LOTTERY SPORTS GAMING
TYPE C SPORTS GAMING PROPRIETOR SERVICES CONTRACT

Contents

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THIS SERVICES CONTRACT ("Contract") is entered into this 10th day of November 2022, by and between Intralot US ("Proprietor"), and the Ohio Lottery Commission ("Lottery"), collectively referred to herein as the "Parties". This Contract will be effective on the date of the last signature set forth below ("Effective Date").

RECITALS

WHEREAS, on December 8, 2021, House Bill 29 was passed into law which allows licensed Type C Sports Gaming Proprietors to contract with the Lottery to operate Lottery Sports Gaming on behalf of the Lottery;

WHEREAS, the State of Ohio duly enacted Chapter 3770 of the Ohio Revised Code ("ORC"), as amended, which, among other things, established the Lottery and authorized the Executive Director of the Lottery ("Director") to enter into contracts for the operation and promotion of Lottery Sports Gaming;

WHEREAS, upon licensure by the Ohio Casino Control Commission ("OCCC"), the Lottery determined that Proprietor was able to provide competitive sports gaming products and services with the highest quality and integrity standards and utilize the necessary technology that will enable the Proprietor to readily adapt to regulatory and legal changes;

WHEREAS, the Lottery desires to contract with Proprietor, as a Type C Sports Gaming Proprietor, to be responsible for the establishment, implementation, operation, and maintenance of Lottery Sports Gaming within the state under the direction of the Lottery; and

WHEREAS, the Parties desire to set forth the mutually acceptable terms and conditions for the implementation, operation, and maintenance of a Lottery Sports Gaming System.

THEREFORE, in consideration of the above promises and mutual promises set forth below and subject to compliance with the ORC, the Ohio Administrative Code ("OAC"), any certification required from the Director of the Office of Budget and Management for the State of Ohio, and any release and permit required by law, including, without limitation, the requirements of ORC §126.07, the Parties agree as follows:

1. Contract Elements and Incorporations

This Contract incorporates by reference, as integral parts, a list of all Plans included in the Lottery Operating Standards.

Amendments, Change Orders and Purchase Orders issued after the Contract is executed may expressly change the provisions of the Contract. If they do so expressly, then the most recent of them will take precedence over anything else that is part of the Contract.

With respect to the Contract, the addendum, and clarifications thereto, these documents in their entirety are incorporated herein; however, certain portions may not be public records pursuant to the ORC and will not be made public unless required by law.

2. Services

Proprietor agrees to perform the following services (the "Services") in a timely, expeditious and professional manner:

a. Proprietor will obtain and maintain a Type C Sports Gaming Proprietor License issued by the OCCC in accordance with ORC Chapter 3775. Failure to maintain a valid Type C Proprietor license will result in termination of this Contract;

b. Proprietor will provide internal control standards for Lottery approval and comply with all Ohio Lottery Operating Standards (Attachment Six) related to Lottery Sports Gaming;

c. The Proprietor will provide the Lottery detailed procedures related to the below items:

(1) Customer Service Plan

- i. Proprietor will have their own customer service staff dedicated to the Lottery and Lottery Sports Gaming issues.
- ii. Proprietor will notify the Lottery of any staff changes within two (2) weeks of the change occurring and provide a plan for filling open positions.
- iii. Proprietor's Customer Service Plan will provide specific hours of operation for customer service staff and all available methods for contact (phone, email, etc.).
- iv. Proprietor will provide a dedicated Lottery Sports Gaming toll free customer hotline.
- v. Proprietor will be responsible for providing agreed upon customer service reporting.
- vi. On an annual basis, Proprietor will provide to the Lottery a staffing plan outlining current customer care and call center staffing levels and planned hires, if any, (including the location of all existing staff and planned hires) necessary to continue meeting the applicable service levels of this Contract.
- vii. Proprietor's plan must include all requirements specified in the Business Plan Submission referenced in the Ohio Lottery Operating Standards (Attachment Six).

(2) Comprehensive Field Service & Maintenance Plan

- i. Proprietor will have their own field service staff dedicated to the Lottery and primarily for Sports Gaming issues hired by an agreed upon date, to be determined by Proprietor and Lottery. Staffing levels and planned hires must continue to meet the applicable field service, installation, and maintenance service levels of this Contract.
- ii. Proprietor will notify the Lottery of any staff changes within two (2) weeks

of the change occurring and provide a plan for filling open positions.

iii. Proprietor will provide specific hours of operation for field service staff and all available methods for host and staff to contact Proprietor (phone, email, etc.).

iv. Provide agreed upon reports on service issues and maintenance.

v. Proprietor is responsible for ensuring all applicable Lottery Sports Gaming field service staff hold an Occupational license if required by the OCCC prior to performing any work related to Lottery Sports Gaming. On an annual basis, provide a field service staffing plan outlining current staffing levels and planned hires (including the location of all existing staff and planned hires) necessary to continue meeting the applicable service levels of this Contract.

vi. Proprietor's plan must include all requirements specified in the Ohio Lottery Operating Standards (Attachment Six).

(3) Training plans must be multifaceted by incorporating tools and materials such as videos, quick reference guides, manuals, etc. for host and non-host cashing locations (if utilized). The plan must include training for onboarding new locations post launch. All training tools and materials must be submitted to the Lottery for review; and

i. Training plans must not rely on or incorporate Lottery staff to facilitate or provide training to hosts or non-host cashing locations.

ii. Proprietor will include an overview of how Proprietor will train the necessary Lottery staff, including but not limited to regional sales, call center, customer service, finance, and IT staff.

iii. Proprietor's plan must include all requirements specified in the Ohio Lottery Operating Standards (Attachment Six).

3. Equipment Installation, Relocation, Additions

a. Pursuant to OAC §3770:3-5-01, Proprietor will be required to submit a request to the Lottery to place more than two terminals, self-service or point of sale terminals, at any host location. The request from Proprietor will be separate from existing requests for traditional Lottery equipment, must come in a manner prescribed by the Lottery, and will be subject to approval by the Director in conjunction with the OCCC.

b. Proprietor will notify the Lottery of any non-host cashing locations with which it enters into an agreement to cash/validate Lottery Sports Gaming prizes, prior to installing and allowing access to an approved cashing solution.

c. The recruitment and applicable host and Lottery staff training is the responsibility of Proprietor.

d. Proprietor will coordinate, in conjunction with the Lottery, the placement of at least one self-service terminal solely dedicated to the sale of traditional Lottery products and one terminal dedicated to sports and lottery at each host location with which they partner, unless otherwise agreed upon by the Director.

e. No terminals that sell Lottery products and/or Lottery Sports Gaming may be moved, without permission of the Lottery, unless the purpose is to protect the equipment from damage. Notification to the Lottery must be provided within twenty-four (24) hours of an equipment move.

f. The Lottery retains the right to remove or relocate any existing Lottery equipment being utilized for Lottery Sports Gaming based on overall profitability of retailer sales, as authorized by the Director.

g. Unless otherwise authorized by the Director, the Proprietor will not transfer Multi-Purpose Touch and Win (MPTW) terminals from an existing retailer location to a different host location for the primary purpose of offering Lottery Sports Gaming at the new host.

h. The cost of additional equipment solely dedicated to the sale of Lottery Sports Gaming, and not offering traditional Lottery products, will be at the sole expense of Proprietor, not the Lottery.

4. Base Compensation, Fees, and Electronic Funds Transfer ("EFT")

a. Pursuant to OAC §3770:3-8-01, the Lottery will retain a thirty-two-point five percent (32.5%) share of the gross Lottery Sports Gaming revenue generated from Proprietor's Type C Sports Gaming activity when utilizing the Lottery equipment and infrastructure during the first full year of operations. Such rate may be reviewed and adjusted by the Lottery, each year thereafter, not to exceed thirty-two-point five percent (32.5%). Gross Lottery Sports Gaming revenue is defined as sales minus prizes paid minus approved promotional credits minus cancellations.

b. The Lottery will remit the Proprietor's Share ("Proprietor's Share") to Proprietor on a bi-weekly basis. The revenue collected from host locations, less thirty-two-point five percent (32.5%) of the total gross Lottery Sports Gaming revenue at the time of collection will be retained by the Lottery. Proprietor's Share will be the remaining sixty-seven-point five percent (67.5%) revenue balance, less retailer commission, any uncollected funds, chargeable service fees, and prizes paid on Proprietor's behalf as outlined in Section 5 – "Additional Services and Compensation" of this Contract. A credit will be included on future invoices for any Non-Transfer of Funds ("NTF") amount excluded from the previous period that were collected by the Lottery during the current invoice period.

c. If the amount of gross Lottery Sports Gaming revenue, in a given invoice period is a negative figure, Proprietor will be responsible for reimbursing the full negative balance owed back to the Lottery prior to the end of the following invoice period.

   (1) The Director may approve any negative adjusted gross receipts which may be carried over and calculated as a deduction on the subsequent gaming week, until the negative figure has been brought to a zero balance or for the next two (2) invoice periods if a negative balance persists. If a negative balance continues after the aforementioned two (2) invoice periods, the balance will automatically be brought to zero (0) for the next invoice period start.

d. The Lottery will conduct an Electronic Funds Transfer ("EFT") sweep of all Proprietor host locations for Lottery Sports Gaming funds on a specific day each week designated by the Lottery.

e. Any host location where an NTF occurs, during the Lottery Sports Gaming EFT sweep, will be handled as part of the existing traditional Lottery collections infrastructure for the first forty (40) days, unless mutually agreed upon by both parties. On the forty-first (41st) day of collections, the Lottery will write off the funds from the Lottery system and the uncollected balance will be remitted to Proprietor for their own collections.

f. An NTF that occurs on the Lottery Sports Gaming EFT sweep will not affect the selling status for host locations on the traditional Lottery side. Hosts will continue active selling on the traditional side as long as all traditional Lottery funds are collected timely.

    (1) Proprietor reserves the right to deactivate Lottery Sports Gaming for a host location if funds are not paid at the time of the Lottery Sports Gaming EFT sweep. Proprietor will notify the Lottery of their procedures for deactivation and eventual reactivation of Lottery Sports Gaming for hosts that experience an NTF.

    (2) The Director will consider requests made by Proprietor to deactivate Lottery sales if a retailer does not meet agreed to standards.

g. An NTF that occurs during the EFT sweep for traditional Lottery proceeds will result in both traditional Lottery sales and Lottery Sports Gaming sales functions to be deactivated until the full balance due is paid to the Lottery.

    (1) Both Point of Sale (POS) and self-service terminals will be deactivated, and the retailer moved into inactive status as soon as the NTF is reflected in the system. Notification will be provided to the Proprietor at that point, in a manner prescribed by the Director.

h. If Proprietor utilizes approved non-host locations for prize cashing/validation only, the Lottery will conduct a separate EFT on a specific day each week designated by the Lottery. Any potential cashing bonuses or commissions given to non-host locations for expanded cashing capabilities will be the responsibility of Proprietor, not the Lottery.

i. The Lottery will utilize its existing process for issuing 1099 documents related to Lottery Sports Gaming for commissions included on the Host's weekly invoice report.

j. The sports gaming compensation for host locations is the responsibility of Proprietor, not the Lottery.

k. Proprietor is required to provide a mail solution for prize payment redemption. As referenced in Section 5, Additional Services and Compensation, the Lottery offices are an acceptable mail solution option. Proprietor is required to provide a mail -in option for prize payment redemption.

l. Proprietor agrees to absorb all convenience, processing, and any other fees associated with cashless transactions related to Lottery Sports Gaming, in addition to the fees outlined in Section Five, "Additional Services and Compensation," of this Contract.

m. Lottery agrees in consideration of the fees it receives pursuant to this Section 4, to provide the services set forth and defined in Attachment Eleven, attached hereto and incorporated herein.

The obligations of the Lottery hereunder will not constitute a general obligation of indebtedness or multiple year direct or indirect debt or other financial obligations whatsoever within the meaning of the Constitution or laws of the State of Ohio.

5. Additional Services and Compensation

a. In-Person Prize Payments – The Lottery agrees to facilitate the payment of prizes at Lottery offices.

   (1) The Lottery will use its central office address: 615 West Superior Ave, Cleveland OH 44113 for Lottery Sports Gaming prize vouchers.

   (2) The Lottery will provide its nine regional offices for additional prize payment abilities. Each office will be able to validate Proprietor prize vouchers using a POS terminal equipped for Lottery Sports Gaming or any other method approved by the Director.

b. Mobile Cashing and Super Retailers – The Lottery may allow for expanded use of our existing mobile cashing application and super retailer locations for prize cashing of all Proprietor tickets. The Lottery will provide the necessary specifications and layout the requisite information needed for both solutions from the Proprietor to utilize these optional solutions for cashing wager tickets in the future.

c. Service Fees – The Lottery reserves the right to chargeback any service fees associated with Know Your Customer ("KYC") checks for expanded mobile cashing or super retailer cashing, and any other potential fees paid by the Lottery on behalf of the Proprietor for the processing of prize payments. The Lottery will charge a transaction fee in the amount of one dollar ($1.00) for prizes paid through the Lottery mobile cashing and super retailer claims system. The fee will be processed as a separate line item against the bi-weekly invoice.

d. Internal Control System Updates – Proprietor agrees to pay for any updates to Certification system needed for Sports Gaming testing and production.

We, the undersigned, hereby agree to the provisions set forth in this Contract.

For Lottery:

Printed Name

Title

Signature

Date

For Proprietor:

Byron E. Boothe, Jr.

Printed Name

CEO

Title

Signature

Nov. 10, 2022

Date

Attachment One: General Terms and Conditions

Part One: Performance and Payment

Statement of Work

The Proprietor's Specifications and Documentation (collectively, the "Project Documents") are a part of this Contract and describe the work (the "Project") the Proprietor must perform and any materials the Proprietor must deliver (the "Deliverables") under this Contract. The Proprietor must perform the Project in a professional, timely, and efficient manner and must meet all milestones in a proper fashion. The Proprietor also must furnish its own support staff necessary for the satisfactory performance of the Project.

Proprietor must consult with the appropriate Lottery representatives and others necessary to ensure a thorough understanding of the Project and satisfactory performance. The Lottery may give instructions to or make requests of the Proprietor relating to the Project, and the Proprietor must comply with those instructions and fulfill those requests in a timely and professional manner. Those instructions and requests will be for the sole purpose of ensuring satisfactory completion of the Project and will not amend or alter the scope of the Project.

Term of the Contract

Contingent upon all the requisite approvals of the Ohio Controlling Board (if required), any certification by the Director of the Ohio Office of Budget and Management, and any release and permit required by the Ohio Department of Administrative Services, Office of Information Technology, the Term of this Contract, including any subsequent renewals, will be from the January 1, 2023, for five (5) years, running concurrently with the Type C Sports Gaming Proprietor license issued by the OCCC, for system implementation and operation. This Contract may run a shorter period, as determined by the Lottery, only due to causes such as termination, non-approval by the Ohio Controlling Board, or loss of biennial appropriations by the Ohio General Assembly. The Lottery will seek all necessary approvals to renew this contract, provided that this Contract has not been terminated at an earlier date. The Contract will be renewed for up to two (2) additional two-year (2) terms and one additional six-month term (the "Renewal Periods"), subject to and contingent upon the discretionary decision of the Ohio General Assembly to appropriate funds for this Contract in each new biennium, and the approval of the Ohio Controlling Board pursuant to ORC §127.16, with the final contract term expiring December 31, 2027. The Contract will remain in effect until: (1) the ending date of the Term; (2) this Contract is fully performed by both parties; (3) this Contract is canceled or terminated; (4) Proprietor's license issued by OCCC expires or is revoked; or (5) Proprietor is no longer providing the Central Gaming System for traditional Lottery; whichever date is earlier.

If Proprietor is no longer providing the Central Gaming System, the Lottery will agree to enter into a new Type C Sports Gaming Contract.

Given due consideration to the interest of both Parties in respect of the stability and effective implementation of the Proprietor Service Contract and considering the significant financial and other resources committed by Proprietor to the Lottery for the implementation of the full scope and tenure of the Proprietor Services Contract, the Lottery will agree to sell any applicable Sports Gaming equipment to the Proprietor for their use of Sports Gaming. Costs will be negotiated separately.

Terms of Compensation

Terms of Compensation during Initial Term. Proprietor will receive no compensation from the Lottery until the initial implementation requirements and obligations have been completed and the production operations have commenced and are operating on the Proprietor Lottery Sports Gaming System. It is expected that the Proprietor Sports Gaming System will be implemented in one or more phases (the initial phase being, "Phase One") and that implementation of Phase One will successfully take place on January 1, 2023.

Terms of Compensation during Renewal Periods. Following the expected implementation, on January 1, 2023, and with written acknowledgement by the Director that Phase One of the Proprietor Sports Gaming System is functional and performing to the standards and functional specifications agreed to by both parties, and subject to the Contract, Proprietor will begin to receive compensation for services provided under the Contract.

Compensation

In consideration of the Proprietor's promises and satisfactory performance, the Lottery will remit to the Proprietor, the Proprietor's Share, at the time of collection. Proprietor's Share consists of the remaining sixty-seven-point five percent (67.5%) revenue balance, less any uncollected funds, chargeable service fees, and prizes paid on Proprietor's behalf. A credit will be included on future invoices for any NTF funds excluded from the previous period that were collected by the Lottery during the current invoice period. Payment of the Proprietor's Share also is contingent on the Proprietor delivering a proper invoice and any other documents required. An invoice must comply with the Lottery's then current policies regarding invoices and their submission. The Lottery will notify the Proprietor in writing within fifteen (15) business days after it receives an invoice with any defects and provide the information necessary to correct the defect(s).

