



STATE OF ARKANSAS
ARKANSAS LOTTERY COMMISSION

Post Office Box 3238
Little Rock, Arkansas 72203-3238
Phone: (501) 683-2000
Fax: (501) 683-1878
<http://myarkansaslottery.com>

April 24, 2012

Senator Johnny Key, Co-chair
Representative Mark Perry, Co-chair
Arkansas Lottery Commission Legislative Oversight Committee
One Capitol Mall, Room R-501
Little Rock, AR 72201

Gentlemen:

In accordance with the letter of December 14, 2010, from the previous Co-chairs of the Arkansas Lottery Commission Legislative Oversight Committee, please consider this letter and the attachments as notice of the execution of a Non-Exclusive Licensing Agreement between Intralot, Inc. ("Intralot"), Alchemy3 LLC ("A3"), and the Arkansas Lottery Commission (ALC) on March 30, 2012.

During the term of the agreement, A3 (and its Licensor, Bass Pro Shops® owned and licensed by Bass Pro Shops Outdoor World, LLC) granted to Intralot the limited, non-exclusive, non-transferable and non-sublicensable right and license to manufacture Bass Pro Shops® Decades of Dollars Promotion Tickets on behalf of ALC as set forth in this agreement.

1. Date of agreement: March 30, 2012.
2. Term of agreement: The term of this agreement shall commence on the date the agreement for the promotion is signed and shall expire on the last day of the promotion, April 30, 2012.
3. Vendor or other parties to the agreement: ALC, Alchemy3, and Intralot.
4. Value (cost or cost savings) projected for this agreement: There are no additional costs for net sales. There is a flat fee ("Program Fee") of ten thousand dollars (\$10,000.00) for the use of the Bass Pro Shops® Property. Intralot shall invoice the ALC on behalf of A3 for a "Merchandise Fee" in the amount of twenty thousand dollars (\$20,000.00) for one hundred (100) Bass Pro Shops® gift cards, each with a value of two hundred dollars (\$200.00). Additionally, Intralot shall invoice the ALC on behalf of A3 in the amount of twenty thousand dollars (\$20,000.00) for one (1) Outdoor Adventure Trip for four (4) people for three (3) nights at the Big Cedar® Lodge.

Copies of the executed documents are attached. Please let me know if you would like additional information or have any questions regarding this matter.

Respectfully,

A handwritten signature in black ink, appearing to read "Bishop Woosley".

Bishop Woosley
Director

Enclosure

cc: Diane Lamberth, Chair, Arkansas Lottery Commission
Roger Norman, Legislative Auditor, Division of Legislative Audit

**THE ARKANSAS LOTTERY COMMISSION
LICENSE AGREEMENT**

This License Agreement (the "Agreement") is made this the 30th day of March, 2012 (the "Effective Date") by and among Intralot, Inc., with offices at 11360 Technology Circle, Duluth, GA 30097 ("Intralot"), and Alchemy3, LLC, with offices at 3480 Preston Ridge Road, Suite 425, Alpharetta, Georgia 30005 ("A3") and the Arkansas Lottery Commission ("ALC") with offices at 124 W Capitol Ave, Suite 1400, Little Rock, AR 72201. A3, Intralot and ALC are referred to in this Agreement each as a "Party" or together as the "Parties" where the applicable provision applies.

1. PROPERTY

(a) As used herein, the term "**Property**" or "**Properties**" shall individually and collectively refer to the approved designs, names, logos, symbols, emblems, characters, artwork, depictions, illustrations, labels, insignia, indicia, and trade dress and visual representations of any type, associated with Bass Pro Shops® owned and licensed by Bass Pro Shops Outdoor World, LLC (the "**Licensor**").

(b) All of the above mentioned PROPERTY shall be depicted on and in connection with the Bass Pro Shops Special Promotion drawing as part of the ALC Decades of Dollars (the "**Game**") April 2012 Promotion subject to approvals provided herein.

2. GRANT OF LICENSE; USE AND OWNERSHIP OF PROPERTY

(a) As used herein, the term Bass Pro Shops Special Promotion drawing as part of the Decades of Dollars ("**BPS DoD Promo Tickets**") shall mean Arkansas Lottery Commission Decades of Dollars tickets bearing the PROPERTY elements.

