

TEXAS LOTTERY COMMISSION
Scratch Ticket Game Closing Analysis
SUMMARY REPORT

Instant Ticket Information

Date Completed

3/5/2019

Game #	2070	Confirmed Packs	2,249
Game Name	Houston Texans	Active Packs	1,084
Quantity Printed	5,581,950	Warehouse Packs	30,975
Price Point	\$5	Returned Packs	794
Start Date	8/20/2018	Printed Payout Percentage	68.09%
Top Prize	\$ 100,000	Percent Sold	51.82%
Number of Top Prizes Remaining	2	Number of Weeks Out	28

Current Game Sales Analysis

TANGIBLE COSTS

Expenditure Impact:

Cost to print tickets	\$ 237,008	Actual ticket production costs
Licensing Fee	\$ 293,750	
Non-cash Prize Allocation	\$ 1,351,090	
Prize payout expense	\$ 8,711,320	Data from Instant Ticket Tier Liability screen in ES
Estimated Direct Costs	\$ 10,593,168	

TANGIBLE BENEFITS

Revenue Impact:

Estimated sales	\$ 14,462,832	Based on # of tkts printed, times % sold from DaVinci report, times the price point
Total Estimated Benefits	\$ 14,462,832	

Excess of Revenue over Expended \$ 3,869,664

INTANGIBLE POSITIVE BENEFITS:

- Allows for open bin space for new games at same price point with higher average weekly sales.
- Allows retailers to return inventory to TLC that is not selling thus releasing their financial burden

INTANGIBLE NEGATIVE BENEFITS:

- There are still valuable prizes remaining in this game.

Assumptions:

- Estimated sales revenue is calculated based on the number of tickets printed times the percent sold from the DaVinci report. The percent sold amount is based on pack settlements. Some partial packs could be returned thus slightly reducing the sales revenue amount reported above.

Weekly Sales Comparison Information

<u>Previous 3 Weeks Sales from DaVinci</u>		
Most recent week sales	\$	152,805
Next week	\$	207,060
Next week	\$	226,310
Avg Weekly Sales Current Game	\$	195,392
Avg Weekly Sales \$5; 5M-9.99M Qty	\$	1,874,253
Percentage Of Variance In Sales		90%

TEXAS LOTTERY COMMISSION
Scratch Ticket Game Closing Analysis
RECOMMENDATION AND APPROVALS

Instant Ticket Information

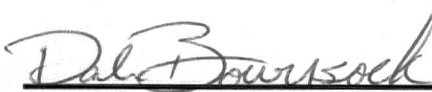
Game #	2070	Printed Payout Percentage	68.09%
Game Name	Houston Texans	Actual Payout Percentage	69.57%
Percent Sold	51.82%	Number of Weeks Out	28
Average # of Weeks for 85% Sell-through for Same Price Point Game With Similar Print Run.			19


Recommendation

☐ Based on the findings in this Summary Report, I am recommending closing the above game.

☒ I am recommending closing the above game based on the below business reason(s):

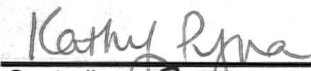
This Houston Texans game needs to be pre-called in March to permit the game to be closed and the final drawing
conducted prior to the launch of the next Houston Texans game tentatively scheduled to launch in August 2019, as well
as to ensure the winners of season ticket prizes from the final drawing will receive tickets to the next season.


 3/5/19
Instant Product Coordinator Date

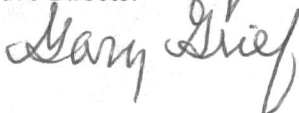
 3/10/19
Products Manager Date

By signing below, I agree with the recommendation of the Products Department Staff to close the above game.