Fiscal years commence on July 1st of each year and conclude on June 30th of each year.

Estimated compensation due Proprietor with respect January 1, 2023, through June 30, 2023, will not exceed three million eight hundred thousand dollars ($3,800,000). The Lottery will seek authority to increase if necessary.

The Lottery will pay Proprietor interest on any late payment, as provided in ORC §126.30. If the Lottery disputes a payment for anything contained in an invoice, within fifteen (15) business days after receipt of that invoice, the Lottery will notify Proprietor, in writing, stating the grounds for the dispute. The Lottery then may deduct the disputed amount from its payment as a nonexclusive remedy.

The Lottery will consult with Proprietor, as early as reasonably possible, about the nature of the claim or dispute and the amount of payment affected. When Proprietor has resolved the matter to the Lottery's satisfaction, the Lottery will pay the disputed amount within thirty (30) business days after the matter is resolved. The Lottery has no obligation to make any disputed payments until the matter is resolved, and the Proprietor must continue its performance under this Contract pending resolution of the dispute or claim.

If the Lottery has already paid Proprietor on an invoice, but later disputes the amount covered by the invoice, and if Proprietor fails to correct the problem within thirty (30) calendar days after written notice, Proprietor must reimburse the Lottery for that amount at the end of the thirty (30) calendar days as a nonexclusive remedy for the Lottery. On written request from Proprietor, the Lottery will provide reasonable assistance in determining the nature of the problem by giving Proprietor reasonable access to the Lottery's facilities and any information the Lottery has regarding the problem.

Time of the Essence

Time of performance of the Contract is of the essence. Proprietor agrees to complete all services as required by this Contract, and pass the Lottery's Acceptance Testing prior to, implementation on January 1, 2023. A revised Implementation Plan and timeline for any additional items outside of the base system, including the related Tasks identified in the phase 2 project plan, will be mutually negotiated to achieve these proposed deadlines.

The Parties acknowledge that certain elements of this schedule may change; however, Proprietor will provide Phase One of a Lottery Sports Gaming System that is functioning and operational to the satisfaction of the Lottery, in accordance with mutually agreed upon functional specifications, which may be subject to mutually agreed upon changes, no later than January 1, 2023.

Travel

Any travel that Proprietor requires to perform its obligations under this Contract will be at the Proprietor's expense.

Right of Offset

The Lottery may set off the amount of any liquidated damages, other damages or claims for damages, as well as other obligations of the Proprietor or its subsidiaries and/or subcontractors to the Lottery, including any amounts the Proprietor owes to the Lottery under this contract against any payments due from the Lottery to the Proprietor.

Certification of Funds

None of the rights, duties, or obligations in this Contract, or any renewals thereof, will be binding on the Lottery, and the Proprietor will not begin or continue its performance until all the following conditions have been met:

a. All statutory provisions under the ORC, including §126.07, have been met;
b. All provisions contained in ORC Chapter 3775 and OAC §3775-16-06, have been met;
c. All necessary funds are made available by the appropriate Lottery entities; and
d. If required, the Ohio Controlling Board approval.

Employment Taxes

All people employed by the Proprietor (the "Proprietor Personnel") are employees or subcontractors of the Proprietor. None of the Proprietor Personnel are or will be deemed employees or contractors of the Lottery. None of the Proprietor Personnel will be entitled to participate in, claim benefits under, or become an "eligible employee" for purposes of any employee benefit plan of the Lottery by reason of any work done under this Contract.

The Proprietor will pay all federal, state, local, and other applicable payroll taxes and make the required contributions, withholdings, and deductions imposed or assessed under any provision of any law and measured by wages, salaries, or other remuneration paid by or which may be due from the Proprietor to the Proprietor Personnel.

The Proprietor will indemnify, defend (with the consent and approval of the Ohio Attorney General), and hold the Lottery harmless from and against all claims, losses, liability, demands, fines, and expense (including court costs, defense costs, and redeemable attorney fees) arising out of or relating to such taxes, withholdings, deductions, and contributions with respect to the Proprietor Personnel. The Proprietor's indemnity and defense obligations also apply to any claim or assertion of tax liability made by or on behalf of any Proprietor Personnel or governmental agency on the basis that any Proprietor Personnel are employees or contractors of the Lottery, that the Lottery is the "joint employer" or "co-employer" of any Proprietor Personnel, or that any Proprietor Personnel are entitled to any employee benefit offered only to eligible regular fulltime or regular part-time employees of the Lottery.

Sales, Use, Excise, and Property Taxes

The State of Ohio and the Lottery is exempt from federal excise taxes, all state and local taxes, sales and use, and property tax. To the extent sales, use, excise, or any similar tax is imposed on the Proprietor in connection with the Project, such will be the sole and exclusive responsibility of the Proprietor. Further, the Proprietor will pay such taxes, together with any interest and penalties not disputed with the appropriate taxing authority, whether they are imposed at the time the Services are rendered or a later time. The Lottery will not pay any taxes on commodities, goods, or services acquired from, or by, Proprietor. Proprietor must, however, comply with all statutes, rules and regulations governing federal, state, and local income, sales, and excise taxes.

Part Two: Work and Contract Administration

Other Contractors

The Lottery may hold other contracts for additional or related work, including independent verification and validation ("IV&V") work for this Project. The Proprietor must offer reasonable cooperation with all other contractors and Lottery employees and coordinate its work with such other contractors and Lottery employees as may be required for the smooth and efficient operation of all related or additional work.

The Proprietor may not act in any way that may unreasonably interfere with the work of any other contractors or the Lottery's employees. Further, the Proprietor must fully cooperate with any IV&V contractor assigned to this Project. Such cooperation includes expeditiously providing the IV&V contractor with full and complete access to all Project work product, records, materials, personnel, meetings, and correspondence as the IV&V contractor may request. If the Lottery assigns an IV&V

contractor to the Project, the Lottery will obligate the IV&V contractor to a confidentiality provision similar to the Confidentiality Section contained in this Contract. Additionally, the Proprietor must include the obligations of this provision in all its contracts with its subcontractors that work on this Project.

Subcontracting

The Proprietor will not enter into subcontracts related to the Project after award without written approval from the Lottery. All subcontracts will be at the sole expense of the Proprietor unless expressly stated otherwise in the Contract.
The Lottery's approval of the use of subcontractors does not mean that the Lottery will pay for them. The Proprietor will be solely responsible for payment of its subcontractor and any claims of subcontractors for any failure of the Proprietor or any of its other subcontractors to meet the performance schedule or performance specifications for the Project in a timely and professional manner. The Proprietor must hold the Lottery harmless for and must indemnify the Lottery against any such claims.

The Proprietor assumes responsibility for all Deliverables whether it, a subcontractor, or third-party manufacturer produces them in whole or in part. Further, the Proprietor will be the sole point of contact with regard to contractual matters, including payment of all charges resulting from the Contract. Further, the Proprietor will be fully responsible for any default by a subcontractor, just as if the Proprietor itself had defaulted. If the Proprietor uses any subcontractors, each subcontractor must have a written agreement with the Proprietor. That written agreement must incorporate this Contract by reference. The agreement also must pass through to the subcontractor all provisions of this Contract that would be fully effective only if they bind both the subcontractor and the Proprietor. Among such provisions are the limitations on the Proprietor's remedies, the insurance requirements, record keeping obligations, and audit rights.

Some sections of this Contract may limit the need to pass through their requirements to subcontracts to avoid placing cumbersome obligations on minor subcontractors. This exception is applicable only to sections that expressly provide an exclusion for small-dollar subcontracts. Should the Proprietor fail to pass through any provisions of this Contract to one of its subcontractors and the failure damages the Lottery in any way, the Proprietor must indemnify the Lottery for the damage.

Record Keeping

The Proprietor must keep all financial records in accordance with generally accepted accounting principles or equivalent consistently applied. The Proprietor also must file documentation to support each action under this Contract in a manner allowing the documentation to be readily located. Additionally, the Proprietor must keep all Project-related records and documents at its principal place of business or at its office where the work was performed.

Audits

During the term of this Contract, and for three (3) years after the end of the contract, on reasonable notice, and during customary business hours, the Lottery may audit the Proprietor's records and other materials that relate to the Project. This audit right also applies to the Lottery's duly authorized representatives and any person or organization providing financial support for the Project. Lottery audit rights will apply to those Proprietor materials that are required to verify the accuracy of a Proprietor invoice to the Lottery inclusive of: Proprietor personnel timesheets; Proprietor purchased or provided equipment for benefit of the Lottery that will remain in the Lottery's possession; Lottery deliverable acceptance documentation; any required Lottery written approvals as required herein; final work products and deliverables; any partial or incomplete work products or deliverables that the Proprietor submits for partial compensation from the Lottery as a result of termination of this contract.

Right to Terminate because of Audit Findings

In the event the Lottery determines that the results of any examination of the Proprietor is unsatisfactory per the requirements of the Contract and not remedied within a sixty (60) day period following written notice from the Lottery, the Lottery may terminate this Contract, in part or in full.

If the Proprietor fails to satisfy the requirements of the Lottery regarding security of information, or if an examination reveals information that would result in a continuing contractual relationship that causes the Lottery to be in violation of any law, the Lottery may terminate this Contract immediately without notice.

Bond and Insurance Requirements

The Insurance obligations under this Contract must meet the minimum Insurance coverage requirements at amounts sufficient for this size of the contract and work performed. Any insurance proceeds in excess of or broader than the minimum required coverage and/or minimum required limits, which are applicable to a given loss, must be available to the State of Ohio.

Bonds

Performance Bond/Proposal Guarantee. Proprietors must provide a Performance Bond that must remain in place through the term of the Contract and may be renewed or continued annually with the approval of the State. Proprietors must enclose a letter of commitment from a bonding company for the performance bond with its Contract. A standard bond form, from any company authorized to do business within the state of Ohio, is acceptable. The bond will be made payable to the Treasurer, State of Ohio.

Litigation Bond In lieu of the litigation bond required in this subsection, an Offeror may submit with the Proposal an acceptable written statement to the State guaranteeing that it will not file any litigation, claims, demands, protests or causes of action seeking a contract award, damages or judgments of any kind whatsoever against the State of Ohio, the Lottery or any of its officers or employees, Commissioners or other Offerors with regard to any matter relating to this Contract. If the above statement is not provided, Proprietor must submit a litigation bond. A claim upon the bond may be made by the Lottery if:

A Proprietor sues the State of Ohio, or any of its officers, employees, other, or Commissioners regarding any matter relating to the Contract; and the Lottery or other defendant is the prevailing party in such suit; or the court determines that such suit or any portion thereof was frivolous, was commenced in bad faith, or was unreasonable.

The purpose of the bond is to discourage unwarranted litigation by permitting the Lottery or other defendants to recover damages, including reasonable attorneys' fees, resulting from such litigation. The litigation bond will remain in effect for a period of two years from the date of the Contract. Failure to submit either the statement requested, or the litigation bond required in lieu of the statement may be cause for rejection of the Contract.

Fidelity Bond or Crime Insurance. One of the following must be purchased and maintained:

a. FIDELITY BOND: The State requires a Fidelity Bond for the Proprietor. This bond covers any loss to the Lottery due to any fraudulent or dishonest act(s) on the part of any Contractor or any subcontractor, or any officer, employee, or agent thereof, to be submitted upon the awarding of the Contract. A fidelity bond from an insurance company authorized to conduct business within the State of Ohio that is rated "A-/VI" or better, and on a bond form that is specific to the contract (advertising production business), is acceptable. The bond will be made payable to the State of Ohio and will specifically reference the Contract. The bond will be in effect for the duration of the Contract and/or any approved extension periods as listed in the Contract.
b. CRIME INSURANCE: The Proprietor must purchase and maintain a third-party crime contract specific coverage policy with a per occurrence limit for the Proprietor. The policy must provide on and off premises employee dishonesty, theft and disappearance of other property and must include a loss payable endorsement naming the State of Ohio and the Lottery as loss payees. If the Proprietor utilizes contract employees or independent contractors, the policy will be endorsed to include such individuals in the definition of "employee." The policy will be in effect for the duration of the Contract and/or any approved extension periods as listed in the Contract.

Media Liability (Errors and Omissions): The Proprietor will provide media liability insurance with covered perils included but not limited to: Defamation; Invasion of Privacy; Copyright and Trademark Infringement; Plagiarism; Piracy; Unfair Competition; Infliction of Emotional Distress; Misappropriation of Ideas; Libel and Slander. Coverage must be sufficiently broad to respond to the duties and obligations as is undertaken by Proprietor in this Contract and must cover all applicable Proprietor personnel or subcontractors who perform professional services related to this Contract.

Insurance

The Proprietor must procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Proprietor, its agents, representatives, or employees. Proprietor must procure and maintain for the duration of the contract insurance for claims arising out of their professional services and including, but not limited to loss, damage, theft or other misuse of data, infringement of intellectual property, invasion of privacy and breach of data. Insurance coverage must include:

a. Commercial General Liability (CGL): written on an "occurrence" basis, including products, and completed operations, property damage, bodily injury, and personal & advertising injury. If a general aggregate limit applies, either the general aggregate limit must apply separately to this Project/location or the general aggregate limit must be twice the required occurrence limit.
b. Automobile Liability: covering Code one 1 (any auto), or if the Proprietor has no owned autos, Code 8 (hired) and 9 (non-owned), for bodily injury and property damage.

c. Workers Compensation insurance as required by the State of Ohio, If the Proprietor is a sole proprietor, partnership or has no statutory requirement for workers compensation, the Proprietor must provide a letter stating that it is exempt and agreeing to hold Entity harmless from loss or liability for such.
d. Technology Professional Liability (Errors and Omissions) Insurance appropriate to the Proprietor's profession, per occurrence or claim. Coverage must be sufficiently broad to respond to the duties and obligations as is undertaken by the Proprietor in this Contract and must cover all applicable Proprietor personnel or subcontractors who perform professional services related to this Contract.
e. Cyber liability (first and third party) per claim. Coverage must be sufficiently broad to respond to the duties and obligations as is undertaken by Proprietor in this Contract and must include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The coverage must provide for breach response costs as well as regulatory fines and penalties and credit monitoring expenses with limits sufficient to respond to these obligations.

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

Except for Workers Compensation and Professional Liability insurance, the Lottery and its officers, officials and employees are to be covered as additional insureds with respect to liability arising out of work or operations performed by or on behalf of the Proprietor including materials, parts, or equipment furnished in connection with such work or operations. Coverage can be provided in the form of an endorsement to the Proprietor's insurance.

Primary Coverage

For any claims related to this contract, the Proprietor's insurance coverage must be primary insurance. Any insurance or self-insurance maintained by the Lottery and its officers, officials and employees will be excess of the Proprietor's insurance and will not contribute with it.

Umbrella or Excess Insurance Policies

Umbrella or excess commercial liability policies may be used in combination with primary policies to satisfy the limit requirements above. Such Umbrella or excess commercial liability policies must apply without any gaps in the limits of coverage and be at least as broad as and follow the form of the underlying primary coverage required above.

Notice of Cancellation

The Proprietor must provide the Lottery with thirty (30) days written notice of cancellation or material change to any insurance policy required above, except for non-payment cancellation. Material change will be defined as any change to the insurance limits, terms or conditions that would limit or alter the Lottery's available recovery under any of the policies required above. A lapse in any required insurance coverage during this Contract will be a breach of this Contract.

Waiver of Subrogation

The Proprietor hereby grants to the Lottery a waiver of any right to subrogation which any insurer of said Proprietor may acquire against the Lottery by virtue of the payment of any loss under such insurance. The Proprietor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Lottery has received a waiver of subrogation endorsement from the insurer.

Indemnity for Property Damage and Bodily Injury

The Proprietor must indemnify the Lottery for all liability and expense resulting from bodily injury to any person (including injury resulting in death) and damage to tangible or real property arising out of the performance of this Contract, provided that such bodily injury or property damage is due to the negligence or other tortious conduct of the Proprietor, its employees, agents, or subcontractors. The Proprietor will not be responsible for any damages or liability to the extent caused by the negligence or willful misconduct of the Lottery, its employees, other contractors, or agents.

Deductibles and Self-Insured Retentions

Deductibles and self-insured retentions must be declared to and approved by the Lottery. The Lottery may require the Proprietor to provide proof of ability to pay losses and related investigations, claims administration and defense expenses within the retention. The policy language must provide, or be endorsed to provide, that the deductible or self-insured retention may be satisfied by either the named insured or the Lottery.

Claims Made Policies

If any of the required policies provide coverage on a claims-made basis:

a. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
c. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Proprietor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work. The Discovery Period must be active during the Extended Reporting Period.

Verification of Coverage

The Proprietor must furnish the Lottery with original certificates and amendatory endorsements, or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements must be received and approved by the Lottery ten (10) days prior to the Contract effective date. However, failure to obtain the required documents prior to the Contract effective date must not waive the Proprietor's obligation to provide them. The Lottery reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Subcontractors

The Proprietor must require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and the Proprietor must ensure that Lottery is an additional insured on insurance required from subcontractors.

