



AMENDMENT NO. 7
to the
CONTRACT FOR INSTANT TICKET MANUFACTURING AND SERVICES
between the
TEXAS LOTTERY COMMISSION
and
SCIENTIFIC GAMES INTERNATIONAL, INC.

WHEREAS, the Texas Lottery Commission (the "Commission" or "Texas Lottery") and Scientific Games International, Inc. ("the Contractor") (collectively, "the Parties") entered into a contract for Instant Ticket Manufacturing and Services with an effective date of September 1, 2012, as amended by Amendment No. 1 effective December 11, 2012, Amendment No. 2 effective November 20, 2014, Amendment No. 3 effective March 26, 2015, Amendment No. 4 effective September 21, 2015, Amendment No. 5 effective February 23, 2016, and Amendment No. 6 effective August 18, 2016 (collectively, the "Contract");

WHEREAS, pursuant to Section IV of the Contract, the Parties may by mutual agreement modify the scope, personnel and prices set forth in the Contract; and

WHEREAS, the Parties now wish to amend the Contract to include the Texas Lottery's participation in Contractor-sponsored promotions and contests.

NOW, THEREFORE, pursuant to Section IV of the Contract, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend the Contract as follows:

1. Under Amendment No. 5, "Specified Options" in the Cost Proposal, the section titled "Branded, Proprietary and Licensed Games" is replaced in its entirety with the following:

Branded, Proprietary and Licensed Games, Non-Licensed Games with Experiential or Merchandise Prizes, and Contractor-Sponsored Promotions or Contests

The Texas Lottery may use branded, proprietary, licensed, and non-licensed games as part of its game portfolio. These games may include experiential or merchandise prizes, **or opportunities to participate in Contractor-sponsored promotions or contests**. In accordance with the executed working papers, the Texas Lottery may require prize fulfillment, **promotional or contest** services for any games manufactured by the Successful Proposer.

For branded, proprietary and licensed games **and Contractor-sponsored promotions or contests**, the Successful Proposer shall be required to provide, in writing, to the Texas Lottery the fee for each new game within thirty (30) days of acquiring that brand, license or proprietary process. Exclusive Pricing rates should be categorized in a cost table based

on product strength/recognition and priced accordingly. Proposers shall provide separate tables for licensed games that utilize licensing fees and licensed games that utilize experiential and/or merchandise allocations. Licensed property games whether utilizing the licensing fee or merchandise model shall include print costs and any necessary fulfillment services (including shipping and handling). Proposers should provide any volume discounts.

For non-licensed games with experiential or merchandise prizes, the Successful Proposer shall be required to provide, in writing, to the Texas Lottery the fee for each game within thirty (30) days of finalizing the proposed prize package. The cost table shall identify the fee for the prizes and the Successful Proposer's charge for any necessary fulfillment services (including shipping and handling). **The working papers shall include any specific payment schedules and structures for each game.**

Contractor shall provide this same information for Contractor-sponsored promotions or contests.

2. Contract Section III Payment is replaced in its entirety with the following:

All payments will be made in accordance with this Section III and the Texas Government Code ANN. § 2251 et seq. ("Payments for Goods and Services"). Contractor shall submit invoices monthly for the previous month's services. Each invoice shall note the contract number, services rendered, and date of services. Contractor shall submit invoices for each game, noting the Contract number and detailing services rendered, including game name, game number, quantity of tickets shipped, cost per thousand per executed working papers and/or any costs associated with the game. Invoices must also include the individual purchase order number provided by the Texas Lottery for that particular game.

Invoices may be submitted by mail to the Texas Lottery Commission, P. O. Box 16630, Austin, Texas 78761-6630, Attn: Accounts Payable or by e-mail to AccountsPayable@lottery.state.tx.us. Payments will be made only upon the completion of services or after the delivery of goods authorized in an approved invoice. **Any advance payments for games, promotional second-chance drawings, Contractor-sponsored promotions or contests and related expenses shall comply with all applicable requirements under Texas law, including, but not limited to, acceptance/confirmation by the Texas Lottery of the good or service provided. Contractor shall refund in full to the Texas Lottery all advance payments for prizes not fulfilled or promotions or contests delayed, cancelled, or that otherwise do not occur in accordance with the approved working papers. The Texas Lottery reserves all additional rights and remedies if the Contractor fails to provide any good or service or otherwise perform as required by the Contract.**

Pursuant to Texas Government Code Ann. Section 2251.025, interest is not due on a payment until it becomes "overdue." A payment is not "overdue" until the 31st day after the latter of: (1) the date the Texas Lottery receives the goods covered by the contract; (2) the date the performance of service under the contract is completed; or (3) the date the Texas Lottery receives an invoice for the goods or services. *See Tex. Gov't*

Code Ann. Section 2251.021. Services are "completed" when accepted by the Texas Lottery.

Contractor agrees that if the Texas Comptroller of Public Accounts is prohibited from issuing a warrant to Contractor under section 403.055 of the Texas Government Code, any payments owed to Contractor will be applied towards the debt or delinquent taxes that Contractor owes the State of Texas until the debt or delinquent taxes are paid in full.

3. Except as amended hereby, all of the terms of the Contract remain in full force and effect. All capitalized terms not specifically defined herein shall have the meaning assigned to such terms in the Contract.
4. This Amendment shall be effective on February 2, 2017.

TEXAS LOTTERY COMMISSION

By: _____


GARY GRIEF
EXECUTIVE DIRECTOR

2/6/17
(Date)

SCIENTIFIC GAMES INTERNATIONAL, INC.

By: _____


(Signature)

Philip J. Bauer
(Printed Name)

VP Corporate Counsel
(Title)

2/3/17
(Date)