



Nearly \$2 Billion and Counting for our Schools

GOVERNOR Christopher T. Sununu  
CHAIRMAN Debra M. Douglas  
COMMISSIONER Paul J. Holloway  
COMMISSIONER David L. Gelinis  
EXECUTIVE DIRECTOR Charles R. McIntyre

3  
41

December 20, 2017

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

**REQUESTED ACTION**

1. The New Hampshire Lottery Commission (Lottery) requests authorization for a **sole source** amendment to extend the contract with Intralot, Inc. of Duluth, Georgia (vendor #201001) for an additional five (5) years from June 30, 2020, to June 30, 2025, effective upon Governor and Council approval, at no additional cost to the contract. The original contract was approved by Governor and Council on September 9, 2009, item #133; amended April 17, 2013, item #98, and amended April 23, 2014, item #78. 100% Lottery Funds.

2. The New Hampshire Lottery Commission (Lottery) requests authorization to enter into an additional **sole source** contract amendment with Intralot, Inc., of Duluth, Georgia (vendor #201001), to add Keno game sales, at the same base rate as lottery sales, at no additional cost to the current gaming system service contract, effective upon Governor and Council approval. 100% Lottery Funds.

**EXPLANATION**

Upon passage of Senate Bill 191 on July 1, 2017, New Hampshire Lottery mobilized to plan, develop, and deploy the electronic game Keno. As part of the original contract approved by Governor and Council on September 9, 2009, item #133; amended April 17, 2013, item #98, and April 23, 2014, item #78, Intralot offered the implementation of Keno within the scope of Additional Offered Options. This **sole source** request to add Keno game sales within that scope is a common sense action to utilize the services of the current vendor, and avoid costly delays in seeking a third-party solution. Upon approval by Governor and Council, Lottery also seeks a **sole source** extension of the current contract from June 30, 2020 to June 30, 2025 with the intention of relieving the agency of the costly and years-long process of developing and executing an RFP, negotiating a new contract, and conducting a possible conversion of our gaming system.

The attached Amendment No. 3 sets the considerations of the Keno implementation by describing the development, deployment, terms, and services; and will incorporate Keno game sales at the same base rate as net lottery sales of 1.435%. This amendment sets a discounted monthly rate for installed instant ticket vending machines, self-service terminals, and television monitors used in the operation of Keno at approved locations, as well as ensures hardware refurbishment throughout the terms of the contract. Additionally, the contract amendment will include, upon approval, the



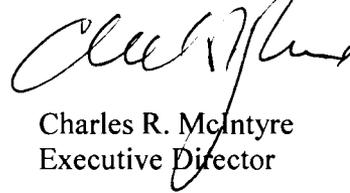
*Live Free or Die*

New Hampshire Lottery Commission 14 Integra Drive Concord, New Hampshire 03301  
TEL 603.271.3391 FAX 603.271.1160 TDD 1.800.735.2964 www.nhlottery.com

design and implementation of a cashless retailer solution, and deployment of iLottery in conjunction with a third-party designated subcontractor.

The Commission respectfully requests the approval of this amendment in consideration of Intralot's efforts to develop and implement the software for all phases of Keno gaming and reporting; the procurement, testing, and installation of hardware at each site; and their services in training and recruitment throughout the shortened launch timeline of this initiative. We further request approval of the extension to ensure uninterrupted essential support and service to New Hampshire Lottery's gaming operations, which will preserve the staff and resources of the agency.

Respectfully submitted,



Charles R. McIntyre  
Executive Director

CRM:cn  
Attachments



*Live Free or Die*

**Amendment No.3**  
**To**  
**Contract Dated July 1, 2010**  
**Between the New Hampshire Lottery Commission and**  
**Intralot, Inc.**

This Amendment No. 3 (this "Amendment") is made and entered into this 16th day of November, 2017, by and between the New Hampshire Lottery Commission (the "NHLC") and INTRALOT, Inc. ("INTRALOT"), collectively the "Parties", as follows:

The purpose of this Amendment is to effectuate the implementation of an Extension to the Contract, all pursuant to that certain Agreement entered into between the Parties (the "Contract") dated July 1, 2010, including but not limited to Section 3.5.9 of the Lottery Gaming System Request For Proposal, dated November 4, 2008, as incorporated by the Contract therein.

This Amendment to the existing Contract, authorizes the implementation of the provisions contained therein and therefore all terms and conditions of the Contract shall remain in full force and effect.

**UNDERSTANDINGS**

1. The NHLC grants and Intralot accepts the extension (the "Extension") of the Contract for an additional five (5) years, commencing July1, 2020 and ending June 30, 2025.
2. In consideration for the granting and acceptance of the Extension, INTRALOT and the NH Lottery agree to the terms and conditions set forth in **Exhibit 1**, inclusive of **Schedules A, and B** and **Exhibit 2**, all of which are attached hereto and incorporated by this reference herein:
3. This Amendment No. 3, its Exhibits and Schedules attached hereto sets forth the entire understanding between Parties with respect to the matters set forth herein and supersedes all prior representations, understandings or agreements, whether written or oral, expressed or implied regarding those matters specifically set forth herein.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 3 to be executed by their duly authorized officers as of the day and year first written above (the "Execution Date").

NEW HAMPSHIRE LOTTERY COMMISSION

By: \_\_\_\_\_

Charlie McIntyre  
Executive Director

INTRALOT, INC.

By: \_\_\_\_\_

John Donahue  
President & CEO

Approved as to form, substance and execution by the Attorney General this 26<sup>th</sup> day of December, 2017

Division of Attorney General Office

By: \_\_\_\_\_

Approved by the Governor and Council this \_\_\_\_\_ day of \_\_\_\_\_, 2017

By: \_\_\_\_\_

## Exhibit 1

### **CONSIDERATION AND EXCHANGE OF PROMISES**

Subject to the full and final approval and execution of Amendment No. 3, the New Hampshire Lottery and Intralot agree as follows;

- 1) For its part, the Lottery elects to extend the Contract for five (5) additional years (to end on June 30, 2025 at 11:59PM).
- 2) Service level agreements (SLA), which would otherwise incur penalties for; down terminals, removals, and change of ownerships, will be modified through June 30, 2018, as follows; critical terminal issues will be repaired or replaced and made operational within 8 hours of notification of a non-operational condition, and; removals and changes of ownership will be completed within 10 days of notification. All other liquidated damages contained within the Contract shall remain unaffected and in force.
- 3) For its part, the New Hampshire Lottery agrees to pay Intralot the current contract rate of 1.435% of gross sales for Keno game sales. Intralot agrees that Keno will be actively selling and cashing in accordance with mutually agreed upon specifications.
- 4) In recognition of the short time line to start of sales, Intralot agrees, upon mutual agreement with the Lottery, to source and purchase Keno promotional and marketing materials (play slip and pencil holders, etc.) as needed using the balance of contractually provided annual marketing funds. Intralot will provide an additional \$75,000.00 in annual marketing funds for Keno program support, to be administered by Intralot at the direction of the Lottery and reported on a monthly basis to the Director or his designee. This additional \$75,000.00 fund is non-cumulative and expires each year.
- 5) For its part, the New Hampshire Lottery agrees to pay Intralot the amount of \$172.60 per WinStation and per MP self-service terminal installed per month. This discounted rate will be applied to up to; 250 WinStations and MP devices installed as part of the keno implementation program, together with any additional units delivered as part of the expansion of both Keno and traditional lottery retailer locations. This pricing shall remain in effect for 36 months from the execution of the contract amendment No.3. Pricing for machines beyond 250 devices, the above pricing would depend on availability. For terminals in excess of the 250, if like new refurbished terminals are not available and new devices are required to be built, the pricing shall be as follows and dependent on the number of years remaining in the base years and extension years. 6 years - \$215.80, 5 years - 258.96, 4 years - \$323.70, 3 years - \$431.60.
- 6) For its part, the New Hampshire Lottery agrees to pay Intralot the amount of \$16.00 per installed 32"-40" Keno Monitor and associated equipment per month. Installation to include all necessary equipment for the effective operation of each KENO location (32"-40" Monitor, Wall Mount, LHMC style video device – one per monitor - and all associated cabling).
- 7) Intralot will supply and install a Keno specific sign at the designated Keno retailer locations. Maintenance of these signs will be covered under the current fee structure associated with monthly Jackpot Sign maintenance.

8) Commencing July 1, 2020 and concluding December 31, 2020, unless otherwise agreed in writing between the Parties, all existing WinStations currently installed under the existing New Hampshire Lottery contract will receive a factory refurbishment to a like-new condition. The refurbishment will include, as needed in Intralot's reasonable judgement; new wraps, mechanical refurbishment of bursters, bill acceptors, playslip scanners, button replacements, and UPS battery replacements. Additionally, Winstation PC's and MP screens will be replaced as needed, in Intralot's reasonable judgement.

9) KENO Implementation Program – For its part, Intralot will be responsible for the implementation, hardware, communications, recruitment support and software associated with the installation of KENO to include an initial deployment to 250 locations and future expansion of the KENO retailer base. Intralot understands that the number of Keno locations will continue to grow over time and agrees to support continued retailer location expansion.

10) As part of the initial Keno Implementation Program, Intralot agrees to deliver and install, as needed, up to 250 unused MicroLot terminals and peripherals (including; CDU, ticket checker, barcode scanner, play slip reader), along with refurbished Winstation and MP self-service devices. These Winstation and MP devices will be refurbished in like-new condition as described in paragraph 9) above, and wrapped in accordance the New Hampshire Lottery specifications.

11) As part of the Keno Implementation Program, Intralot agrees to provide and install a minimum of one Keno monitor per retail location, however, will based on mutual agreement, install more if advantageous for sales, at the price set forth above.