Replacement of Personnel

The Parties have an interest in providing a healthy and safe environment for their employees and guests at its facilities. The Parties further have an interest in ensuring that their operations are carried out in an efficient, professional, legal, and secure manner. Therefore, the Lottery will have the right to require the Proprietor to remove any individual involved in the Project, if the Lottery determines that any such individual has or may interfere with the Lottery's interests identified above. In such a case, the request for removal will be treated as a case in which an individual providing Services under this Contract has become unavailable, and the Proprietor must follow the procedures identified above for replacing unavailable people. This provision also applies to people that the Proprietor's subcontractors engage.

Suspension and Termination

In the event of suspension or termination the Lottery will issue a written notice of same and allow a 45-day cure period beyond the notice date. Any notice of suspension or termination, in full or in part, will be effective as specified in the notice. If the identified event remains uncured after forty-five days, the Proprietor must immediately cease all work and take all steps necessary to minimize the costs associated directly with the termination or suspension. Suspension, termination, or expiration of this Contract will not limit the Proprietor's continuing obligations with respect to the Services that the Lottery has paid for or limit the Lottery's rights in such. Nothing in this provision shall limit the rights or remedies of the Proprietor in relation to such termination or suspension.

a. Termination for Cause. The Lottery will have the option to terminate this Contract in its entirety, effective immediately upon written notice to the Proprietor that the cure period has expired without resolution, if at any time during the Term of this Contract, the Lottery determines that Termination for Cause is justified by any of the following:
    (1) Any spokesperson or representative of the Proprietor, any public figure who lends his/her name, image, or personal endorsement to the Proprietor, or the Proprietor become(s) the subject of any public controversy, which reasonably could be considered by the Lottery to be damaging to the public perception of the Lottery or could result in embarrassment to the Lottery;
    (2) The Lottery may terminate this Contract if the State determines that the performance of this Contract is endangered through no fault of the State;
    (3) The Lottery may terminate this Contract if the Proprietor fails to timely pay its subcontractors, files a petition in bankruptcy or similar action, or the Lottery finds other evidence of the Proprietor's financial instability;
    (4) The Lottery may terminate this Contract if the Lottery determines that, based upon written certification from the "creditor" jurisdiction or agency, the Proprietor is delinquent in its payment of federal, state, or local obligations including but not limited to taxes, workers' compensation insurance premiums, unemployment compensation contributions, child support, court costs or any other obligation owed to a State agency or political subdivision. The Lottery also may terminate this Contract if the Lottery

determines that the Proprietor has violated any law during the performance of this Contract;

(5) The Lottery may terminate this Contract for the default caused by the Proprietor's subcontractors. Any claims of its subcontractors due to suspension or termination will be the sole responsibility of the Proprietor; and

(6) The Lottery may terminate this Contract if the Proprietor fails to obtain and maintain all official permits, approvals, licenses, certifications and/or similar requirements by this Contract or by any local, state, or federal law throughout the Term of the Contract.

b. The Proprietor will be paid a prorated portion of the amount due for services actually performed, as mutually agreed upon by the parties up to the termination date.

c. At the Lottery's request, the Proprietor must immediately prepare a final report and deliver such report to the Lottery. The report must detail the work completed and not processed prior to the time of notice.

d. Suspension for Cause. If the Proprietor fails to perform any of its obligations under the Contract, the Proprietor may be in default, at which time the Lottery may suspend rather than terminate the Contract if the identified event remains uncured after forty-five days.

Representatives

The Lottery's representative under this Contract will be the person identified the "Project Manager." The Project Manager will review all reports the Proprietor makes in the performance of the Project, will conduct all liaison with the Proprietor, and will accept or reject the Deliverables and the completed Project. The Project Manager may delegate her and/or his responsibilities for individual aspects of the Project to one or more managers, who may act as the Project Manager for those individual portions of the Project.

The Proprietor's Implementation Manager under this Contract will be the person identified s as the "Implementation Manager." The Implementation Manager will be the Proprietor's liaison with the Lottery under this Contract. The Implementation Manager also will conduct all Project meetings and prepare and submit to the Project Representative all reports, plans, and other materials that the Contract require from the Proprietor.

Either party, upon written notice to the other party, may designate another representative. However, the Proprietor may not replace the Implementation Manager without the approval of the Lottery.

Project Responsibilities

If the Lottery has agreed to provide facilities or equipment, the Proprietor, by signing this Contract, warrants that the Proprietor has either inspected the facilities and equipment or has voluntarily waived an inspection and will work with the equipment and facilities on an "as is" basis. The Proprietor must assume the lead in the areas of management, design, and development of the

Project. The Proprietor must coordinate the successful execution of the Project and direct all Project activities on a day-to-day basis, with the advice and consent of the Project Representative. The Proprietor will be responsible for all communications regarding the progress of the Project and will discuss with the Project Representative any issues, recommendations, and decisions related to the Project.

If any part of the Project requires installation on the Lottery's property, the Lottery will provide the Proprietor with reasonable access to the installation site for the installation and any site preparation that is needed. After the installation is complete, the Proprietor must complete an installation letter and secure the signature of the Project Representative certifying that installation is complete and the Project, or applicable portion of it, is operational. The letter must describe the nature, date, and location of the installation, as well as the date the Project Representative certified the installation as complete and operational.

The Proprietor is solely responsible for obtaining a signed Contract with any or all licensed Host Type C Lottery Sports Gaming locations, prior to installation of any equipment and after completion of all requirements contained within the Lottery Operating Standards, in effect at the time of said Contract.

The Proprietor is solely responsible for obtaining all official permits, approvals, licenses, certifications, and similar authorizations required by any local, state, or federal agency for the Project and maintaining them throughout the duration of this Contract.

Changes

The Lottery will request changes by issuing a written order under this Contract describing the nature of the change ("Change Order"). Additionally, if the Lottery provides directions or makes requests of the Proprietor without a change order, and the Proprietor reasonably believes the directions or requests are outside the specifications for the Project, the Proprietor may request a Change Order from the Lottery. The parties will handle such changes as follows: The Proprietor will provide pricing to the Lottery. The Lottery will execute a Change Order once it and the Proprietor have agreed on the description of and specifications for the change, as well as any equitable adjustments that need to be made in the Proprietor's Share or the performance schedule for the work. Then within five (5) business days after receiving the Change Order, the Proprietor must sign it to signify agreement with it.

If a change causes an increase in the time required for, the performance of the Project, the Proprietor must notify the Lottery in writing and request approval of the delivery schedule before the Proprietor signs the Change Order. If the Proprietor claims an adjustment under this section in connection with a change to the Project not described in a written Change Order, the Proprietor must notify the Lottery in writing of the claim within five (5) business days after the Proprietor is notified of the change and before work on the change begins. Otherwise, the Proprietor will have waived the claim. In no event will the Lottery be responsible for any revision in any delivery schedule unless the Lottery expressly ordered the relevant change in writing and the Proprietor has complied with the requirements of this section. Provided the Lottery has complied with the procedure for Change Orders in this section, nothing in this clause will excuse the Proprietor from proceeding with performance of the Project, as changed.

Where an agreement cannot be reached, the Lottery and the Proprietor may agree upon such an adjustment. If the Lottery and the Proprietor are unable to agree, either party may submit the dispute to the senior management of the Proprietor and the senior management of the Director for resolution. If the change involves removing a requirement from the Project or replacing one part of the Project with the change, the Lottery will get a credit for the work no longer required under the original scope of the Project.

The Proprietor is responsible for coordinating changes with its subcontractors and adjusting their compensation and performance schedule. The Lottery will not pay any subcontractor for a Change Order.

Excusable Delay

Neither party will be liable for any delay in its performance that arises from causes beyond its control and without its negligence or fault. The delayed party must notify the other promptly of any material delay in performance and must specify in writing the proposed revised performance date as soon as practicable after notice of delay. In the event of any such excusable delay, the date of performance or of delivery will be extended for a period equal to the time lost by reason of the excusable delay. The delayed party also must describe the cause of the delay and what steps it is taking to remove the cause. The delayed party may not rely on a claim of excusable delay to avoid liability for a delay if the delayed party has not taken commercially reasonable steps to mitigate or avoid the delay. Things that are controllable by the Proprietor's subcontractors will be considered controllable by the Proprietor, except for third-party manufacturers supplying commercial items and over whom the Proprietor has no legal control.

Occupational Licenses

All Proprietor and subcontractor personnel, as defined in OAC §3775-4-09 including any Replacement Personnel, as may be required by the Ohio Casino Control Commission, assigned to this project must have a current Occupational License. All costs associated with this will be at the Proprietor's expense.

The Proprietor must confirm that all Proprietor and subcontractor personnel assigned to the Project will have Occupational Licenses completed before Project start or before reporting to state designated Project facilities.

Ohio MBE Certification

The MBE must maintain their certification throughout the term of the Contract, including any renewals. Failure to maintain such certification will be considered a breach of the Contract.

Publicity

The Proprietor must not do the following without prior, written consent from the Lottery:

a. Use this Contract as a marketing or sales tool;
b. Affix any advertisement or endorsement, including any logo, graphic, text, sound, video, and

company name, to any Lottery-owned property, application, or website, including any website hosted by the Proprietor or a third party; or

c. Have Proprietor, its staff, or subcontractor staff, portray themselves in any manner as official Lottery employees, or represent itself as authorized to speak on behalf of the Lottery.

Part Three: Ownership and Handling of Intellectual Property and Confidential Information

Copyright and Trademark

Proprietor agrees to refrain from using any Ohio Lottery trademarked or copyrighted matter unless the Lottery gives prior written approval to use such copyrighted matter.

Confidentiality

The Lottery may disclose to the Proprietor written material, oral or other information that the Lottery treats as confidential ("Confidential Information"). Title to the Confidential Information and all related materials and documentation the Lottery delivers to the Proprietor will remain with the Lottery. The Proprietor must treat such Confidential Information as secret, if it is so marked, otherwise identified as such, or when, by its very nature, it deals with matters that, if generally known, would be damaging to the best interest of the public, other contractors, potential contractors with the Lottery, or individuals or organizations about whom the Lottery keeps information. By way of example, information must be treated as confidential if it includes any proprietary documentation, materials, flow charts, codes, software, computer instructions, techniques, models, information, diagrams, know-how, trade secrets, data, business records, or marketing information. By way of further example, the Proprietor also must treat as confidential materials such as police and investigative records, files containing personal information about individuals or employees of the Lottery, such as personnel records, tax records, and so on, court and administrative records related to pending actions, any material to which an attorney-client, physician-patient, or similar privilege may apply, and any documents or records excluded by Ohio law from public records disclosure requirements.

The Proprietor may not disclose any Confidential Information to third parties and must use it solely to do the Project. The Proprietor must restrict circulation of Confidential Information within its organization and then only to people in the Proprietor's organization that have a need to know the Confidential Information to do the Project. The Proprietor will be liable for the disclosure of such information, whether the disclosure is intentional, negligent, or accidental, unless otherwise provided below.

The Proprietor will not incorporate any portion of any Confidential Information into any work or product, other than a Deliverable, and will have no proprietary interest in any of the Confidential Information. Furthermore, the Proprietor must have all its Personnel who have access to any Confidential Information execute a confidentiality agreement incorporating the obligations in this section.

The Proprietor's obligation to maintain the confidentiality of the Confidential Information will not apply where such information: (1) was already in the Proprietor's possession before disclosure by the Lottery, and such was received by the Proprietor without obligation of confidence; (2) is independently developed by the Proprietor; (3) except as provided in the next paragraph, is or becomes publicly available without breach of this Contract; (4) is rightfully received by the Proprietor from a third party without an obligation of confidence; (5) is disclosed by the Proprietor with the written consent of the Lottery; or (6) is released in accordance with a valid order of a court or governmental agency, provided that the Proprietor (a) notifies the Lottery of such order immediately upon receipt of the order and (b) makes a reasonable effort to obtain a protective order from the issuing court or agency limiting disclosure and use of the Confidential Information solely for the purposes intended to be served by the original order of production. The Proprietor must return all originals of any Confidential Information and destroy any copies it has made on termination or expiration of this Contract.

Information that may be available publicly through other sources about people that is personal in nature, such as medical records, addresses, phone numbers, social security numbers, and similar things are nevertheless sensitive in nature and may not be disclosed or used in any manner except as expressly authorized in this Contract. Therefore, item (3) in the preceding paragraph does not apply, and the Proprietor must treat such information as Confidential Information whether it is available elsewhere or not.

The Proprietor may disclose Confidential Information to its subcontractors on a need-to-know basis, and after receiving written approval from the Lottery, and the Proprietor first must obligate them to the requirements of this section.

Confidentiality Agreements

When the Proprietor performs Services under this Contract that require the Proprietor's and its subcontractors' personnel to access facilities, data, or systems that the Lottery in its sole discretion deems sensitive, the Lottery may require the Proprietor's and its subcontractors' personnel with such access to sign an individual confidential agreement and policy acknowledgements and have a background check performed before accessing those facilities, data, or systems. The Lottery may require a different confidentiality agreement or acknowledgement, and the Proprietor's and its subcontractors' personnel may be required to sign a different confidentiality agreement or acknowledgement for each agency. The Proprietor must immediately replace any of its or its subcontractors' personnel who refuse to sign a required confidentiality agreement or acknowledgment or have a background check performed.

Ownership of Deliverables

For Deliverables that include custom materials such as software, scripts, or similar computer instructions developed for the Lottery or that include the Lottery Central Gaming System, the Lottery is entitled to the source material. Scripts and similar functionality may not be locked or otherwise protected from access by the Lottery unless the Lottery has any passwords or other tools necessary to access the material. Source material must include annotations or comments according to industry standards. Further, the Lottery is entitled to any working papers the Proprietor has developed during the performance of the Project that would reasonably assist the Lottery in using the Deliverables that include source materials or that would help the Lottery protect its interests in the Deliverable or update, modify, or otherwise maintain the Deliverable. This also includes all design and architectural materials, such as schemas.

The Proprietor may use Confidential Information only as necessary for Proprietor's performance under or pursuant to rights granted in this Contract and for no other purpose. The Proprietor's limited right to use Confidential Information expires upon expiration or termination of this Contract for any reason. The Proprietor's obligations of confidentiality and non-disclosure survive termination or expiration for any reason of this Contract.

Software and Documentation Escrow

Before production operations begins under the Lottery Sports Gaming System, a complete set of the Proprietor's software source programs, program object code, operations manuals, service manuals, written procedures, and any such other materials necessary to operate the Lottery Sports Gaming System must be delivered to the Lottery or placed in an escrow account. The software source and object programs, and documentation, can be delivered on mutually agreeable media. Installation packages for third-party software products licensed by the Proprietor must be included. These materials would allow the Lottery to (i) continue operations in the event the Proprietor becomes unable to perform, and (ii) confirm that only authorized software and procedures are employed with the Lottery Sports Gaming System. In this regard, access by the Lottery must be at the Lottery's discretion for auditing its contents, or for preparation to assume operations of the Lottery Sports Gaming System.

As the Lottery Sports Gaming System changes are implemented, both the change and change documentation must be provided to the Lottery to continue the Lottery's protection. Changes to the Lottery's copy of these materials must occur within one (1) week of installation in production operations.

Compliance with Association Standards

All Services, products, systems, and procedures to be employed by the Proprietor must be readily adaptable to comply with the game security and operational standards as issued by any multi-jurisdictional association of which the Lottery is a member, or in the event the Lottery becomes a member.

License in Commercial Material

As used in this section, "Commercial Material" means anything that the Proprietor or a third party has developed at private expense, is commercially available in the marketplace, subject to intellectual property rights, and readily copied through duplication on magnetic media, paper, or other media. Examples include written reports, books, pictures, videos, movies, computer programs, and computer source code and documentation.

Any Commercial Material that the Proprietor intends to deliver as a Deliverable must have the scope of the license granted, if that scope of license is different from the scope of license contained in this section for Commercial Materials.

Except for Commercial Material that is software ("Commercial Software"), if the Commercial Material is copyrighted and published material, then the Lottery will have the rights permitted under the federal copyright laws for each copy of the Commercial Material delivered to it by the Proprietor.

Except for Commercial Software, if the Commercial Material is patented, then the Lottery will have the rights permitted under the federal patent laws for each copy of the Commercial Material delivered to it by the Proprietor.

Except for Commercial Software, if the Commercial Material consists of trade secrets, then the Lottery will treat the material as confidential. In this regard, the Lottery will assume all obligations with respect to the Commercial Material that the Proprietor assumes under the Confidentiality section of this Contract with respect to the Lottery's Confidential Information. Otherwise, the Lottery will have the same rights and duties permitted under the federal copyright laws for each copy of the Commercial Material delivered to it by the Proprietor, whether or not the material is copyrighted when delivered to the Lottery.

For Commercial Software, the Lottery will have the rights in items (a) through (f) of this section with respect to the software. The Lottery will not use any Commercial Software except as provided below or as expressly stated otherwise in this Contract. The Commercial Software may be:

a. Used or copied for use in or with the computer or computers for which it was acquired, including use at any Lottery installation to which such computer or computers may be transferred;
b. Used or copied for use in or with a backup computer for disaster recovery and disaster recovery testing purposes or if any computer for which it was acquired is inoperative;
c. Reproduced for safekeeping (archives) or backup purposes;
d. Modified, adapted, or combined with other computer software, but the modified, combined, or adapted portions of the derivative software incorporating any of the Commercial Software will be subject to same restrictions set forth in this Contract;
e. Disclosed to and reproduced for use on behalf of the Lottery by support service contractors or their subcontractors, subject to the same restrictions set forth in this Contract; and
f. Used or copied for use in or transferred to a replacement computer.

