



STATE OF ARKANSAS
ARKANSAS LOTTERY COMMISSION

Post Office Box 3238
Little Rock, Arkansas 72203-3238
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January 8, 2015

The Honorable Robert Thompson, Co-Chair
The Honorable Mark Perry, Co-Chair
Arkansas Lottery Commission Legislative Oversight Committee
One Capitol Mall, Room R-501
Little Rock, AR 72201

RE: Notice of Execution of Licensing Agreement

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 attachment as notice of the execution on December 22, 2014, of a Non-Exclusive Licensing Agreement between Scientific Games International ("SGI"), GTECH Corporation ("GTECH"), and the Arkansas Lottery Commission ("ALC"). The Non-Exclusive Agreement allows the ALC to reproduce, use, and make copies of the Property in association with the sale, marketing, advertising and promotion of a scratch-off instant-win lottery game to be conducted by the ALC and identified as AR-283 Bejeweled® (the "Game").

1. Date of Agreement: December 22, 2014.
2. Term of Agreement: The term of this agreement shall commence on the date the Working Papers for the Game are signed and shall expire on the last day for claiming Game prizes as established by the ALC.
3. Vendor or other parties to the Agreement: Scientific Games International and GTECH Corporation.
4. Value (cost or cost savings projected for the agreement): The base instant game contract price is 1.81% of net sales. There is a price of \$1.89 per 1000 tickets for FailSafe Barcode Services and a price of 1.35% of the prize fund for Points for Prizes Rewards/Merchandise Prizes and Fulfillment. The preceding costs are standard for ALC instant games. In addition, GTECH shall invoice the ALC (through SGI) for a License Fee in the amount of 1.00% of Net Sales.

A copy of the executed document is 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 Wootley", with a long horizontal flourish extending to the right.

Bishop Wootley
Director

Enclosure

cc: John C. (Smokey) Campbell III, Chair, Arkansas Lottery Commission
Mr. Roger Norman, Legislative Auditor, Division of Legislative Audit

Arkansas Lottery Commission
Bejeweled® License Agreement

December 22, 2014

This agreement (“**Agreement**”) is made this 22 day of December, 2014, by and among the Arkansas Lottery Commission (“**ALC**”), with offices at 124 West Capitol Ave, Suite 1400, Little Rock, AR 72201, Scientific Games International, Inc. (“**SIG**”), with offices at 1500 Bluegrass Lakes Parkway, Alpharetta, GA 30004, and GTECH Corporation (“**GTECH**”), with offices at 10 Memorial Boulevard, Providence, RI 02903. GTECH, SIG 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**” shall individually and collectively refer to the trademarks of and associated with the game Bejeweled. The Property is owned by Electronic Arts Inc. and EA Swiss Sarl (together, the “**Licensor**”), and is licensed exclusively to GTECH for use in connection with instant scratch ticket lottery games pursuant to that certain Exclusive Trademark License Agreement by and between Licensor and GTECH, dated as of September 15, 2010 (the “**EA Agreement**”).
- b) Subject to the terms and conditions of this Agreement, GTECH hereby grants the ALC the non-exclusive right in the state of Arkansas (“**Territory**”) to reproduce, use and make copies of the Property in association with the sale, marketing, advertising and promotion of a scratch-off instant-win lottery game to be conducted by the ALC and identified as AR-283 Bejeweled® (the “**Game**”).
- c) SIG, in its capacity as the ALC’s printer for the Game, is hereby authorized by GTECH to use the Property solely for the purposes necessary to complete production of the tickets for the Game and any marketing materials required by the ALC from SIG in connection therewith, subject to the ALC’s and SIG’s compliance with obtaining approval from GTECH for any Artwork in the manner provided in Section 2(c) below.