12) At the end of the current contract termination date of June, 2020, Intralot agrees to make available up to 2600 refurbished like-new MicroLot terminals, as a refresh of the existing retailer base as well as to support continued Keno expansion. This will include a mechanical refurbishment of the printer, cutter and scanner, as well as the replacement of component parts as needed.

13) Cashless Solution – If approved as required, Intralot will work with the Lottery on the design and implementation and specifications including dates associated with various phases, of a cashless retailer solution (debit or credit if authorized) for the retailer network. This will include the purchase and installation of hardware requirements in accordance with the description set forth on **Exhibit 1, Schedule A**, attached and incorporated hereto. Intralot will also manage all aspects of the Cashless Call Center Operation on behalf of the New Hampshire Lottery, which includes funds management and transfer, reconciliation of all fees and charges as well as chargeback disputes. This service is provided on a cost plus fee model, similar to Intralot's current arrangement in Ohio, scheduled to go live October 28, 2017.

14) Consistent with the B-On offering, The New Hampshire Lottery has chosen to deploy an iLottery solution for which a third-party vendor will be subcontracted to Intralot. The third-party solution will be accommodated in accordance with the terms and conditions set forth in **Exhibit1, Schedule B** attached hereto and incorporated herein.

15) As Intralot, in its judgement deems reasonable and necessary, throughout the duration of the contract extension years, Intralot agrees to upgrade system components as necessary to achieve and maintain optimal performance to specifications.

16) The following additional staff will be provided by Intralot and said additional staff will be full-time and solely dedicated to New Hampshire: A BOS Software Engineer (Duluth based) and a Software QA Analyst (Concord based). Intralot will provide the following additional permanent staff support: 4 Customer Service Technicians, 1 Bench Technician and 2 Hotline Customer Service experts (Vermont based). Three temporary Marketing Recruiters and seven temporary Warehouse Staff will be hired to assist with the Keno implementation.

17) Intralot and the Lottery will, no later than November 15, 2017, develop and mutually agree upon the itemization of specifications, test scripts, deployment schedule and project plans, including the 2018 release schedule, for completion of current projects tentatively scheduled for release by April 2018, including ILOOK. It is understood that the Powerball change date is fixed and mandated by MUSL.

18) Specifications must be mutually agreed between Lottery and Intralot and finalized no less than one (1) month prior to the start of the development. In the event a modification is requested after the signed specification date, such modification(s) shall be mutually agreed upon giving due consideration to effort and risk. If the modification could result in a material impact (redesign cases for example) to the release, then it will be further mutually agreed upon how to proceed (defer to future release, modify time plan). Modifications with lower severity will be evaluated and agreed to with the lottery if they can be part of the release without causing any risk.

**Schedule A**  
Cashless Solution Equipment

Install parts list for Each Self-Service Device Installed

<b>Parts supplied</b>
Ingenico iPP320
Mounting bracket
TP-Link switch
Labels on devices
Ethernet Patch cords (2)
Power cable extender
Fish tape
Ty-wraps & adhesive pads
Velcro for TP-Link
Misc spare hardware

**Schedule B**  
**iLottery**

- Subsequent to the Keno Launch Intralot will commence subcontract negotiations (the 'Sub-Contract'), as directed by the Lottery, with a designated third-party to provide the New Hampshire Lottery with the iLottery solution for internet wagering, excluding sports betting, should same become lawful and the Lottery desires to deploy. Said third-party will provide to Intralot all required systems, communications, staff and infrastructure required to implement the iLottery website and mobile application. Internet sales will launch based on a signed specification and project plan agreed to by all parties, but no sooner than April 2018. Intralot will be paid a net win (defined as sales minus prizes) fee of thirty-five (35%) percent (of which Intralot will pay 19.6% of the net win to the third-party subcontractor) for non- traditional games (defined as any game or game designed for fast play, characterized by higher payouts, and that reveals in less than four minutes in an electronic format) and fifteen (15%) percent of gross draw game sales (of which Intralot will pay 9.28% of the gross draw game sales to the third-party subcontractor) for traditional games (defined as any game or game design currently provided on the lottery central system and designed to be played with a play slip in paper or electronic form with a reveal of four minutes or longer) throughout the term of the existing contract and any extensions thereto. Intralot's existing SLA's shall apply to the central system and related processing. iLottery SLA's for the iLottery Solution will be separate and distinct from the current Intralot contract and are outlined in **Exhibit 2**, along with the roles and responsibilities of each of the two parties.
- In the event the third-party product fails or is otherwise non-operationalized, Intralot shall have no obligation to replace same with its iLottery solution of B-On or otherwise.
- The third-party contract cannot be assigned without the consent of Intralot.
- Intralot will not be subject to LD's for incidents either directly or indirectly resulting from the third - party system defaults or failures of any nature whatsoever and the third-party shall be required to indemnify Intralot against such defaults or failures. The third-party shall be required to report all LD'S to Intralot and the lottery and all obligations incurred will be paid directly to the lottery.
- Retailer generated vouchers shall be used for all initial iLottery player funding. Players can refill their vouchers online and can use continuous play with any winnings.
- There shall be no public announcement or press release by either the New Hampshire Lottery or the third-party regarding the contractual relationships among the Lottery, the third-party, and Intralot.
- Any and all new draw games shall be subject to the existing fee structure
- Intralot shall have the right, without penalty, to terminate the third-party Sub-Contract for any breach of the Sub-Contract, compliance violation, or breach of this agreement in respect of any term or condition relative to the Sub-Contract.
- Provisions in Sub-Contract will prohibit competition for on-line systems in NH and VT so long as Sub-Contract is in effect.

This document is confidential and constitutes a proprietary trade secret. This document is not to be re-published or distributed without Intralot consent

**Exhibit 2**

**iLottery Roles and Responsibilities**

<b>Intralot</b>	<b>Designated Subcontractor</b>	<b>New Hampshire Lottery</b>
Update gaming system to produce vouchers to enable ilottery sales. (Note: Vouchers will be exclusively for internet sales)	Implement all required games independently on a MUSL compliant system	Negotiate/Approve SLA's and associated LD's for the iLottery i360 platform
Implement secure real time interface to send voucher information to NeoPollard	Implement secure real time interface to get voucher information	Approve ilottery specifications
Update retailer terminals MicroLot, Winstations and MP's to print vouchers	Support Payment of prizes. (Including claims, 1099's..etc)	Approve all games and associated game rules.
Update system and retailer accounting reports to reflect vouchers sales and any retailer commission if required	Provide all necessary system reports required by the Lottery: including voucher accounting/escheatment, sales, accounting..etc.	Test and approve Ilottery system and any subsequent software releases
•Update ICS to audit/ balance voucher sales	Provide impendent ICS system to audit all internet games and associated MUSL MARS files	
	Provide Datacenters, Equipment (servers, network.etc) and services required to run independent MUSL certified gaming system	
	Provide all staff required to support and operate ilottery i360 system including operators, call center.etc	
	Provide all Back office files and interfaces required by the lottery.	
	Provide the lottery with any test systems required to support iLottery	

**Certificate of Incumbency  
and  
Authority  
INTRALOT, Inc.**

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I, **Jay M. Lapine**, being the Secretary of INTRALOT Inc., a Georgia corporation, do hereby certify that as of the date of this Certificate the following persons are duly qualified and acting Officers of INTRALOT Inc, holding the offices set forth opposite their names below. Further, said Officers are empowered to act on behalf of and bind the Corporation consistent with the By-Laws, Board of Directors Policies, and any enabling resolutions of the Board of Directors..

<u>Name</u>	<u>Office</u>
John Donahue	President & CEO
Vassilis Hadjidiakos	Vice President & CFO
Jay M. Lapine	Vice President, CLO & Secretary
Terry Patterson	Vice President of Operations

IN WITNESS WHEREOF, I have executed this Certificate on behalf of INTRALOT Inc., this December 27, 2017.



A handwritten signature in cursive script, appearing to read "Jay M. Lapine".

---

Jay M. Lapine, Secretary & Chief Legal Officer

# State of New Hampshire

## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that INTRALOT, INC. is a Georgia Profit Corporation registered to transact business in New Hampshire on February 09, 2009. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 608368



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 26th day of December A.D. 2017.

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State



The Leadenhall Building  
122 Leadenhall Street  
London  
EC3V 4AN  
t +44 (0)20 7623 5500  
f +44 (0)20 7621 1511

Dear Sirs,

**CONFIRMATION OF INSURANCE – Intralot S.A. Integrated Lottery Systems and Services.**

As requested by the above client, we are writing to confirm that we act as Insurance Brokers to the client and that we have arranged insurance(s) on its behalf as detailed below.

Type of Insurance: On-Line Lottery Games, On-Line Wagering Systems and Instant Ticketing Insurance.

**INSURER** Primary - 100% Lloyd's Underwriters and Insurance Companies  
Excess - 100% Lloyd's Underwriters and Insurance Companies

**POLICY NUMBER** Primary – CMCTY1700152  
Excess– CMCTY1700154

**ADDITIONAL NAMED ASSURED** New Hampshire Lottery Commission

**CERTIFICATE HOLDER** New Hampshire Lottery Commission.

**PERIOD OF INSURANCE** 01 December 2017 to 30 November 2018 both days inclusive at the Principal Address of the Assured.

**SUM INSURED** Primary – USD 15,000,000  
Excess– USD 5,000,000

As specified in the contract not to exceed USD 20,000,000 in all.

