AGREEMENT FOR CONTRACTUAL SERVICES FOR SUPPLEMENTAL ADVERTISING, MARKETING AND MEDIA SERVICES

THIS AGREEMENT, effective as of July 8, 2014, by and between the Arkansas Lottery Commission ("Lottery"), P.O. Box 3238, Little Rock, AR 72203 and Mangan Holcomb Partners ("Mangan Holcomb"), 2300 Cottondale Lane, Suite 300, Little Rock, Arkansas 72202, 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 Director of the Lottery ("Director") to enter into contracts for advertising, marketing and media services; and

WHEREAS, the Lottery issued a Request for Qualifications for Proposals for Supplemental Advertising, Marketing and Media Services ("RFQ") and whereas, upon evaluation of the proposals submitted in response to the RFQ, the Lottery determined that the Mangan Holcomb proposal dated June 5, 2014, ("Proposal") met or exceeded each of the requirements of the RFQ and was a Successful Vendor pursuant to the Lottery's competitive proposal process; and

WHEREAS, based on in-depth evaluations of Mangan Holcomb, the Lottery desires to enter into a contractual services agreement with Mangan Holcomb for Supplemental Advertising, Marketing and Media Services; and

WHEREAS, Mangan Holcomb 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 Mangan Holcomb, with this agreement (the "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 RFQ (Exhibit A)
- b. Mangan Holcomb Partners RFQ response (Exhibit B)
- c. Mangan Holcomb Partners Negotiated Cost Schedule and Supplemental Pricing Information (Exhibit C);
- d. Arkansas Lottery Commission Rules for Claims in Contract or Tort (Exhibit D);

- 2. <u>Term of Contract:</u> One (1) year from date of award, with an option for renewal up to two (2) additional times in one (1) year increments or a portion thereof. The ALC will have the option to renegotiate at time of renewal.
- 3. <u>Terms of Compensation:</u> The terms of compensation are set forth in the Mangan Holcomb Partners Cost Schedule and Supplemental Pricing Information (Exhibit C).

4. 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. Mangan Holcomb 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. Mangan agrees to, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- b. Mangan Holcomb 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 shall be:
- (i) maintained for a period of five (5) full years from the date of the final payment; and
- (ii) subject to audit or inspection at any reasonable time and upon reasonable notice by the Commission or its duly appointed representatives. Mangan Holcomb agrees to make such materials available at its offices, and copies thereof shall be furnished to the Commission or its duly appointed representative by Mangan Holcomb, 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. Mangan Holcomb 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.

- d. Mangan Holcomb 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.
- e. 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 8th day of July, 2014.

ARKANSAS LOTTERY COMMISSION

W. Bishop Woosley Director

Mangan Alcomb Partners

David Rain water Principal.CEO