

INTERLOCAL COOPERATIVE AGREEMENT

This Interlocal Agreement ("Agreement"), effective as of the Effective Date set forth herein, is made between and among the CITY OF LINCOLN, Nebraska, a public corporation and political subdivision of the State of Nebraska ("City"), and LANCASTER COUNTY SCHOOL DISTRICT 001, a Nebraska political subdivision, commonly know as Lincoln Public Schools ("LPS") (collectively "Parties" and individually "Party").

RECITALS

WHEREAS, the Parties hereto desire to cooperate with each other on the basis of mutual advantage in a manner that will best meet the needs and development of both parties under the Interlocal Cooperation Act of the State of Nebraska, Neb. Rev. Stat. 13-801 *et seq.*, (the "Act"); and

WHEREAS, the Parties hereby create an Asset Banking Program, the purpose of which is to allow mutual cooperation and an ongoing running total balance sheet or method of accounting for accumulating credits and debits related to shared services, assets, facilities and property between the Parties ("AB Program").

Now, therefore, the City and LPS agree as follows:

1. **Authority and Purpose.**

1.1 Article XV, Section 18 of the Constitution of the State of Nebraska and the Act, authorize any two or more public agencies to enter into agreements for joint or cooperative exercise of any power, privilege or authority exercised or capable of exercise individually by such public agencies. The City and LPS are public agencies within the meaning of the Act.

1.2 It is the purpose of this Agreement for the City and LPS to create the AB Program as described herein, to make the most efficient use of their powers by cooperating with each other on the basis of mutual advantage and timely providing services, assets, facilities and property that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities.

2. **Administration of A B Program and Agreement.**

2.1 The City and LPS each shall designate an administrator who shall be responsible for developing, designing, and managing the AB Program and cooperative undertaking set forth in this Agreement. Except as otherwise provided herein, the administrators shall mutually agree on the rules, regulations, practices, procedures and parameters of the AB Program. The administrator may be changed from time to time by any Party appointing such administrator upon no less than seven (7) days advance written notice to the other Parties. Each administrator shall communicate with the other administrator in a manner so as to effectuate the terms of this Agreement. The administrators should meet no less often than once every six months to discuss any matters pertinent to this Agreement and to review and agree on the banking balance sheet.

2.2 As part of the AB Program, the administrators shall create a running total balance sheet or ledger to keep track of each Parties banking of assets. For example, currently the City owes LPS \$78,000 for their share of the roof on the Irving Rec. Center. Because LPS has some property needs from the City, the Parties agree to put that amount in LPS's side of the asset bank account and LPS will work with the City to make an exchange for property the City has that LPS may need using the \$78,000 asset bank as a payment or partial payment. Assets shall be banked at cost, appraised value or as otherwise agreed by the administrators. The Parties further agree as to the AB Program

as follows:

a. If the administrators cannot agree on the value of the asset before it is banked on the ledger, the administrators shall mutually select an appraiser, or other qualified person to render a written opinion of value for the asset. Such asset shall then be booked to the account and the Parties shall be bound by the value as so determined. The Parties shall equally share the cost of the appraiser or other qualified person.

b. If the value of an asset to be banked is \$250,000.00 or more, the matter must have the approval of the City Council and the LPS Board of Education before it is banked on the ledger.

c. If at any time during the term of this Agreement, the ledger exceeds \$350,000.00 in favor of either Party, the other Party shall either retire the amount or make arraignments to reduce the balance below such amount within one year of the date such excess balance occurs.

d. This Agreement shall only apply to such assets and other matters as may be mutually agreed upon by the administrators.

2.3 No separate legal or administrative entity is created under this Interlocal Agreement.

2.4 Other entities which qualify as public agencies under the Act may enter into this Agreement by amendment hereto executed by all parties.

2.5 All underlying transactions which are to be accounted for as a part of the AB Program must be approved in a manner that is consistent with the policies and regulations of each Party for that type of transaction.

3. **Term.**

3.1 Lincoln Public Schools and the City of Lincoln specifically agree that this agreement shall remain in effect for a term of ten (10) years from and after the date of this agreement ("Initial Term"), and that either party may terminate this agreement during the Initial Term without cause by giving the other party thirty (30) days written notice of such termination.

3.2 Upon the expiration of the Initial Term of this Agreement, this Agreement shall extend automatically for successive consecutive terms of one (1) year each (each, a "Renewal Term"). Either party may terminate this agreement during any Renewal Term without cause by giving the other party thirty (30) days written notice of such termination.

3.3 Prior to final termination during the Initial Term or any Renewal Term, the administrators shall mutually agree on a winding up and termination plan ("Plan") under this Agreement. Such Plan shall make provision for zeroing-out each Parties asset bank under this cooperative undertaking.

4. **Indemnification.** The City and LPS shall each indemnify and hold the other, and its officials, directors, officers and employees harmless, from any claims, expenses (including attorneys' fees and litigation expenses), damages or losses any may suffer as a result of any claims made regarding the validity of this Agreement or the effect of this Agreement.

5. **Assignment.** This Agreement shall be binding upon and inure to the benefit of the Parties and their successors or assigns; provided, this Agreement shall not be assigned or otherwise transferred to a third party without the prior written consent of the other Parties hereto.

6. **Notices.** All notices or other communications which are required or permitted herein shall be in writing and sufficient if delivered personally, sent by facsimile transmission followed by written confirmation of receipt, or sent by registered or certified mail, postage prepaid, return receipt requested, to the Parties.

7. **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the statutory and decisional law of the State of Nebraska.

8. **Entire Agreement.** This Agreement constitutes the entire Agreement of the parties with respect to the subject matter hereof. All prior agreements, representations, statements, and negotiations are hereby superseded. This Agreement may be amended only by a writing executed by both parties.

9. **Effective Date.** This Agreement shall be executed in duplicate originals, and the Effective Date shall be _____, 2003. All requirements for periodic meetings or action shall date from the Effective Date of this Agreement.

CITY OF LINCOLN

ATTEST:

City Clerk

By: _____
Name: Don Wesely
Title: Mayor

LANCASTER COUNTY SCHOOL DISTRICT 001

ATTEST:

By: _____
Name: _____
Title: _____