 3-11-19
Lottery Operations Division Director Date

 3/13/19
Controller Date

 3.13.2019
Executive Director Date



Da Vinci Report

3/4/19

Week End Date: 3/2/19

Product Line	Game	\$	Tix Run	Name	Start	Call	Close	Wks	% Sold	Confirmed	Active	Ware	Return	3/2/19	2/23/19	2/16/19	2/9/19
Mature	1828	\$3	41,527,800	TEXAS LOTERIA	9/17/18			24	26.66%	21,583	10,879	370,058	26	\$1,717,886.00	\$1,568,079.00	\$1,584,570.00	\$1,614,204.00
	2042	\$5	11,373,825	BONUS BALL BINGO	10/29/18			18	39.21%	14,228	8,460	67,433	28	\$1,358,870.00	\$1,253,855.00	\$1,262,755.00	\$1,342,430.00
	2017	\$5	10,241,100	BONUS BREAK THE BANK	10/15/18			20	67.71%	15,712	9,469	16,612	11	\$1,723,490.00	\$1,533,320.00	\$1,640,800.00	\$1,668,385.00
	2069	\$5	9,910,350	COWBOYS	8/20/18			28	50.24%	3,366	2,194	57,904	1,112	\$342,450.00	\$385,935.00	\$444,480.00	\$448,230.00
	2092	\$5	5,136,450	DIA DE LOS MUERTOS	10/1/18			22	70.40%	2,063	1,183	9,964	6,246	\$151,990.00	\$181,040.00	\$241,280.00	\$258,245.00
	2070	\$5	5,581,950	HOUSTON TEXANS	8/20/18			28	51.82%	2,249	1,084	30,975	794	\$152,805.00	\$207,060.00	\$226,310.00	\$242,015.00
	2102	\$5	7,213,875	MONEY MADNESS	11/14/18			15	63.81%	8,008	4,592	20,297	301	\$750,995.00	\$766,275.00	\$847,730.00	\$969,105.00
	2082	\$5	22,519,650	SUPER CROSSWORD	11/28/18			14	18.97%	16,678	8,559	215,751	44	\$1,823,100.00	\$1,683,680.00	\$1,708,995.00	\$1,769,950.00
	2056	\$10	28,522,850	\$200 MILLION CASH EXPLOSION	9/4/18			26	24.72%	9,909	4,140	413,256	60	\$1,763,350.00	\$1,651,550.00	\$1,780,000.00	\$1,761,960.00
	1759	\$10	28,632,550	\$200 MILLION PAYOUT	8/1/18			135	84.41%	6,916	3,884	76,175	20	\$1,257,230.00	\$1,131,430.00	\$1,157,820.00	\$1,165,000.00
	2083	\$10	12,068,050	\$250,000 50X CASHWORD	9/17/18			24	74.10%	19,423	7,974	31,193	36	\$4,068,750.00	\$3,640,080.00	\$3,660,710.00	\$3,732,210.00
	2103	\$10	7,342,800	CASH BLAST	10/15/18			20	73.86%	11,625	5,476	18,913	74	\$2,009,390.00	\$1,946,940.00	\$2,077,160.00	\$2,111,540.00
	2084	\$10	26,555,050	MEGA LOTERIA	10/1/18			22	36.53%	25,305	9,805	296,776	32	\$5,617,590.00	\$5,155,540.00	\$5,110,450.00	\$5,081,690.00
	2096	\$10	4,651,020	SEASON'S GREETINGS	11/14/18			15	64.15%	13,192	2,392	48,111	12,422	\$299,210.00	\$394,360.00	\$496,770.00	\$875,560.00
	2093	\$20	7,344,000	\$100 OR \$200	10/1/18			22	40.35%	13,350	5,127	153,703	75	\$1,980,000.00	\$1,751,720.00	\$1,861,980.00	\$1,787,280.00
	1871	\$20	34,144,650	\$500,000,000 CASH	5/18/15			198	43.49%	6,001	2,683	760,958	34	\$1,093,040.00	\$979,360.00	\$988,540.00	\$996,820.00
	2047	\$20	9,177,950	100X THE CASH	4/2/18			48	84.38%	13,614	5,537	35,424	47	\$2,057,040.00	\$1,880,580.00	\$1,894,380.00	\$1,950,500.00
	1838	\$20	34,728,300	INSTANT MILLIONAIRE	5/15/17			94	31.70%	9,406	4,545	931,939	33	\$1,614,760.00	\$1,454,560.00	\$1,453,820.00	\$1,420,200.00
	2100	\$20	5,999,350	MILLION DOLLAR LOTERIA	11/5/18			17	60.49%	28,877	8,516	53,278	49	\$4,431,000.00	\$3,938,060.00	\$3,997,200.00	\$4,025,800.00
	2067	\$20	7,123,800	STACKS OF CASH	7/16/18			33	49.57%	7,257	3,483	131,333	36	\$1,061,340.00	\$981,960.00	\$990,320.00	\$996,180.00
	2053	\$30	34,060,725	\$750 MILLION WINNER'S CIRCLE	3/19/18			50	19.82%	10,431	4,912	1,074,685	82	\$2,252,490.00	\$2,029,140.00	\$2,120,160.00	\$2,062,560.00
Out of Wareh	2057	\$50	3,611,100	200X THE CASH	6/18/18			37	64.74%	7,973	3,514	50,563	49	\$2,355,700.00	\$2,156,150.00	\$2,210,950.00	\$2,129,350.00
	2030	\$50	3,670,680	ULTIMATE 75	2/19/18			54	82.12%	5,354	2,425	23,716	32	\$1,706,600.00	\$1,506,450.00	\$1,511,450.00	\$1,557,050.00
	2104	\$50	4,564,740	WINNING MILLIONS	11/14/18			15	28.89%	13,084	5,953	140,743	54	\$4,400,800.00	\$4,022,150.00	\$4,024,100.00	\$3,876,700.00
	2071	\$1	9,052,050	LUCKY DOG	1/7/19			8	82.74%	4,536	4,984	0	77	\$502,328.00	\$631,370.00	\$804,626.00	\$1,060,583.00
	2035	\$2	7,060,875	777	12/17/18			11	87.90%	3,722	2,439	18	95	\$407,432.00	\$494,734.00	\$679,480.00	\$967,858.00
Sold/Closing	2012	\$1	29,860,050	HOT 75	1/2/18	2/17/19	4/3/19	61	86.51%	274	574	22,138	2,244	\$82,461.00	\$131,200.00	\$161,656.00	\$271,890.00
	2091	\$1	9,173,550	LUCKY 88 DOUBLER	10/1/18	2/17/19	4/3/19	22	96.88%	102	110	0	1,155	\$8,939.00	\$29,656.00	\$42,244.00	\$106,758.00
	2097	\$1	9,175,500	WINTER CASH	11/5/18	3/17/19	5/1/19	17	95.67%	511	365	0	1,170	\$23,056.00	\$41,741.00	\$56,856.00	\$273,902.00
	2041	\$2	7,171,375	ACES AND 8S	6/25/18	3/17/19	5/1/19	36	79.21%	1,892	1,930	5,901	452	\$144,876.00	\$149,480.00	\$153,364.00	\$169,764.00
	2022	\$2	7,215,825	HUNTING FOR HUNDREDS	9/17/18	3/17/19	5/1/19	24	88.57%	1,290	1,266	377	2,265	\$124,680.00	\$159,202.00	\$181,764.00	\$221,084.00
	2094	\$2	7,229,875	VETERANS CASH	10/15/18	3/31/19	5/15/19	20	54.23%	12,832	4,787	5,288	616	\$286,636.00	\$299,168.00	\$326,074.00	\$344,564.00