(b) During the term of this Agreement, A3 (and its Licensor) hereby grants to Intralot the limited, non-exclusive, non-transferable and non-sublicensable right and license to promote and sell **BPS DoD Promo Tickets** within the State of Arkansas, subject to all the terms and conditions herein.

(c) During the term of this Agreement, A3 (and its Licensor) hereby grants to Intralot the limited, non-exclusive, non-transferable and non-sublicensable right and license to manufacture **BPS DoD Promo Tickets** on behalf of ALC as set forth in this Agreement.

(d) Each of ALC and INTRALOT severally specifically understands and agrees that no rights, except for those rights granted by this Agreement, are granted herein with respect to any trademark(s), logo(s) or copyrights owned or licensed by A3 other than the PROPERTY. A3 reserves all rights not expressly conveyed to ALC and/or INTRALOT hereunder. Neither ALC nor INTRALOT shall use the PROPERTY other than as permitted and approved hereunder and, in particular, shall not incorporate the PROPERTY in ALC's or INTRALOT's corporate or business name in any manner whatsoever unless otherwise granted by A3 or the Licensor. Neither ALC nor INTRALOT shall in any way represent that either ALC or INTRALOT has any right, title or interest in and to the PROPERTY other than as expressly set forth in this Agreement, unless otherwise granted by A3 or the Licensor.

Subject to ALC's and INTRALOT's rights and licenses to use the PROPERTY as specified in this Agreement, neither ALC nor INTRALOT shall use or authorize the use of any configuration, trademark, service mark, trade name, domain name or other designation confusingly similar to the PROPERTY.

- (e) ALC or INTRALOT shall submit all artwork for tickets, point-of-sale, advertising, marketing and promotional materials for the **BPS DoD Promo Tickets** bearing the PROPERTY elements to A3 for A3's prior written approval prior to manufacturing, marketing, advertising, promoting or selling such **BPS DoD Promo Tickets**. A3 shall have twelve (12) business days to approve in writing each submission and return same to ALC for use or revision, as the case may be. If A3 does not provide such approval within the aforementioned time period, the submission shall be deemed not approved by A3. The approval or modifications shall be communicated via email, fax or other written documentation. The parties hereby agree that the ticket front and back shown on Exhibit A attached hereto is approved by the ALC and A3.
- (f) No Party to this Agreement shall unreasonably withhold its approval of any act or request of another Party to which its approval is necessary or desirable; provided, however, that ALC and INTRALOT acknowledge and agree that A3 may in its sole discretion withhold its approval of any act or request by ALC or INTRALOT, in order to comply with A3's obligations to Licensor in accordance with A3's License Agreement with Licensor at A3's sole discretion.
- (g) INTRALOT and the LOTTERY ALC each agrees that it will not attack the title of Licensor or Owner to the registered trademarks associated with the PROPERTY (the "Marks") or attack the validity of this Agreement or Licensor's agreement with the Owner. Further, INTRALOT and/or the ALC shall not claim adversely to any right or interest in and to any of the Marks. INTRALOT and the ALC each agrees not to attempt to register or to use or to aid any third party in attempting to register or use any trademarks, servicemark, or trade name or apply for any copyright or design right which may be confusingly similar to the Marks.
- (h) INTRALOT shall be ALC's exclusive provider for the **BPS DoD Promo Tickets**. ALC shall permit INTRALOT to use, and INTRALOT is hereby authorized by A3 to use, the PROPERTY solely for purposes necessary to manufacture the **BPS DoD Promo Tickets** and related artwork required by ALC, subject to ALC's and INTRALOT's strict compliance with the terms of this Agreement. INTRALOT shall, to the extent of its acts or omissions, indemnify and hold A3 and its Licensor (including their respective officers and employees) harmless from and against any and all claims and damages relating solely to or arising solely from INTRALOT's breach of its obligations hereunder. INTRALOT shall, to the extent of its acts or omissions, indemnify, defend and hold harmless A3 and its officers and employees along with the Licensor and its officers and employees (collectively, "Licensor Indemnified Parties") against claims, liabilities, losses (including reasonable out-of-pocket attorney's fees) and demands of every kind arising out of printing errors of every kind pertaining to this particular customer and this particular **BPS DoD Promo Tickets**. Notwithstanding the foregoing, however, ALC and A3 each hereby agree and acknowledge that INTRALOT is acting solely in the capacity of a manufacturer or printer of the subject

BPS DoD Promo Tickets, and as such, A3 hereby agrees to release, indemnify and hold harmless INTRALOT (and its officers and employees) from any liability of any nature or kind arising out of any claim that INTRALOT's use of the PROPERTY in accordance with the provisions of this Agreement infringes upon or violates any copyright, trademark or other rights, registered or otherwise, of any third party.