2. UTILIZATION OF PROPERTY

- a) Graphic and other creative elements for the Property that may be reproduced and used by the ALC in ticket art designs and related advertising are limited to the following:
 - i. The Property, as defined above; and
 - ii. GTECH approved Artwork (as defined below).
- b) Pre-approved creative elements of the Property are available from GTECH for the ALC and SIG to use with the Game, upon written request.

- c) The ALC and SGI shall submit all artwork and other materials for tickets, point-of-sale, advertising, marketing and promotional materials (collectively the "Artwork") for the Game to GTECH for approval. Neither the ALC nor SGI shall disseminate any tickets, advertisement or promotions until it has procured GTECH's written approval. GTECH shall have fifteen (15) business days to approve in writing each piece of Artwork and return same to the ALC and SGI for use or revision, as the case may be. The ALC and SGI shall submit any such revised Artwork to GTECH, and GTECH shall have fifteen (15) business days to approve all such Artwork or return same to the ALC and SGI for use or further revision. Unless GTECH notifies the ALC otherwise, if GTECH does not provide written approval of the Artwork within the aforementioned time periods, the Artwork shall be deemed not approved by GTECH. The approval or modifications shall be communicated via email, fax or other written documentation. For purposes of clarification, GTECH shall be responsible for facilitating with Licensor for all approvals.
- d) No Party hereto will unreasonably withhold its approval of any act or request of the other to which its approval is necessary or desirable; provided, however, that Licensor's consent to any proposed use of the Property may be granted or withheld in Licensor's sole discretion, and GTECH shall have the right to withhold its approval of any act or request by the ALC or SGI in order to comply with its obligations to Licensor in accordance with the EA Agreement.
- e) On request and to the extent such materials are available, GTECH shall provide the ALC with examples of approved promotional material(s) produced by other lotteries that have entered into licensing agreements with GTECH for the use of the Property for the sole purpose of providing guidance to the ALC in its creation of the Artwork.
- f) The ALC and SGI recognize the great value of the goodwill associated with the Property and acknowledge 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 the ALC and SGI shall discontinue any and all use of the Property and sale or distribution of any articles bearing the Property, except as otherwise set forth in Section 15 herein. The ALC's use of the Property shall inure exclusively to the benefit of GTECH or Licensor, as applicable and neither the ALC nor SGI shall acquire any rights therein.
- g) The ALC and SGI specifically understand and agree that no rights are granted herein with respect to any trademarks, logos or copyrights owned or licensed by GTECH, other than the Property. GTECH reserves all rights not expressly conveyed to the ALC and SGI hereunder. The ALC and SGI shall not use the Property other than as permitted hereunder and, in particular, shall not incorporate the Property in the ALC's or SGI's corporate or business name in any manner whatsoever. The ALC and SGI shall not in any way represent that the ALC or SGI has any right, title or interest in and to the Property other than as expressly set forth in this Agreement. Subject to the ALC's and SGI's right and license to use the Property as specified in this Agreement, the ALC and SGI shall not use or authorize the use of, any configuration, trademark, service mark,

trade name, domain name or other designation confusingly similar to the Property or any other GTECH brand-source indicia.

- h) The ALC shall, at its discretion, during the term of this Agreement, and subject to the terms and conditions hereof, (i) advertise, promote, distribute, ship and sell the Games 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 Games in the State of Arkansas.
- i) The ALC undertakes that the Games as well as all packaging, labels, press releases, advertising, promotion display or other materials of any and all types bearing the Property and prepared in connection with the Games shall be of quality consistent with standards generally acceptable in the U.S. lottery industry.
- j) The ALC and SGI shall not challenge the license rights GTECH has in and to the Property or the intellectual property rights Licensor has in the Property, nor shall the ALC or SGI intentionally harm, misuse or bring into disrepute the Property or any products incorporating the Property, including but not limited to the Games.
- k) By entering into this Agreement the ALC hereby waives any rights it has to indemnification or any damages from SGI under the "Agreement for Contractual Services for Instant Ticket Lottery Game Services," effective August 18, 2009, as amended, arising from any actual or alleged intellectual property infringement related to the Property.