**CANCELLATION** This Insurance may be cancelled at any time at the request of the Assured in writing to the broker who effected the insurance and the premium will be adjusted on a pro rata basis for the period that Insurers are on risk, but the full policy premium shall be payable to Insurers should an event occur prior to the date of termination which gives rise to a valid claim under this Insurance. The date that termination shall occur is 60 days following written notice of intent to terminate being sent to the broker who effected the insurance

**PRINCIPLES CLAUSE** As attached.



## PRINCIPLES CLAUSE

Where any Contracted Service(s) entered into between the Assured and their customer for the supply of a particular game or lottery so requires, this insurance is automatically extended to confer Additional Insured status to the Assured's customer in accordance with and subject to the terms, conditions, exclusions, endorsements and addenda of this insurance and will indemnify any such customer with respect to claims made against them by a third party entity, not being a party to the said Contracted Service(s) and arising from an act or omission on the part of the Assured (or the Assured's sub contractors or suppliers for which the Assured is responsible) which gives rise to a legal liability as insured under this insurance.

The Insurers agree to waive all rights of subrogation or action that they may have or acquire against the customer, always provided that such customer shall, as though they were an Assured, observe, fulfil and be subject to the terms, exclusions, limits, exceptions, conditions and endorsements of this insurance in so far as they can apply.

Notwithstanding the conference of additional insured status to the Assured's customer afforded by this Clause, it is expressly understood and agreed that this insurance does NOT extend to indemnify such customer or the Assured for claims arising from any act, error, omission or failure to act on the part of or strictly attributable to such customer.

It is understood and agreed however that the conference of Additional Insured status afforded to the customer by virtue of this clause shall not prejudice the rights and remedies available to the customer pursuant to the terms and conditions of their contracted service(s) with the Assured.

It is further understood and agreed that the Limit Of Indemnity as stated herein applies irrespective of the number of Additional Insureds included pursuant to this insurance and that the conference of Additional Insured status to any such customer does not confer any greater rights in respect of this insurance than those rights enjoyed by the Assured.



We have placed the insurance which is the subject of this letter after consultation with the client and based upon the client's instructions only. Terms of coverage, including limits and deductibles, are based upon information furnished to us by the client, which information we have not independently verified.

This letter is issued as a matter of information only and confers no right upon you other than those provided by the policy. This letter does not amend, extend or alter the coverage afforded by the policies described herein. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this letter may be issued or pertain, the insurance afforded by the policy (policies) described herein is subject to all terms, conditions, limitations, exclusions and cancellation provisions and may also be subject to warranties. Limits shown may have been reduced by paid claims.

We express no view and assume no liability with respect to the solvency or future ability to pay of any of the insurance companies which have issued the insurance(s).

We assume no obligation to advise yourselves of any developments regarding the insurance(s) subsequent to the date hereof. This letter is given on the condition that you forever waive any liability against us based upon the placement of the insurance(s) and/or the statements made herein with the exception only of wilful default, recklessness or fraud.

This letter may not be reproduced by you or used for any other purpose without our prior written consent.

This letter shall be governed by and shall be construed in accordance with English law.





**ADDITIONAL REMARKS SCHEDULE**

AGENCY Palmer & Cay, LLC		NAMED INSURED Intralot, Inc. and DC09 LLC 11360 Technology Circle Duluth GA 30097	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

**ADDITIONAL REMARKS**

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
 FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE

Business Income - \$500,000

Deductibles:  
 Business Income - 24 hours  
 Flood - \$50,0000



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
10/26/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Palmer & Cay, LLC 3050 Peachtree Road, NW Two Buckhead Plaza, Suite 475 Atlanta GA 30305		<b>CONTACT NAME:</b> Emily Blanton	
		<b>PHONE (A/C, No, Ext):</b> 404-633-5800	<b>FAX (A/C, No):</b> 404-991-6060
		<b>E-MAIL ADDRESS:</b> emily.blanton@palmerandcay.com	
		<b>INSURER(S) AFFORDING COVERAGE</b>	
		<b>INSURER A :</b> Charter Oak Fire Insurance Company	<b>NAIC #</b> 25615
<b>INSURED</b> 351		<b>INSURER B :</b> Travelers Property Casualty Company	25674
Intralot, Inc. and DC09 LLC 11360 Technology Circle Duluth GA 30097		<b>INSURER C :</b> The Travelers Indemnity Company	25658
		<b>INSURER D :</b>	
		<b>INSURER E :</b>	
		<b>INSURER F :</b>	

**COVERAGES**

CERTIFICATE NUMBER: 1851915647

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			630 4655M850	11/1/2017	11/1/2018	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			810 4655M850	11/1/2017	11/1/2018	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			CUP 7J906896	11/1/2017	11/1/2018	EACH OCCURRENCE \$9,000,000 AGGREGATE \$9,000,000 \$
C	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N <input type="checkbox"/> N/A	HKUB 7J455687	11/1/2017	11/1/2018	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Proof of Insurance

**CERTIFICATE HOLDER****CANCELLATION**New Hampshire Lottery  
14 Integra Drive  
Concord NH 03301

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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CONTINUATION  
CERTIFICATE

Westchester Fire Insurance Company

, Surety upon

a certain Bond No. K08673962

dated effective June 15, 2010  
(MONTH-DAY-YEAR)

on behalf of Intralot, Inc.  
(PRINCIPAL)

and in favor of New Hampshire Lottery Commission  
(OBLIGEE)

does hereby continue said bond in force for the further period

beginning on June 15, 2017  
(MONTH-DAY-YEAR)

and ending on June 15, 2018  
(MONTH-DAY-YEAR)

Amount of bond \$5,000,000.00

Description of bond Lottery Gaming System

**PROVIDED:** That this continuation certificate does not create a new obligation and is executed upon the express condition and provision that the Surety's liability under said bond and this and all Continuation Certificates issued in connection therewith shall not be cumulative and that the said Surety's aggregate liability under said bond and this and all such Continuation Certificates on account of all defaults committed during the period (regardless of the number of years) said bond had been and shall be in force, shall not in any event exceed the amount of said bond as hereinbefore set forth.

Signed and dated on June 06, 2017  
(MONTH-DAY-YEAR)

Westchester Fire Insurance Company

By Brooke A. Sharp  
Brooke A. Sharp, Attorney-In-Fact

# Power of Attorney

## WESTCHESTER FIRE INSURANCE COMPANY

Know all men by these presents: That WESTCHESTER FIRE INSURANCE COMPANY, a corporation of the Commonwealth of Pennsylvania pursuant to the following Resolution, adopted by the Board of Directors of the said Company on December 11, 2006, to wit:

"RESOLVED, that the following authorizations relate to the execution, for and on behalf of the Company, of bonds, undertakings, recognizances, contracts and other written commitments of the Company entered into the ordinary course of business (each a "Written Commitment"):

- (1) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise.
- (2) Each duly appointed attorney-in-fact of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise, to the extent that such action is authorized by the grant of powers provided for in such persons written appointment as such attorney-in-fact.
- (3) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to appoint in writing any person the attorney-in-fact of the Company with full power and authority to execute, for and on behalf of the Company, under the seal of the Company or otherwise, such Written Commitments of the Company as may be specified in such written appointment, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (4) Each of the Chairman, the President and Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to delegate in writing any other officer of the Company the authority to execute, for and on behalf of the Company, under the Company's seal or otherwise, such Written Commitments of the Company as are specified in such written delegation, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (5) The signature of any officer or other person executing any Written Commitment or appointment or delegation pursuant to this Resolution, and the seal of the Company, may be affixed by facsimile on such Written Commitment or written appointment or delegation.

FURTHER RESOLVED, that the foregoing Resolution shall not be deemed to be an exclusive statement of the powers and authority of officers, employees and other persons to act for and on behalf of the Company, and such Resolution shall not limit or otherwise affect the exercise of any such power or authority otherwise validly granted or vested.

Does hereby nominate, constitute and appoint Brooke A Sharp, Christine Doczy, D-Ann Kleidosty, Gary D Eklund, Sharon J Potts, Sylvia M Ogle, William G Moody, all of the City of ATLANTA, Georgia, each individually if there be more than one named, its true and lawful attorney-in-fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof in penalties not exceeding Seventy Five million dollars & zero cents (\$75,000,000.00) and the execution of such writings in pursuance of these presents shall be as binding upon said Company, as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office.

IN WITNESS WHEREOF, the said Stephen M. Haney, Vice-President, has hereunto subscribed his name and affixed the Corporate seal of the said WESTCHESTER FIRE INSURANCE COMPANY this 21 day of April 2016.

WESTCHESTER FIRE INSURANCE COMPANY



*Stephen M Haney*  
Stephen M. Haney, Vice President

COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF PHILADELPHIA ss.

On this 21 day of April, AD. 2016 before me, a Notary Public of the Commonwealth of Pennsylvania in and for the County of Philadelphia came Stephen M. Haney, Vice-President of the WESTCHESTER FIRE INSURANCE COMPANY to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same, and that the seal affixed to the preceding instrument is the corporate seal of said Company; that the said corporate seal and his signature were duly affixed by the authority and direction of the said corporation, and that Resolution, adopted by the Board of Directors of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Philadelphia the day and year first above written.



COMMONWEALTH OF PENNSYLVANIA  
NOTARIAL SEAL  
KAREN E. BRANDT, Notary Public  
City of Philadelphia, Phila. County  
My Commission Expires Sept. 26, 2018

*Karen E Brandt*  
Notary Public

I, the undersigned Assistant Secretary of the WESTCHESTER FIRE INSURANCE COMPANY, do hereby certify that the original POWER OF ATTORNEY, of which the foregoing is a substantially true and correct copy, is in full force and effect.

