



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>

February 28, 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 attachments as notice of the execution of a Non-Exclusive Licensing Agreement between the Arkansas Lottery Commission and Scientific Games International on February 22, 2013. The non-exclusive licensing agreement allows the ALC to reproduce, use, and make copies of Instant Game No. AR-187 American Muscle® licensed property. Pursuant to the requirements of the letter of December 14, 2010, I provide you with the following requested information related to this agreement:

1. Date of Agreement: February 22, 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: Scientific Games International.
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 \$1.89 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 the ALC in the amount of Sixty Seven Thousand Dollars (\$67,000.00) after fulfillment of each Grand Prize for this game, up to a maximum of two Grand Prizes, One Hundred Thirty Four Thousand Dollars (\$134,000.00) total. There are no additional costs for the use of American Muscle®, nor for the image or use of any of the vehicles (Chevrolet, Ford, Dodge) the grand prize winners can choose from.

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,

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

Order/Price Confirmation

Scientific Games International
1500 Bluegrass Lakes Parkway
Alpharetta, GA 30004

This letter constitutes the order of the ARKANSAS LOTTERY COMMISSION for nine hundred sixty thousand (960,000) ($\pm 5\%$) tickets of Instant Game No. 187 "American Muscle®" as fully described in Version 1 of the "Game Specifications" document dated February 12, 2013 with Prize Structure Version A dated January 28, 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	960,000	\$1.89 per 1000
UV		No Charge
Total Price For Options (estimated)		Total price per (1,000): \$1.89
3 additional scenes		\$3,000

ACKNOWLEDGED AND ACCEPTED:

Martha Hernandez
Scientific Games International (Printed)

[Signature]
Scientific Games International (Signature)

Date

2/19/13

ACKNOWLEDGED AND ACCEPTED:

Michael C. Smith
Arkansas Lottery Commission (Printed)

[Signature]
Arkansas Lottery Commission (Signature)

Date

2/19/2013