3. WARRANTIES

- a) Each of the ALC, SGI and GTECH represent, warrant and covenant to the others that it 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 it does not and shall not violate any agreement that it has entered into with any third party.
- b) The ALC represents, warrants and covenants that it shall comply with all applicable laws, rules and regulations in connection with the marketing, advertising, promotion and sale of the GAMES and all activities related thereto.
- c) The ALC represents, warrants and covenants that all of the creative elements, including, but not limited to, the look and feel, appearing on or in connection with the Games, excluding the Property, shall not infringe the proprietary rights of any third party.
- d) GTECH represents, warrants and each has the right and authority to enter into and perform this Agreement and to grant the rights granted hereunder.
- e) GTECH represents, warrants and covenants that (i) the Licensor has appointed GTECH as the exclusive licensee of the Property in conjunction with the manufacture, marketing, advertising, promotion and sale of the GAMES; (ii) it possesses all legal or other rights

necessary or useful to grant the rights provided in this Agreement to the ALC and SGI; and (iii) it has not granted any other rights to use the Property that would conflict or interfere with or violate the rights granted to the ALC and SGI under this Agreement.

- f) 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, TITLE, 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.

4. TRADEMARKS AND OTHER REQUIREMENTS

- a) The ALC and SGI agree to place a copyright and/or trademark designation on the GAME tickets as well as all packaging, labels, press releases, advertising, promotion display or other materials of any and all types bearing the Property and prepared in connection with the Games, as may be specified by GTECH or the Licensor, prior to GTECH's approval of Artwork Licensor reserves the right to modify copyright and trademark requirements prior to final approval of all creative elements.
- b) The ALC and SGI further agree to place the following notice on the ticket back and related print marketing materials, supered at the end of TV spots and on slate for radio:

Bejeweled and the associated logo are trademarks of Electronic Arts Inc.
©Bejeweled images and artwork, Electronic Arts Inc.

- c) At a minimum, the ALC and SGI shall provide GTECH with the following samples for this Game, as appropriate:
- i. Fifteen (15) books of voided lottery tickets; and
 - ii. Two (2) samples of all out of home advertising; and
 - iii. Six (6) samples of all print advertising; and
 - iv. Six (6) samples of all retailer sell-in and related communications materials.
- d) GTECH reserves the right to modify trademark and copyright requirements prior to final approval of all creative elements, including modifications that may be required by Licensor.

- e) The ALC shall indicate that licensing rights for the Property have been obtained from GTECH in any press releases relating to this Game issued by the ALC (each press release to be approved by GTECH in advance).

5. TERM:

This Agreement shall be effective on the Effective Date and shall expire on the last day for claiming prizes for the Game as established by the ALC, unless earlier terminated pursuant to Section 15 of this Agreement.

6. TICKET QUANTITY:

One million nine hundred twenty thousand tickets plus or minus two percent (1,920,000 + or - 2%).

7. PRICE POINT:

Three dollars (\$3.00)

8. SALES PERIOD:

Public sales begin on or about April 7, 2015 and continue pursuant to Section 15 of this Agreement.

9. POTENTIAL SALES:

Approximately five million seven hundred and sixty thousand dollars plus or minus two percent (\$5,760,000 + or - 2%). "Potential Sales" means the actual quantity of GAME tickets manufactured and delivered to the ALC multiplied by the Price Point.

10. LICENSE FEE

The License Fee for the use of the PROPERTY shall be one percent (1.00%) of the Actual Net Sales for the GAME. "Actual Net Sales" means gross tickets sold, less returned, lost or stolen tickets, multiplied by three dollars (\$3.00).

