

**AGREEMENT FOR CONTRACTUAL SERVICES FOR INSTANT TICKET  
LOTTERY GAME SERVICES**

THIS AGREEMENT dated effective as of August 18, 2009, by and between the Arkansas Lottery Commission ("Lottery"), 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 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 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 Lottery 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 Lottery's competitive proposal process; and

WHEREAS, based on in-depth evaluations of SGI, the Lottery desires to enter into a contractual services agreement with SGI to provide a comprehensive solution to instant ticket operations, to include the manufacture of instant tickets, warehousing, ordering and distribution of instant tickets and marketing support services; and

WHEREAS, SGI desires to enter into such an agreement; then

NOW, THEREFORE, in consideration of the above premises, and the mutual promises set forth below, and subject to compliance with Arkansas Law, the Lottery and SGI, with this agreement (the "Gaming Services Agreement" or "Agreement"), hereby make the following agreements:

**AGREEMENTS**

**1. Contract Elements and Incorporations by Reference and Order of Priority**

The contract elements ("Contract Elements"), which are incorporated by reference, and the order of priority shall be as follows;

- a. The RFP, (Exhibit A);
- b. Clarifications, attachments and addenda to the RFP, (Exhibit B);
- c. SGI's proposal, (Exhibit C);
- d. Any Purchase Orders issued pursuant to this agreement, (Exhibit D);
- e. Any Certificates of Insurance or Bonds required pursuant to this agreement, (Exhibit E);
- f. Official Proposal Price Sheet (Exhibit F);
- g. Any addenda to SGI's proposal (Exhibit G);
- h. Arkansas Lottery Commission Rules for Claims in Contract or Tort (Exhibit H);
- i. Any future addenda, modifications or amendments to the contract which may be agreed to in writing between the parties, (Exhibit I); and
- j. SGI's performance bond or standby letter of credit. (Exhibit J)

2. Term of Contract: Seven (7) years from date of award, with an option for renewal up to three (3) additional times in one (1) year increments or a portion thereof.

3. Terms of Compensation: Instant ticket pricing for SGI's comprehensive product solution is located in SGI's *Official Proposal Price Sheet*. The attached pricing information was offered by SGI in response to Section 5.1.1 and 5.1.2 of the Instant Ticket Lottery Games Services Request for Proposal which commences with the execution of the Contract on the 18 day of August, 2009.

4. Specified, Invited and Offered Options - The Lottery may choose, during the Term or any renewals thereof, to acquire some or all of the options contained in the Contract Elements. The parties agree that the pricing indicated below, or where not set forth below, the pricing set forth in the Contract Elements, for the following items or other items contained in the Contract Elements will be applicable.

Additionally, goods and services not specifically identified within Exhibits A, B and C and of a nature similar to those provided or identified with instant ticket games may also be procured or provided by the vendor at the Lottery's request and approval. The Lottery is solely responsible for all cost associated with such goods and services provided pursuant to this section. The goods and services which may be procured include, but are not limited to, instant ticket games, computer hardware and software, supplemental training programs, system support services and consultative services for system management, and related goods and services for the efficient and effective operations of an instant ticket gaming system. All cost will be provided as a pass through charge at net cost, without mark up.

a. Pricing - Unless otherwise negotiated by the parties, the compensation to be paid for any other options offered by SGI and chosen by the Lottery, which are not specifically identified herein, will be calculated based on the pricing submitted by SGI in connection with its Proposal and addendums thereto.

5. Additional Covenants

a. It shall be a breach of ethical standards for a person to be retained, or to retain a person, to solicit or secure a state contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies maintained by the contractor for the purpose of securing business. SGI hereby covenants and agrees that no person shall

(i) be excluded from participation in, or be denied benefits of, this Agreement, or

(ii) be excluded from employment, denied any of the benefits of employment or otherwise be subjected to discrimination on the grounds of handicap or disability, age, race, color, religion, sex, national origin or ancestry, or any other classification protected by federal, Arkansas state constitutional, or statutory law. SGI agrees, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

b. SGI further agrees to maintain documentation for all charges against the Commission under this Agreement or any modifications or amendments thereto. The books, documents, papers, accounting records, and other evidence pertaining to products and/or services to be provided or performed or money received under this Agreement:

(i) shall be maintained for a period of five (5) full years from the date of the final payment; and

(ii) shall be subject to audit or inspection at any reasonable time and upon reasonable notice by the Commission or its duly appointed representatives. SGI agrees to make such materials available at its offices, and copies thereof shall be furnished to the Commission or its duly appointed representative by SGI, at no cost to the Commission or its duly appointed representative, if requested by the Commission or its duly appointed representative. Such records shall be maintained in accordance with any applicable provisions of generally accepted accounting principles (or other applicable accounting principles or policies) and any other applicable procedures established by the Commission from time to time.

c. SGI and the Lottery shall be bound to confidentiality of any information that its employees may become aware of during the course of performance of contracted services. Consistent and/or uncorrected breaches of confidentiality may constitute grounds for cancellation of the Contract.

SGI represents and warrants that its performance under the Contract will not knowingly infringe any patent, copyright, trademark, service mark, or other intellectual property rights of any other person or entity and that it will not constitute the unauthorized use or disclosure of any trade secret of any other person or entity.

The parties further agree that any and all disputes which may arise from this Contract shall be governed and resolved under the Arkansas Lottery Commission Rules for Claims in Contracts or Torts.

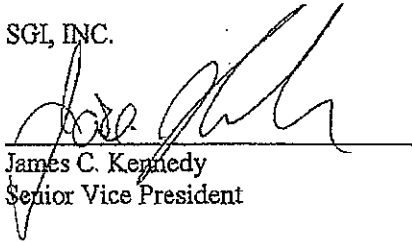
IN WITNESS WHEREOF, the parties have executed this Contractual Services Agreement on this 18 day of August, 2009.

ARKANSAS LOTTERY COMMISSION



Ernie Passailaigue  
Executive Director

SGL, INC.



James C. Kennedy  
Senior Vice President