

CITY OF LA VISTA
MAYOR AND CITY COUNCIL REPORT
OCTOBER 6, 2020 AGENDA

Subject:	Type:	Submitted By:
AMEND – KENO OPERATOR AGREEMENT	◆ RESOLUTION ORDINANCE RECEIVE/FILE	KEVIN POKORNY, DIRECTOR OF ADMINISTRATIVE SERVICES

SYNOPSIS

A resolution has been prepared to amend the Keno Operator Agreement and authorize the Mayor to execute said amended agreement.

FISCAL IMPACT

As of last financial report, the Progressive Jackpot account holds \$73,617.67. The funds would be transferred from the progressive account to the City's community betterment account.

RECOMMENDATION

Approval.

BACKGROUND

The proposed amended agreement includes modifications from the previous agreement with EHPV Management Operating Group LLC, according to direction from the Mayor and Council. In the amended agreement the City discontinues the Progressive Jackpot and replaces it with a \$100,000 top prize ("\$100,000 Top Prize") set forth in attached Exhibit "D"; and the City discontinues the Super 5 and Super 6 progressive jackpot games. Super 5 and Super 6 will be replaced by daily specials in the pay tables set forth in attached Exhibit "G". The agreement will become effective on November 1, 2020, for the remainder of the current term ending September 30, 2023.

Funds set aside for the Progressive Jackpot will be transferred from the progressive fund account to the City's community betterment fund account. The approximate \$73,700 will transfer into the community betterment fund account to be directed for park improvements.

These changes are subject to the Nebraska State Department of Revenue, Gaming Division approval.

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF LA VISTA, NEBRASKA APPROVING AN AMENDMENT TO THE LOTTERY OPERATOR AGREEMENT.

WHEREAS, the Contractor recommends amending certain Keno pay tables and games of the Lottery Operator Agreement; and

WHEREAS, a proposed FOURTH AMENDMENT to the Lottery Operator Agreement has been prepared for this purpose as presented at this meeting or on file with the City Clerk;

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of the City of La Vista, Nebraska, that the FOURTH AMENDMENT to the Lottery Operator Agreement as presented at this meeting or on file with the City Clerk, and incorporated into this Resolution by reference, is hereby approved and the Mayor and City Clerk are hereby authorized to execute said amendment on behalf of the City of La Vista, subject to review and any modifications the City Administrator determines necessary or appropriate.

PASSED AND APPROVED THIS 6TH DAY OF OCTOBER, 2020.

CITY OF LA VISTA

Douglas Kindig, Mayor

ATTEST:

Pamela A. Buethe, CMC
City Clerk

LA VISTA LOTTERY OPERATOR AGREEMENT
FOURTH AMENDMENT

THIS FOURTH AMENDMENT TO LOTTERY OPERATOR AGREEMENT ("Amendment") is made and entered into by and among the City of La Vista, Sarpy County, Nebraska, a municipal corporation ("City"), LVK Holdings LLC, a Nebraska limited liability company, ("Contractor"), and EHPV Lottery Services LLC, a Nebraska limited liability company and owner of a controlling interest of the membership interests of Contractor ("Holding Company"), effective as of the later of October 19, 2020 or the date that the City receives Nebraska Department of Revenue approval, or such other date as agreed in writing by the City Administrator and LVK (the "Effective Date").