11. PAYMENT

- a) GTECH shall invoice SGI on behalf of ALC for the License Fee set forth in Section 10. SGI shall invoice ALC promptly upon receipt of each such GTECH invoice. All payments due to GTECH hereunder shall be made to GTECH within ten (10) days of SGI's receipt of ALC's payment.
- b) GTECH shall invoice SGI on behalf of ALC for fifty percent (50%) of the Potential Sales as described in Section 9 multiplied by the License Fee as described in Section 10 upon start of public sales of the Game (the "Initial Fee"). The Initial Fee shall be calculated based on the final ticket quantity delivered to the ALC.
- c) The ALC shall be responsible for providing GTECH with Actual Net Sales figures on a monthly basis, within five (5) days of the end of each calendar month. When the

Actual Net Sales of the GAME exceed the Initial Payment, GTECH shall begin to invoice SGI on behalf of ALC for the License Fee on a monthly basis, based on the Actual Net Sales that occur thereafter.

- d) The final ticket quantity delivered to the ALC and the monthly Actual Net Sales thereafter shall be reported to GTECH by the ALC to Walter Gaddy (walter.gaddy@gtech.com).

12. MARKETING SUPPORT

GTECH shall provide, at minimum, the following marketing support services for the Game at no additional cost to the ALC:

- a) GTECH shall provide the ALC with assistance in designing the Artwork.
- b) GTECH shall provide SGI with high resolution electronic images of the Property, delivered by email, for the purposes of manufacturing the GAME tickets and approved marketing materials, upon the ALC's request.

13. CONFIDENTIALITY

- a) General. During the term of this Agreement and thereafter in perpetuity, each Party: (i) shall treat as confidential all Confidential Information, as defined below, of the other Parties, (ii) shall not use such Confidential Information except as expressly set forth herein or otherwise authorized in writing, (iii) shall implement reasonable procedures to prohibit the unauthorized use, disclosure, duplication or misuse of the other Parties' Confidential Information and (iv) 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 Parties under this Agreement, but in no event less than reasonable care. Except as expressly authorized in this Agreement, neither of the Parties shall copy Confidential Information of the other Parties without the Disclosing Party's prior written consent.
- b) "Confidential Information" means any and all technical, business, client or proprietary information disclosed by one Party (the "Disclosing Party") to one or more of the other Parties (the "Receiving Party"), directly or indirectly, including, but not limited to, information regarding the Disclosing Party's business strategies and practices, methodologies, trade secrets, know-how, 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: (i) or becomes known or available by

publication, commercial use or otherwise through no fault of the Receiving Party; (ii) 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; (iii) 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; (iv) lawfully obtained by the Receiving Party from a third party who has the right to make such disclosure to the Receiving Party; or (v) released, in writing, for public disclosure by the owner of the Confidential Information. Confidential Information also does not include any public records that are not exempt from disclosure under Arkansas law.

- c) Court Order. The Receiving Party shall have the right to disclose Confidential Information of the other 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. 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 entitled to obtain equitable and injunctive relief in addition to all other remedies that may be available to protect its interest, subject to the limitations of Arkansas law.
- e) Return. Upon the Disclosing Party's written request, the Receiving Party (or Receiving Parties) shall promptly return or destroy, at the Disclosing Party's option, all tangible copies of the Disclosing Party's Confidential Information.

14. INDEMNIFICATION

- a) Subject to the limitations of Arkansas law, the state of Arkansas shall indemnify GTECH, its officers, directors and employees against any liabilities, costs and expenses awarded by a court of competent jurisdiction or agreed upon by the ALC 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 arising from or relating to the ALC's negligent activity or for the ALC's unauthorized use of the Property or a third party's intellectual property rights.
- b) SGI shall indemnify GTECH, its officers, directors and employees against any liabilities, costs and expenses awarded by a court of competent jurisdiction or agreed upon by SGI 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 arising from or relating to SGI's negligent activity or for SGI's unauthorized use of the Property or a third party's intellectual property rights.