(i) ALC shall, during the term of this Agreement, and subject to the terms and conditions hereof, (i) promote and sell the **BPS DoD Promo Tickets** in the State of Arkansas, and (ii) use its best, commercially reasonable efforts to make and maintain adequate arrangements for the distribution, shipment and sale necessary to meet the demand for such **BPS DoD Promo Tickets** in the State of Arkansas.

(j) ALC and INTRALOT each severally recognizes the great value of the goodwill associated with the PROPERTY and acknowledges that the PROPERTY and all rights therein, whether recognized currently or in the future, and the goodwill pertaining thereto belong exclusively to Licensor, and that upon expiration of this Agreement, ALC and INTRALOT shall discontinue any and all use of the PROPERTY and sale or distribution of **BPS DoD Promo Tickets**. ALC and INTRALOT's use of the PROPERTY shall inure exclusively to the benefit of Licensor and neither ALC nor INTRALOT shall acquire any rights therein.

3. WARRANTIES

(a) ALC and INTRALOT each severally represents and warrants to A3 that ALC and INTRALOT each has the right and authority to enter into and perform under the terms of this Agreement and that entering into and performance of this Agreement by ALC and INTRALOT severally does not and shall not violate any agreement that ALC or INTRALOT has entered into with any third party.

(b) ALC represents that it shall comply with all applicable laws, rules and regulations in connection with the manufacture, marketing, advertising, promotion and sale of **BPS DoD Promo Tickets** and activities related thereto.

(c) INTRALOT represents that it shall comply with all applicable laws, rules and regulations in connection with the printing of **BPS DoD Promo Tickets** and activities related thereto.

(d) Neither ALC nor INTRALOT shall challenge the license rights A3 has in and to the PROPERTY or the property rights Licensor has in and to the PROPERTY, nor shall ALC LOTTERY or INTRALOT intentionally harm, misuse or bring into disrepute the PROPERTY or any products including but not limited to the **BPS DoD Promo Tickets**.

(e) The ALC represents and warrants that all of the creative elements, including, but not limited to, the look and feel, appearing on or in connection with the **BPS DoD Promo Tickets**, excluding the PROPERTY, shall not infringe the proprietary rights of any third party.

(f) A3 represents and warrants that it is duly organized under applicable law; that it has the right and authority to enter into and perform this Agreement and to grant the rights granted hereunder and that entering into and performance of this Agreement by A3 does not and shall not violate any agreement that A3 has entered into with any third party .

(g) A3 represents and warrants that the Licensor has appointed A3 as the exclusive licensor of the PROPERTY in conjunction with the manufacture, marketing, advertising, promotion and sale of the **BPS DoD Promo Tickets**.

(h) A3 warrants that each approval given by A3 pursuant to Section 2, above, shall constitute a new additional warranty (such new additional warranty not to derogate from any other warranty set out herein) to ALC and to INTRALOT to the effect that ALC and INTRALOT shall each be, except as otherwise expressly set forth in this Agreement, entitled to use the PROPERTY as provided for in this Agreement without liability for infringement thereof.

(i) EXCEPT AS PROVIDED IN THIS SECTION 3, NONE OF THE PARTIES HAS MADE ANY EXPRESS WARRANTIES, AND ANY WARRANTIES THAT ARE OR COULD BE IMPLIED IN CONTRACT, AT LAW, IN EQUITY, BY COURSE OF CONDUCT, TRADE USAGE OR OTHERWISE, ARE HEREBY EXPRESSLY DISCLAIMED INCLUDING, BUT NOT LIMITED TO, ALL WARRANTIES OF DESIGN, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT AND FREEDOM FROM DEFECTS. NO REPRESENTATION OR STATEMENT NOT EXPRESSLY CONTAINED IN THIS AGREEMENT IS BINDING UPON ANY PARTY AS A WARRANTY OR OTHERWISE.

