INTERLOCAL COOPERATION AGREEMENT

This Interlocal Cooperation Agreement (hereinafter referred to as "Agreement") is entered into by and between the City of St. George, a Utah municipal corporation (hereinafter individually referred to as "St. George"), Santa Clara City, a Utah municipal corporation (hereinafter individually referred to as "Santa Clara"), and Ivins City, a Utah municipal corporation (hereinafter individually referred to as "Ivins"), hereinafter collectively referred to as "Parties."

RECITALS:

WHEREAS, the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated, authorizes public agencies, including political subdivisions of the State of Utah, to enter into mutually advantageous agreements; and

WHEREAS, the Parties, through their respective governing bodies, have determined that the interests and welfare of the general public will best be served by this Agreement; and

WHEREAS, the governing bodies of the Parties have, by resolution, agreed to develop and finance the construction and operation of a year-round aquatic complex for the benefit of the Parties; and

WHEREAS, the Washington County School District has separately agreed with St. George to contribute $500,000 toward the construction of the year-round aquatic complex, but is not a party to this Agreement.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants and benefits set forth herein, and further valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. A year-round aquatic complex will be constructed by St. George on a site on the current northwest boundary of the city limits of St. George on property bounded on the west by Lava Flow Drive, on the south by Sunset Blvd., and on the east by the Sand Hollow Wash. The name of the facility shall be Sand Hollow Aquatic Complex.

2. The cost of construction of the aquatic complex is estimated at $3.825 million dollars. It is hereby agreed that the Parties will contribute to the cost of the construction of the facility as follows:

St. George	$2,672,000
Santa Clara	$ 326,500
Ivins	$ 326,500

The contribution amounts from Ivins and Santa Clara shall be payable to St. George within thirty (30) days of the execution of this Agreement and shall only be used to pay the construction costs of the facility.

3. The aquatic facility shall be exclusively owned and operated by the City of St. George. The governing bodies of Ivins and Santa Clara shall each designate one representative who, along with three (3) representatives designated by St. George, will then collectively meet at least twice a year to give input and receive reports on the operation of the facility. Such representatives shall have advisory powers only and shall have no authority to bind the Parties or make decisions for or on behalf of any of the Parties, nor require St. George to operate the facility in any specific manner. The time and place of the semi-annual meetings shall be set by agreement of the representatives. The representatives may be removed at any time by the appointing Party and upon designation of a replacement representative.

4. The residents of each of the municipalities which are Parties hereto shall be treated on an equal basis with respect to the payment of fees. Any admission or usage fees paid by such residents shall be the same as required for residents of any of the other Parties. The

amount of admission or usage fees shall be set in the sole discretion of St. George. In setting the fees, St. George shall establish such fees with the intent to generate sufficient revenue to cover the direct operating expenses of the facility. St. George hereby agrees that revenues generated by the facility will be first used to pay for the direct operating expenses of the facility. Should revenues generated by the facility exceed the direct operating expenses, such surplus shall be used to pay future direct operating expenses and for additional capital expenditures in expanding or replacing all or portions of the facility. If during the first year of the facility's operation the revenues generated by the facility are less than the actual amount of the direct operating expenses, then the total amount of the shortfall shall be compensated by the Parties as follows: St. George shall contribute an amount equal to 84% of the shortfall, Santa Clara shall contribute an amount equal to 8% of the shortfall, and Ivins shall contribute an amount equal to 8% of the shortfall. Thereafter, if during the second year and each subsequent year of the facility's operation the revenues generated by the facility are less than the actual amount of the direct operating expenses, the Parties hereto shall compensate for such shortfall based upon a ratio calculated by using a numerator which is the number of residents from each individual community using the facility and a denominator which is the total number of all persons using the facility.

5. In the event that St. George sells the facility to other than a government or quasi-government entity within the first twenty years of operation Ivins and Santa Clara shall receive, from closing, the amount of their initial contributions as set forth under Paragraph 2 above. No interest shall be due or paid on such initial contribution. Other than as stated in this Paragraph 5, St. George shall have no obligation to reimburse Ivins and Santa Clara for any of their respective contributions to the cost of construction or operation of the facility.

6. All questions with respect to the construction of this Agreement and the rights and

liabilities of the Parties hereto shall be governed by the laws of the State of Utah. This Agreement may not be amended, changed, modified or altered except by an instrument in writing, approved and executed by the governing bodies of each of the Parties hereto.

IN WITNESS WHEREOF, the Parties have signed this Agreement on the dates listed below.

CITY OF ST. GEORGE

Daniel D. McArthur, Mayor

Date: 1-27-99

ATTEST:

City Recorder

APPROVED AS TO FORM:

City Attorney

CITY OF SANTA CLARA

Fred C. Rowley, Mayor

Date: 1-26-99

ATTEST:

City Recorder

APPROVED AS TO FORM:

City Attorney

IVINS CITY

Christopher C. Blake, Mayor

Date: 1-21-99

ATTEST:

City Recorder

APPROVED AS TO FORM:

City Attorney