In witness whereof, I have hereunto subscribed my name as Assistant Secretary, and affixed the corporate seal of the Corporation, this 14 day of June, 2017



*William L. Kelly*  
William L. Kelly, Assistant Secretary

THIS POWER OF ATTORNEY MAY NOT BE USED TO EXECUTE ANY BOND WITH AN INCEPTION DATE AFTER April 21, 2018.



sent 4/10/14  
4/23/14 + C  
#78



GOVERNOR Margaret Wood Hassan  
CHAIRMAN Debra M. Douglas  
COMMISSIONER Paul J. Holloway  
COMMISSIONER Doug Scamman  
EXECUTIVE DIRECTOR Charles R. McIntyre

April 8, 2014

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

**REQUESTED ACTION**

The New Hampshire Lottery Commission (NHLC) requests authorization to amend its current lottery gaming system services contract with Intralot, Inc., of Duluth, Georgia (vendor # 201001), originally approved by Governor and Council on September 9, 2009, Item #133 and amended April 17, 2013 (item#98); by exercising an option to extend for four (4) years. This amendment shall change the end date from July 2, 2016 to June 30, 2020; effective upon Governor and Council approval. 100% Lottery Funds

**EXPLANATION**

A Request for Proposal (RFP) was issued for a lottery gaming system on November 4, 2008. The evaluation committee reviewed and evaluated the two proposals received in response to the RFP. The committee unanimously agreed that Intralot, Inc. should be awarded the contract based on the strength of their proposal and best overall score. The original contract was approved by Governor and Council on September 9, 2009, Item #133, effective July 1, 2010 through July 2, 2016, with the NHLC retaining the sole option to extend the contract, at its discretion and with Governor and Council approval, for up to one period of four (4) years at the same base rate as year one, 1.435% of net lottery sales. The first contract amendment was a no cost amendment approved by Governor and Council on April 17, 2013 (item #98). The attached Amendment No. 2 includes exercising the one four (4) year extension option, effective upon Governor and Council approval to June 30, 2020. Intralot and the New Hampshire Lottery Commission agreed to the terms set forth in the understandings detailed in the amendment.



Her Excellency, Governor Margaret Wood Hassan  
And the Honorable Council

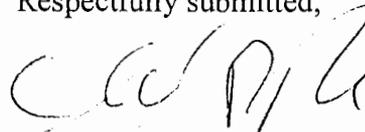
April 8, 2014  
Page two

The purpose for bringing this amendment and extension request forward, well before the expiration of the contract, is that the time necessary to execute a rebid and conversion of our gaming system is two years. Such, that if we waited until the time of expiration, the Governor and Council would be put in the awkward position of either shutting down the entire lottery, or approving renewal. In order for the process to be meaningful and deliberative, the New Hampshire Lottery Commission feels that the matter should be brought at a time when there is real choice to be made, and not a choice between contract renewal and catastrophic failure of the lottery systems.

The New Hampshire Lottery Commission gaming system is connected to a secured communications network that controls and monitors the following functions: inventory control, sales, report generation, validation and accounting for all lottery transactions conducted by approximately 1,200 licensed lottery retailers. The lottery's gaming system is simultaneously the backbone and central nervous system of lottery operations.

The Commission respectfully requests Governor and Council approval of the attached Intralot, Inc. contract amendment and extension.

Respectfully submitted,



Charles R. McIntyre  
Executive Director

CM: dc  
Attachments

**Amendment No.2**  
to  
**Contract Dated July 1, 2010**  
**Between the New Hampshire Lottery Commission and**  
**Intralot, Inc.**

This Amendment No. 2 (this "Amendment") is made and entered into this 19 day of March, 2014, by and between the New Hampshire Lottery Commission (the "NHLC") and INTRALOT, Inc. ("INTRALOT"), collectively the "Parties", as follows:

The purpose of this Amendment is to effectuate the implementation of an Extension to the Contract, equipment exchange options and certain Offered Options, all pursuant to that certain Agreement entered into between the Parties (the "Contract") dated July 1, 2010, including but not limited to Section 3.5.9 of the Lottery Gaming System Request For Proposal, dated November 4, 2008, as incorporated by the Contract therein.

This Amendment to the existing Contract, authorizes the implementation of the provisions contained therein and therefore all terms and conditions of the Contract shall remain in full force and effect.

**UNDERSTANDINGS**

1. INTRALOT will receive the available 4 year extension from the New Hampshire Lottery, extending the end date from July 2, 2016 to June 30, 2020. *BY 4/9/14*
2. Effective upon Governor and Council approval of this amendment, INTRALOT and the NH Lottery agree as follows: *BY 4/10/14*
  - a. Dream Touch® Ticket Vending Machines - INTRALOT will provide 100 Dream Touch® online and instant ticket vending machines, subject to availability, after completion of manufacturing, development and testing. It is currently contemplated that delivery can be accomplished in or about 16 months following contract execution, however, as this product is still in development, the schedule is subject to further revision. When available, ten (10) Dream Touch® machines will be delivered to The New Hampshire Lottery for testing initially. The pricing to the NHLC for each Dream Touch® Ticket Vending Machine shall be mutually agreed upon.
  - b. Commencing on the Execution Date and continuing for 18 months thereafter, Intralot agrees, that any lease of current model WinStations will be charged to the NHLC at \$215.80 per WinStation per month, representing Contract year 1 pricing. Thereafter, the pricing for additional WinStations shall reflect Year two 2 pricing for twelve (12) months; Year three (3) pricing for twelve months thereafter and Year four (4) pricing for twelve (12) months. (Reference Section 3.2.4.2 of the RFP & Intralot's Proposal of February 20, 2009, and 4.5.2.E of Intralot's Pricing Proposal dated February 20, 2009, as amended May 26, 2009.)
  - c. Jackpot Signs for Top Retailer Locations - Intralot will deliver up to an additional 200 Jackpot Signs for mutually agreed upon top retailer locations, at the reduced rate of \$10.00 per sign per month, based on a minimum order of 200 signs, over the remaining contract and Extension lease period. These signs would be the current model double jackpot signs, installed by Intralot. Price includes all installation and maintenance costs. (Reference Section 3.2.1.3.E of the RFP & Intralot's Proposal.)
  - d. Intralot will provide 200 units of Large PAD signs, 32"-37" at a cost to the NHLC of \$6.00 per pad per month, representing contract year 1 pricing. Delivery shall occur at a schedule to be determined by the parties.

*BY 4/14/14*  
*BY 4/9/14*

- e. Intralot will provide 15 portable tablet devices, with portable printers, for usage by NHLC Sales Reps in Point Of Sale printing, sales report generations, and other such sales initiatives.
- f. Intralot will augment its current contractual annual marketing support allocation by an additional \$50,000 for market research. Unused money can be accrued year-to-year. This increase shall begin effective July 1, 2014. (Reference Section 3.5.1 of the RFP & Intralot's Proposal.)
- g. Intralot will order and install Microlot terminal wraps, as designed by the Lottery.
- h. Preventative Maintenance requirements addressed at Section 2.14.14 of the RFP (Terminal Preventative Maintenance) shall be deemed to be set at 180 days for said Terminal Preventative Maintenance. The results of such change shall be reviewed every 180 days for compliance with the standards set forth at 2.14.14 of the RFP and in the event there are 2 defaults during any 180 day period, the lottery can decide to revert to the original schedule under 2.14.14.
- i. Upgrade CDU's - Intralot shall install, at no additional cost, color displays that are designed to be larger and easier for players to see. (Reference Section 3.2.1.3.B of the RFP & Intralot's Proposal.)
- j. Intralot will provide the NHLC Intralot's Mobile 2 Apps. This software includes the "Unified Mobile App" for the NHLC, where a player can create e-playslips, check a ticket barcode, see winning numbers history and news, locate a retailer, and many more lottery player tasks as set forth in the specifications for the software.
- k. Intralot will provide the NHLC Intralot's iWare Dashboards. This software includes the current iWare Interface Tools for the NHLC, designed to create greater flexibility in managing retailer sales and statistical data.(Reference Section 3.5.3 of the RFP & Intralot's Proposal.)
- l. BOS segregation of duties. Intralot will revise the basic functionality of the module from a DEPARTMENT function to an individual function such that the NHLC can designate the permissions for each NHLC employee/user of BOS as is it deems necessary and appropriate. (Reference Section 3.4.1.22 of the RFP & Intralot's Proposal).
- m. Intralot agrees to the reissuing of single rolls of MicroLot terminal paper stock with the option to bring rolls back to the warehouse and create new cartons. (Reference Section 3.4.1.19 of the RFP & Intralot's Proposal.)
- n. Intralot agrees to revise the Instant Ticket by Ticket Account System and/or just Activate and Deactivate.
- o. Intralot agrees to expand its responsibility for the "Tel-Sell" function to 100% of the New Hampshire Lottery retail network from the prior partial responsibility. (Reference Section 3.4.6 of the RFP & Intralot's Proposal and 3.A of Intralot's Pricing Proposal.)
- p. Intralot shall create a system, within the current production system, that streamlines the process of tax reporting by updating the user interface, commonly referred to as the "1099" (Reference Section 3.4.8.2 of the RFP & Intralot's Proposal.)
- q. PROMOS - Intralot will develop and deliver a New Module making for an easier setup process and cleaner reports. (Reference Sections 3.5.5 and 3.2.1.2.S of the RFP & Intralot's Proposal.)

