

**FIRST AMENDMENT TO THE  
AGREEMENT FOR CONTRACTUAL SERVICES FOR INSTANT TICKET  
LOTTERY GAME SERVICES**

THIS FIRST AMENDMENT ("First Amendment") TO THE AGREEMENT dated effective as of August 18, 2009 (the "Agreement"), is entered into on this 28<sup>th</sup> day of June, 2012, by and between the Arkansas Lottery Commission ("ALC"), P.O. Box 3238, Little Rock, AR 72203 and Scientific Games International, Inc. ("SGI"), 1500 Bluegrass Lakes Parkway, Alpharetta, GA 30004, witnesses that the parties have made the agreements set forth below:

**RECITALS**

WHEREAS, the ALC issued a Request for Proposal for Instant Ticket Lottery Game Services on June 19, 2009 with a proposal opening date of July 23, 2009 and subsequent addendums dated June 30, 2009 and July 15, 2009 ("RFP") for the implementation, operation and maintenance of an Instant Ticket Games System ("Gaming System"); and

WHEREAS, upon evaluation of the proposals submitted in response to the RFP, the ALC determined that the SGI proposal dated July 27, 2009, ("Proposal") met or exceeded each of the requirements of the RFP and was the Successful Vendor pursuant to the ALC's competitive proposal process; and

WHEREAS, the ALC entered into the Agreement with SGI to provide a comprehensive solution to instant ticket operations, including the manufacture of instant tickets, warehousing, ordering and distribution of instant tickets and marketing support services on August 18, 2012; and

WHEREAS, the parties now desire to amend the Agreement;

NOW, THEREFORE, in consideration of the above promises, and the mutual promises set forth below, and subject to compliance with Arkansas Law, the ALC and SGI, hereby amend the Agreement as follows:

A. In consideration of and as a condition precedent for the following, the ALC has obtained all necessary reviews and approvals for an amendment to the August 25, 2009, Recital of Selected Options (the "Recital"), which is incorporated into and a part of the Agreement, for the remainder of the contract term set forth in Section 2 of the Agreement, including any extensions of the Agreement entered into by the parties thereunder.

B. The parties agree that the contract shall be amended to include following terms and definitions:

"Cooperative Services Program" or "CSP"- SGI's integrated lottery sales, warehousing, distribution, and inventory tracking program described in detail in SGI's proposal.

"Properties Plus<sup>®</sup>" - SGI's player loyalty program that includes, but is not limited to, web-based players club, unlimited licensed properties, marketing support services, bonus prizes and fulfillment services as described in detail in SGI's proposal.

"Linked Games" - games implemented concurrently by more than one lottery featuring a shared pool of unique prizes or experiential trips offered as the top prize in the game. Licensing fees are waived for the ALC so long as the ALC participates in Properties Plus, however prizes associated with Linked Games must be purchased separately from SGI.

"In-Game Merchandise"- merchandise purchased by the ALC from the prize fund for a game and awarded as instant win prizes whereby a player scratches off a ticket and knows immediately that they have won such merchandise.

"Out of Game Merchandise" - merchandise purchased by the ALC either from the prize fund or other funds outside of and in addition to the instant win prize structure for a game awarded through a second chance mechanism, such as a separate drawing for such merchandise.

C. Amendment to the Agreement

1. As an incentive to the ALC for affirming the maintaining of the execution and terms of the Recital, SGI will tender a cash payment of two million dollars (\$2,000,000) to the ALC on or before June 30, 2012. This will address any issues related to the printing of the first four (4) games from the date of contract.

2. The parties agree to amend the exclusivity clause in the Recital as follows:

"The ALC shall have the right to obtain printing services from any third party for a game to the extent SGI is unable to print such game due to SGI's lack of printing capacity or inability to obtain the rights to any third party intellectual property (or a commercially acceptable alternative) that prevents the production of the applicable tickets. In the event that the ALC desires to obtain said printing services for a game from a different vendor, the ALC shall provide the information related to the proposed game to SGI in writing. SGI will have fourteen (14) days from the date of submission of the information by the ALC to provide notice to the ALC as to whether it has the capacity or legal ability to provide printing services to print the proposed game."

This language shall replace the language in the Recital which reads as follows:

"All prices are based upon Scientific Games being the exclusive ticket provider throughout the entire term of the contract."

3. The parties agree to amend the pricing proposal related to Properties Plus as follows in order to clarify the original intent and agreement of the parties regarding the purchase of merchandise by the ALC that is in addition to the merchandise prizes purchased for a particular game:

"As a Properties Plus customer, the ALC shall pay no additional license or royalty fees to participate in an instant game except as noted in item 5 below, nor, except as otherwise stated in the Agreement, will the ALC be required to purchase merchandise related to a specific brand as a part of the ALC's obligation to utilize that particular brand. The ALC may, in its discretion, elect to purchase merchandise prizes to be awarded either instantly ("In-Game Merchandise") or as pursuant to a second chance drawing for a game ("Out of Game Merchandise")."

4. SGI agrees to issue to the ALC a credit in the amount of \$200,000 specifically attributable to additional merchandise purchased by the ALC for "Monopoly®" (AR-060), "Harley-Davidson®" (AR-045) and "World Poker Tour®" (AR-032). Such credit may be used to purchase merchandise either for use as In-Game Merchandise or Out of Game Merchandise to be used either as prizes or as merchandise for the Points for Prizes program.

5. SGI agrees that in the event the ALC elects to participate in one or more Linked Games offered by SGI, the ALC shall pay a rate for any such Linked Games that is discounted by the rate paid to SGI by the ALC for Properties Plus. That rate shall consist of a combination of linked game fee and prizing. Linked Games are games in which multiple lotteries utilize the same licensed brand and contribute a specified amount of money to a common prize fund that is shared by all participating lotteries.

6. The parties further agree to the following pricing changes to the percentages set forth in the Recital for services provided to the ALC:


Instant Ticket Lottery Game Services	1.58%
Web Site Marketing Services	0.09%
Play It Again/2nd Chance Drawing Management	0.14%
Tel-Sell	Included in Instant Ticket Lottery Game Services Fee
Properties Plus	1.50% of Prize Fund for all instant games included in the program
FailSafe®	\$1.89/1000 tickets printed and delivered

7. The new rates shall be effective for all sales of ALC tickets effective July 1, 2012.

8. Except as amended by this First Amendment, all other terms and conditions of the Agreement, including but not limited to the Recital, shall remain in effect as set forth therein.

IN WITNESS WHEREOF, the parties have executed this First Amendment on the 28th day of June, 2012.

ARKANSAS LOTTERY COMMISSION

 6/27/12  
Name: \_\_\_\_\_

Title: Director

SCIENTIFIC GAMES INTERNATIONAL, INC.

  
Name: \_\_\_\_\_

Title: PRESIDENT, PRINTED PRODUCTS