- c) GTECH shall indemnify the ALC and SGI and their respective officers, directors and employees against any liabilities, costs and expenses awarded by a court of competent jurisdiction or agreed upon by GTECH and the complaining third party as part of a settlement based on or otherwise arising out of any third party claim arising out of or caused by the ALC's or SGI's use of the Property as permitted under the terms of this Agreement or caused by GTECH's breach of an agreement, representation or warranty given under this Agreement.
- 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"). 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) The ALC is an agency of the State of Arkansas. The State of Arkansas and its agencies are protected from suit by sovereign immunity. Nothing in this Agreement is intended to nor shall it waive the sovereign immunity of the ALC.
- f) The Parties agree that claims in contract or in tort against the ALC or its employees or agents shall be presented to the Arkansas Lottery Commission in accordance with the ALC's Rules for Claims in Contract or Tort (the "Rules") issued pursuant to the authority vested in the ALC under Ark. Code §§23-115-207 and §§23-115-208.
- g) The ALC agrees that: (1) it will cooperate with the Parties in the defense of any action or claim brought against the Parties seeking damages or relief; (2) it will in good faith cooperate with the Parties should the Parties present any claims in torts or contracts against the ALC to the Arkansas Lottery Commission; (3) it will not take any action to frustrate or delay the prompt hearing or claims of the foregoing nature by the Arkansas Lottery Commission and will make reasonable efforts to expedite said hearing; and (4) follow all of the provisions applicable to it as established under the Rules.

15. TERM AND TERMINATION

- a) This Agreement shall commence on the Effective Date and shall terminate within ninety (90) days after the last day for claiming prizes.
- b) Upon the termination of this Agreement, the ALC shall destroy all Games and materials and items relating thereto bearing the Property in the ALC's possession or control; provided, however, that the ALC shall have the right to retain Games and materials and items relating thereto bearing the Property for archival purposes.
- c) 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, GTECH shall have the right to terminate this Agreement upon written notice to the ALC upon the ALC'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 if a Party (i) dissolves or winds up its business (except in connection with a merger or acquisition transaction); or (ii) is subject of a voluntary or involuntary filing under the bankruptcy laws of any jurisdiction, unless the filing is discharged within 180 calendar days.
- d) The ALC acknowledges that GTECH is entering into this Agreement not only for consideration of the License Fee to be paid to it but also for the promotional value and intrinsic benefit resulting from the promotion, distribution, and sale of the Games.
- e) Notwithstanding any language to the contrary in this Agreement, GTECH shall have the right to immediately terminate this Agreement if the Games are not offered for sale on or about April 7, 2015 (but in no event later than June 30, 2015).
- f) The ALC acknowledges that GTECH shall have the right to terminate this Agreement in whole or in part, notwithstanding any language to the contrary in this Agreement, should Licensor terminate the EA Agreement; provided, however, that in such event the ALC shall have a period of twelve (12) months from the date of termination of the EA Agreement in which to print and distribute the Games at retail (the "Sunset Period"). The ALC acknowledges that the Sunset Period shall not apply if the EA Agreement is terminated by Licensor due to (i) GTECH's material uncured breach of the EA Agreement; (ii) Licensor's belief that continued distribution of the Property presents material legal risks; or (iii) regulatory requirements or recommendations.
- g) In the event the ALC no longer needs the service specified in this Agreement due to program changes, or changes in laws, rules, or regulations, the ALC may cancel the Agreement by giving the Parties written notice of such cancellation thirty (30) days prior to the date of cancellation and a right to a hearing before the Arkansas Lottery Commission. In the event of such termination, the Initial Fee shall be non-refundable and

ALC shall, in addition to the Initial Fee, continue to pay the License Fee based on Actual Sales of Game tickets.