(j) A3 warrants and represents that all information supplied by A3 to ALC and to INTRALOT is complete, truthful, and accurate. A3 further warrants and represents that, in connection with this Agreement, it will comply with the laws, rules and regulations of all applicable jurisdictions including, but not limited to, applicable anti-corruption, competition, licensing, and registration laws, including the Foreign Corrupt Practices Act (FCPA); and has not paid, or offered, or agreed to pay any political contributions in respect of any business which provides or may have provided services to ALC or to INTRALOT, and that A3 will not do so in the future. A3 agrees to maintain accurate books and records relating to A3's activities with or for the ALC and/or INTRALOT.

(k) The ALC acknowledges that this license does not extend to use through internet or by means of telephone in the offering or playing of games. Any such use requires a separate written agreement between the Parties. Notwithstanding the foregoing, the ability of players to enter the details of **BPS DoD Promo Tickets** on the ALC's Points for Prizes program shall not be affected.

4. COPYRIGHT, TRADEMARK AND OTHER REQUIREMENTS

(a) Each of ALC and INTRALOT shall each ensure that the following notice is placed on all POS materials in support of **BPS DoD Promo Tickets**:

Bass Pro Shops®, Bass Pro Shops Outdoor World® and [1 color logo image] are registered trademarks of Bass Pro Intellectual Property, LLC and used under license. All Rights Reserved.

(b) ALC and INTRALOT shall each also place additional copyright and/or trademark designations on the **BPS DoD Promo Tickets** as reasonably requested in writing by A3. ALC shall indicate that the licensing rights for the PROPERTY have been obtained from A3 in all press releases issued by ALC and/or INTRALOT for the **BPS DoD Promo Tickets** (each press release to be approved by A3 in advance).

(c) ALC shall provide A3 with monthly gross and net sales figures for the Game after the end of any given month the Game is on sale in conjunction with the **BPS DoD Promo Tickets**. ALC will provide ALCHEMY complete sales figures for the Game after the close of sales for the **BPS DoD Promo** along with comparative sales figures from like periods.

(d) INTRALOT shall provide A3 with at least the following samples of each lottery product sold or distributed by ALC for the **BPS DoD Promo Tickets**, as appropriate:

- i. Ten (10) sample voided lottery tickets;
- ii. Twenty (20) samples of all point-of-sale advertising pieces;
- iii. One (1) dub of all TV and/or radio advertising;
- iv. Six (6) samples of all print advertising; and
- v. Six (6) samples of all retailer sell-in and related communications materials

5. TICKET QUANTITY

n/a

6. PRICE POINT

Each Decades of Dollars ticket cost, \$2.

7. SALES PERIOD

All Decades of Dollars tickets purchased from April 1, 2012 through April 30, 2012, will print the Bass Pro Shops® logo on it and be eligible for the Special Promotion drawing.

8. POTENTIAL SALES

n/a

9. PROGRAM FEE and MERCHANDISE ALLOCATION



(a) The fee ("Program Fee") for the use of the PROPERTY and related services in connection with **BPS DoD Promo Tickets** shall be a flat fee of ten thousand dollars (\$10,000).

(b) The ALC and INTRALOT shall allocate a "Merchandise Fee" of twenty thousand dollars (\$20,000) from their budget for one hundred (100) non-cash custom designed, inclusive of ALC logo, Bass Pro Shops gift card Merchandise Prizes ("MERCHANDISE") each with a value of two hundred dollars (\$200). Unclaimed MERCHANDISE shall remain the property of the ALC. Additionally, ALC and INTRALOT shall allocate twenty thousand dollars (\$20,000) from their budget for one Outdoor Adventure Trip for four (4) people for three (3) nights at the Big Cedar® Lodge. Note: Trip value is \$13,500 plus applicable federal and state taxes.

10. MARKETING SUPPORT AND MERCHANDISE DISTRIBUTION

Marketing Support A3 shall provide directly to Intralot an electronic image of the PROPERTY for the purposes of printing the logo ON THE **BPS DoD Promo Tickets**. A3 will provide to ALC access to assets to be used to create POS/POP as well as creative assistance as desired.