*gl* 4/10/14  
*RJ* 4/9/14

- r. Intralot will provide the following System Upgrades, which shall include:
  - i. UAT System tied directly to the Production System with regular restore updates as reasonably requested and mutually agreed upon by Intralot and the NHLC
  - ii. Intralot QA system being a mirror of the NHLC Test System  
(Reference Sections 3.1.1, 3.1.3 and 3.4.1 of the RFP & Intralot's Proposal.)
- s. Intralot agrees to develop a New On-line Subscription System. (Reference Section 3.4.13 of the RFP & Intralot's Proposal.)
- t. Intralot will also facilitate the creation of space and maintain a facility, for NHLC usage, to store and secure roll ticket stock at the Intralot office at Sheep David Road. The cost for such leasehold improvements shall not exceed \$20,000.

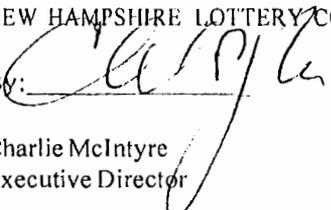
It is agreed between the NHLC and Intralot, that: election, delivery, specification and/or design, as applicable, implementation and deployment of the options set forth in this section 2, unless otherwise addressed herein, shall be subject to the mutual agreement of the NHLC and INTRALOT.

The elements contained herein, excepting clause 2(a) shall be completed within six (6) months of execution of this Amendment.

- 3. Additional Offered Options- Pursuant to the offered options provisions of the Intralot proposal as incorporated by reference into the Agreement:
  - a. Intralot offers, on a price TBD basis, the B-on® platform which is "any game-any time-anywhere" to include but not be limited to; Fastplay, Fastplay Progressive, Keno, Mobile, the MP-NG, and the VLOTOS state of the art VLT central monitoring system.
- 4. This Amendment No. 2, its exhibits and attachments hereto sets forth the entire understanding between Parties with respect to the matters set forth herein and supersedes all prior representations, understandings or agreements, whether written or oral, expressed or implied regarding those matters specifically set forth herein.

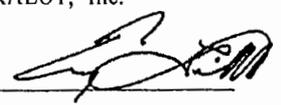
IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to be executed by their duly authorized officers as of the day and year first written above (the "Execution Date").

NEW HAMPSHIRE LOTTERY COMMISSION

By: 

Charlie McIntyre  
Executive Director

INTRALOT, Inc.

By: 

Thomas F. Little  
President & CEO

**Certificate of Incumbency  
and  
Authority  
INTRALOT, Inc.**

---

I, **Jay M. Lapine**, being the Secretary of INTRALOT Inc., a Georgia corporation, do hereby certify that as of the date of this Certificate the following persons are duly qualified and acting Officers of INTRALOT Inc, holding the offices set forth opposite their names below. Further, said Officers are empowered to act on behalf of and bind the Corporation and any of its Subsidiaries in matters connected with the execution of contracts in the conduct of INTRALOT Inc. business. It is further certified that such actions and authority are consistent with corporate By-Laws, in effect and un-amended.

<u>Name</u>	<u>Office</u>
Thomas F. Little	President & CEO
Toula Argentis	Vice President, CFO and Treasurer
Jay M. Lapine	Vice President, CLO and Secretary
Lynn A. Becker	Vice President of Development & Asst. Treas. and Asst. Sec.
Christos Tzoumaras	Vice President of Operations
Byron Boothe	Vice President of Government Relations
John Pittman	Vice President of Marketing
George Mermigas	Vice President of Technology

IN WITNESS WHEREOF, I have executed this Certificate on behalf of INTRALOT Inc, effective this March 19,2014.



\_\_\_\_\_  
Jay M. Lapine, Secretary & Chief Legal Officer

**ATTESTATION**

I, the undersigned Secretary of Intralot, Inc., on this 3<sup>rd</sup> day of April, 2014, attest and certify as to the accuracy and valid effect of the Certificate set forth above.



\_\_\_\_\_  
Jay M. Lapine, Secretary & Chief Legal Officer

State of New Hampshire  
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Intralot, Inc. a(n) Georgia corporation, is authorized to transact business in New Hampshire and qualified on February 9, 2009. I further certify that all fees and annual reports required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 2<sup>nd</sup> day of April, A.D. 2014

A handwritten signature in cursive script, appearing to read "Wm Gardner".

William M. Gardner  
Secretary of State

sent 4/3 for 4/176+C



GOVERNOR Margaret Wood Hassan  
CHAIRMAN Debra M. Douglas  
COMMISSIONER Paul J. Holloway  
COMMISSIONER Doug Scamman  
EXECUTIVE DIRECTOR Charles R. McIntyre

March 21, 2013

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

**REQUESTED ACTION**

The New Hampshire Lottery Commission (NHLC) requests authorization from the Governor and Council to amend its current lottery gaming system services contract, originally approved by Governor and Council on September 9, 2009, Item #133, with Intralot, Inc., of Duluth, Georgia (vendor # 138125) to provide an enhanced LOTOS gaming system, which system includes an advertising program known as a Player Advertising Displays (PADS). This amendment to the contract shall be effective upon Governor and Council approval through July 2, 2016. This is a no cost amendment.

**EXPLANATION**

In over 800 stores throughout New Hampshire, the public currently sees and interact with the PADS located in lottery retailer locations. The NHLC would like to offer inventory on the PADS to suitable and compatible commercial entities. The requested action to the gaming system contract will provide the NHLC with improved and expanded advertising options. The attached Memorandum of Understanding and the Amendment to the Professional Services Contract detail the specifics of these changes. The program will offer a much broader range of advertising lottery products at the retail check-outs for which the NHLC will receive 33% of gross advertising sales revenue for this PAD ADVERTISING PROGRAM. Intralot will, from its 67% revenue share, absorb costs associated with program implementation management fees, additional staffing, hardware upgrades, bandwidth costs, brokerage fees, and all media resource costs.

The original contract was approved by Governor and Council on September 9, 2009, Item #133, effective July 1, 2010 through July 2, 2016, with the NHLC retaining the sole option to extend the contract, at its discretion and with Governor and Council approval, for up to one period of four (4) years at the same base rate as year one, 1.435% of net lottery sales.



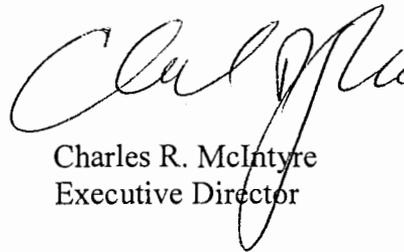
Her Excellency, Governor Margaret Wood Hassan  
And the Honorable Council

March 21, 2013  
Page two

The New Hampshire Lottery Commission gaming system is connected to a secured communications network that controls and monitors the following functions: inventory control, sales, report generation, validation and accounting for all lottery transactions conducted by approximately 1,200 licensed lottery retailers. The lottery's gaming system is simultaneously the backbone and central nervous system of lottery operations.

The Commission respectfully requests Governor and Council approval of the attached Intralot, Inc. contract amendment.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Charles R. McIntyre". The signature is fluid and cursive, with a large loop at the end.

Charles R. McIntyre  
Executive Director

CM:dc  
Attachments

**AMENDMENT TO  
PROFESSIONAL SERVICES CONTRACT**

Now come the New Hampshire Lottery Commission, hereinafter "the Commission," or "NHLC" and Intralot, Inc., hereinafter "the Contractor" or "Intralot", and, pursuant to an agreement between the parties that was approved by Governor and Council on September 9, 2009 hereby agree to modify same as follows:

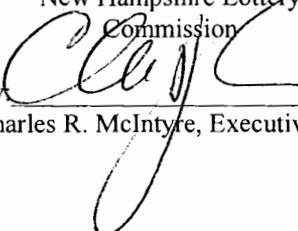
1. Section 3.5.5 of the Lottery Gaming System Proposal, as more fully described in the attached "Memorandum of Understanding".
2. All other provisions of the contract shall remain in effect
3. This modification shall be effective on the date of approval by Governor and Council.

This modification of an existing agreement is hereby incorporated by reference to the existing agreement by the parties and must be attached to the said agreement.

IN WITNESS WHEREOF, the parties, hereto have set their hands as of the day and year first above written.

THE STATE OF NEW HAMPSHIRE

New Hampshire Lottery  
Commission

By:   
Charles R. McIntyre, Executive Director

Intralot, Inc.

By:   
Thomas F. Little, President & CEO

STATE OF Georgia

County of Forsyth

On this the 28<sup>th</sup> day of February 2013 before me, Oma Tribble, the undersigned officer, personally appeared Thomas F. Little who acknowledged himself/herself to be the CEO/President of a corporation, and that he/she, as such Thomas F. Little, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as Thomas F. Little.

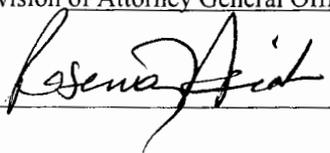
President + CEO - Intralot, Inc.  
In witness whereof I hereto set my hand and official seal.



Oma Tribble  
Notary Public/Justice of the Peace

Approved as to form, substance and execution by the Attorney General this 2 day of April, 2013.

Division of Attorney General Office

By: 

Approved by the Governor and Council this \_\_\_\_\_ day of \_\_\_\_\_, 2013

By: \_\_\_\_\_

**Certificate of Incumbency  
and  
Authority  
INTRALOT, Inc.**

---

I, **Jay M. Lapine**, being the Secretary of INTRALOT Inc., a Georgia corporation, do hereby certify that as of the date of this Certificate the following persons are duly qualified and acting Officers of INTRALOT Inc, holding the offices set forth opposite their names below. Further, said Officers are empowered to act on behalf of and bind the Corporation and any of its Subsidiaries in matters connected with the execution of contracts in the conduct of INTRALOT Inc. business. It is further certified that such actions and authority are consistent with corporate By-Laws, in effect and un-amended.