Part Four: Representations, Warranties, and Liabilities

General Warranties

The Proprietor warrants that the performance of the Proprietor under this Contract will:

a. Be in accordance with sound professional standards and the requirements of this Contract and without any material defects; and
b. Unless otherwise provided, be the work solely of the Proprietor.

The Proprietor also warrants that no deliverable will knowingly infringe on the intellectual property rights of any third party.

Additionally, with respect to the Proprietor's activities under this Contract, the Proprietor warrants that:

a. The Proprietor has the right to enter into this Contract;
b. The Proprietor has not entered into any other contracts or employment relationships that restrict the Proprietor's ability to perform the contemplated Services;
c. The Proprietor will observe and abide by all applicable laws and regulations, including those of the Lottery regarding conduct on any premises under the Lottery's control and security for the Lottery's data, systems, and networks;
d. The Proprietor is not subject to any unresolved findings of the Auditor of State under ORC §9.24 and will not become subject to an unresolved finding that prevents the extension or renewal of this Contract.

The warranties regarding material defects are one (1) year warranties. All other warranties will be continuing warranties. If any portion of the Project fails to comply with these warranties, and the Proprietor is so notified in writing, the Proprietor must correct such failure with all due speed or, as the Lottery's sole an exclusive remedy, must refund the amount of the compensation paid for such portion of the Project. The Proprietor also must, subject to liability limitations set forth elsewhere in this Contract, indemnify the Lottery for any direct damages and claims by third parties based on a breach of these warranties. This obligation of indemnification will not apply where the Lottery has modified or misused the Deliverable and the claim is based on the modification or misuse. The Lottery will give the Proprietor notice of any such claim as soon as reasonably practicable. If a successful claim of infringement is made, or if the Proprietor reasonably believes that an infringement claim that is pending may actually succeed, the Proprietor must do one of the following things:

a. Modify the Deliverable so that it is no longer infringing;
b. Replace the Deliverable with an equivalent or better item;
c. Acquire the right for the Lottery to use the infringing Deliverable as it was intended for the Lottery to use under this Contract; or
d. Remove the Deliverable and, as the Lottery's sole and exclusive remedy, refund the amount the Lottery paid for the Deliverable and the amount of any other Deliverable or item that requires the availability of the infringing Deliverable for it to be useful to the Lottery.

Software Warranty

If this Contract involves software as a Deliverable, then, on acceptance and for the life of the contract after the date of acceptance of any Deliverable that includes software, the Proprietor warrants as to all software developed under this Contract that:

a. The software will operate on the computer(s) for which the software is intended in the manner described in the relevant software documentation;
b. The software will be free of any material defects;
c. The Proprietor will deliver and maintain relevant and complete software documentation, commentary, and source code; and
d. The source code language used to code the software is readily available in the commercial

market, widely used and accepted for the type of programming involved, and support programming in the language is reasonably available in the open market; and

e. The software and all maintenance will be provided in a professional, timely, and efficient manner.

For Commercial Software licensed from a third party that is incorporated into a Deliverable, and for which the Lottery has not approved a separate license agreement governing that Commercial Software's warranties, the Proprietor represents and warrants that it has done one of the following things:

a. Obtained the right from the third-party licensor to commit to the warranties and maintenance obligations in this Section;
b. Will make reasonable commercial efforts to obtain from the licensor a binding commitment to make those warranties and maintenance obligations directly to the Lottery; Documents any discrepancies between the requirements of this section and the commitment the third-party licensor has made.

In addition, for Commercial Software that is incorporated into a Deliverable, the Proprietor will:

a. Use commercially reasonable efforts to cause the third-party licensor to maintain the Commercial Software so that it operates in the manner prescribed including but not limited to;
    i. Supply technical bulletins and updated user guides;
    ii. Supply the Lottery with updates, improvements, enhancements, and modifications to the Commercial Software and documentation and, if available, the commentary and the source code;
    iii. Correct or replace the Commercial Software and/or remedy any material programming error that is attributable to the Proprietor or the third-party licensee;
    iv. Maintain or cause the third-party licensor to maintain the Commercial Software and documentation to reflect changes in the subject matter the Commercial Software deals with; and
    v. Maintain or obtain a commitment from the third-party licensor to maintain the Commercial Software so that it will properly operate in conjunction with changes in the operating environment in which it is designed to operate.

For purposes of the warranties and the delivery requirements in this Contract, software documentation means clear, and concise instructions for the software's users as well as a system administrator. The software documentation will provide the users of the software with instructions on how to utilize the capabilities designed for end users. Additionally, installation and system administration documentation for a system administrator to allow control, configuration, and management of the software. Source code means the uncompiled operating instructions for the software. However, the Proprietor will not be obligated to provide source code for Commercial Software unless it is readily available from the licensor. If source code is available, it must be provided in the language in which it was written and will include commentary that will allow a competent programmer proficient in the source language to readily interpret the source code and understand the purpose of all routines and subroutines contained within the source code.

Limitation of Liability

Neither party will be liable for any indirect, incidental, or consequential loss or damage of the other party, including but not limited to lost profits, even if the parties have been advised, knew, or should have known of the possibility of such damages. The limitations in this paragraph do not apply to:

a. Any obligation of the Proprietor to indemnify the Lottery against claims made against it; or
b. Disclosure of personally identifiable information or other Lottery Sensitive Information by the Proprietor caused by the Proprietor's negligence or other tortious conduct.

Part Five: Acceptance and Maintenance

Standards of Performance and Acceptance

There will be a period for performance testing of the completed Project. During the performance period, the Lottery, with the assistance of the Proprietor, will perform acceptance testing. The performance period will last up to ninety (90) calendar days, during which time the Project must meet the standard of performance required by the Contract for fourteen (14) consecutive calendar days, encompassing two full accounting weeks. The standard of performance will be evaluated at the conclusion of the acceptance testing cycle. The performance criteria in the Contract will be supplemented with the relevant user manuals, technical materials, certifications, and related writings, to the extent that the specifications in those writings supplement and refine rather than contradict the performance criteria in the Contract. Acceptance of the Project depends on a successful completion of the performance period defined in this section and the Contract. This section applies to the Project, and any part of it, as well as replacements or substitutes for the Project after completion of a successful performance period.

If the Project does not meet the standard of performance during the initial performance period, the Lottery will give the Proprietor details about the problems in a timely manner and in a useful and relevant form. Until the Proprietor demonstrably corrects all outstanding problems, the second performance period will not start, and the Lottery will not accept the Project (or part thereof).

If the Project fails to meet the standard of performance after ninety (90) calendar days from the start of the second performance period, the Proprietor will be in default and will not have a cure period. In addition to all other remedies the Lottery may have under this Contract, the Lottery may request a correction or replacement of the relevant portion of the Project.

The Project may have components that can be tested for acceptance individually. If that is so, there must be acceptance criteria listed on the technical project plan for each part of the Project that will be independently tested and accepted. However, unless the technical project plan expressly provides otherwise, the failure of any independently tested component to meet its acceptance criteria will give the Lottery the right to reject the entire Project. Alternatively, if the Lottery determines that it is in the Lottery's interest to reject only the part of the Project that was independently and unsuccessfully tested, it may do so. If the Lottery chooses this option, the Lottery will be entitled to a refund or credit toward the Proprietor's Share equal to the cost of acquiring a replacement for the rejected component.

The acceptable level of performance for the performance period will be determined by defect severity and joint triage between Intralot and Lottery. Defect severity will be based on the severity described in the following table.

Severity Level	Description
Level 1 (Critical)	Indicates issues with Multiple Functional or Non-Functional failures that are blocking a number of TCs which have a significant business impact. Every defect that Blocks at least one test case. Critical defects must be resolved as soon as possible with a hot fix if the next scheduled drop does not coincide with the resolution of the critical defect. Defects required to be resolved for project launch/release approval
Level 2 (Major)	Used to indicate Single functional or Non-functional Failures that have Major business impact on the customer i.e. financial data, transactional problems etc. Major defects cannot become "known issues" thus they need to be deployed in the next scheduled drop or the one after (depends on the time of creation) Examples: · Inoperability of part of the system with normal (correct) configuration and operations. · Inoperability of the system as a result of errors by user programs. · Inoperability of any major subsystem. · Corruption of data · Security threats · Financial errors (not cosmetic or report specific) · Defects that conflict with Lottery rules or Lottery Act · Defects required to be resolved for project launch/release approval
Level 3 (Moderate)	Indicates issues with Single functional or Non-functional Failures of medium business impact that do not affect financial data, transactions etc. Moderate can become "known issues" and can be deferred to a release to be deployed to production within 60 calendar days post go live. Examples: · Failure to recover automatically from the power failure, auto-restart, or fault-tolerant condition where appropriately configured. · Corruption of data, where the corruption is singular and recovery processes exist · Report specific errors · Failure to fully meet material functional requirements of Software Requirements Specifications.
Level 4 (Minor)	Used mostly for Cosmetic defects or other with non-significant business impact for the customer. Minor defects can become "known issues" and deferred to be fixed in the next

Severity Level	Description
	scheduled release post go live, up to 150 calendar days post go live. Minor issues shall not block the next phase of the project from starting as scheduled, as it is accepted by all stakeholders that they can be "Deferred to next Release". · Minor functionality missing for which there may or may not be a work around · Inoperability of the system as a result of errors by the user where such errors are not (or are misleadingly) indicated. · Defects affecting only a single process · Problems for which a work around exists, where the work around requires user intervention and the problems and work around are noted in the Release Notes. · Translation issues · Failure to perform as documented where such failure does not affect operability of the system. · Cosmetic issues as issues related to colors and fonts · Ambiguous requirements that were implemented differently than Lottery prefers · Unstated requirements that do not conflict with Lottery rules or Lottery Act

The performance level is determined by defect severity. Performance is deemed acceptable if there are no critical or major defects. The performance period "downtime" is that period when any part of the Project is inoperable due to failure of the Project or a particular Deliverable to operate according to the specifications in the Contract, the user documentation, or the published technical specifications. During a period of downtime, the Lottery may use operable components of the Project when that will not interfere with repair of inoperable components of the Project. Downtime will start from the time the Lottery notifies the Project Manager of the inoperable condition of the Project until the Project is returned in proper operating condition.

The Project will not be accepted until the performance period is complete.

Software Maintenance

If this Contract involves software as a Deliverable, then, during the warranty period, as well as any optional maintenance periods that the Lottery exercises, the Proprietor must correct any material programming errors that are attributable to the Proprietor within a reasonable period of time. However, the Lottery must notify the Proprietor, either orally or in writing, of a problem with the software and provide sufficient information for the Proprietor to identify the problem.
The Proprietor's response to a programming error will depend upon the severity of the problem. For programming errors that slow the processing of data by a small degree, render minor and non-mandatory functions of the Lottery Sports Gaming System inoperable or unstable, or require users or administrators to employ workarounds to fully use the software, Proprietor will respond to the request for resolution within four (4) business hours. Furthermore, the Proprietor must begin working on a

proper solution for the problem within one (1) business day, dedicating the resources required to fix the problem. For any defects with more significant consequences, including those that render key functions of the system inoperable or significantly slow processing of data, the Proprietor will respond within two (2) business hours of notice. The Proprietor also must begin working on a proper solution for the problem immediately after responding and, if requested, provide on-site assistance, and dedicate all available resources to resolving the problem.

For software classified as Commercial Software in the Ownership of Deliverables section and for which the Lottery has not signed a separate license agreement, the Proprietor must acquire for the Lottery the right to maintenance for one (1) year. That maintenance must be the third-party licensor's standard maintenance program, but at a minimum, that maintenance program must include all, updates, patches, and fixes to the software. It also must include a commitment to keep the software current with the operating environment in which it is designed to function (and, if applicable, the subject matter covered by the software) and to correct material defects in the software in a timely fashion. Additionally, the Proprietor must obtain a commitment from the licensor to make maintenance available for the product for at least five (5) years after the first year of maintenance. If the licensor is unable to provide maintenance during that five (5) year period, then the licensor must be committed to releasing the source code for the software (except third party software) to the Lottery for use by the Lottery solely for the purpose of maintaining the copy(ies) of the software for which the Lottery has a proper license.

Maintenance Access (General)

This section applies if software or Equipment will be a Deliverable under this Contract. The Proprietor must keep the Project in good operating condition during the warranty period and any annual maintenance period during which the Lottery contracts for continued maintenance. All maintenance that requires the Project to be inoperable must be performed outside the Lottery's customary working hours, except when the Project is already inoperable. Preventive or scheduled maintenance will be performed at mutually agreeable times, within the parameters of the manufacturer's published schedule.

Key Maintenance Personnel (General)

This section applies if software or Equipment will be a Deliverable under this Contract.
The Proprietor must identify all key people responsible for providing maintenance on the Project, provide the Lottery with a means of identifying these people, their credentials, their Occupational License status and notify the Lottery at least thirty (30) calendar days in advance of any reductions in staffing levels of key people at the office serving the Lottery.

Part Six: Construction

Entire Document

This Contract is the entire agreement between the parties with respect to the Project and supersedes any previous agreements, whether oral or written.

Binding Effect

This Contract will be binding upon and inure to the benefit of the respective successors and assigns of the Lottery and the Proprietor.

Amendments – Waiver

No change to any provision of this Contract will be effective unless it is in writing and signed by both parties. The failure of either party at any time to demand strict performance by the other party of any of the terms of this Contract will not be a waiver of those terms. Waivers must be in writing to be effective, and either party may at any later time demand strict performance.

Construction

This Contract will be construed in accordance with the plain meaning of its language and neither for nor against the drafting party.

Headings

The headings used herein are for the sole sake of convenience and may not be used to interpret any section.

Notices

For any notice under this Contract to be effective, it must be made in writing and sent to the address of the appropriate Contact provided in Attachment Ten, unless such party has notified the other party, in accordance with the provisions of this section, of a new mailing address. This notice requirement will not apply to any notices that this Contract expressly authorized to be made orally.

Time

Unless otherwise expressly provided, any reference in this document to a number of days for an action or event to occur means calendar days, and any reference to a time of the day, such as 5:00 p.m., is a reference to the local time in Columbus, Ohio.

Part Seven: Law and Courts

Compliance with Law

The Proprietor must comply with all applicable federal, state, and local laws while performing under this Contract.

Drug-Free Workplace

The Proprietor must comply with all applicable state and federal laws regarding keeping a drug-free workplace. The Proprietor must make a good faith effort to ensure that all the Proprietor's Personnel, while working on state property, will not have or be under the influence of illegal drugs or alcohol or abuse prescription drugs in any way.

Conflicts of Interest and Ethics Compliance Certification

None of the Proprietor's Personnel may voluntarily acquire any personal interest that conflicts with their responsibilities under this Contract. Additionally, the Proprietor may not knowingly permit any public official or public employee who has any responsibilities related to this Contract or the Project to acquire an interest in anything or any entity under the Proprietor's control, if such an interest would conflict with that official's or employee's duties. The Proprietor must disclose to the Lottery knowledge of any such person who acquires an incompatible or conflicting personal interest related to this Contract. The Proprietor also must take steps to ensure that such a person does not participate in any action affecting the work under this Contract. However, this will not apply when the Lottery has determined, in light of the personal interest disclosed, that person's participation in any such action would not be contrary to the public interest.

Disclosure of Interested Parties

The Proprietor must disclose to the Lottery, knowledge of any such person who acquires an incompatible or conflicting personal interests, or advocates on behalf of the Proprietor.

Use of MBE and EDGE Suppliers

The Lottery encourages Proprietor to purchase goods and services from Minority Business Enterprises (MBE) and Encouraging Diversity, Growth, and Equity (EDGE) suppliers.

Security & Safety Rules

When using or possessing Lottery data or accessing Lottery networks and systems, the Proprietor must comply with all applicable Lottery rules, policies, and regulations regarding data security and integrity. And when on any property owned or controlled by the Lottery, the Proprietor must comply with all security and safety rules, regulations, and policies applicable to people on those premises.

Injunctive Relief

Nothing in this Contract is intended to limit the Lottery's right to injunctive relief if such is necessary to protect its interests or to keep it whole.

Assignment

The Proprietor may not assign this Contract or any of its rights or obligations under this Contract without the prior, written consent of the Lottery. The Lottery is not obligated to provide its consent to any proposed assignment.

No consent to assignment shall be required in any Proprietor reorganization including but not limited to sale, merger, acquisition, or any similar recombination where no Change of Control occurs.

"Change of Control" shall mean the occurrence of any of the following transactions: (A) the purchase, not to include a wholly internal transaction, by a third party of more than fifty-one percent (51%) of the Company's outstanding equity securities; or (B) a merger or consolidation, after which the Company's prior members (or stockholders, upon a conversion) no longer control at least fifty percent (50%) of the voting power of the

Company following such transaction.