2nd Chance Drawings A3 shall conduct two (2) 2nd Chance Drawings on behalf of the ALC in accordance with the approved drawing procedures. ALC shall provide A3 a secured file bearing certain data required to conduct the 2nd Chance Drawings in a mutually accepted format.

Merchandise.

Distribution of Bass Pro Shops Gift Cards. All FULFILLMENT of MERCHANDISE shall be handled by A3 in accordance to ALC policies, rules and procedures.

Expiration of Bass Pro Shops Gift Cards. ALC and INTRALOT each acknowledge and agree that the Bass Pro Shops Gift Cards shall expire two (2) years from the first public sale of the **BPS DoD Promo Tickets**. Neither ALC, nor INTRALOT nor winners of the MERCHANDISE shall be responsible for any fee relating to activations, transactions or inactivity whatsoever during this period. Upon request of ALC, an unused gift card may be reissued with an additional one (1) year of expiration.

Fulfillment. A3 or its designee shall provide back-end fulfillment for the MERCHANDISE. A3 or its designee shall obtain all required clearances, waivers and releases required by Bass Pro Shops and shall be responsible for the redemption and delivery of the cards. A3 will provide a monthly report of redemptions and confirmation of delivery to winners.

11. PAYMENT

The Program Fee and Merchandise fee as set forth in Section 9 of this Agreement shall be due and payable to A3 no later than fifteen (15) days after the start of sale of the **BPS DoD Promo Tickets**.

(a) If after thirty (30) days from the date of an invoice, A3 has not received payment in full from INTRALOT, ALC shall be liable to and shall pay A3 all unpaid amounts due from INTRALOT.

12. CONFIDENTIALITY.

(a) **General.** During the term of this Agreement and thereafter in perpetuity, each Party shall treat as confidential all Confidential Information, as defined below, of the other Party, shall not use such Confidential Information except as expressly set forth herein or otherwise authorized in writing, shall implement reasonable procedures to prohibit the unauthorized use, disclosure, duplication or misuse of the other Party's Confidential Information and shall not disclose such Confidential Information to any third party except as shall be necessary by law and required in connection with the rights and obligations of such Party under this Agreement, and subject to confidentiality obligations at least as protective as those set forth herein. Without limiting the foregoing, each of the Parties shall use at least the same procedures and degree of care which it uses to prevent the disclosure of its own confidential information of like importance to prevent the disclosure of Confidential Information disclosed to it by the other Party under this Agreement, but in no event less than reasonable care. Except as expressly authorized in this Agreement, neither Party shall copy Confidential Information of the other Party without the Disclosing Party's prior written consent.

(b) "Confidential Information" means any and all confidential or proprietary information disclosed by one Party (the "Disclosing Party") to the other Party (the "Receiving Party") related to the **BPS DoD Promo Tickets** directly or indirectly, including, but not limited to, information regarding the Disclosing Party's business strategies and practices, methodologies, trade secrets, know-how, pricing, technology, software, product plans, services, relationships with any third party, client lists and information regarding the Disclosing Party's employees, clients, vendors, consultants and affiliates. Confidential Information shall not, however, include any portion of information which the Receiving Party can demonstrate by documented evidence is: (a) or becomes known or available by publication, commercial use or otherwise through no fault of the Receiving Party; (b) known and has been reduced to tangible form by the Receiving Party at the time of disclosure by the Disclosing Party and is not subject to restriction; (c) independently developed by an employee of the Receiving Party who neither had access to nor in any manner benefited from the Disclosing Party's Confidential Information; (d) lawfully obtained by the Receiving Party from a third party who has the right to make such disclosure to the Receiving Party; or (e) released, in writing, for public disclosure by the owner of the Confidential Information.

(c) **Court Order.** The Receiving Party shall have the right to disclose Confidential Information of the Disclosing Party only pursuant to the order or requirement of a court,



administrative agency, or other governmental body and only provided that the Receiving Party provides prompt, advance written notice thereof to enable the Disclosing Party to seek a protective order or otherwise prevent such disclosure, unless the Receiving Party is prevented by law from giving such prompt, advance written notice to Disclosing Party.. In the event such a protective order is not obtained by the Disclosing Party, the Receiving Party shall disclose only that portion of the Confidential Information which its legal counsel advises that it is legally required to disclose. Confidential Information so disclosed shall continue to be deemed Confidential Information.

