



STATE OF ARKANSAS
ARKANSAS LOTTERY COMMISSION

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August 5, 2013

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 July 11, 2013, of a Non-Exclusive Licensing Agreement between Scientific Games International ("SGI"), Alchemy3 LLC, through SGI ("Alchemy"), and the Arkansas Lottery Commission ("ALC"). The non-exclusive licensing agreement allows the ALC to reproduce, use, and make copies of Instant Game No. AR-200 Bass Pro Shops® licensed property.

1. Date of Agreement: July 11, 2013.
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: ALC, SGI and Alchemy (through SGI).
4. Value (cost or cost savings projected for the agreement): The base instant game contract price is 1.8100% of net sales. There is a price of \$.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 all ALC instant games. Additionally, SGI shall invoice ALC, on behalf of Alchemy, in the amount of One Hundred Fifty Thousand dollars (\$150,000.00) for three hundred (300) five hundred dollar (\$500.00) custom-designed Bass Pro Shops® gift cards. SGI shall invoice the ALC, on behalf of Alchemy, in the amount of Forty-One Thousand Two Hundred Ninety-Seven dollars and twenty-eight cents (\$41,297.28) for one (1) Nitro® Boat as detailed in the licensing agreement.
5. There is a program fee for the use of the Bass Pro Shops® PROPERTY – one point seventy-five percent (1.75%) of the potential sales for the GAME. This fee will not be determined until the final ticket quantity is delivered to the ALC.

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,



Bishop Woosley
Director

Enclosure

cc: Dr. George Hammons, Chair, Arkansas Lottery Commission
Mr. 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) ($\pm 5\%$) tickets of Instant Game No. 200 "Bass Pro Shops®" as fully described in Version 1 of the "Game Specifications" document dated July 02, 2013 with Prize Structure Version B dated June 19, 2013. Final invoice will be based on total number of tickets sold based on percentage of sales (1.8100%).

Instant Ticket Lottery Game Services: 1.5800%
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
UV		No Charge
1 Additional Pulse		\$2.50 per 1000
4 plate changes @ \$1.00 per plate		\$4.00 per 1000
Total Price For Options (estimated)		Total price per (1,000): \$8.39
2 additional scenes		\$2,000
Hash Prep File for Alchemy 3		\$1,500

ACKNOWLEDGED AND ACCEPTED:
Maam J. Monke
Scientific Games International (Printed)
Maam J. Monke
Scientific Games International (Signature)

Date

7/11/13

ACKNOWLEDGED AND ACCEPTED:
Michael C. Smith
Arkansas Lottery Commission (Printed)
Michael C. Smith
Arkansas Lottery Commission (Signature)

Date

7/11/2013