Provided however that (1) Proprietor shall provide Lottery no less than 30 days written notice of such reorganization, (2) Proprietor is not then in default if its obligations under this agreement beyond any applicable cure period, (3) that Proprietor's proposed assignee ("Proposed Assignee")has been identified to the Lottery and the Lottery has confirmed that the Proposed Assignee is not prohibited from contracting with the Lottery or the state of Ohio, and (4) that Proposed Assignee's has a net worth, establish by audited financial statements prepared in accordance with GAAP, that is equivalent to or greater than the net worth of Proprietor, then Proprietor without obtaining the Lottery's written consent may assign the contract to Proposed Assignee, which assignment shall take effect on the seventh business day following confirmation that Proposed Assignee's is not prohibited to contract with the Lottery and/or the state Ohio or such other date to which the parties mutually agree.

Governing Law

This Contract will be construed under and governed by the laws of the State of Ohio, without regard to conflict of law. The venue for any disputes or litigation arising out of or relating to this Contract, will lie exclusively with the appropriate federal, state, or local court in Cuyahoga County, Ohio.

Registration with the Secretary of State

By providing a Charter Number and signature within the Certification Offer Letter, the Proprietor attests that the Proprietor is:

a. An Ohio corporation that is properly registered with the Ohio Secretary of State; or
b. A foreign corporation not incorporated under the laws of the state of Ohio but is registered with the Ohio Secretary of State pursuant to ORC §1703.01 to §1703.31, as applicable.

Part Eight: Cloud Services

Standards

All Service subscriptions must provide a Service that maintains a redundant infrastructure that will ensure access for the Lottery's enrolled users in case of a failure at any one of the Proprietor locations, with effective contingency planning (including back-up and disaster recovery capabilities) and 24x7 trouble shooting service for inquiries, outages, issue resolutions, etc. All such Services must be dependable and provide response rates that are as good as or better than industry standards. They also must meet the Service Level Agreements ("SLAs") provided in the Contract and be supported with sufficient connectivity and computing resources to handle reasonably anticipated peak demand, and the Proprietor must ensure that sufficient bandwidth and computing resources are dedicated to the Services to meet peak demand times without material degradation in performance.

The Services must also operate at the moderate level baseline] as defined in the National Institute of Standards and Technology ("NIST") 800-53 Rev. 3 moderate baseline requirements, be consistent with Federal Information Security Management Act ("FISMA") requirements and offer a customizable and extendable capability based on open -standards APIs that enable integration with third party applications. Additionally, they must provide the State's systems administrators with twenty-four (24) hour per day, seven (7) day a week visibility into the Services through a real-time, web-based "dashboard" capability that enables them to monitor, in real or near real time, the Services' performance against the established SLAs and promised operational parameters.

The Lottery Sports Gaming System must also be compliant with ADA guidelines and an audit to ensure standards are continuing to be met must be obtained annually.

The Proprietor has and will continue to use its best efforts through quality assurance procedures to ensure that there are no viruses or malware or undocumented features in its infrastructure and Services and that they do not contain any embedded device or code (e.g., time bomb) that is intended to obstruct or prevent any use of or access to them by the State. Notwithstanding any rights granted under the Contract or at law, the Proprietor hereby waives under any and all circumstances any right it may have or may hereafter have to exercise electronic self-help.

*The Proprietor, and any subcontractors, must obtain annual Statements *on Standards for Attestation Engagements* ("SSAE") No. 16, Service Organization Control 1 Type 2, audit. The audit must cover all operations pertaining to the Services covered by this Contract. The audit will be at the sole expense of the Proprietor and a copy of it must be provided to the State within thirty (30) business days of its completion each year. At no cost to the State, the Proprietor must immediately remedy any issues, material weaknesses, or other items identified in each audit as they pertain to the Services. All direct and indirect subcontractors used for Lottery contracts must have an SSAE16 or equivalent before their services are engaged.

Object Reassignment

Any Service subscriptions that are provided by the number of items that may be used by or in conjunction with it, such as nodes, users, or connections ("Objects"), may be reassigned to other, similar Objects within the Lottery at any time and without any additional fee or charge. For example, a named user subscription may be assigned to another user. But any such reassignment must be in conjunction with termination of use by or with the previous Objects, if such termination is required to keep the total number of licensed Objects within the scope of the applicable subscription. If the Lottery requires a special code, a unique key, or similar item to reassign the subscription as contemplated by this section, the Proprietor will provide such a code, key, or similar item to the Lottery at any time and without a fee or charge.

Generated Files

"Generated Files" are files storing information, instructions, or data that the Lottery creates or modifies using the Proprietor's Services and in which the data or other information was provided or created by the Lottery. Examples of such files could include, among others, text files generated with a word processor, data tables created with a database engine, and image files created with a graphics application. Applications consisting of instruction sets created with a programming language that the Proprietor provided to the Lottery also would be considered Generated Files. As between the Lottery and the Proprietor, the Lottery will own all Generated Files that the Lottery prepares by using the Services, excluding such portions of the Generated Files that consist of embedded portions of the Software. The Proprietor or its licensors will retain ownership of any portions of the Software embedded into Generated Files. But the Proprietor grants to the Lottery a nonexclusive, royalty-free right to reproduce and distribute to third parties any portions of the intellectual property embedded in any Generated Files that the Lottery creates while using the Services in the manner in which the Services are designed to be used. In the Lottery's distribution of the Generated Files, the Lottery may not use the Proprietor's name, logo, or trademarks, except to the extent that such are incorporated in such Generated Files by the design of a Service when used as intended.

Additional Proprietor Warranties

In addition to the other warranties contained in this Contract, the Proprietor warrants the following:

a. The Services will perform materially in accordance with the specifications and documentation.
b. The functionality of the Services will not be materially decreased during a subscription term.
c. It will not transmit viruses, worms, time bombs, Trojan horses or other harmful or malicious code, files, scripts, agents, or programs ("Malicious Code") to the Lottery.

For any breach of a warranty above, the Lottery's remedies will be as provided in the section of this Contract dealing with termination.

Third-Party Suppliers

The Proprietor must incorporate the costs of any third-party supplies and services in the Proprietor's Share identified in the Contract.

The Proprietor's use of other suppliers does not mean that the Lottery will pay for them. The Proprietor will be solely responsible for payment of its suppliers and any claims of those suppliers for any failure of the Proprietor to meet its obligations under this Contract in the required manner. The Proprietor will hold the Lottery harmless and indemnify the Lottery against any such claims.

The Proprietor assumes responsibility for all Cloud Services provided under this Contract whether it or one of its suppliers provides them in whole or in part. Further, the Proprietor will be the sole point of contact with regard to contractual matters, including payment of all charges resulting from the Contract and all service and support requests.

Upgrades

The Lottery has the option anytime during the Contract's term to upgrade to a new technology or Service offering with the Proprietor upon mutual agreement of the Parties.

Acceptance

The acceptance procedure for setup or installation of any Cloud Services will be a review by the Lottery to ensure that it meets the applicable performance standards and other requirements in the Contract and that the setup or installation has been done in a professional manner and that the Cloud Services itself meets all applicable and agreed upon requirements.
For other Cloud Services not requiring setup or installation, the acceptance procedure will be a review by

the Lottery to ensure the Cloud Services comply with the applicable and agreed upon performance requirements in the Contract. In addition to the requirements of the Contract, if ordering documents such as a statement of work are authorized in the Contract, the review will include any additional requirements in the applicable order form. The Lottery will have up to fifteen (15) business days after the setup, installation, or establishment of the Cloud Services to do this. The Lottery will issue a formal letter of acceptance if setup, installation, or other Service meets the requirements in the Contract. If the setup, installation, or other Service does not meet the requirements of the Contract, the Lottery will issue a written notice of noncompliance.

If the Lottery issues a noncompliance letter, the Proprietor will have thirty (30) days to correct the problems listed in the letter. If the Lottery has issued a noncompliance letter, the Cloud Services, installation, or set up will not be accepted until that Lottery issues a letter of acceptance indicating that each problem noted in the noncompliance letter has been cured. If the problems have been fixed during the thirty (30) day period, the Lottery will issue the acceptance letter within fifteen days after all defects have been fixed. If the Proprietor fails to correct the defect(s), the applicable Order(s) will terminate without cost or obligation to the Lottery, and the Lottery will be entitled to a full refund of any payments made for the Service, setup, and installation.

The applicable Contract may provide additional or alternative acceptance procedures, but no Order may change the acceptance process.

Lottery Reporting Requirements

Upon mutual agreement of the Parties as to report contents, the Proprietor agrees to provide the Lottery with a recap of all Cloud Services provided to the Lottery on a monthly basis.

Termination Service

The Proprietor will provide to the Lottery termination services ("Termination Service") according to the terms of a mutually agreed upon Disentanglement Plan, in connection with the termination or expiration without renewal of this Contract.

Termination Service means, to the extent requested by the Lottery, the provisioning of such assistance, cooperation, and information as is reasonably necessary to enable a smooth disentanglement of Sports Gaming from the Lottery Gaming System. in accordance with the Disentanglement Plan.

As part of Termination Service, the Proprietor will, in accordance with the Disentanglement Plan, manage the migration, to the extent requested and provide such information as the Lottery may reasonably request relating to the number and function of each of the Proprietor personnel performing the Services, and the Proprietor will make such information available to the Successor designated by the Lottery.

Disentanglement Plan

Upon the Lottery's request, the Proprietor will prepare a disentanglement plan with the input from the Lottery. The contents of the Disentanglement Plan will be mutually agreed upon and will include at least the following activities, unless the Lottery and the Proprietor agree otherwise:

a. Documentation of existing and planned support activities.
b. Identification of the Service and related positions or functions that require transition/disentanglement and a schedule, plan, and procedures for the Lottery or the Successor to assume full responsibility.
c. Description of actions to be taken by the Proprietor and the Lottery.in performing the disentanglement
d. Description in detail of any dependencies the Lottery must fulfill for the Proprietor to perform the Termination Service (including an estimate of the specific staffing and time required).
e. Inventory of documentation and work products required to facilitate the disentanglement.
f. Identification of significant potential risk factors relating to the disentanglement of Sports Gaming from the Lottery Gaming System and in designing plans and contingencies to help mitigate the risk.
g. A timeline for the transfer of each component of the Termination Service (including key milestones to track the progress of the transfer).
h. A schedule and plan for the Proprietor's return to the state of (i) the systems held by the Proprietor and belonging to the Lottery, and (ii) all documents, records, files, tapes, and disks in Proprietor's possession that belong to the Lottery or relate to the migrating system(s).

Disentanglement Management Team

The Proprietor will provide a Project Manager who will be responsible for Proprietor's overall performance of the Termination Service and who will be the primary point of contact for the Lottery and any Successor during the transfer. The Lottery also will appoint a Project Manager who will be the primary point of contact for Proprietor during the disentanglement period.

Operational Transfer

The Proprietor also will provide the Lottery and any Successor access to those resources described in the Disentanglement Plan reasonably necessary during the planning and execution of the Termination Service.

Service Support Generally

During the term of the Contract, the Proprietor will provide the Lottery with telephonic assistance and advice for using all Cloud Services covered by the Order. The Proprietor also will provide troubleshooting and problem resolution, including on site whenever reasonably necessary. The manner in which the Proprietor provides support will be governed by the Proprietor's written policies and programs described in the applicable documentation or other materials that the Proprietor uses to notify its customers generally of such policies. But regardless of the Proprietor's policies and programs, unless otherwise agreed in the applicable Contract, in all cases such support must comply with the requirements of this Contract and the applicable Contract(s). And the Proprietor must provide the support in a competent, professional, and timely manner.

Equipment Support Generally

For any equipment used to provide the Cloud Services, remedial equipment maintenance by the Proprietor will be completed within eight (8) hours after notification by the Lottery that maintenance is required. In the case of preventative maintenance, the Proprietor will perform such in accordance with the manufacturer's published schedule and specifications. If maintenance is not completed within eight (8) hours or as applicable, any other time period mutually agreed upon by the Parties, after notification by the Lottery, the Proprietor will be in default. Failure of the Proprietor to meet or maintain these requirements will provide the Lottery with the same rights and remedies as specified elsewhere in this Contract for default, except that the Proprietor will only have eight (8) hours to remedy a default. Nothing contained herein will limit the application of any credits for failure to meet any SLAs in the Contract. The Proprietor will provide adequate staff to provide the maintenance required by this Contract.

Support Parameters

The Lottery may initiate support requests for problems it encounters with the Cloud Services by telephone, email, Internet, or fax, and the Proprietor must maintain lines of communication that support all four (4) forms of communication.

The Proprietor must make support available twenty-four (24) hours per day, seven (7) days a week (the "Support Window"), and it must do so by staffing its support function with an adequate number of qualified personnel to handle its traditional volume of calls. The Lottery's technical staff may contact any support center that the Proprietor maintains, and they may choose to do so based on convenience, proximity, service hours, languages spoken, or otherwise.

Incident Classification

The Proprietor must classify and respond to support calls by the underlying problem's effect on a Lottery. In this regard, the Proprietor may classify the underlying problem as critical, urgent, or routine. The guidelines for determining the severity of a problem and the appropriate classification of and response to it are described below.

The Proprietor must designate a problem as "critical" if the Service is functionally inoperable, the problem prevents the Service or a major component or function from being used.

The Proprietor must classify a problem as "urgent" if the underlying problem significantly degrades the performance of the Service or a major function or component of it or materially restricts the Lottery's use of the Service. Classification of a problem as urgent rather than critical assumes that the Lottery still can conduct business with the Service and response times are consistent with the needs of the Lottery for that type of Service.

Finally, the Proprietor may classify a support call as "routine" if the underlying problem is a question on end use or configuration of the Service. It also may be classified as routine when the problem does not materially restrict the Lottery's use of the Service.

The Proprietor must apply the above classifications in good faith to each call for support, and the Proprietor must give due consideration to any request by the Lottery to reclassify a problem, taking into account the Lottery's unique business and technical environments and any special needs it may have.

Incident Response

The Proprietor must respond to critical problems by ensuring that appropriate managerial personnel are made aware of the problem and that they actively track and expedite a resolution.

The Proprietor must assign support personnel at the appropriate level to the problem, and those personnel must arrive at the Lottery's site or other location from where the problem has arisen, if appropriate for proper resolution. At the request of the Lottery, the Proprietor's personnel must maintain hourly contact with the Lottery's technical staff to keep the Lottery abreast of efforts being made to solve the problem. The Proprietor also must provide the Lottery's technical staff with direct access to the Proprietor's support personnel, if appropriate, who are assigned to the problem.

The Proprietor must respond to urgent problems by assigning support personnel at the appropriate level to the problem, and those personnel must arrive at the Lottery's site or other location from where the problem has arisen, if appropriate for proper resolution. At the request of the Lottery, the Proprietor's personnel must maintain hourly contact with the Lottery's technical staff to keep the Lottery abreast of efforts being made to solve the problem. The Proprietor also must provide the Lottery's technical staff with direct access to the Proprietor's support personnel, if appropriate, who are assigned to the problem.

The Proprietor must respond to routine problems by assigning support personnel at the appropriate level to the problem. For routine calls that involve end usage and configuration issues rather than bugs or other technical problems, the Proprietor's first or second level support personnel must provide the Lottery's technical staff with telephonic assistance on a non-priority basis.

The Proprietor must comply with the FCC's Telecommunications Service Priority Program in setting Service installation and restoration priorities for all Cloud Services the Lottery has registered for such preferential treatment under that program.

Response Times

The maximum time that the Proprietor takes to respond initially to a support request may vary based upon the classification of the request. The Proprietor's response time for a critical support request will be less than two (2) hours. The Proprietor's response time for an urgent request must be less than four (4) hours. And the Proprietor's response time for a routine support request must be less than forty-eight (48) hours. The applicable Contract may provide for shorter response times for a particular Service, and nothing contained herein will limit the application of any credits for failure to meet any SLAs in the applicable Contract.

Lottery Obligations

To facilitate the Proprietor meeting its support obligations, the Lottery must provide the Proprietor with the information reasonably necessary to determine the proper classification of the underlying problem. They also must assist the Proprietor as reasonably necessary for the Proprietor's support personnel to isolate and diagnose the source of the problem. Additionally, to assist the Proprietor's tracking of support calls and the resolution of support issues, the Lottery must make a reasonable effort to use any ticket or incident number that the Proprietor assigns to a particular incident in each communication with the Proprietor.

Relationship to SLAs

The Proprietor's support obligations are in addition to the Liquidated Damages and SLAs in the Contract.

Service Level Guarantee and Credits

The Proprietor will issue a credit allowance to the Lottery affected by a Service outage, as defined in the Service Level Agreements contained in the Contract. The credit will appear on the Lottery's next invoice, or if the Lottery so requests, the Proprietor will issue a check to the Lottery as payment within thirty (30) calendar days of the request.

Attachment Two: Governing the Expenditure of Public Funds on Offshore Services

Prohibition of Expenditure of Public Funds on Services Provided Outside of the United States and on Services from or Investment in Russian Institutions or Companies.

Any Proprietor entering into business contracts with the Lottery must complete, execute, date and return to the Lottery the attached Affirmation and Disclosure Form regarding Executive Order 2019-12D - *Governing the Expenditure of Public Funds on Offshore Services and Executive Order 2022-02D - State of Ohio's Response to Russia's Unjust War on the County of Ukraine.*

By signing, Proprietor affirms to have read and understood Executive Order 2019-12D and Executive Order 2022-2D, that they will abide by the prohibitions and requirements therein in the performance of this Contract will not locate State data outside of the United States and will not purchase from or invest in Russian institutions or companies. Both Executive Orders, and the Standard Affirmation and Disclosure From, are provided as attachments, and the Standard Affirmation and Disclosure Form is also available at the following website: 04-Affirmation and Disclosure Form 3-4-22.pdf (ohio.gov)

Proprietor also affirms, understands, and agrees that at no time during this Contract will services be changed or shifted to a location(s) outside the United States or be purchased from Russian institutions or companies. Proprietor further affirms, understands, and agrees, regardless, to immediately notify the Lottery of any prohibited purchase or investment, or any change or shift in the location(s) of services performed by Proprietor or its subcontractors under this Contract.