(d) Remedies. If a Party breaches any of its obligations with respect to confidentiality or use or disclosure of Confidential Information hereunder, the other Party (or Parties) is (or are) entitled to obtain equitable and injunctive relief in addition to all other remedies that may be available to protect its (or their) interest.

(e) Return. Upon the Disclosing Party's written request, the Receiving Party shall promptly return or destroy, at the Disclosing Party's option, all tangible copies of the Disclosing Party's Confidential Information.

13. INDEMNIFICATION AND JURISDICTION.

(a) SUBJECT TO THE LIMITATIONS OF SECTIONS 13(B) AND 13(E), A3 AGREES TO INDEMNIFY AND HEREBY HOLDS ALC AND INTRALOT AND THEIR RESPECTIVE OFFICERS, DIRECTORS AND EMPLOYEES, HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, LOSSES, LIABILITIES, COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEY FEES) AWARDED BY A COURT OF COMPETENT JURISDICTION OR AGREED UPON BY A3 AND THE COMPLAINING THIRD PARTY AS PART OF A SETTLEMENT, BASED ON OR OTHERWISE ARISING OUT OF ANY THIRD PARTY CLAIM THAT ALC'S AND/OR INTRALOT'S USE OF THE PROPERTY AS PERMITTED UNDER THIS AGREEMENT INFRINGES OR OTHERWISE MISAPPROPRIATES ANY INTELLECTUAL PROPERTY RIGHT(S) OF ANY THIRD PARTY OR VIOLATES ANY MORAL OR PERSONAL RIGHTS INCLUDING RIGHTS OF PUBLICITY AND PRIVACY. ADDITIONALLY, SUBJECT TO THE LIMITATIONS OF SECTIONS 13(B) AND 13(E), A3 AGREES TO INDEMNIFY AND HEREBY HOLDS ALC AND INTRALOT AND THEIR RESPECTIVE OFFICERS, DIRECTORS AND EMPLOYEES, HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, LOSSES, LIABILITIES, COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEY FEES) AWARDED BY A COURT OF COMPETENT JURISDICTION OR AGREED UPON BY A3 AND THE COMPLAINING THIRD PARTY AS PART OF A SETTLEMENT, BASED ON OR OTHERWISE ARISING OUT OF ANY THIRD PARTY CLAIM FOR PERSONAL INJURY OR DAMAGE TO LIFE OR PROPERTY (INTANGIBLE OR OTHERWISE) ARISING FROM OR RELATING TO A3'S: (I) NEGLIGENT acts or omissions; (II) BREACH OF THIS AGREEMENT; OR (III) FULLMENT OBLIGATIONS AND REQUIREMENTS UNDER THIS AGREEMENT.

(b) IN NO EVENT SHALL A3 HAVE ANY INDEMNIFICATION OBLIGATIONS HEREUNDER TO THE EXTENT SUCH THIRD PARTY CLAIM IN WHOLE OR IN

PART ARISES FROM OR RELATES TO THE COMBINATION OF THE PROPERTY WITH ANY CREATIVE ELEMENTS NOT SUPPLIED BY A3 IF THE PROPERTY ALONE WOULD NOT BE THE SUBJECT OF SUCH CLAIM.

(c) EXCEPT TO THE EXTENT TO WHICH ANY CLAIMS ARISE OUT OF A3'S OR ITS LICENSOR'S OWN NEGLIGENCE, WILLFUL MISCONDUCT, OR BREACH OF THIS AGREEMENT, INTRALOT SHALL INDEMNIFY A3, ITS OFFICERS, DIRECTORS AND EMPLOYEES AGAINST ANY LIABILITIES, COSTS AND EXPENSES AWARDED BY A COURT OF COMPETENT JURISDICTION OR AGREED UPON BY THE INTRALOT AND THE COMPLAINING THIRD PARTY AS PART OF A SETTLEMENT BASED ON OR OTHERWISE ARISING SOLELY OUT OF ANY THIRD PARTY CLAIM FOR PERSONAL INJURY OR DAMAGE TO LIFE OR PROPERTY (INTANGIBLE OR OTHERWISE) ARISING FROM OR RELATING TO INTRALOT'S: (I) NEGLIGENT acts or omissions; (II) UNAUTHORIZED USE OF THE PROPERTY LICENSED HEREUNDER; (III) BREACH OF THIS AGREEMENT; OR (IV) INTRALOT'S UNAUTHORIZED USE OF A THIRD PARTY'S INTELLECTUAL PROPERTY RIGHTS.