WHEREAS, a majority of the vote by the registered voters of the City of La Vista in 1989 was cast in favor of authorizing the establishment of a municipal lottery; and

WHEREAS, the Mayor and City Council established a keno-type lottery ("La Vista Keno") and awarded successive contracts to operate said lottery, the current of which is the Lottery Operator Agreement between City and Contractor, as assignee effective May 1, 2016 pursuant to the Assignment and Assumption of the Lottery Operator Agreement between City and La Vista Keno, Inc. dated August 8, 2008, as amended by Amendment Nos. 1 through 3, ("Lottery Operator Agreement" or "Agreement"); and

WHEREAS, EHPV Management Group Inc, EHPV Operating Group LLC, and EHPV Real Estate Group LLC and their respective subsidiaries are under common ownership and control with Contractor and Holding Company and together own, manage, operate, and control the Real Estate and other property, assets, rights, and activities connected with La Vista Keno and food, beverage and other operations conducted in conjunction with La Vista Keno or otherwise by Contractor and Holding Company; and

WHEREAS, the Contractor recommends, and the Mayor and City Council of the City of La Vista and Contractor desire, to amend said Lottery Operator Agreement to modify certain Keno pay tables and games by replacing the Progressive Jackpot, funded from daily Gross Proceeds of the City's keno game, ("Progressive Jackpot") with a \$100,000 top prize as provided in attached Exhibit D, and by replacing the Super 5 Jackpot progressive game ("Super 5") and Super 6 Jackpot progressive game ("Super 6") (each of which Super 5 and Super 6 games is funded from setting aside a specified percentage of the proceeds of the Super 5 or Super 6 keno game) with daily Keno Specials as provided in attached Exhibit G. The Progressive Jackpot, Super 5 and Super 6 games together are referred to in this Amendment as "Progressive Keno Games".

WHEREAS, the City, after notice which included posting notice in a visible location at each keno site, conducted a public hearing on proposed discontinuation of Progressive Keno Games and discussed its intentions for using any accumulated progressive jackpot funds of the Progressive Keno Games.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge and agree, the parties hereto agree as follows:

I. The City discontinues the Progressive Jackpot and replaces it with a \$100,000 top prize ("\$100,000 Top Prize"). Section 9.c.(3) of the Lottery Operator Agreement, titled Progressive Jackpot Set Aside, is hereby deleted, and remaining numbering and text of the Lottery Operator Agreement shall be deemed modified to reflect the discontinuation of the Progressive Jackpot, deletion of Section 9.c.(3), and addition of the \$100,000 Top Prize. The pay tables set forth in Exhibit "D" of the Lottery Operator Agreement are hereby deleted and replaced by the pay tables set forth in attached Exhibit "D". Exhibit "D" of the Lottery Operator Agreement is hereby deleted and replaced by attached Exhibit "D".

II. The City discontinues the Super 5 and Super 6 progressive jackpot games. Super 5 and Super 6 pay tables set forth in Exhibit "G" of the Lottery Operator Agreement are hereby deleted and replaced by the pay tables set forth in attached Exhibit "G". Exhibit "G" of the Lottery Operator Agreement is hereby deleted and replaced by attached Exhibit "G". Section 9.c.(4)(a)iv of the Lottery Operator Agreement, titled Third Alternate Payout Schedule ("Super 5" and "Super 6"), is hereby deleted and replaced with the following:

"iv. Third Alternate Payout Schedule ("Keno Specials"), a copy of which is attached hereto as Exhibit "G", will to the best of Contractor's knowledge and belief, result in an overall average prize payout of eighty and six-tenths percent (80.6%) or less. The Contractor shall offer games per the Third Alternate Payout Schedule in addition to and simultaneous with the other approved payout schedules until such time as City determines to discontinue or modify City's Approved Prize Payout Schedule."

Remaining text of the Lottery Operator Agreement shall be deemed modified to reflect the discontinuation of the Super 5 and Super 6 progressive jackpot games and addition of Keno Specials.

III. All terms and conditions of the Lottery Operator Agreement shall be deemed modified to be consistent with the changes made by this Amendment.

IV. All accumulated progressive jackpot funds of the City upon discontinuance of the Progressive Keno Games shall be retained and used by the City for such Community Betterment purposes as the City Council from time to time determines.

V. Terms used in this Amendment shall have the meanings provided in the Lottery Operator Agreement, unless otherwise expressly defined in this Amendment.

