ATTACHMENT "A"

INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT made and entered into as of this _____day of _____, 2004 by and between the CITY OF LINCOLN, LANCASTER COUNTY, NEBRASKA, a municipal corporation (hereinafter referred to as "Lincoln"), the COUNTY OF LANCASTER, NEBRASKA, a political subdivision of the State of Nebraska (hereinafter referred to as "Lancaster County") and the VILLAGE OF MALCOLM, LANCASTER COUNTY, NEBRASKA, a municipal corporation (hereinafter referred to as "Malcolm"), WITNESSETH:

WHEREAS, Lincoln has entered into a Lottery Operator Agreement with Lincoln's Big Red Lottery Services Ltd., a Nebraska limited partnership (hereinafter referred to as "Big Red"), for the operation of a keno lottery by Lincoln and Lancaster County; and,

WHEREAS, it is in the best interests of each of the parties hereto to enter into this Interlocal Agreement to provide for keno lottery operations in Malcolm; and,

WHEREAS, the governing body of each of the aforesaid governmental subdivisions has duly adopted an Ordinance or Resolution authorizing the execution of this Interlocal Agreement pursuant to the provisions of the Interlocal Cooperation Act (Section 13-801 to 13-827, R.R.S. 1943, as amended).

NOW, THEREFORE, pursuant to the authority of said Act of the Legislature of the State of Nebraska and pursuant to the authority and direction of the ordinances and resolutions hereinabove referred to as adopted by each of the governmental subdivisions who are parties hereto, and in consideration of the mutual covenants and undertakings herein contained, IT IS HEREBY AGREED by and between each of the aforesaid governmental subdivisions, and each of them, and each of the successors, as follows:

1. **Duration**. The term of this agreement shall be for a period of five (5) years from the date of execution hereof, unless sooner terminated. This agreement may be terminated prior to the expiration of such term by adoption of resolutions to that effect by any of the governmental subdivisions participating herein who have executed this agreement. The termination of the agreement shall not be made effective earlier than thirty (30) days after the adoption of the resolution of termination by the governmental subdivision.

2. **Administration**. Due to the nature of the contract and the responsibilities of each governmental subdivision, it is determined that it is not necessary to create any separate legal or administrative entity for administration of the agreement. In the alternative, administration of the agreement shall be the responsibility of the Finance Director of Lincoln and the Village Chairman of Malcolm.

3. **Purpose**. The purpose of this agreement is to provide for sales outlet locations for the Lincoln/Lancaster County keno lottery within Malcolm. The responsibilities of each of the parties hereto are defined in this agreement.

4. **Duties of the City of Lincoln**. Lincoln agrees to allow Big Red to establish sales outlet locations for the operation of the Lincoln/Lancaster County keno lottery within Malcolm. All lottery operations in Malcolm shall be pursuant to the agreement entered into between Lincoln and Big Red.

5. **Division of Proceeds**. Proceeds received by Lincoln from the operation of the keno lottery at sales outlet locations within Malcolm shall be distributed in the following order: (1) 6.0% of the gross keno proceeds shall be paid to Malcolm; (2) 2.0% of the gross proceeds shall be used to pay the state lottery tax; (3) 1.0% of the gross keno proceeds shall be retained by Lincoln to defray the cost of administration of the keno lottery; (4) 30% of the remaining keno proceeds shall be payable to Lancaster County; (5) 70% of the remaining proceeds shall be retained by Lincoln.

6. **Duties of the Village of Malcolm.** Malcolm agrees to allow operation of sales outlet locations of the Lincoln/Lancaster County keno lottery within Malcolm pursuant to the terms and conditions of the agreement entered into between Lincoln and Big Red. Without limiting the generality of the foregoing, Malcolm hereby adopts the satellite criteria incorporated into such agreement as the satellite criteria for Malcolm, with such changes in reference as may be required by the circumstances.

7. **Budgets.** It is not necessary to create a separate budget for this agreement and each party hereto shall include their share of any expense involved in their respective budgets.

8. **Severability**. If any provision of this agreement is determined to be invalid, such invalidity shall not affect the other provisions of this agreement which can be given effect without the invalid provisions. Each provision of this contract is declared to be severable.

IN WITNESS WHEREOF the governmental subdivisions who are parties to this Agreement have, on the day and year first above written, caused this agreement to be executed by the respective officers duly authorized and have caused their respective seals to be affixed hereto.

ATTEST:

CITY OF LINCOLN,
LANCASTER COUNTY, NEBRASKA,
a municipal corporation,

_____
CITY CLERK

By: _____
MAYOR

ATTEST:

VILLAGE OF MALCOLM,
LANCASTER COUNTY, NEBRASKA
a municipal corporation,

_____
VILLAGE CLERK

By: _____
VILLAGE CHAIRMAN

ATTEST:

COUNTY OF LANCASTER, NEBRASKA,
a political subdivision of the
State of Nebraska

_____

By: _____