<u>Name</u>	<u>Office</u>
Thomas F. Little	President & CEO
Toula Argentis	Vice President, CFO and Treasurer
Jay M. Lapine	Vice President, CLO and Secretary
Lynn A. Becker	Vice President of Development & Asst. Treas. and Asst. Sec.
Christos Tzoumaras	Vice President of Operations
Byron Boothe	Vice President of Government Relations
John Pittman	Vice President of Marketing
George Mermigas	Vice President of Technology

IN WITNESS WHEREOF, I have executed this Certificate on behalf of INTRALOT Inc, this February 27, 2013.



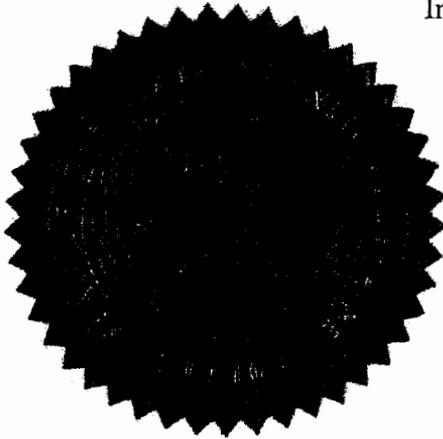
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Jay M. Lapine, Secretary & Chief Legal Officer

State of New Hampshire  
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Intralot, Inc. a(n) Georgia corporation, is authorized to transact business in New Hampshire and qualified on February 9, 2009. I further certify that all fees and annual reports required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto  
set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 22<sup>nd</sup> day of August, A.D. 2012

A handwritten signature in black ink, appearing to read "William M. Gardner", written in a cursive style.

William M. Gardner  
Secretary of State

**MEMORANDUM OF UNDERSTANDING  
BETWEEN THE NEW HAMPSHIRE LOTTERY COMMISSION AND  
INTRALOT, INC.**

This Memorandum of Understanding (this "MOU") is made and entered into this 27 day of FEBRUARY, 2013, by and between the New Hampshire Lottery Commission (the "NHLC") and INTRALOT, Inc. ("INTRALOT"), collectively the "Parties", as follows:

The purpose of this MOU is to memorialize the understanding of the parties with regard to advertising revenue and certain program elements thereof, all pursuant to that certain Agreement entered into between the Parties (the "Contract"), and approved by the Governor and Council on September 9, 2009, including but not limited to Section 3.5.5 of the Lottery Gaming System Request For Proposal, dated November 4, 2008, as incorporated by the Contract therein.

This MOU neither amends or modifies of the existing Contract, however, it does interpret and implement the provisions contained therein and therefore all terms and conditions of the Contract shall remain in full force and effect.

**UNDERSTANDINGS**

1. INTRALOT and the NHLC agree that Intralot will provide an enhanced LOTOS gaming system to include:
  - HORIZON content delivery software package and enhancements as may be required.
  - Advertising content delivery to all installed PAD devices operated by the NHLC
  - If necessary, additional central system hardware including servers at the PDC and BDC
  - Necessary and required additional network bandwidth, if any.
  - Additional staff as determined by Intralot to be needed and will assume responsibility for any additional staffing or advertiser acquisition costs in support of the PAD advertising program.
2. INTRALOT and the NHLC agree to implement, through the use of mutually agreed upon; statements of work, implementation schedules, and financial terms including revenue share, the proposal as set forth in **Exhibit 1**, attached hereto and incorporated by this reference herein.
3. INTRALOT and the NHLC further agree that, subject to further mutually agreed upon review and modification, the advertising units shall generally be described as follows:
  - Available & Contracted Player Advertising Displays (known as PADS, throughout) are, except for those specific retail environments outlined by the New Hampshire Lottery Commission, defined as; all display units at NHLC retail locations connected to the Horizon System and able to accept Playlist content for the purposes of advertising include; standalone display monitors at retail check-out, MP upper display areas (future), TVM display areas (where available) and may include KENO or 2<sup>nd</sup> Game monitors should they become available in the marketplace.
  - Advertising will consist of no more than 20% of the overall PAD Playlist for Zone 1 and No more than 25% of Zone 2 sponsorships or as agreed to by NHLC.
  - Advertising units are available in intervals of 5 seconds.

- Advertising units can be purchased in blocks up to (3) 5 second intervals not to exceed 15 seconds in length.
  - Advertising units will have a minimum of 15 seconds of Lottery content between Advertisements.
  - Advertisers and advertising content must be reviewed by the Lottery and is subject to Lottery approval, in its sole discretion. An approval process will be developed consistent with the Lottery's objectives and will provide for Advertiser opportunity to present storyboard concepts to the Lottery before Advertiser is subject to their own production or creative costs.
  - Advertising units are available on all available & contracted PADS. Initial launch minimum advertising period of 1 calendar month, ongoing flight schedules will vary based on sales and availability.
  - All costs for advertising methods and media shall be borne by the advertiser and must meet the established release & development schedule set forth by Intralot and NHLC.
4. The NHLC will receive 33% of gross advertising sales revenue for this PAD ADVERTISING PROGRAM. INTRALOT will, from its 67% revenue share, absorb costs associated with; program implementation, management fees, additional staffing, hardware upgrades, bandwidth costs, brokerage fees, and all media resource costs.
5. Notwithstanding the forgoing, the NHLC will have the ability to offer limited time allotments for targeted Public Service Announcements for specific State Government Institutions.
6. This MOU, its exhibits and attachments hereto sets forth the entire understanding between Parties with respect to the matters set forth herein and supersedes all prior representations, understandings or agreements, whether written or oral, expressed or implied regarding those matters specifically set forth herein, but shall not be deemed to be waiver of the NHLC's right to enforce any and all provisions of the Contract.

IN WITNESS WHEREOF, the parties hereto have caused this MOU to be executed by their duly authorized officers as of the day and year first written above.

NEW HAMPSHIRE LOTTERY COMMISSION

By: \_\_\_\_\_

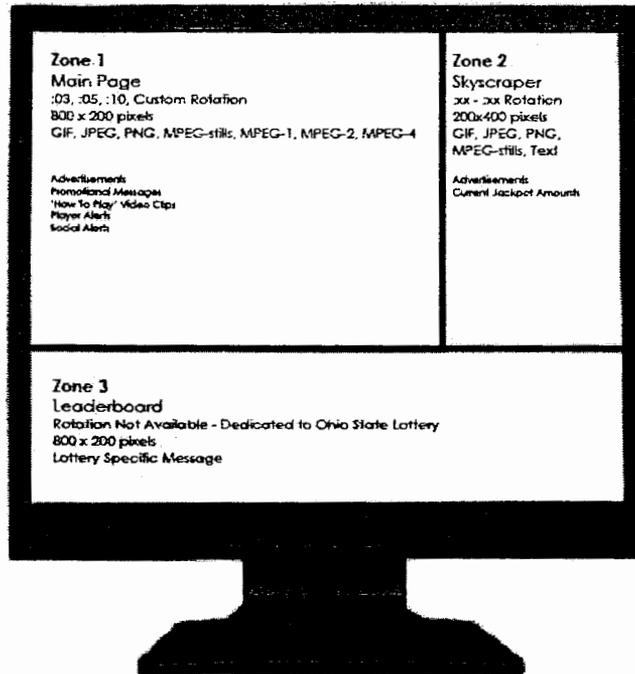
Charlie McIntyre  
Executive Director

INTRALOT, Inc.

By: \_\_\_\_\_

Thomas F. Little  
President & CEO

**Exhibit 1**  
**EXPLANATION OF PAD ADVERTISING PROGRAM**



- INTRALOT will provide Horizon Content Management System to NHLC
- INTRALOT will manage content playlists for NHLC for all 3 Zones
- INTRALOT will manage advertising process with appropriate media resources
- INTRALOT will implement and oversee content management & approval process for NHLC and Advertisers
- Media Kit will be developed and produced by Intralot (to include high quality retail environment photography).
- Media Kit and recommended fee schedule will be provided to Intralot's Media Broker, New Hampshire Lottery Commission and those media agents representing the New Hampshire Lottery Commission
- Creative technical standards and guidelines will be developed and produced by or on behalf of Intralot
- Advertiser contracts (& letter of intent) will be developed by or on behalf of Intralot.
- Advertisers can be contacted by Intralot's Media Broker, New Hampshire Lottery Commission and those media agents representing the New Hampshire Lottery Commission.
- Additional media brokers, signage brokers may be contacted to handle special retail chains, or other contracted business types.
- All advertising accounts will be managed by Intralot's Media Agent(s).
- Available Advertising Units will be maintained by Intralot's Media Agent.
- Media Portal will be provided by or on behalf of Intralot to accommodate creative uploads
- Approval process to be established between Intralot, Advertiser and New Hampshire Lottery Commission
- Playlists will be managed by Intralot
- Pre-flight reporting will be provided to Intralot's Media Agent to provide to Advertisers
- Actual flight reports will be provided to Intralot's Media Agent to provide to Advertisers and their accounting dept.

- All financial billing and settlements will be handled by Intralot's Media Agent with the Lottery having a right to review and audit.
- Sales / Credits will be handled as agreed by NHLC and Intralot
- Commission schedules will be developed to accommodate sales & contract efforts whether advertisers are brought under contract by Intralot's Media Broker, New Hampshire Lottery Commission and those media agents representing the New Hampshire Lottery Commission, directly through retailers or by other contracted media brokers.