(d) Each Party shall promptly provide the other Parties with notice of the commencement of any action, suit or proceeding brought against the notifying Party if it contains any claim(s) in connection with which the other Parties have an obligation under this Agreement to indemnify the notifying Party (the "Indemnified Claims"), including those obligations to indemnify set forth in Section 2(g). The Party having the indemnification obligation shall hereinafter be referred to as the "Indemnifying Party" and the Party entitled to be indemnified hereunder shall hereinafter be referred to as the "Indemnified Party." The Indemnifying Party shall be entitled to assume complete control over the defense and settlement of any and all Indemnified Claims, which shall be at the Indemnifying Party's own cost and expense (unless adjudicated otherwise), and with legal counsel of the Indemnifying Party's own choosing. However, insofar as the Indemnified Party (i) fails to provide the Indemnifying Party with timely notice of an Indemnified Claim required by this provision and such failure substantially prejudices the Indemnifying Party's ability to defend the Indemnified Claims, or (ii) otherwise enters into any settlements or commitments with respect to any Indemnified Claims without having first obtained the express written consent of the Indemnifying Party to do so in each instance, such consent not to be unreasonably withheld or delayed, the Indemnifying Party shall be relieved of any and all obligations it may have had to indemnify and hold the Indemnified Party harmless with respect to the applicable Indemnified Claim(s).

(e) This Agreement shall be construed in accordance with the laws of the State of Georgia, United States of America, without regard to any applicable conflict of laws provisions. Any action arising out of or related to this Agreement shall be brought in a court of competent jurisdiction in Atlanta, Georgia, USA and the parties consent to the jurisdiction of said courts.

14. TERM AND TERMINATION

This Agreement shall commence on the Effective Date and shall terminate six (6) months from the date of first retail distribution of the **BPS DoD Promo Tickets** or on the last day for claiming prizes, whichever is later, unless sooner terminated as set forth herein.

(a) This Agreement may be terminated by a Party if another Party breaches a material provision of this Agreement and fails to cure the alleged breach within thirty (30) business days after having received notice from a Party of the alleged breach. Notwithstanding anything herein to the contrary, A3 shall have the right to terminate this Agreement upon ten (10) business days notice to ALC and INTRALOT based on ALC's and/or INTRALOT's use of the PROPERTY in a manner contrary to the provisions of this Agreement. In addition, a Party shall have the right to terminate this Agreement upon written notice to the other Parties prior to the commencement of SALE of the **BPS DoD Promo Tickets**, if a Party (i) dissolves or winds up its business (except in connection with a merger or acquisition transaction); or (2) is subject of a voluntary or involuntary filing under the bankruptcy laws of any jurisdiction, unless the filing is discharged within 180 calendar days.

(b) Notwithstanding any language to the contrary in this Agreement, A3 shall have the right to immediately terminate this Agreement if the **BPS DoD Promo Tickets** are not offered for sale on or before May 30, 2012.

(c) Notwithstanding any language to the contrary in this Agreement, this Agreement may be terminated by a Party upon prior written notice to the other Parties if any regulatory authority (which for the purpose of this section, shall include any such authority which regulates a Party or any related, associated or affiliated companies and entities) requires or recommends that this Agreement be terminated or if the continuance of this Agreement in the reasonable belief of such Party shall have a detrimental impact on the ability of such Party to be qualified to hold or maintain any licenses, permits or approvals issued or to be granted by any gaming regulatory authority.

15. LIMITATION OF LIABILITY.

EXCEPT FOR A PARTY'S BREACH OF ITS; COVENANTS, WARRANTIES, OR REPRESENTATIONS AS TO; USE, RIGHT OF LICENSE, OR OWNERSHIP OF INTELLECTUAL PROPERTY RELATING TO BPS DoD Promo Tickets, EACH PARTY'S TOTAL CUMULATIVE LIABILITY UNDER THIS AGREEMENT SHALL BE LIMITED TO THE LICENSE FEES DUE AND PAYABLE TO A3 HEREUNDER.