Termination, Sanction, Damages

If Proprietor or any of its subcontractors performs services under this Contract outside the United States, that are not or are not reasonably related to any service for which an approved waiver pursuant to Executive Order 2019-12D - *Governing the Expenditure of Public Funds on Offshore Services* has been issued, then the performance of such services will be treated as a material breach of this Contract. The Lottery is not obligated to pay and will not pay for such services. If Proprietor, or any of its subcontractors, performs any such services, then Proprietor will immediately return to the Lottery all funds paid to Proprietor, by the Lottery for those services. The Lottery may also recover from Proprietor all costs associated with any corrective action the Lottery may undertake, including, but not limited to, an audit or a risk analysis, as a result of Proprietor performing services outside the United States.

The Lottery may, at any time after such a breach, terminate this Contract, upon written notice to Proprietor. The Lottery may recover all accounting, administrative, legal, and other expenses reasonably necessary for the preparation of the termination of this Contract and costs associated with the acquisition of substitute services from a third party. If the Lottery determines that the actual and direct damages are uncertain or difficult to ascertain, then the Lottery in its sole discretion may recover a payment of liquidated damages in the amount of one percent (1%) of the value of this Contract. The Lottery in its sole discretion, may provide written notice to Proprietor of a breach and permit Proprietor to cure the breach, such cure period will be no longer than twenty-one (21) calendar days. During the cure period, the Lottery may buy substitute services from a third party and recover from Proprietor any costs associated with acquiring those substitute services.

Notwithstanding permitting a period of time for Proprietor to cure its breach, the Lottery does not waive any of its rights and remedies provided to it in this Contract, including, but not limited to, recovery of funds paid for services Proprietor performed outside of the United States, costs associated with corrective action, or liquidated damages.

The provisions stated in this clause are in addition to any other provisions contained herein relative to termination, sanctions and/or damages, including, but this Contract will be governed by the laws of the State of Ohio, USA, excluding the application of conflicts of law rules. In the event that any provision of this Contract is in conflict with any law or regulation, such law or regulation will prevail. Any litigation arising out of or relating to this Contract or performance hereunder, must be brought only in the federal, state, or local courts of Cuyahoga County, Ohio with the proper jurisdiction and Proprietor irrevocably consents to such jurisdiction.

Proprietor agrees to comply with all applicable federal, state, and local laws and regulations in its performance hereunder, including, without limitation, laws relating to the payment of wages, equal employment opportunity, unemployment compensation, campaign contributions, drug-free workplace, insurance premiums, workers' compensation premiums, income tax deductions, social security deductions, and any and all other tax and payroll deductions required for its employees. In the event that any provision of this Contract is in conflict with any law or regulation, then such law or regulation will prevail. It is understood that neither Proprietor nor its employees or subcontractors are construed as employees of the Lottery for the purpose of P.E.R.S., workers' compensation, or for any other purpose.

Ohio Ethics and Elections Law

Proprietor hereby certifies that all applicable parties listed under ORC §3517.13 Divisions (I) and/or (J) are in full compliance with those Divisions. Proprietor also certifies that it is currently in compliance with and will continue to adhere to the requirements of Ohio ethics laws.

Equal Employment Opportunity

Proprietor will comply with all state and federal laws regarding equal employment opportunity, including ORC §125.111 and all related Executive Orders. Before a contract can be awarded or renewed, an Affirmative Action Verification Form must be submitted to the DAS Equal Opportunity Division to comply with the affirmative action requirements.

Affirmative Action Verification Forms and approved Affirmative Action Plans can be found by going to the Ohio Department of Development's website:

https://das.ohio.gov/Divisions/Equal-Opportunity/Affirmative-Action-Program-Verification

Affirmative Action Verification Forms can be filed electronically at the Ohio Business Gateway website:

https://ohiobusinessgateway.ohio.gov/OBG/Membership/Security.mvc/Login#MainContainer

Unresolved Finding for Recovery

Proprietor warrants that it is not subject to an "unresolved" finding of recovery under ORC §9.24. If the warranty is deemed to be false, then this Contract is void *ab initio* and Proprietor must immediately repay to any funds paid under this Contract.

Execution Copies

This Contract may be simultaneously executed in several counterparts, each of which so executed will be deemed to be an original, and such counterparts together will constitute one and the same document.

Independent Proprietor Acknowledgement

It is fully understood and agreed that the Proprietor is an independent contractor and is not an agent, servant, or employee of the State of Ohio or the Lottery. The Proprietor declares that it is engaged as an independent business and has complied with all applicable federal, state, and local laws regarding business permits and licenses of any kind, including but not limited to any insurance coverage, workers' compensation, or unemployment compensation that is required in the normal course of business and will assume all responsibility for any federal, state, municipal or other tax liabilities. Additionally, the Proprietor understands that as an independent contractor, it is not a public employee and is not entitled to contributions from the Lottery to any public employee retirement system.

The Proprietor acknowledges and agrees any individual providing personal services under this Contract is not a public employee for purposes of ORC Chapter 145. Unless the Proprietor is a "business entity" as that term is defined in ORC §145.037 ("an entity with five or more employees that is a corporation, association, firm, limited liability company, partnership, sole proprietorship, or other entity engaged in business"). The Proprietor must have any individual performing services under this Contract complete and submit to the ordering agency the Independent Contractor/Worker Acknowledgement found at the following link: https://www.opers.org/forms-archive/PEDACKN.pdf

The Proprietor's failure to complete and submit the Independent Contractor/Worker Acknowledgement prior to commencement of the work, service, or deliverable, provided under this Contract, will serve as the Proprietor's certification that Proprietor is a "Business entity" as the term is defined in ORC §145.037.

Trade

Pursuant to ORC §9.76(B), Proprietor warrants that Proprietor is not boycotting any jurisdiction with whom the State of Ohio can enjoy open trade, including Israel, and will not do so during the Term of this Contract. The State of Ohio does not acquire supplies or services that cannot be imported lawfully into the United States. The Proprietor certifies that it, its subcontractors, and any agent of the Proprietor or its subcontractors, acquire any supplies or services in accordance with all trade control laws, regulations or orders of the United States, including the prohibited source regulations set forth in subpart 25.7, Prohibited Sources, of the Federal Acquisition Regulation and any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control. A list of those sanctions by country can be found at: https://www.treasury.gov/resourcecenter/sanctions/Programs/Pages/Programs.aspx. These sanctions generally preclude acquiring any supplies or services that originate from sources within, or that were located in or transported from or through Cuba, Iran, Libya, North Korea, Syria, or the Crimea region of Ukraine. Proprietor must comply with Executive Orders 2019-12D and 2022-02D referenced in Attachment 4 and Attachment 5.

Location of Data

The Proprietor must perform all work on the Project and keep all Lottery data within the United States, and the Lottery may reject any Proposal that proposes to do any work or make Lottery data available outside the United States. The Lottery also may reject any Proposal for which the Proprietor has not submitted the Affirmation and Disclosure Form, Attachment 2, representing that it will ensure that all work on the Project will be done within the United States and that all Lottery data will remain in the United States. Additionally, the Proprietor must provide written notification for approval if at any time the location of work or data changes.

Attachment Three: Affirmation and Disclosure Form

AFFIRMATION AND DISCLOSURE FORM

By the signature affixed hereto, the Proprietor affirms and understands that if awarded a contract, both the Proprietor and any of its subcontractors will perform no services requested under this Contract outside of the United States, nor allow State data to be sent, taken, accessed, tested, maintained, backed-up, stored or made available remotely (located) outside of the United States.

The Proprietor will provide all the name(s) and location(s) where services under this Contract will be performed and where data is located in the spaces provided below or by attachment. Failure to provide this information may result in no award. If the Proprietor will not be using subcontractors, indicate "Not Applicable" in the appropriate spaces.

1. Principal location of business of Proprietor:

11360 Technology Circle
(Address)

Duluth, GA 30097
(City, State, Zip)

Name/Principal location of business of subcontractor(s):

21 Entertainment Group, LLC
(Name)

1314 Centerview Circle
Copley, Ohio 44321
(Address, City, State, Zip)

____
(Name)

____
(Address, City, State, Zip)

2. Location where services will be performed by Proprietor:

11360 Technology Circle
13500 Darice Pkwy Ste. C
(Address)
* Intralot, SA

Duluth, GA 30097
Strongsville, OH 44149
(City, State, Zip)
19th km, Markopoulou Ave., 19002 Peania-Attica-Greece

Name/Location where services will be performed by subcontractor(s):

21 Entertainment Group, LLC
(Name)

1314 Centerview Circle
Copley, Ohio 44321
(Address, City, State, Zip)

____
(Name)

____
(Address, City, State, Zip)

* Intralot, SA - waiver applied for

3. Location where state data will be located, by Proprietor:

13500 Darice Pkwy. Ste. C - Ohio and 11360 Technology Circle - Corp. Office
(Address)

Strongsville, OH 44149
Duluth, GA 30097
(Address, City, State, Zip)

Name/Location(s) where state data will be located by subcontractor(s):

21 Entertainment Group, LLC
(Name)

1314 Centerview Circle
Copley, Ohio 44321
(Address, City, State, Zip)

(Name) (Address, City, State, Zip)

(Name) (Address, City, State, Zip)

(Name) (Address, City, State, Zip)

(Name) (Address, City, State, Zip)

Proprietor also affirms, understands, and agrees that Proprietor and its subcontractors are under a duty to disclose to the State any change or shift in location of services performed by Proprietor or its subcontractors before, during and after execution of any Contract with the State. Proprietor agrees it will so notify the State immediately of any such change or shift in location of its services. The State has the right to immediately terminate the contract, unless a duly signed waiver from the State has been attained by the Proprietor to perform the services outside the United States.

On behalf of the Proprietor, I acknowledge that I am duly authorized to execute this Affirmation and Disclosure Form and have read and understand that this form is a part of any Contract that Proprietor may enter into with the State and is incorporated therein.

By: [signature]
Proprietor

Print Name: Byron E. Boothe, Jr.

Title: CEO

Date: November, 10, 2022

Attachment Four: Executive Order 2019-12D

MIKE DEWINE
GOVERNOR
STATE OF OHIO

Executive Order 2019-12D

Governing the Expenditure of Public Funds for Offshore Services

WHEREAS, the retention and creation of jobs in the State of Ohio is fundamental to the future prosperity of all Ohioans: and

WHEREAS, the use of public funds for services provided outside the United States potentially undermines economic development; and

WHEREAS, it shall be the policy of my Administration to prohibit the expenditure of public funds for services provided outside the United States;

NOW THEREFORE, I, Mike DeWine, Governor of the State of Ohio, by virtue of the authority vested in me by the Constitution and laws of this State do hereby order and direct that:

1. No State Cabinet Agency, Board or Commission ("Executive Agency") shall enter into any contract which uses any funds within its control to purchase services which will be provided outside the United States. This Executive Order applies to all purchases of services made directly by an Executive Agency and services provided by subcontractors of those providing services purchased by an Executive Agency.

2. This Executive Order will be personally provided, by the Director, Chair or other chief executive official of each Executive Agency, to the Chief Procurement Officer or other individual at that entity responsible for contracts for services.

3. The Department of Administrative Services, through Ohio's Chief Procurement Officer, shall continue to maintain procedures to ensure all of the following:

   a. All agency procurement officers (APOs), or the person with equivalent duties at each Executive Agency, have standard language in all Executive Agency contracts which:

      i. Reflect this Order's prohibition on the purchase of offshore services.
      ii. Require service providers or prospective service providers to:

         1. Affirm that they understand and will abide by the requirements of this Order.
         2. Disclose the location(s) where all services will be performed by any contractor or subcontractor.

3. Disclose the location(s) where any State data associated with any of the services they are providing, or seek to provide, will be accessed, tested, maintained, backed-up or stored.
4. Disclose any shift in the location of any services being provided by the contractor or any subcontractor.
5. Disclose the principal location of business for the contractor and all subcontractors who are supplying services to the State under the proposed contracts

b. All APOs confirm that all quotations, statements of work, and other such proposals for services affirm this Order's prohibition on the purchase of offshore services and include all of this Order's disclosure requirements.

i. Any such proposal for services lacking the affirmation and disclosure requirements of the Order will not be considered.
ii. Any such proposal where the performance of services is proposed to be provided at a location outside the United States by the contractor or any subcontractor will not be considered.

c. All procurement manuals, directives, policies, and procedures reflect the requirements of this Order.

d. All APOs have adequate training which addresses the terms of this Order.

4. Nothing in this Order is intended to contradict any State or federal law. In addition, this Order does not apply to:

a. Services necessary to support the efforts to attract jobs and business to Ohio;

b. Academic, instructional, educational, research or other services necessary to support the international missions of Ohio's public colleges and universities; or

c. Situations in which the Director of the Department of Administrative Services, or the Director's designee, shall determine that it is an emergency or that it is necessary for the State to waive some or all of the requirements of this Order. The Director shall establish standards by which Executive Agencies may request a waiver of some or all of the requirements of this Order and by which such requests will be evaluated and may be granted.

I signed this Executive Order on March 4, 2019 in Columbus, Ohio and it will expire ten (10) calendar days after my last day as Governor of Ohio unless rescinded before then.

Mike DeWine, Governor

ATTEST:

Frank LaRose, Secretary of State

Attachment Five: Executive Order 2022-02D

MIKE DEWINE
GOVERNOR
STATE OF OHIO

Executive Order 2022-02D

State of Ohio's Response to Russia's Unjust War on the Country of Ukraine

WHEREAS, under President Vladimir Putin, the Russian forces are waging a war against the Ukrainian people, indiscriminately killing innocent civilians, destroying homes and communities, and creating a refugee crisis in Europe; and

WHEREAS, the Ukrainian people, under the leadership of President Volodymyr Zelenskyy, have shown enormous resolve and incredible courage in the face of this attack by Russia; and

WHEREAS, the State of Ohio is home to approximately 80,000 Ukrainians, both immigrants and their descendants – many of whom still have family in Ukraine; and

WHEREAS, the State of Ohio and Ukraine share common values including freedom, democracy, and the rule of law; and

WHEREAS, the State of Ohio stands firmly with Ukraine and strongly condemns Russia's actions; and

WHEREAS, the State of Ohio supports the federal sanctions imposed against Russia in response to its senseless attack on the Ukrainian people; and

WHEREAS, the State of Ohio will not permit its own investment or purchasing activity to aid Russia in violation of the rights of the Ukrainian people; and

WHEREAS, the State of Ohio supports the domestic production of technology and energy, which are essential to the United States' national security, so that freedom is not threatened by hostile foreign actors, and the State of Ohio encourages the federal government to do the same.

NOW THEREFORE, I, Mike DeWine, Governor of the State of Ohio, by virtue of the authority vested in me by the Constitution and laws of this State do hereby order and direct that:

- All State agencies, boards and commissions, state educational institutions, and pension funds, to the extent practicable:

1. Divest their money in assets from any investment in any Russian institution or company and to refrain from making any investments in such institutions or companies in the future; and
2. To terminate any contracts with a Russian institution or company and to refrain from entering into any new contracts with such institutions or companies in the future.

- The Department of Administrative Services, through Ohio's Chief Procurement Officer, shall ensure all of the following:

    1. All agency procurement officers (APOs), or the person with equivalent duties at each executive agency, board, or commission shall have standard language in all contracts, to the extent practicable, which:
        i. Reflect this Order's prohibition on the purchases of services from or investments in Russian institutions or companies.
        ii. Require service providers or prospective service providers to:
            a. Affirm that they understand and will abide by the requirements of this Order; and
            b. Disclose the principal location of business for the contractor and all subcontractors who are supplying services to the State under the proposed contracts.
    2. All APOs confirm that all quotations, statements of work, and other such proposals for services affirm this Order's prohibition on the purchase of Russian institutions or companies' services and include all of this Order's disclosure requirements.
        i. Any such proposal for services lacking the affirmation and disclosure requirements of the Order will not be considered.
        ii. Any such proposal for purchases of services from or investments in Russian institutions or companies will not be considered.
    3. All procurement manuals, directives, policies, and procedures reflect the requirements of this Order.
    4. All APOs have adequate training which addresses the terms of this Order.
    5. For purposes of this Order, "Company" means a sole proprietorship, partnership, corporation, national association, société anonyme, limited liability company, limited partnership, limited liability partnership, joint venture, or other business organization, including their subsidiaries and affiliates, that operates to earn a profit.

Nothing in this Order is intended to contradict any State or federal law.

This order shall be read in conjunction with Executive Order 2019-12D "Governing the Expenditure of Public Funds for Offshore Services" which already largely prohibits the contracting and purchasing of services from overseas sources including subcontractors.

I signed this Executive Order on March 3, 2022, in Columbus, Ohio, and it shall remain in effect unless rescinded or modified by a future Executive Order of the Governor.