Over \$1 billion to education

GOVERNOR John H. Lynch  
CHAIRMAN Richard Campbell, Jr.  
COMMISSIONER Paul J. Holloway  
COMMISSIONER Debra M. Douglas  
EXECUTIVE DIRECTOR Rick A. Wisler

133  
Sept 9, 2009

June 22, 2009

His Excellency, Governor John H. Lynch  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

100% Lottery Funds

JUL 15 2009

Tabled 4-2

REQUESTED ACTION

SEP 09 2009  
Remove 4-2, Approve 1-5  
4N

The New Hampshire Lottery Commission (NHLC) ® requests authorization from the Governor and Council to enter into a contract with Intralot, Inc. of Duluth, Georgia (Vendor # 138125), for the period of July 1, 2010 through July 2, 2016, with the NHLC retaining the sole option to extend the contract, at its discretion and with Governor and Council approval, for up to one period of four (4) years at the same base rate as year one, 1.435% of net lottery sales. This contract request is for the purpose of providing the NHLC with a lottery gaming system connected to a secured communications network that will securely inventory, sell, inquire, validate and account for all lottery transactions conducted by approximately 1,200 licensed lottery retailers.

FY 11 funding in account 1029-106-0855 is subject to legislative approval in the budget.

EXPLANATION

The lottery's gaming system is the backbone of lottery operations. The public and retailers will see and interact with the sales terminals located in every licensed lottery retailer. These terminals are connected by a secured communications network to a central computer system running software designed specifically to meet the NHLC's needs and the most recent lottery industry standards. The central system records and fully accounts for every lottery ticket transaction. Lottery staff uses the gaming system to track sales and trends, obtain sales and inventory information for all retailers, maintain the subscription database for Powerball and Megabucks, and control instant ticket inventory and shipments thereof to retailers. Additionally, this contract will upgrade the lottery's instant ticket vending machines to a new model that increases the number of offered instant games to 25, as well as offering all on-line lottery games such as Powerball and Megabucks.

The current gaming system was activated on July 1, 2000. That system's contract expires June 30, 2010 and does not allow for any additional renewals. As with any major computer system transition, a significant lead time was scheduled to allow adequate time to develop an RFP, review and score proposals, award a contract, develop a gaming system to meet the NHLC's immediate and future needs, transfer data, and train approximately 1,200 retailers on the use of the new sales terminals.



In the fall of 2007 the NHLC established an on-line RFP committee ("Committee") consisting of lottery and OIT staff with vast experience in their fields. The four lottery members of the Committee have over 77 years of cumulative lottery experience. The Committee consisted of:

- Robert Preston, Games Manager of the NHLC and RFP Contracting Officer.
- Georges Roy, Administrator III of the NHLC
- Maura McCann, Program Information Officer of the NHLC
- Leigh Tilton, Accountant III, Human Resources and ICS Supervisor of the NHLC
- Jeffrey King, IT Manager of the Office of Information Technology (OIT).

Jeffrey King was a non-scoring participant but offered technical advice throughout the process. Additional technical assistance was provided by Gary Gassin and Michael Hufferberger of the Battelle Memorial Institute, a well recognized company that has vast experience assisting lotteries with the development and review of gaming system RFPs. Both Mr. Gassin and Mr. Hufferberger also were non-scoring participants.

Following a series of internal development meetings and individual vendor briefings, the New Hampshire Lottery Commission issued a Request for Proposal (RFP) for a lottery gaming system on November 4, 2008. Notices announcing the availability of the RFP were emailed to the three vendors who have contracts with North American lotteries, noticed in the lottery industry daily newsletter "Lottery Insider" and posted on the Division of Purchase and Property's web site. Following a number of written clarification questions submitted by vendors and NHLC responses, written proposals to the RFP were submitted to the NHLC by the deadline of February 20, 2009 by 4:00 p.m. A total of two proposals were submitted from the following vendors with the following price quotes:

- Intralot, Inc. of Duluth, Georgia at a base rate of 1.435% of net lottery sales.
- Scientific Games, Inc. of Atlanta, Georgia at a base rate of 1.830% of net lottery sales.

The Committee reviewed the two submitted written proposals. The committee determined that both proposals met the RFP requirements. The committee then evaluated the proposals based on two criteria.

- The first was for technical and consisted of areas including central system configuration, sales terminals, communications network, software controls and data management, lottery games and marketing, vendor facilities, staffing, support services and operations security plan, implementation and vendor corporate capability. A maximum total of 1,000 points could be awarded.
- The second criterion was cost - valued at a maximum of 1,000 points for base price plus the cost of specified options. The lowest bid received 1,000 points and the other proposal was awarded points relative to the lowest cost.

The two proposals received the following scores:

- Intralot received a total of 1,882.5 points consisting of 882.5 points for technical and 1,000 points for price.
- SGI received a total of 1,681.06 points consisting of 943.5 points for technical and 737.56 points for price.

The Committee unanimously agreed that Intralot, Inc. should be awarded the contract based on the strength of their proposal and best overall score. The Committee presented a report of its findings and recommendation to the lottery's Executive Director and the Lottery Commission. Following a review of the report and a series of questions the Commission is satisfied with the Committee's process and agrees with the Committee's recommendation. A copy of the Committee's report is attached to this letter. One copy of the related documents is available at the Department of Administrative Services and will be provided if requested.

It should be noted that the Committee estimates Intralot's evaluated cost proposal including specified options is approximately \$11 million less over six years than SGI's evaluated cost proposal. It is further estimated that the Intralot contract will result in a significant cost savings to the state of New Hampshire of approximately \$1 million annually when compared to the NHLC's current contract.

The Commission respectfully requests Governor and Executive Council approval of a six year contract with Intralot, Inc. The contract allows for one (1) four year option to renew. The contract ending date is July 2, 2016 instead of June 30, 2016 since this is the ending of our sales week and is more convenient and easier for approximately 1200 retailers to settle their balances due with the lottery.

Respectfully submitted,



Rick Wisler  
Executive Director

RW:dc  
Attachment

Subject:

**AGREEMENT**

The State of New Hampshire and the Contractor hereby mutually agree as follows:

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name <div style="border: 1px solid black; padding: 2px;">New Hampshire Lottery Commission</div>		1.2 State Agency Address <div style="border: 1px solid black; padding: 2px;">14 Integra Drive, Concord, New Hampshire, 03301</div>	
1.3 Contractor Name <div style="border: 1px solid black; padding: 2px;">Intralot, Inc.</div>		1.4 Contractor Address <div style="border: 1px solid black; padding: 2px;">11360 Technology Circle, Duluth, GA 30097</div>	
1.5 Contractor Phone Number <div style="border: 1px solid black; padding: 2px;">770-295-2463</div>	1.6 Account Number <div style="border: 1px solid black; padding: 2px;">1029-106-0855</div>	1.7 Completion Date <div style="border: 1px solid black; padding: 2px;">July 2, 2016</div>	1.8 Price Limitation <div style="border: 1px solid black; padding: 2px;">1.435% of net sales</div>
1.9 Contracting Officer for State Agency <div style="border: 1px solid black; padding: 2px;">Rick Wisler, Executive Director</div>		1.10 State Agency Telephone Number <div style="border: 1px solid black; padding: 2px;">603-271-3391</div>	
1.11 Contractor Signature <div style="border: 1px solid black; padding: 2px;"></div>		1.12 Name and Title of Contractor Signatory <div style="border: 1px solid black; padding: 2px;">THOMAS F. LITTLE, PRES. &amp; CEO</div>	
1.13 Acknowledgement: State of <span style="border: 1px solid black; padding: 2px;">Georgia</span> , County of <span style="border: 1px solid black; padding: 2px;">Fulton</span> On <span style="border: 1px solid black; padding: 2px;">June 12, 2009</span> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.12, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace <div style="border: 1px solid black; padding: 2px;">[Seal]</div>		1.13.2 Name and Title of Notary or Justice of the Peace <div style="border: 1px solid black; padding: 2px;"> Jenny P. Newsom, Notary Exp. Dec. 12, 2010</div>	
1.14 State Agency Signature <div style="border: 1px solid black; padding: 2px;"></div>		1.15 Name and Title of State Agency Signatory <div style="border: 1px solid black; padding: 2px;">Rick Wisler, Executive Director</div>	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  On: <span style="border: 1px solid black; padding: 2px;">6-22-09</span>			
1.18 Approval by the Governor and Executive Council By: <b>DEPUTY SECRETARY OF STATE</b> <span style="float: right;">SEP 09 2009</span>			

**2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED.** The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**  
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").  
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

**4. CONDITIONAL NATURE OF AGREEMENT.** Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

**5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.**  
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.  
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.  
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

**6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.  
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.  
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.  
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.  
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

**8. EVENT OF DEFAULT/REMEDIES.**

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
- 8.1.2 failure to submit any report required hereunder; and/or
- 8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

- 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
- 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
- 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
- 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

**9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

**10. TERMINATION.** In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

**11. CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

**12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.** The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

**13. INDEMNIFICATION.** The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

**14. INSURANCE.**

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be

Contractor Initials BJ  
Date 6/12/04

attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

**15. WORKERS' COMPENSATION.**

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

**16. WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

**17. NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

**18. AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

**19. CONSTRUCTION OF AGREEMENT AND TERMS.**

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual

intent, and no rule of construction shall be applied against or in favor of any party.