EXCEPT FOR A PARTY'S BREACH OF THIS AGREEMENT, IN NO EVENT SHALL ANY PARTY TO THIS AGREEMENT BE LIABLE TO ANOTHER PARTY TO THIS AGREEMENT OR ANY THIRD PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING, BUT NOT LIMITED TO, ANY DAMAGES FOR LOST PROFITS, BUSINESS DISRUPTION, OR LOSS OF GOODWILL OF CUSTOMERS, SUPPLIERS OR OTHERS, HOWEVER ARISING, WHETHER UNDER THEORIES

OF CONTRACT, TORT (INCLUDING NEGLIGENCE) STRICT LIABILITY OR OTHERWISE, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. **IN THE EVENT OF A MATERIAL BREACH OF THIS AGREEMENT, THE AFFECTED PARTY SHALL BE ENTITLED, IN ADDITION TO ANY OTHER RIGHTS AND REMEDIES IT MAY HAVE AT LAW OR IN EQUITY, TO SEEK AN INJUNCTION TO RESTRAIN THE OFFENDING PARTY FROM SUCH MATERIAL BREACH OF THIS AGREEMENT. EACH PARTY HEREBY CONSENTS AND AGREES THAT INJUNCTIVE RELIEF MAY BE GRANTED IN ANY PROCEEDINGS WHICH MIGHT BE BROUGHT TO ENFORCE ANY SUCH COVENANTS WITHOUT THE NECESSITY OF PROVING ACTUAL DAMAGES.**

16. NOTICES

Except as provided in this Agreement to the contrary, any notice or communication required or permitted hereunder shall be deemed to have been properly given or delivered when delivered personally or when sent by registered or certified mail or overnight delivery service, with all postage or other charges prepaid to the addresses set forth here or as otherwise provided in writing by a Party to the other Party.

If to A3:

Alchemy3, LLC
Attn: David Schorr
3480 Preston Ridge Road, Suite 425
Alpharetta, Georgia 30005
Facsimile No.: 770-442-1539

If to Arkansas Lottery Commission:

The Arkansas Lottery Commission
Attn: Mike Smith
124 W Capitol Ave - Suite 1400
Little Rock, AR 72201
Concord, Arkansas 03301
Facsimile No.: 501-683-1878

If to Intralot, Inc.:

Intralot, Inc
Attn: General Counsel
11360 Technology Circle
Duluth, GA 30097
Facsimile No.: 866-422-3016

17. FORCE MAJEURE

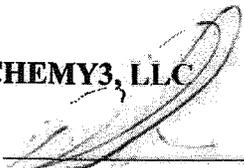
As herein used, "Force Majeure" means an act of God or public enemy including, but not limited to, acts of terrorism, earthquake, fire, flood, explosion, epidemic, quarantine restriction, strikes, freight embargoes or closure of all major access roads to a geographic area, action of the elements, governmental interference, rationing or any other cause which is beyond the control of the Party affected and which, by the exercise of reasonable diligence, a Party is unable to control. Except as otherwise provided, no Party shall be liable for any delay in or failure of performance under the Agreement due to a Force Majeure occurrence provided that the Parties in their individual capacities use reasonable diligent efforts to avoid or otherwise minimize the impact of Force Majeure on their performance. Any such delay in or failure of performance shall not constitute default or give rise to any liability for damages and shall not be grounds for termination of this Agreement. The existence of the cause(s) of such delay or failure shall extend the period for performance to such extent necessary to enable complete performance by the Parties in their individual capacities if reasonable diligence is exercised after the cause of delay or failure has been removed.

REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK



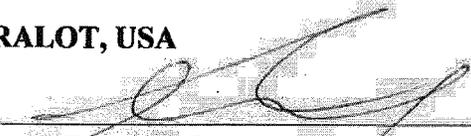
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the Effective Date.

ALCHEMY3, LLC

BY:  _____

ITS: CEO _____

INTRALOT, USA

BY:  _____

ITS: V/P & CEO _____

ACKNOWLEDGED BY THE ARKANSAS LOTTERY COMMISSION

BY: Michael C. Smith _____

ITS: Director of Gaming _____