaid, or by a nationally recognized overnight courier, delivery fee prepaid, and in either case to the persons and at the addresses specified below:

To Kirkland:

Superintendent
Kirkland Elementary School District #23
150 Main Street
Kirkland, AZ 86332

To PUSD #1:

Superintendent
Prescott Unified School District #1
300 E. Gurley
Prescott, AZ 86301

Notice may also be given by means of electronic mail or facsimile.

9. Kirkland waives any and all claims and recourse against PUSD #1, including right of contribution for loss or damage to persons or property arising from, growing out of, or in any way connected with or incidental to fulfillment of the terms and conditions specified in this Agreement. Kirkland shall indemnify, defend, protect and hold PUSD #1 and its administrators, officers, employees, agents and representatives harmless from any cost, expenses claim, demand, liability and/or damage, including reasonable attorney's fees and costs, by any third Party arising out of or in connection with, in whole or in part, performance of PUSD #1's obligations pursuant to this Agreement.
 10. Pursuant to A.R.S. § 38-511, either Party may cancel its participation in this Agreement without further penalty or obligation if any person significantly involved in initiating,

negotiating, securing, drafting, or creating this Agreement on behalf of the canceling party is at any time, while the Agreement is in effect, an employee or agent of any other Party to the Agreement in any capacity or consultant to any other Party to the Agreement with respect to the subject matter of the Agreement. A cancellation made pursuant to this provision shall be effective when the other Party receives written notice of the cancellation unless the notice specifies a later time.

11. The Parties require that all persons, regardless of race, color, sex, age, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act.
12. This Agreement shall be governed, interpreted and enforced in accordance with the laws of the State of Arizona.
13. The Parties hereto agree that in the event of a conflict or dispute between them regarding the interpretation or implementation of this Agreement, that they will submit the matter to a qualified mediator to be agreed upon by the Parties before filing any action in any court of this State or in Federal court. The Parties shall equally share the cost of the mediator, however each Party shall bear the costs of its presentation before the mediator, including attorney fees, if the Party desires to be represented by counsel at the mediation.
14. This Agreement is not assigned by any Party. Any attempt to do so shall render the assignment null and void and the participation of the Party attempting assignment may be terminated immediately by the non-assigning Party.
15. No failure to enforce any condition or covenant of this Agreement shall imply or constitute a waiver of the right to insist upon performance of such condition or covenant, or of any other provision hereof, nor shall any waiver by either Party or any breach of any one or more conditions or covenants of this Agreement constitute a waiver or any succeeding or other breach hereunder.
16. Each Party acknowledges that it has not relied upon any statements, representations, agreements, or warranties, except as expressed herein, and that this Agreement constitutes the Parties' entire agreement with respect to the matters addressed herein.
17. In the event that a court of competent jurisdiction shall hold any part or provision of this Agreement void or of no effect, such holding shall not affect the remaining terms which shall remain in full force and effect.
18. Each Party hereby warrants that the person signing on behalf of the Party has been duly authorized to do so, and the Party agrees to be bound hereby.
19. As required by Arizona revised Statutes § 41-4401 (Government procurement; E-verify requirement; definitions), each Party warrants that it complies with all Federal immigration laws and regulations, that it shall verify, through the U.S. Department of Homeland Security's E-Verify program, the employment eligibility of each employee who provides services or labor in Arizona for wages or other remuneration, and that it shall require its subcontractors and sub-subcontractors to provide the same warranties to the other Party. Each Party retains the legal right to inspect the papers of any Party, subcontractor and sub-subcontractor employee who performs work under this Agreement, and to conduct random verification of the employment records of the Party and each subcontractor and sub-subcontractor who works on this Agreement, to ensure that the Party and each subcontractor and sub-subcontractor is complying with the warranties set forth above. Each Party shall defend, indemnify and hold harmless the

other Party, its Governing Board members, officers, employees and agents from and against any and all claims and demands of any nature, including fines, penalties and expenses of litigation, for which the Party found, or is alleged to be, liable arising out of the breach of any warranties of the breaching Party or any subcontractor or sub-subcontractor as specified in this paragraph.

Counsel's Review and Approval. PUSD #1 and Kirkland will consult their attorneys for the purposes of reviewing and approving this intergovernmental agreement as to form. Both Parties waive any and all conflict of interest arising out of joint representation of PUSD #1 and Kirkland by Welker & Pauole PLC in reviewing and approving this Agreement. If a future dispute relating to this Agreement arises between the Parties, Welker & Pauole PLC may not represent either Party, and both Parties may retain separate counsel. The Parties acknowledge that if they are required to engage separate counsel, the expense and inconvenience of the engagement may exceed that of having engaged their own separate counsel from the beginning.

Dated _____, 2026

Approved as to form:

Counsel for PUSD #1

PUSD #1:
Prescott Unified School District No. 1

By: _____

Name: _____

Title: _____

Dated _____, 2026

Approved as to form:

Counsel for Kirkland

Kirkland:
Kirkland School District No. #23

By: _____

Name: _____

Title: _____