Mike DeWine, Governor

ATTEST:

Frank LaRose, Secretary of State

Filed on March 3, 2022
Per
In the Office of the Secretary
of State at Columbus, OH
FRANK LaROSE
Secretary of State

Attachment Six: Lottery Operating Standards

The most current Lottery Operating standards can be found by going to this link:
https://ohiolottery.com/Sports-Gaming/Lottery-Sports-Gaming-Proprietors

Attachment Seven: Event Schedule

Below is a list of Special Events that would qualify for no grace period to be given if the Lottery Sports Gaming System were to go down at any time during the event(s):

a. Super Bowl
b. Men's NCAA March Madness Basketball Tournament games
c. College Football Playoff games
d. World Cup of Soccer games
e. Stanley Cup Finals
f. The Masters Tournament
g. World Series games
h. NBA Finals games
i. Daytona 500
j. Indianapolis 500

Attachment Eight: Schedule of Service Levels and Liquidated Damages (LDs)

All monetary values referenced are in US dollars. Liquidated Damages being after grace periods noted.

Liquidated Damages Provisions

In all the below liquidated damages sections, the Lottery and the Proprietor agree it would be extremely impractical and difficult to determine actual damages which the Lottery will sustain. The goods and services to be provided under the Contract are not readily available on the open market; any breach by the Proprietor may delay and disrupt the Lottery's operations, the result of which may lead to damages. Therefore, the parties agree that the liquidated damages as specified in the sections below are reasonable and are not to be construed as a penalty.

Unless the Lottery and the Proprietor agree otherwise, liquidated damages will not be measured in terms of potential lost revenue or potential lost net profit to the Lottery. In the event that a mutual agreement is reached as to measurable potential lost revenue or potential lost net profit to the Lottery, the result of such agreement will replace any applicable LD.

Liquidated damages do not negate any disciplinary actions or fines imposed by the OCC.

Except as set forth above, assessment of liquidated damages will be in addition to, and not in lieu of, such other remedies as may be available to the Lottery. Except and to the extent expressly provided herein, the Lottery will be entitled to recover liquidated damages under each section applicable to any given incident.

In the subsections below, the Lottery will consider day to mean calendar day unless otherwise specified.

Notification of Liquidated Damages

Upon determination, liquidated damages are to or may be assessed, the Lottery will notify the Proprietor of the previous months assessment in writing. The availability of any period of cure will depend on the situation and will be in the sole discretion of the Lottery.

Conditions for Termination of Liquidated Damages

As determined appropriate by the Lottery, the following are the conditions under which the Proprietor may obtain relief from the continued assessment of liquidated damages.

Except, as waived in writing by the Lottery, no liquidated damages imposed will be terminated or suspended until the Proprietor issues a written notice verifying the correction of the condition(s) for which liquidated damages were imposed, and all corrections have been subjected to Acceptance Testing or other verification at the discretion of the Lottery.

As appropriate, the Proprietor must conduct Acceptance Testing of any correction as the Lottery deems necessary. Such testing will be developed jointly by the Lottery and the Proprietor, and must be approved by the Lottery, including the test script, test environment, and test results. A notice of correction will not be accepted until verification by the Lottery.

Severability of Individual Liquidated Damages

If any portion of the liquidated damages provisions is determined to be unenforceable in one (1) or more applications, that portion will remain in effect in all applications not determined to be invalid and is severable from the invalid applications. If any portion of the liquidated damages provisions is determined to be unenforceable, the other provision(s) will remain in full force and effect.

Waivers of Liquidated Damages

The waiver of any liquidated damages due the Lottery will constitute a waiver only as to such liquidated damages and not a waiver of any future liquidated damages. Failure to assess liquidated damages or to demand payment of liquidated damages within any period of time will not constitute a waiver of such claim by the Lottery.

Payment of Liquidated Damages

All assessed liquidated damages may be deducted from the Proprietor's Share owed the Proprietor by the Lottery and in the event the amount due the Proprietor is not sufficient to satisfy the amount of the liquidated damages. The Proprietor will remit the balance to the Lottery within thirty (30) calendar days of written notification or in another form approved by the Director. If the amount due is not paid in full, the balance will be deducted from subsequent payments to the Proprietor. At the Lottery's sole option, the Lottery may obtain payment of assessed liquidated damages through one (1) or more claims upon the Performance Bond.

Applicability of Liquidated Damages and Pro-Rata Liquidated Damages

The Proprietor will not be required to pay liquidated damages for delays solely due to matters affected by force majeure, or for time delays specifically due to, or approved by, the Lottery. In the liquidated damages sections below, where applicable, the damages will be pro-rated for partial periods. For example, if liquidated damages are six hundred dollars ($600) per minute, and the period is thirty (30) seconds, the liquidated damages will be six hundred dollars times thirty divided by sixty (60), which equals three hundred dollars, ($600 x 30/60 = $300).

Duplicative Liquidated Damages

Nothing in this contract will create a Liquidated Damage that is duplicative, repetitive or in addition to, any other Intralot contract.

Lottery Sports Gaming Installation

Condition - The Proprietor must complete all installation preparations as required, complete Quality Assurance Testing to the Lottery's satisfaction, pass Lottery Acceptance Testing, comply with all other contractual requirements in effect during the implementation period, and achieve readiness for production operations which includes, but are not limited to, all terminals especially the prototype items.

Production Operations. Ten thousand dollars ($10,000) per day beginning with the Contract- agreed production start-up date. At start-up, all terminals, network, communications, and system requirements must be ready to go live.

Terminal and Peripheral Provisioning

Condition – The Proprietor must install, move, and remove all deployed equipment (including their associated Proprietor-supplied peripherals) in accordance with the provisioning schedules agreed to by the Proprietor and the Lottery contained in the Lottery Gaming System Contract. In addition, the Proprietor agrees that:

a. No terminals that sell traditional Lottery products and Lottery Sports Gaming may be moved, without permission of the Lottery, unless the purpose is to protect the equipment from damage.
b. Lottery Sports Gaming will not be installed on any self-service kiosks, unless a Lottery only self-service terminal is also placed in the location; Subject to the terms of Section 3 d.
c. Installation of Lottery Sports Gaming only peripherals will not take precedence over Lottery only equipment installation, moves, adds, removals or change.
d. Removal of Lottery Sports Gaming equipment requested by the Lottery due to decreased sales or other requirements must be completed on or before the third (3rd) business day following the date that the work order is placed by the Lottery;
e. No terminal will have Lottery Sports Gaming added without prior approval from the Lottery;
f. No terminal will be installed at a location that does not have a Type C Sports Gaming host license;
g. Lottery Sports Gaming will not be added at any location, other than host locations that the Proprietor has entered into a Contract with;
h. Lottery Sports Gaming sales will not be available to non-host locations that the Proprietor has entered into a Contract with for Lottery Sports Gaming cashing only; and
i. No Cashing Terminal or application will be installed without prior approval of the Lottery.

Proprietor and the Lottery agree that for the purpose of calculating dates, the day the work order is approved by the Lottery will not be counted as one (1) of the days within which Proprietor must complete the order.

Damages - In the event the Proprietor moves terminals and equipment without permission, installs self-service terminals without permission, fails to remove equipment on the agreed upon schedule, the Lottery may impose liquidated damages of three hundred dollars ($300) per day per terminal, or a pro-rated fraction thereof, until provisioning is complete.

Lottery Sports Gaming Systems Down

Condition -The Lottery Sports Gaming System will be defined to be "down" if wagers cannot be placed, tickets cannot be sold, wagers and/or tickets cannot be canceled (under the allowed conditions), or winning tickets and/or wagers cannot be validated during the operational sales period each day. The total time during which the Lottery Sports Gaming System is down during the day will be the sum of all time during such daily operational sales period when the Lottery Sports Gaming System is "down." For example, three (3) one-minute-long instances in one (1) day constitute three (3) minutes of daily downtime. There is a grace period of thirty (30) minutes of downtime daily. Any time beyond the grace period will be considered a "downtime event." To address chronic problems, in the event two (2) downtime events have already occurred in a business week, the grace period will be rescinded, and liquidated damages will begin immediately with any subsequent downtime in that week.

Damages - In the event the Lottery Sports Gaming Systems have experienced a downtime event, the Lottery may impose liquidated damages based on lost sales. Lost sales will be calculated on the same time period the previous year. In the first contract year, lost sales will be calculated using a similar sales period. The amount due will be the profit due to the State based on the lost sales.

No grace period will be given for Lottery Sports Gaming System down on specific events. The Event Schedule is contained in Attachment Seven.

Lottery Sports Gaming System Degraded Performance

Condition - The Lottery Sports Gaming Systems will have "degraded performance" no more than the first one (1) hour during the operational sales period on any day. The total time the Lottery Sports Gaming Systems are degraded during the day will be calculated by taking the sum of all time during such daily operational sales period when the Lottery Sports Gaming System is degraded. To address chronic problems, in the event two (2) degraded time events of any length have already occurred in the same business week, the grace period of the first one (1) hour will be rescinded, and liquidated damages will begin immediately with any subsequent degraded time event that week.

The Lottery Sports Gaming System will be considered as having degraded performance when:

a. Retailer terminals on average exceed the response time requirements;
b. The Lottery Sports Gaming System processes transactions from less than (ninety-five percent) 95% of the installed and operational terminals;
c. The Lottery Sports Gaming System can process transactions from all terminals, but not for all gaming products and Host related activities. For example, degraded performance exists if the Lottery Sports Gaming Systems do not allow sales, validations, cancels for any or all Lottery Sports Gaming events;
d. Transactions are not logged to at least two (2) local systems, one (1) warm backup system, and to the Lottery's ICS;
e. Critical functions of Lottery Sports Gaming System management and administration cannot be conducted by the management workstations. These include file transfers to the Lottery; and
f. During a defined promotion period the Lottery Sports Gaming System cannot issue tickets and conduct transactions to support an intended promotion.

Damages - In the event the Lottery Sports Gaming Systems have "degraded performance," the Lottery may impose liquidated damages according to the following schedule:

The Lottery Sports Gaming System has "degraded performance" that collectively exceeds one (1) hour per day, the Lottery may impose liquidated damages as a result of the total time of degraded performance, except for the cure period of one (1) hour, according to the following schedule:

The Lottery Sports Gaming Systems have experienced a downtime event, the Lottery may impose liquidated damages based on lost sales. Lost sales will be calculated on the same time period the previous year. In the first contract year, lost sales will be calculated using a similar sales period. The amount due will be the profit due to the State based on the lost sales.

No grace period will be given for Lottery Sports Gaming System downtime which occurs during specific events. The Event Schedule is contained in Attachment Seven.

Lottery Gaming Systems Down Due to Lottery Sports Gaming

Condition -If the Lottery Sports Gaming System creates a situation that the Lottery Gaming System is down, Liquidated Damages will immediately be assessed.

The Lottery Gaming System will be defined to be "down" if tickets cannot be sold, tickets cannot be canceled (under the allowed conditions), or winning tickets cannot be validated during the operational sales period each day. The total time during which the Lottery Gaming Systems are down during the day will be the sum of all time during such daily operational sales period when the Lottery Gaming System is "down." For example, three (3) one-minute-long instances in one (1) day constitute three (3) minutes of daily downtime.

Damages - In the event the Lottery Gaming Systems have experienced a downtime event, the Lottery may impose liquidated damages, in an amount of five hundred ($500) for each one (1) minute of downtime.

In addition, lost sales will be assessed for the downtime event. Lost sales will be calculated based on a similar sales period within the previous eighteen (18) months.

Lottery Gaming Systems Degraded Performance due to Lottery Sports Gaming

Condition -If the Lottery Sports Gaming System creates a situation that the Lottery Gaming Systems experiences degraded performance Liquidated Damages will immediately be assessed.

The Lottery Gaming Systems have "degraded performance" no more than the first two (2) minutes during the operational sales period on any day. The total time the Lottery Gaming Systems are degraded during the day will be calculated by taking the sum of all time during such daily operational sales period when the Lottery Gaming System is degraded. To address chronic problems, in the event two (2) degraded time events of any length have already occurred in the same business week, and liquidated damages will begin immediately with any subsequent degraded time event that week.

The Lottery Gaming System will be considered as having degraded performance when:

Retailer terminals on average exceed the response time requirements, or the Lottery Gaming System is incapable of meeting the throughput specifications.

The Lottery Gaming System processes transactions from less than 95% of the installed and operational terminals.

The Lottery Gaming System can process transactions from all terminals, but not for all gaming products and Retailer-related activities. For example, degraded performance exists if the Lottery Gaming Systems do not allow sales, validations, cancels for any or all online games, and degraded performance exists if the Lottery Gaming System does not support activations, disables, and settlements for instant ticket games.

Transactions are not logged to at least two (2) local systems, one (1) warm backup system, and to the Lottery's ICS.

Critical functions of Lottery Gaming System management and administration cannot be conducted by the management workstations. These include file transfers to the Lottery.

Instant ticket inventory management is compromised, including the ability to receive, order, and ship instant tickets, etc., in a manner concordant with production schedules.

During a defined promotion period the Lottery Gaming System cannot issue tickets and conduct transactions to support an intended promotion.

Damages - In the event the Lottery Gaming Systems have "degraded performance," the Lottery may impose liquidated damages in the amount of five hundred dollars ($500) per hour for each one (1) hour of downtime beyond the applicable grace period, or fraction thereof:

In addition, lost sales will be assessed for the downtime event. Lost sales will be calculated based on a similar sales period within the previous eighteen (18) months.

Lottery Sports Gaming Impact on Lottery Software Upgrades and Release Schedules

Condition -Lottery Sports Gaming updates must not impact the Lottery software upgrades, production hot fixes and release schedules. If Lottery Sports Gaming creates a situation that normal Lottery requests are not completed, items are not included in releases due to Lottery Sports Gaming requests or releases are not able to be completed according to agreed upon timelines and project plans.

Impact on Lottery Gaming System releases or software upgrades include but are not limited to:

a. The release schedule pushed back to accommodate Lottery Sports Gaming release items;
b. Staff not available due to Lottery Sports Gaming system and software items;
c. Production items not researched, fixed, and released timely due to Lottery Sports Gaming;
d. The amount of software assistance decreasing due to Lottery Sports Gaming; and
e. Any requests pushed back or rejected due to Lottery Sports Gaming.

Damages - In the event Lottery Sports Gaming impacts the Lottery software upgrades and releases, the Lottery may impose liquidated damages in the amount of one thousand dollars ($1,000) per day until the items are scheduled and/or installed.

In addition, lost sales will be assessed for any sales generating software that is not installed. Lost sales will be calculated based on estimated game sales.

Timely and Accurate Files

Condition – Proprietor must produce and deliver timely, complete, and accurate Sports Gaming EFT Files within the specified time frames, as categorized, and approved in writing by the Lottery. The time schedule will also determine a grace period for the delivery of late, incomplete, or incorrect tiles.

Damages - For each late, incomplete, or inaccurate file, once the approved grace period has passed, the Lottery may impose liquidated damages of five hundred dollars ($500) per file, per hour, or pro-rated fraction thereof, until the file is provided, made complete or corrected.

For each late, incomplete, or inaccurate EFT file causing the Lottery to be unable to perform its EFT

Sweep at the designated date and time, the Lottery may impose liquidated damages consisting of the interest lost to the state of Ohio as calculated by the following formula:

(The correct total Retailer invoice value for the period to be contained on the file multiplied by the interest rate as established by Ohio law, then divided by three hundred sixty-five (365), and multiplied by the number of days late)

Failure to Modify or Install Lottery Sports Gaming Event or Promotion

Condition- The Proprietor must not offer wagering on any sporting events not listed in the approved OCCC catalog. Proprietor must not offer an unauthorized promotion or bonuses as identified in §3770:3-7-04. Wager types must also be in line with regulations set forth for Type C Lottery Sports Gaming in House Bill 29. In addition, the Proprietors software must complete a QA Test and receive the Lottery's written approval, within the timeframe specified.

Damages – Any wagers placed on an invalid sporting event must be voided in accordance with ORC Chapter 3775 and the rules adopted. The Lottery may impose liquidated damages of one thousand hundred ($1,000) per day for each day the modified or additional game is installed, or invalid Lottery Sports Gaming event not removed, or for conducting a promotion without the approval of the Director. Any unauthorized promotional play must be honored by the Proprietor, subject to full financial recovery by the Lottery.

Unauthorized Modifications

Condition - The Proprietor, as a result of intentional or grossly negligent acts, must not modify the Lottery Sports Gaming System in any way without the prior written consent (which will not be unreasonably withheld or delayed) of the Lottery and any corrective action required hereunder will not give rise to liquidated damages unless and until the aforesaid consent is given. This includes, but is not limited to, any software configuration, data modification, software, or hardware, excluding content configuration changes (e.g. Events, multi-media, etc.).

Configuration Management practices must be designed to obviate this problem.

Damages - If the Proprietor, as a result of intentional or grossly negligent acts, modifies any software or hardware without the prior written approval of the Lottery, the Lottery may issue a written order to restore the Lottery Sports Gaming System to its
previous operating state at the Proprietor's expense. "Modification" does not include replacement of a Lottery Sports Gaming System component with an essentially similar working component in the event of necessary maintenance.

Further, the Lottery may impose liquidated damages of fifty thousand dollars ($50,000) per occurrence, in addition to any other damages that have occurred as a result of such unauthorized modification

Unauthorized Access or Compromise

Condition - The Proprietor will stop any person including but not limited to, personnel not authorized by the Lottery from accessing, modifying, or otherwise interfering with the Lottery Sports Gaming System, and any Lottery Sports Gaming System data or software.