**20. THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

**21. HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

**22. SPECIAL PROVISIONS.** Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

**23. SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

**24. ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

EXHIBIT A  
SCOPE OF SERVICES

The scope of services is as set forth in the following documents, which are hereby incorporated by reference into this Agreement:

1. The Request for Proposals for a Lottery Gaming System (hereinafter "RFP"), dated November 4, 2008, issued by the New Hampshire Lottery Commission (hereinafter "NHLC"). Attachment 1 hereto.
  - a. The contract terms and conditions are set forth in Part 2 of the RFP and the Contractor's Proposal (hereinafter "Proposal") Volume 1, Parts 2.0-2.52 (Terms & Conditions Agreements to Comply) at pages 2/1-45. The Proposal is on file with the NHLC.
  - b. The contract specifications are set forth in Part 3 of the RFP and the Contractor's Proposal Volume 1, Binder 1, Parts 3.0-3.3.5 and Volume 1, Binder 2, Parts 3.4-3.9.10 (Response to Specifications / RFP).
  - c. Contract objectives and administrative provisions are set forth in Parts 1 and 2 of the RFP, particularly, without limitation, sections 1.0 (Introduction), 1.1 (Lottery Objectives), 1.2 (Overview of the RFP), and 2.5 (Term of Contract).
2. The Proposal, dated February 20, 2009, submitted by INTRALOT, inc. (hereinafter "Contractor") in response to the RFP.
3. Responses dated December 10, 2008 by the NHLC to prospective bidders' Clarification questions regarding the RFP (Attachment 2 hereto).
4. Responses dated January 8, 2009, by the NHLC to prospective bidders' Clarification questions regarding the RFP (Attachment 3 hereto).
5. Addendum 3 to the RFP, posted by the NHLC on January 13, 2009 (Attachment 4 hereto).
6. Responses dated February 3, 2009, by the NHLC to prospective bidders' Clarification questions regarding the RFP (Attachment 5 hereto).
7. The Contractor's response dated May 4, 2009 to clarification questions by the NHLC to the Contractor regarding interpretation of the Proposal (Attachment 6 hereto).
8. The Contractor's response dated May 28, 2009 to clarification questions by the NHLC to the Contractor regarding interpretation of the Proposal (Attachment 8 hereto.)

The Contractor's Proposal meets or exceeds all RFP requirements as specified in the Report on Proposal Evaluation and Recommendations for the New Hampshire Lottery

*TPC  
by [unclear]  
06/18/09*

Commission Lottery Gaming System Procurement dated April 22, 2009 (Attachment 9 hereto). The Contractor has requested no modifications to the RFP or other contract terms. Any conflicts between the provisions of the RFP and the Proposal shall be construed in favor of the NHLC.

The contract is for the implementation of a Lottery Gaming System (both instant and on-line product support) with associated gaming products and services. An existing base of approximately 1,250 on-line sales terminals, 225 instant ticket vending machines, 750 self-service ticket checkers, all related computer and network hardware and software, and the communications network will be replaced under this contract.

The new System shall support the current gaming products offered to the public by the NHLC as well as incorporating additional games and promotions into the System to support NHLC's evolving marketing plans. To this end, the Contractor shall implement and operate the new System in accordance with the objectives of the NHLC as set forth in the RFP at Part 1.1.

*TA*  
*by*  
*AM*  
*06.18.09*

EXHIBIT B  
CONTRACT PRICE, METHOD OF PAYMENT & TERMS OF PAYMENT

The contract price, method of payment and terms of payment are set forth in the RFP, including, without limitations, Part 2.24, the Proposal at Volume II Binder 1, and the contractor's letter to the NHLC dated May 28, 2009 which are attached hereto as Attachments 7 and 8.

Contract Price

Payments to the Contractor for all base system services required under this Agreement shall be 1.4350% of the sum of net instant and net on-line sales. Net instant sales is defined as gross sales minus returns for instant games and net on-line sales is defined as gross sales minus cancellations for on-line game(s). Payments for any options elected by the NHLC shall be at the rate detailed in the Contractor's Proposal at Volume II Binder 1 and the contractor's letter to the NHLC dated May 28, 2009. These payments made by the State shall be complete reimbursement to the Contractor for all expenses, of whatever nature, incurred by the Contractor in the performance hereof, and shall be the only compensation to the Contractor for the services hereunder. The State shall have no other liability to the contractor.

Base System Services Payment

The Contractor shall submit to the NHLC weekly invoices commencing with the first week following implementation. Every weekly invoice shall begin with Sunday and end with Saturday. Weekly invoices shall identify the weekly net sales for instant and on-line games, the price percentage to which the Contractor is entitled, and the total amount billed based on the percentage of net sales. The submitted invoices will be confirmed by the NHLC based on management and accounting reports. Confirmed invoices will be paid within 30 days of receipt.

Optional Services Payment

The Contractor shall submit to the NHLC monthly invoices for any options selected by the NHLC. Invoices will be paid within 30 days of receipt.

Options

*Pre-Paid Gift Card Processing:* The Contractor shall provide reader/writer that permits the use of pre-paid gift cards at start-up. This option includes hardware and software, installation, service, and any special purpose cards for players. This option is included in the base contract price and is at no additional cost to the NHLC.

*VIP Card Processing:* The Contractor shall provide reader/writer that permits the use of player cards in the NHLC's VIP/Replay program at start-up. This option includes hardware and software, installation, service, and any special purpose cards for players.

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This option is included in the base contract price and is at no additional cost to the NHLC.

*Flat Panel Advertising Display:* The Contractor shall provide 1,230 17 inch flat panel displays to the NHLC at start-up. The NHLC shall pay the Contractor \$6.00 per month per display. The monthly fee shall include all installation and service for such displays. Any additional displays requested by the NHLC shall be at the rate of \$6.00 per month.

*Dual Function Instant Ticket Vending Machines:* The Contractor shall provide 300 dual function vending machines, including hardware, software, installation, service and relocation to the NHLC at start-up. The NHLC shall pay the Contractor \$215.80 per month per machine. Additional dual function vending machines may be requested by the NHLC in batches of 25 at the prorated cost defined on page 1 section E. of Intralot's letter of May 28, 2009 (attachment 8).

*Liquor Store In-Lane Solution:* The Contractor shall provide 76 in-lane solutions including hardware, software, installation and service to the NHLC at start-up. The NHLC shall pay the Contractor \$73.56 per month per liquor store.

*In-Store Wireless Powerball Signage:* The Contractor shall provide 600 Powerball wireless signs including hardware, software, installation and service to the NHLC at start-up. The NHLC shall pay the Contractor \$11.76 per month per sign. Additional Powerball signs may be requested by the NHLC at the prorated cost defined on page 3 section 3.B. of Intralot's letter of May 28, 2009 (attachment 8).

*Content Management System:* The Contractor shall provide at start-up an application that facilitates management and distribution of text, audio, image and video materials delivered electronically to retailer terminals for presentation on the flat panel displays. This option is included in the base contract price and is at no additional cost to the NHLC.

*Keyless Validation:* The Contractor shall provide at start-up a keyless validation application for instant tickets with no keystrokes required by the retailer or player. This option includes hardware and software, installation and service. This option is included in the base contract price and is at no additional cost to the NHLC.

*Alternative Retailer Device Play:* Should the NHLC desire alternative retailer device plays, the Contractor shall provide Coronis MP units including hardware, software, installation and service at the prorated cost defined on page 3 section 3.C. of Intralot's letter of May 28, 2009 (attachment 8).

*Additional Communication Cost:* Should the number of data communications per retailer exceed 1,250, the NHLC shall pay the Contractor \$45 per month per retailer greater than 1,250. The Contractor agrees to provide retailer communication at no charge for up to 300 retailers greater than 1,250 if the NHLC implements monitor games and sales from those games are equal to or greater than \$19,500,000 annually.

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*Additional microLot Terminals:* The Contractor shall provide additional microLot sales terminals including hardware, software, installation and service as desired by the NHLC at the prorated cost defined on page 5 section 4 of Intralot's letter of May 28, 2009 (attachment 8).

*Retailer Terminal Monitor Games Equipment:* Should the NHLC desire monitor game equipment, the Contractor shall provide such equipment including hardware, software, installation and service at the prorated cost defined on page 6 Schedule A of Intralot's letter of May 28, 2009 (attachment 8).

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EXHIBIT C  
ADDITIONAL PROVISIONS

The Contractor has neither requested nor been granted any modifications of contract, Proposal or RFP terms.

The Contractor agrees that in the event that it asserts an event of Force Majeure as a defense pursuant to Section 2.17 of the RFP, it shall exercise its best efforts to provide to the NHLC the documentary evidence on which the Contractor relies in asserting Force Majeure and which would reasonably establish and support its assertions of Force Majeure and the NHLC shall give fair consideration to the evidence provided.

The contract may be extended up to a maximum of one (1) four (4) year extension as referenced in Section 2.5 of the NHLC's RFP.

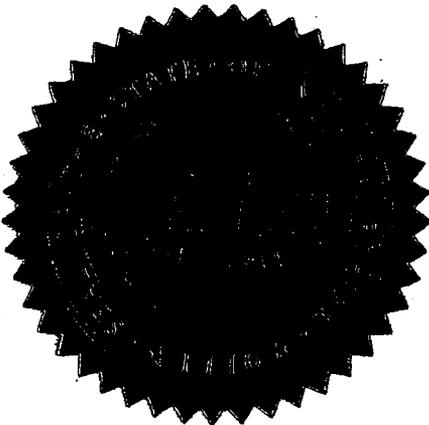
The parties agree that general liability coverage of \$1 million per occurrence, with "excess liability" coverage of \$9 million per occurrence meets the requirement of \$10 million pursuant to the RFP, section 2.10.1.

*TPC*  
*by [signature]*  
*06.18.09*

State of New Hampshire  
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Intralot, Inc., a(n) Georgia corporation, is authorized to transact business in New Hampshire and qualified on February 9, 2009. I further certify that all fees required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto  
set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 17<sup>th</sup> day of June, A.D. 2009

A handwritten signature in cursive script, appearing to read "William M. Gardner", is written above the printed name.

William M. Gardner  
Secretary of State