VI. Except as expressly modified by this Amendment, the Lottery Operator Agreement shall continue and remain in full force and effect in accordance with the terms and conditions set forth therein.

VII. Notwithstanding anything in this Amendment to the contrary, actions taken and approved in this Amendment shall be subject to such further approvals or actions as the City Administrator determines necessary or advisable, including without limitation authorization of the Nebraska Department of Revenue to discontinue the Progressive Keno Games, which authorization, together with any other action or approval as required or appropriate, the City Administrator shall be authorized to request, obtain, take, and provide on behalf of the City.

VIII. Recitals at the beginning of this Amendment are incorporated into this Amendment by this reference.

IN WITNESS WHEREOF, the Contractor, City, and Holding Company have executed this Fourth Amendment effective as of the date first written above.

ATTEST:

LVK Holdings LLC, a Nebraska limited liability company

Witness

By: _____

Its: _____

DATE: _____

DATE: _____

ATTEST:

City of La Vista, Nebraska, a Nebraska municipal corporation

City Clerk

By: _____
Mayor

DATE: _____

DATE: _____

EHPV Lottery Services LLC, a Nebraska limited liability company

ATTEST:

Witness

By: _____

Its: _____

DATE: _____

DATE: _____

Affiliated Entities Agreement

By signing below, (i) the undersigned each hereby represents and warrants that he or she is authorized to execute this Affiliated Entities Agreement on behalf of EHPV Management Group Inc, EHPV Operating Group LLC, or EHPV Real Estate Group LLC, as the case may be (each referred to as "company"), and (ii) the undersigned on behalf of said company hereby agrees to take any actions, including without limitation voting any membership or other interests of the company in any subsidiary, as necessary or appropriate to carry out the terms and conditions of the Lottery Operator Agreement, as amended by the Fourth Amendment, with respect to any real property or other assets, operations, activities, interests, or matters now or hereafter under the ownership, direction, or control of said company or any subsidiary of company that are connected with La Vista Keno operations or food, beverage or other operations conducted in conjunction with La Vista Keno or at or from the same premises.

EHPV Management Group Inc, a Colorado corporation authorized to do business in Nebraska

ATTEST:

Witness

By:_____

Its:_____

DATE:_____

DATE:_____

EHPV Operating Group LLC, a Nebraska limited liability company

ATTEST:

Witness

By:_____

Its:_____

DATE:_____

DATE:_____

EHPV Real Estate Group LLC, a Nebraska limited liability company

ATTEST:

Witness

By:_____

Its:_____

DATE:_____

DATE:_____

REGULAR PAY TABLE

EXHIBIT “D”

Exhibit D
Page 1 of 3



NOW PAYING \$100,000

	\$1 BET	\$2 BET	\$5 BET
HIT 1	WIN \$3	WIN \$6	WIN \$15
HIT 2	\$14	\$28	\$70
HIT 3	\$55	\$110	\$275
2	.50	1	2.50
HIT 4	\$200	\$400	\$1,000
3	2	4	10
2	.50	1	2.50
HIT 5	\$750	\$1,500	\$3,750
4	15	30	75
3	1	2	5
HIT 6	\$2,000	\$4,000	\$10,000
5	75	150	375
4	4	8	20
3	1	2	5
HIT 7	\$8,000	\$16,000	\$40,000
6	400	800	2,000
5	20	40	100
4	1	2	5

2

	\$1 BET	\$2 BET	\$5 BET
HIT 8	WIN \$25,000	WIN \$50,000	WIN \$100,000
7	2,000	4,000	10,000
6	100	200	500
5	4	8	20
HIT 9	WIN \$30,000	WIN \$60,000	WIN \$100,000
8	4,000	8,000	20,000
7	300	600	1,500
6	50	100	250
5	4	8	20
HIT 10	WIN \$35,000	WIN \$70,000	WIN \$100,000
9	10,000	20,000	50,000
8	1,000	2,000	5,000
7	150	300	750
6	20	40	100
5	1	2	5
HIT 11	WIN \$75,000	WIN \$100,000	WIN \$100,000
10	15,000	30,000	75,000
9	2,250	4,500	11,250
8	450	900	2,250
7	80	160	400
6	9	18	45
HIT 12	WIN \$90,000	WIN \$100,000	WIN \$100,000
11	25,000	50,000	100,000
10	5,000	10,000	25,000
9	1,000	2,000	5,000
8	250	500	1,250
7	25	50	125
6	5	10	25

