



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>

November 14, 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

RE: Notice of First Amendment to Agreement for Contractual Services

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 an amendment to the August 15, 2009, Agreement for Contractual Services for Online Lottery Game Services and Lottery Gaming System and Services between the Arkansas Lottery Commission ("ALC") and Intralot, Inc. ("Intralot") for the remainder of the contract term.

1. Date of Agreement: The Arkansas Lottery Commission approved the language of the First Amendment at its meeting on October 15, 2012.
2. Term of Agreement: This First Amendment is effective as of the day and year first written. It does not change the term (length) of the contract between the parties.
3. Vendor or other parties to the Agreement: Intralot.
4. Value (cost or cost savings projected for the agreement): The value is the projected increase in sales due to additional advertising; that amount is not yet known. There are no additional costs associated with this First Amendment.

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: Ben Pickard, Chair, Arkansas Lottery Commission
Roger Norman, Legislative Auditor, Division of Legislative Audit

FIRST AMENDMENT
TO
AGREEMENT FOR CONTRACTUAL SERVICES FOR ONLINE LOTTERY GAME SERVICES AND
LOTTERY GAMING SYSTEM AND SERVICES

THIS AGREEMENT dated effective as of August 1, 2012, by and between the Arkansas Lottery Commission ("Lottery"), P.O. Box 3238, Little Rock, AR 72203 and Intralot, Inc. ("Intralot"), 11360 Technology Circle, Duluth, Georgia 30097-1502 (collectively, the "Parties"), witnesses that the Parties have made the agreements set forth below:

RECITALS

WHEREAS, the State of Arkansas has, pursuant to Arkansas law, established the Lottery and authorized the Executive Director of the Lottery ("Director") to enter into contracts for the operation and promotion of the Lottery; and

WHEREAS, the Lottery issued a Request for Proposal for Online Lottery Game Services And Lottery Gaming System And Services dated 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 a Lottery Gaming System including a communications network, associated gaming products and support services ("Gaming System"); and

WHEREAS, upon evaluation of the proposals submitted in response to the RFP, the Lottery determined that the Intralot proposal dated July 21, 2009, ("Proposal") met or exceeded each of the requirements of the RFP and was the Successful Vendor pursuant to the Lottery's competitive proposal process; and

WHEREAS, as a result of said evaluation Lottery entered into the AGREEMENT FOR CONTRACTUAL SERVICES FOR ONLINE LOTTERY GAME SERVICES AND LOTTERY GAMING SYSTEM AND SERVICES, and

WHEREAS, the Parties now desire to amend the Agreement to fulfill commitments to enhance marketing efforts and offer the Lottery the ability to enhance sales efforts, then

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

I. The Contract, as relates to the Proposal, those relevant parts thereof, and the Proposal's incorporation by reference, specifically in respect of 3.0.2 TERMINALS, PERIPHERALS, AND SUPPORT, shall be, and hereby is, amended, to conform to the following terms, conditions, and provisions;

- The Parties agree that the provisions requiring the four hundred (400) twenty-six (26) inch monitors shall be deleted and revised to require six hundred (600) seventeen (17") or nineteen (19") inch Player Advertising Displays (PADs) and the components of the Basic Horizon System, as set forth in the Proposal, that will allow the ALC to initially display content for Lottery Game Promotions and Advertisements, Game Jackpots, and Amber/Silver Alerts.
- For all six hundred (600) PADs, Intralot agrees to provide either the tall version of the PAD (on a tip proof telescoping pole stand), or the short version (on a rugged mini-pedestal) as set forth in the Proposal. The retailer where the PAD will be located will determine which version of the PAD is installed. Intralot further agrees

to cover all costs and services associated with the installation and maintenance of the PADS and all cabling necessary to properly install the PADS.

- The Parties further agree that, subject to their mutual agreement, the ALC may choose to upgrade the Horizon System in the future. An upgrade to the Horizon System may include, but will not be limited to, Promotional Messages, Player Alerts, Social Alerts, Public Service Announcements, Game Winning Numbers, Progressive Jackpot Updates, and PADvertising.
- The Parties further agree that the ALC may decide to purchase more PADS without exercising the PADvertising option at the RFP contract price of two hundred dollars (\$200.00) per PAD.
- The Parties further agree that the ALC may elect to implement the PADvertising option in the future. Under such circumstances, Intralot agrees to provide PADS for all existing ALC retailers. The Parties also agree that Intralot will be compensated for the PADvertising option in a mutually agreeable manner.
- The Parties further agree that the initial six hundred (600) PADS will be properly installed on or before January 14, 2013, and the content will be operational and displayed and all installed PADS on or before January 21, 2013.


II. This First Amendment shall be effective as of the day and year first written above. The Contract shall remain in full force and effect and is reaffirmed in all respects, except as specifically amended by this First Amendment.

III. This First Amendment binds and benefits the Lottery and INTRALOT and their respective successors and assigns.

IV. This First Amendment may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall have the same legal effect as if the Parties had signed a single document.

IN WITNESS WHEREOF, the Lottery and INTRALOT have made and entered into this First Amendment as of the day and year first written above.

ARKANSAS LOTTERY COMMISSION

By:  10/26/12

Bishop Woosley
Director

INTRALOT, INC.

By: 

Thomas F. Little
President & CEO