

Arkansas

Scholarship Lottery

"A Natural State of Fun!"

ARKANSAS LOTTERY
COMMISSION

Dianne Lamberth,
Chair

October 21, 2011

Mike Malone,
Vice Chair

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

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Gentlemen:

Bruce R. Engstrom

Steve Faris

Raymond Frazier

George Hammons

Patty L. Shipp


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 the Arkansas Lottery Commission and Scientific Games International on September 13, 2011. The Non-Exclusive Licensing Agreement allows the ALC to reproduce, use, and make copies of Instant Game No. 112 "A Christmas Story™" licensed property. Pursuant to the requirements of the letter of December 14, 2010, I provide you with the following requested information related to this agreement:

Julie Baldrige,
Interim Director

1. Date of agreement: September 13, 2011.
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.
4. Value (cost or cost savings) projected for the agreement: The base instant game contract price is 1.92% of net sales. There is a price of \$1.89 per 1000 tickets for FailSafe Barcode Services and a price of 1.5% of the prize fund for Points for Prizes Rewards/Merchandise Prizes and Fulfillment. The preceding costs are standard for ALC instant games. There are no additional costs for the use of "A Christmas Story™".

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,



Julie Baldrige
Interim Director, Arkansas Lottery Commission

Enclosure

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

Order / Price Confirmation

Scientific Games International
1500 Bluegrass Lakes Parkway
Alpharetta, GA 30004

This letter constitutes the order of the ARKANSAS LOTTERY COMMISSION for one million eight hundred thousand (1,800,000) (±5%) tickets of Instant Game No. 112 "A Christmas Story™" as fully described in Version 3 of the "Game Specifications" document dated September 08, 2011 with Prize Structure Version B dated August 9, 2011. Final invoice will be based on total number of tickets sold based on percentage of sales (1.9200%).

Instant Ticket Lottery Game Services: 1.6900%
Web Site Marketing Services (Player's Club/Internet Marketing): 0.0900%
Play it Again™ and Second Chance Drawing Management Services: 0.1400%

The three (3) prices shown above are based upon the lottery implementing all three (3) services.

Points for Prizes Rewards/Merchandise Prizes and Fulfillment: 1.50% of the prize fund for all instant games included in program.

You are hereby authorized to proceed with the production of game tickets and performance of the associated services according to the specifications contained herein.

Options	Quantity	Price
FailSafe® Barcode	1,800,000	\$1.89 per 1000
Full UV		No Charge
Total Price For Options (estimated)		Total price per 1000: \$1.89

ACKNOWLEDGED AND ACCEPTED:

Martha Hernandez
Scientific Games International (Printed)
[Signature]
Scientific Games International (Signature)

Date

9/13/11

ACKNOWLEDGED AND ACCEPTED:

DAVID BARDEN
Arkansas Lottery Commission (Printed)
[Signature]
Arkansas Lottery Commission (Signature)

Date

9/13/11