3

Exhibit D
Page 2 of 3

	\$1 BET	\$2 BET	\$5 BET
	WIN	WIN	WIN
HIT 13	\$100,000	\$100,000	\$100,000
12	25,000	50,000	100,000
11	10,000	20,000	50,000
10	2,500	5,000	12,500
9	800	1,600	4,000
8	80	160	400
7	12	24	60
6	3	6	15
HIT 14	\$100,000	\$100,000	\$100,000
13	40,000	80,000	100,000
12	12,000	24,000	60,000
11	3,000	6,000	15,000
10	1,000	2,000	5,000
9	325	650	1,625
8	45	90	225
7	8	16	40
6	2	4	10
HIT 15	\$100,000	\$100,000	\$100,000
14	100,000	100,000	100,000
13	50,000	100,000	100,000
12	25,000	50,000	100,000
11	2,500	5,000	12,500
10	550	1,100	2,750
9	125	250	625
8	25	50	125
7	5	10	25
6	1	2	5



Exhibit D

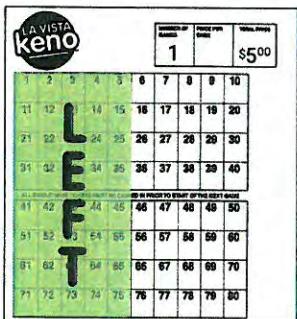
Page 3 of 3

**TOP ↑ ↓ BOTTOM
LEFT ← → RIGHT**

\$5.00 MINIMUM BET PER WAY

Hit 11+ numbers on TOP | BOTTOM or LEFT | RIGHT to win

TOP BOTTOM	& LEFT RIGHT	\$5 BET WIN \$10	\$25 BET WIN \$50	\$100 BET WIN \$200
-----------------------	-----------------------------	--	---	---



THE SPLIT

\$5.00 MINIMUM BET PER WAY

Bet on a tie between Top | Bottom or Left | Right.
(10 numbers on Top, 10 numbers on Bottom; OR 10 numbers on Left, 10 numbers on Right).

SPLIT	\$5 BET WIN \$15	\$25 BET WIN \$75	\$100 BET WIN \$300
--------------	--	---	---



THIRD ALTERNATE PAY TABLE

EXHIBIT “G”

KENO SPECIALS

A NEW WAY TO PLAY!

MONDAY 8 SPOT

Mark your ticket "M8" to receive this special rate

Minimum Bet Per Way **\$0.01** Minimum Ticket **\$1.00**

HIT 8
WIN \$1,499

TUESDAY 7 SPOT

Mark your ticket "T7" to receive this special rate

Minimum Bet Per Way **\$0.05** Minimum Ticket **\$1.00**

HIT 7
WIN \$1,350

WEDNESDAY 6 SPOT

Mark your ticket “**W6**” to receive this special rate

Minimum Bet Per Way **\$0.10** Minimum Ticket **\$1.00**

HIT 6
WIN \$600

THURSDAY 5 SPOT

Mark your ticket “**TH5**” to receive this special rate

Minimum Bet Per Way **\$0.20** Minimum Ticket **\$1.00**

HIT 5
WIN \$250

FRIDAY 4 SPOT

Mark your ticket “**F4**” to receive this special rate

Minimum Bet Per Way **\$0.25** Minimum Ticket **\$1.00**

HIT 4
WIN \$65