Damages - If the Proprietor fails to prevent access, modification, or interference by any unauthorized persons, the Lottery may impose liquidated damages of ten thousand dollars ($10,000) for each person, for each incident. Each and every act permitting access, modification, or interference by an unauthorized person is an incident.

Failure to Report Incidents

Condition - It will be the responsibility of the Proprietor to immediately report all significant incidents, listed below, related to the operation of the sports gaming system or incidents related to the operation of the sports gaming that impact sports gaming or the Lottery gaming system. The immediate reporting will be delivered personally or by telephone within one (1) hour of discovery of the incident, followed by written notification, within four (4) hours of the delivery, with all known details.

A formal incident report addressed to the Lottery's Contract Manager must be received within twenty-four (24) hours of the incident. This may be in draft form due to continued research. The incident report should include, at a minimum, the following: root cause, description of the incident and all resolution details. The following types of events, but not limited to those listed, will require a written report:

a. Lottery Sports Gaming system takeovers;
b. Significant operator errors;
c. Out of balance conditions;
d. Emergency software or hardware changes;
e. Security violations;
f. Other conditions as defined by a memorandum of understanding; or
g. Any situation possibly causing the general public to become alarmed and/or that may damage the integrity or public image of the Lottery.

A final formal incident report with all details listed above, must be provided to the Lottery's Contract Manager within ten (10) business of the incident resolution.

Damages- In the event the Proprietor fails to report incidents, the Lottery may impose liquidated damages of one thousand dollars ($1,000) per day, or a prorated fraction thereof, until an incident is correctly reported.

Failure to Comply

Condition -The Proprietor is required to comply with all commitments of the Contract, and all clarifications and amendments to these documents. If the Proprietor fails to provide products, services, data, or documents as obligated thereby, the Lottery may invoke liquidated damages in instances not otherwise addressed by specific liquidated damage provisions.

Damages - In the event the Proprietor fails to provide an obligated product, service, data, or document, the Lottery may impose liquidated damages of five hundred dollars ($500) per day or per incident (at the Lottery's discretion) until the condition is rectified.

Failure to Comply with Internal Control Standards, Lottery Operating Standards or to Remedy Audit Recommendations

Condition - If the Proprietor fails to address recommendations made as a result of a system audit, or to comply with required Lottery Operating standards liquidated damages may be assessed.

Damages - In the event the Proprietor fails to comply with any required Lottery Operating Standard, the Lottery may assess liquidated damages of five thousand dollars ($5,000) for each instance. The Proprietor will have thirty (30) days from date of notification to comply. If the Proprietor fails to comply within the initial thirty (30) day period, liquidated damages may be imposed in the amount of an additional five thousand dollars ($5,000) for each subsequent seven (7) day period, or any portion thereof, for which compliance has not been achieved.

In the event audit recommendations, based on approval by the Director, addressing any of the Proprietor's activities are not corrected within sixty (60) days of notification, unless specifically exempted by the Director, the Proprietor may be charged liquidated damages of five thousand dollars ($5,000) at the end of the initial sixty (60) day period and an additional five thousand dollars ($5,000) for each subsequent thirty (30) day period or any portion thereof, for which the audit recommendation corrections have not been completed.

Failure to Provide Software Testing and Quality Software Turnovers

Condition - If the Proprietor fails to provide a Quality Assurance Test plan or a report on the Quality Assurance Test or fails to provide Quality Tested software or fails to follow the plan (including timeline) for Acceptance testing, there may be a liquidated damage assessment.

Damages - In the event that the Lottery determines, that the Proprietor has supplied untested or inadequately tested software for Lottery acceptance testing and production by the timeframe agreed to, that software does not meet the specifications agreed to and signed by the parties, the Proprietor may be charged liquidated damages of five thousand dollars ($5,000) for the first violation (return or retraction of the software) and ten thousand dollars ($10,000) foreach subsequent violation.

Lottery Sports Gaming System Release Requirements

Conditions - The Lottery will work with the Proprietor to set a mutually agreed upon reasonable release schedule. Lottery Sports Gaming System improvements, maintenance releases and other software development and deployments must be completed within the timeframe agreed to by the Proprietor and Lottery.

Damages - The Lottery may assess five thousand dollars ($5,000) per day for new products, game changes, or Lottery Sports Gaming System improvements that are not released on time or do not work as designed, until the problem is corrected.

The Lottery may assess liquidated damages in the form of a credit of one thousand dollars ($1,000) per day for any software release to address Lottery Sports Gaming System maintenance, improvement, enhancement, or the fixing of defects and reports that is late, until the problem is corrected.

Performance of Service, Repair or PM by Unauthorized and/or Unlicensed Personnel

Conditions - In the event installation, removal or service work is performed by a Field Service Representative, or other person, employed by or subcontracted with the Proprietor, who has not successfully obtained a Lottery Sports Gaming Occupational License with the OCCC when required, liquidated damages may be assessed.

Damages -The Lottery may require the Proprietor to pay liquidated damages of five hundred dollars ($500) per employee times the number of days the employee is not licensed.

Failure to Provide Certifications

Conditions - All Lottery Sports Gaming equipment must be evaluated by a certified independent testing laboratory prior to approval.

When Lottery Sports Gaming equipment is required to be tested by Type C Sports Gaming Proprietor making the submission must adhere to all requirements outlined in OAC §3770:3-6-03 and the Lottery Sports Gaming Event Wagering Systems and Devices Operating Standard.

The Director may require previously approved Lottery Sports Gaming equipment to be evaluated or re-evaluated by a certified independent testing laboratory if it is determined that the equipment fails to meet any of the requirements of ORC Chapters 3770 and 3775 or the rules adopted thereunder or jeopardizes the integrity of Lottery Sports Gaming in any way.

Damages- In the event that the Lottery determines that the Proprietor has supplied non-certified equipment, the Proprietor may be charged liquidated damages of ten thousand dollars ($10,000) per day that non-certified equipment has performed transactions.

Customer Service - Wait Time

Conditions - The Proprietor will provide customer service staff to answer Lottery Sports Gaming inquires within mutually agreed upon time parameters.

Under ordinary operational circumstances, the Proprietor must provide a live operator response and other service options, to ninety-five percent (95%) of retailer inquiries within two (2) minutes of receipt, during identified core business hours, on a weekly basis, and failure to do so may result in liquidated damages.

Damages - In the event that customer service is not provided in the manner set forth in this section, the Proprietor may be charged liquidated damages of five hundred dollars ($500) for any week during which the ninety-five percent (95%) minimum is not met.

Customer Service

Conditions - The Proprietor will provide Lottery Sports Gaming customer service staff to resolve issues for hosts via live phone calls and other service options, during identified core business hours.

The Proprietor must provide prompt remedies to each individual host's issues. If the issues cannot quickly be resolved during such telephone call, the Proprietor will escalate the call to Dispatch within ten (10) minutes of receipt.

Damages - Any failure to resolve a host's issue, which does not require escalation, the Proprietor may be charged liquidated damages of three hundred dollars ($300) for any issue that is not resolved via the contact with Customer Service and is not escalated to a dispatch status for resolution within ten (10) minutes.

Attachment Nine: Definitions

API: Application Programmable Interfaces.

Applicable Laws: All applicable federal, state, and local ordinances, statutes, and regulations.

Auto-Failover: Capability for a system to recover from failures without operator intervention.

Bond: A bond, cashier's check, or alternative security in form and substance and issued by a company acceptable to the Lottery.

Business Day: A working day, occurring Monday through Friday, with regular business hours, except legal holidays observed by the Lottery.

Business Week: The period beginning on start of day on Sunday and running through the end of the day the following Saturday. This is also known as the "billing week."

Cloud Services: Infrastructure, platforms, or software that are hosted by third-party providers and made available to users through the internet.

Confidential Information: All nonpublic proprietary information of the Proprietor, which is marked confidential, restricted, proprietary or with a similar designation.

Conversion: The phase of an implementation project during which an existing Lottery Sports Gaming System is replaced. During the conversion, data and Files from the existing Lottery Sports Gaming System must be transferred, for continuity, to the new Lottery Sports Gaming System.

Customer Acceptance Testing (CAT): The environment where the Lottery reviews Proprietor software.

Customer Support Center (CSC): This is the mix of facilities, hardware, software, and services that is in place to handle all player inquiries.

DAS: Department of Administrative Services

Deliverable: A defined product or feature required by the Lottery Operating Standards and/or the Contract.

Default: Failure to perform any obligations under the Contract.

Director: Also referred to as the Executive Director, is the chief executive of the Lottery, or an employee authorized to act on behalf of the chief executive of the Lottery.

DNS: Domain Name System.

Electronic Funds Transfer (EFT): Electronic Funds Transfer through a bank employing the Automated Clearing House (ACH) network.

Encryption: The process of transforming information to make it unreadable to anyone except those possessing special knowledge that meets or exceeds the requirements of encryption and encryption key management used by the United States government as certified by the National Institute of Standards and Technology (NIST), and that has not yet been broken or compromised, or determined by the Lottery to not be viable.

File: A File may be a physical or digital collection of records containing a consistent set of data fields that describe an entity. A file can be processed by software representing an authorized user to add, modify, or delete records, or to generate a report or display of useful information. A file can be operated on as an object itself, for example to move it from one (1) location to another, or to delete it.

Fiscal Year (FY): Beginning on July 1st of one year and running through June 30th of the following year.

GGR: Gross Gaming Revenue – Lottery Sports Gaming sales, less prizes paid, less Approved Promotional Credits and less Cancellations.

Incident: Any adverse event that compromises Lottery Sports Gaming System data, Lottery Sports Gaming System computer networks, or Lottery Sports Gaming System security, including, but not limited to:

A. Loss of confidentiality of information
B. Compromise of integrity of information
C. Misuse of service, systems, or information
D. Denial of service
E. Damage to systems.
F. Theft of systems or data storage components
G. Any other suspicious activity, event or situation related to security of information or information systems.

IV&V: Independent Verification and Validation: Verification and validation conducted by a third party organization not involved in the development of the product. The main check performed is whether user requirements are met alongside ensuring that the product is structurally sound and built to the required specifications.

Internal Control System (ICS): The audit system and its associated processes that performs auditing of the gaming system component to ensure the integrity, security, and accuracy of gaming transactions.

Intellectual Property: Patents, patent applications and certificates of invention; trade secrets; the protection of works of authorship or expression, including copyrights and future copyrights; and trademarks, service marks, logos, and trade dress; and similar equivalents under any laws or international conventions throughout the world.

Intellectual Property Rights: Any rights with respect to inventions, discoveries, or improvements, including patents, patent applications and certificates of invention; trade secrets, know-how, or similar rights; the protection of works of authorship or expression, including copyrights and future copyrights; and trademarks, service marks, logos, and trade dress; and similar rights under any laws or international conventions throughout the world, including the right to apply for registrations, certificates, or renewals with respect thereto, and the rights to prosecute, enforce and obtain damages.

Liquidated Damages: Payment made to the Lottery by the Proprietor for failure to perform Contract obligations as specified in the Contract.

Lottery: The Ohio Lottery Commission, a state agency authorized to conduct Lottery games.

Lottery Operating Standards: Procedures in which the Proprietor must follow to conduct their business in accordance with the State's regulations and policies.

Lottery Quality Assurance/Acceptance Testing: The process by which the Lottery separately tests any hardware or software changes to the System. Lottery QA represents the acceptance testing of the Proprietor's products and is distinct from the Proprietor's own quality assurance efforts.

LPEF: Lottery Profits Education Fund, the account into which all Lottery profits are deposited for distribution by the Legislature.

Malware: Generic term for (MALicious Software) that is designed to destroy, wreak havoc, hide potentially incriminating information, and/or disrupt and damage computer systems. It includes, but is not limited to viruses, worms, Trojan Horse programs, spyware, root kits, logic bombs, phishing threats, etc.

May: A discretionary action.

MBE: Minority Business Enterprise

Mobile App: An application downloaded and installed to a smartphone.

Mobile Web: A browser-based application that is optimized for viewing using a mobile enabled device.

Must: A mandatory action.

National Institute of Standards and Technology (NIST): A federal technology agency that develops and promotes measurement, standards, and technology.

Near Real Time: For Lottery purposes, near-real-time means that the transaction or data is available for use with no significant delay after accounting for processing time.

Notifications: A data-driven and highly personalized communications to each player.

OAC: Ohio Administrative Code

ORC: Ohio Revised Code

Ohio Controlling Board: Statutory legislative board that handles adjustments and approvals to the state budget, including agency contracts that it deems necessary.

Other Services: Charges for other commodities and/or services delivered outside of the Settlement of Funds.

POS: Point of Sale

Project: Installation and maintenance of Lottery Sports Gaming.

Project Manager: The Lottery's representative and Project Manager for this Contract.

Proprietor: A person licensed by the OCCC to offer Lottery Sports Gaming in this state as a Type C Sports Gaming Proprietor.

Proprietor's Share: Proprietor's Share will be the remaining 65% revenue balance, less any uncollected funds, chargeable service fees, and prizes paid on Proprietor's behalf. A credit will be included on future invoices for any NTF funds excluded from the previous period that were collected by the Lottery during the current invoice period.

Report: Information produced by the Lottery Sports Gaming System that is viewed via display, printed, or saved to a File depending on the needs of the Lottery.

Retailer: A business licensed by the Lottery to sell Lottery products.

Start of Sales: The point in time, after Acceptance Testing, at which players begin making wagers on the System.

State: The State of Ohio and its departments, boards, officers, and employees.

Subcontractor: For purposes of this Contract, where creating obligations or bearing restrictions, the term "Subcontractor" refers to a firm retained by the Proprietor to provide a contribution to the completion of the Project. A Substantial Subcontractor is also a Subcontractor.

Substantial Subcontractor: A Subcontractor performing major and critical activities specific and customized for the Contract, including but not limited to software development, production, and/or support services. This does not include purchase of consumer-tariffed communication services, suppliers of "off the shelf" (available to the general public) hardware, or suppliers of "off the shelf" software when those firms perform only these roles under the Contract. This does not include routine service providers such as landscapers or janitorial firms.

System: A set of hardware, software, facilities, and procedural elements that provides useful services and which produces useful outputs. In this contract there are numerous references to "system," inclusive of subsystems of other referenced systems. The immediate context and adjectives or labels define which system is being discussed. When used without other qualification, "System" in this Contract refers to the Lottery Sports Gaming System proposed by a Proprietor.

Tax Withholdings: Federal and Lottery Tax Withholding

Term: The time period when the Contract is in effect.

Terminal: Any ticket dispensing device and all attachments and peripherals installed by the Lottery's existing retail gaming system vendor at a retail location that is connected to the retail gaming system.

Validation: Process by which wagers are checked against computer Files, to ensure that the wager is valid, and that it has not been redeemed previously.

Virtual Private Network (VPN): A private data network that makes use of the public telecommunication infrastructure (e.g., Internet) or another unsecured network. The VPN maintains privacy using a tunneling protocol and security procedures (e.g., encryption) for confidentiality and integrity of the data in transit.

Wager: A transaction that represents a uniquely identifiable Lottery Sports Gaming play on the Lottery Sports Gaming System.

Will: A verb of certainty.

Attachment Ten: Contact

The Lottery is the sole point of contact regarding all matters relating to this Contract. The Lottery's main contact person ("Contact Person") is designated below. All communications concerning this Contract must be addressed to the main Contact Person, and be submitted electronically via email:

Ms. Traci Pinkney-Nichols
Contract Compliance Ohio Lottery Commission
Phone: 216-774-0885
Email: Traci.Pinkney-Nichols@lottery.ohio.gov

Attachment Eleven: Services

1) Use of Lottery terminals and retailer communications network
2) Consumables Purchasing
3) All infrastructure changes/upgrades to current Lottery systems – IAD, CIS, Sidekick, ODU, General Ledger
4) Creation of and maintenance of iTrans tables for Intralot use
5) Maintenance of all retailer information provided to Intralot systems
6) All daily ICS balancing and processing
7) Cashless reconciliation and balancing
8) Creation, reconciliation, and submission of Retailer Host EFT
9) Creation, reconciliation, and submission of Retailer Non-Host EFT
10) NTF collections for 40 days
11) Turnover of uncollected funds to Intralot on 41st day
12) Bank Account Verification and Processing
13) Adjustments to retailer financials for issues encounter at individual retailers
14) Activation and deactivation of Sports Gaming Retailers
15) Reconciliation, creation and mailing of retailer 1099's
16) Invoice review and creation of Proprietor payments
17) Claims Payments and Processing
18) Intercept Processing
19) Completion of VEP Checks
20) Tax Withholding and Processing
21) Reconciliation, creation and mailing of W2G's
22) Customer Service Assistance for Retailers and Winners (via social, email, phone, and other digital platforms)
23) Creation and maintenance of sports gaming section on website.
24) Communications regarding where to play, where and how to cash on digital platforms.
25) Investigations regarding fraud, cashless, terminal, retailer, ticket, and customer issues.
26) Acceptance Testing for updates to Central Gaming System and Sports Gaming System
27) Testing and support for systems
28) Verification of compliance with Terms and Conditions (e.g., review terminal placements, marketing materials at host locations)
29) Reimbursement of Super Retailer cashing (if used)
30) Manual EFT processing for non-host Super Retailer locations (if used)