



STATE OF ARKANSAS  
**Department of Finance  
and Administration**

**EXHIBIT D6**  
**OFFICE OF THE ARKANSAS LOTTERY**

Post Office Box 3238  
Little Rock, Arkansas 72203-3238  
Phone: (501) 683-2000  
Fax: (501) 683-1878  
<http://myarkansaslottery.com>

MEMORANDUM

June 1, 2020

***RE: Office of the Arkansas Lottery and Camelot Contract Extension.***

Terms:

- Extension of contract effective July 1, 2020 through June 30<sup>th</sup>, 2022.
- Camelot will no longer charge the OAL for travel and expenses.
  - Current contract allows for expenses of a maximum of \$100,000.00 per annum.
- Base Compensation: Up to a maximum of \$650,000.00 per annum in line with the current contract. Camelot will provide a minimum of 650 dedicated days working both in the State of Arkansas and externally. Any days not used by the OAL will result in a reduced cost at \$1,000.00 per day.
- Camelot will provide OAL an official reconciliation of resources used after 6 months and again at the end of the fiscal year for each year of the extension.
- Incentive Compensation:
  - Year One: For FY21, Camelot will receive 11.75% of all net operating income between \$78,200,000.00 - \$88,039,952.00 and 20% of any net operating income above \$88,039,952.00.
  - Net operating income will be defined as: Operating Income before expensing ADHE costs, Leg Audit costs, legal and professional costs, and depreciation costs.
  - The above incentive compensation applies to all current games of the OAL until Powerball and/or Mega Millions Jackpots exceed \$400 million dollars.
  - For Powerball and Mega Millions jackpots exceeding 400 million dollars Camelot shall receive 4% of gross profits for each draw of Powerball and Mega Millions. The gross profit will be considered 39.43% for Powerball and 40% for Mega Millions.
  - Prior to the launch of any Instant ticket price point exceeding \$20, the OAL and Camelot shall agree to an incentive compensation amount to be paid for proceeds from that game.
  - Prior to the launch of any in-state draw game, the OAL and Camelot shall agree to an incentive compensation amount to be paid for proceeds from that game.
  - Year Two: For FY22, OAL and Camelot will agree upon an incentive compensation plan by April 1, 2021.
- Both Camelot and the OAL may terminate the contract extension at any time and for any reason with 30 days written notice to the other party with no financial penalties assessed to either party.
  - Camelot's right to receive compensation in any form would terminate on the 30<sup>th</sup> day after notice has been given.

**Exhibit E**

- Camelot will continue to provide consulting services in the areas of instant tickets, draw games, advertising, marketing, retail and other areas that Camelot and the OAL agree upon annually as the parties do under the current contract.
  - Services provided by Camelot will include but not be limited to providing personnel requested by the OAL.
  - Services provided by Camelot may include a Digital Business Plan and/or Data Platform Technology and Analytics Services if agreed upon by the parties.
    - Camelot will provide all the resources required to include, all material costs, licensing, cloud-based technology, servers and technical support.