16. LIMITATION OF LIABILITY

EXCEPT FOR A PARTY'S BREACH OF ITS CONFIDENTIALITY OBLIGATIONS, A BREACH OF ITS REPRESENTATIONS OR WARRANTIES, ITS INDEMNIFICATION OBLIGATIONS OR, IN THE CASE OF THE ALC OR SGI, THE ALC'S OR SGI'S USE OF THE PROPERTY OTHER THAN AS PERMITTED UNDER THE TERMS OF THIS AGREEMENT, AND SUBJECT TO THE LIMITATIONS OF ARKANSAS LAW WITH RESPECT TO ALC, IN NO EVENT SHALL ANY PARTY BE LIABLE TO ANY OTHER PARTY OR TO 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. EXCEPT FOR A PARTY'S BREACH OF ITS CONFIDENTIALITY OBLIGATIONS, A BREACH OF ITS REPRESENTATIONS OR WARRANTIES, ITS INDEMNIFICATION OBLIGATIONS OR, IN THE CASE OF THE ALC OR SGI, THE ALC'S OR SGI'S USE OF THE PROPERTY OTHER THAN AS PERMITTED UNDER THE TERMS OF THIS AGREEMENT, GTECH'S TOTAL CUMULATIVE LIABILITY TO THE ALC AND SGI, AND THE ALC'S AND SGI'S TOTAL CUMULATIVE LIABILITY TO GTECH (WITH ALC'S TOTAL CUMULATIVE LIABILITY BEING SUBJECT TO THE LIMITATIONS OF ARKANSAS LAW), UNDER THIS AGREEMENT SHALL BE LIMITED TO THE LICENSE FEES DUE AND PAYABLE TO GTECH HEREUNDER.

17. FORCE MAJEURE

A Force Majeure occurrence is an event or effect that cannot be reasonably anticipated or controlled. As herein used, "Force Majeure" means an act of God or public enemy, to include 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.

None of GTECH, SGI or ALC shall be liable for any delay in or failure of performance under this Agreement due to a Force Majeure occurrence provided that each of the parties in their individual capacities uses reasonably diligent efforts to avoid or otherwise minimize the impact of an event 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. The existence of the cause(s) of such delay or failure shall extend the period for performance to such extent as reasonably necessary to enable complete performance by each of the parties in

their individual capacities if reasonable diligence is exercised after the cause of delay or failure has been removed.

18. SEVERABILITY

If a court of competent jurisdiction determines any portion of this Agreement to be invalid, it shall be severed and the remaining portion of this Agreement shall remain in effect.

19. GENERAL

- a) Governing Law. This Agreement shall be exclusively governed by and construed and interpreted in accordance with the laws of the State of Arkansas.
- b) Waiver and Amendment. No waiver, amendment or modification of any provision hereof or of any right or remedy hereunder shall be effective unless made in writing and signed by the Party against whom such waiver, amendment or modification is sought to be enforced and this Agreement shall only be amended by a writing signed by both Parties. No failure by any Party to exercise, and no delay by any Party in exercising, any right, power or remedy with respect to the obligations secured hereby shall operate as a waiver of any such right, power or remedy.
- c) Assignment. Neither this Agreement nor any interest hereunder shall be assignable, nor any obligation delegable by any Party without the prior written consent of the other Party; provided, however, that a Party shall have the right to assign and otherwise transfer this Agreement as a whole without consent to any successor that acquires all or substantially all of the business or assets of such Party by way of merger, consolidation, other business reorganization, or the sale of stock or assets, provided that the assigning Party provides prior written notice of such assignment to the other Party. In addition, either Party shall be permitted to assign this Agreement without the other Party's consent, to its parent and/or to any affiliate or subsidiary that is greater than fifty percent (50%) owned or controlled by such parent. Any assignment not in accordance with this Section 19 (c) shall be null and void.
- d) Further Assurances. The Parties agree to promptly execute and deliver any such other further documents and perform any such actions, at the other Party's request, as each may reasonably request to further evidence or confirm the rights of each Party and permitted transferees under this Agreement.
- e) Notices. All notices required by or permitted under this Agreement shall be in writing and shall be deemed given as of the day personally delivered, sent by telecopy or other electronic means, or three (3) business days after the date deposited in the mail, postage pre-paid, certified or registered, return receipt requested, each such delivery method delivered, sent or addressed as follows, or at such other address or numbers as properly designated in writing from time to time:

If to the ALC:

Arkansas Lottery Commission
P.O. Box 3238
Little Rock, AR 72203
Attn: Chief Legal Counsel
Fax: 501.683.1878

Arkansas Lottery Commission
P.O. Box 3238
Little Rock, AR 72203
Attn: Gaming Director
Fax: 501.683.1878

If to GTECH:

GTECH Corporation
10 Memorial Boulevard
Providence, RI 02903
Attn: General Counsel
Fax: (401) 392-1234

With copies to:

GTECH Corporation
10 Memorial Boulevard
Providence, RI 02903
Attn: Pat Schmidt
Fax: (401) 392 4945

Sullivan & Worcester LLP
One Post Office Square
Boston, MA 02109
Attn: Kimberly B. Herman, Esq.
Fax: (617) 338-2880

If to SGI:

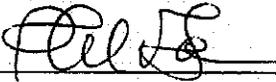
Scientific Games International, Inc.
1500 Bluegrass Lakes Parkway
Alpharetta, GA 30004
Attn: Phil Bauer, Esq.
Fax: (678) 624-4125

- f) Press Release. If GTECH or the ALC wishes to issue an official press release or other formal public announcement to any public or trade media concerning the contents or fact of this Agreement, then such Party shall so advise the other Party and they shall then cooperate to specify and mutually agree upon the contents, time and place of such press release or public announcement and no such press release or public announcement shall occur unless and until approved, in all respects, by both Parties.
- g) Entire Agreement. This Agreement constitutes the entire understanding and agreement of the Parties hereto with respect to the subject matter hereof and supersedes all prior agreements or understandings, written or oral, between the Parties hereto with respect to the subject matter hereof.
- h) Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be considered an original, but all of which together shall constitute one and the same instrument.
- i) Headings. The headings used in this Agreement are for convenience only and shall not be considered part of the Agreement.
- j) Survival. The Parties agree that their respective rights, obligations and duties which by their nature extend beyond the termination of this Agreement shall survive any termination and shall remain in effect for a period of one (1) year thereafter or the period specified in this Agreement, if longer.
- k) Interpretation; Absence of Presumption. For purposes hereof, (i) the terms "hereof," "herein" and "herewith" and words of similar import, shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all Exhibits attached hereto) and not to any particular provision of this Agreement, and Article, Section and Exhibit references are to the Articles, Sections and Exhibits to this Agreement unless otherwise specified, (ii) the word "including," and words of similar import when used in this Agreement means "including, without limitation," unless the context otherwise requires or unless otherwise specified, (iii) the word "or" shall not be exclusive, (iv) provisions shall apply, when appropriate, to successive events and transactions, (v) all references to any period of days shall be deemed to be to the relevant number of calendar days unless otherwise stated, (vi) the word "shall" is mandatory; and (vii) the Recitals shall be deemed to be an integral and material part of this Agreement. This Agreement shall be construed without regard to any presumption or rule requiring construction of interpretation against the Party drafting or causing any instrument to be drafted.

Signatures on following page

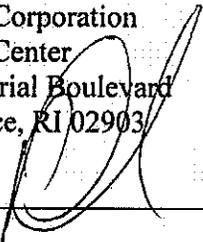
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

Scientific Games International, Inc.
1500 Bluegrass Lakes Parkway
Alpharetta, GA 30004

BY: 

ITS: VP Corp Counsel

GTECH Corporation
GTECH Center
10 Memorial Boulevard
Providence, RI 02903

BY: 

ITS: SVP, Canada + COO, Printing

Arkansas Lottery Commission
124 West Capitol Ave, Suite 1400
Little Rock, AR 72201

BY: Michael C Smith

ITS: Director of Gaming