Liability for 2070 / for Life to Date

Product Status:
ActiveSmartCash Enabled:
N/A

Validation Range: 07/24/2018 - 12/31/2037

Outstanding Prizes

Tier	Ref	SmartCash	Tier Value	Count	Amount	Tickets Paid Life to Date	Amount Paid Life to Date	% paid	Est. Tickets Sold
1	1	N/A	\$5.00	329065	\$1,645,325.00	303305	\$1,516,525.00	47.96%	2677282
2	2	N/A	\$10.00	113165	\$1,131,650.00	110203	\$1,102,030.00	49.34%	2753964
3	3	N/A	\$10.00	143412	\$1,434,120.00	135555	\$1,355,550.00	48.59%	2712368
4	4	N/A	\$20.00	18650	\$373,000.00	18633	\$372,660.00	49.98%	2789702
5	5	N/A	\$20.00	18589	\$371,780.00	18686	\$373,720.00	50.13%	2798237
6	6	N/A	\$20.00	18622	\$372,440.00	18612	\$372,240.00	49.99%	2790225
7	7	N/A	\$20.00	18917	\$378,340.00	18226	\$364,520.00	49.07%	2739052
8	0	N/A	\$25.00	5059	\$126,475.00	5059	\$126,475.00	50.00%	2790975
9	0	N/A	\$25.00	5045	\$126,125.00	5077	\$126,925.00	50.16%	2799798
10	0	N/A	\$25.00	11691	\$292,275.00	11590	\$289,750.00	49.78%	2778866
11	0	N/A	\$25.00	4677	\$116,925.00	4559	\$113,975.00	49.36%	2755317
12	0	N/A	\$50.00	3432	\$171,600.00	3539	\$176,950.00	50.77%	2833814
13	0	N/A	\$50.00	4019	\$200,950.00	4104	\$205,200.00	50.52%	2820180
14	0	N/A	\$50.00	6601	\$330,050.00	6701	\$335,050.00	50.38%	2811956
15	0	N/A	\$50.00	6640	\$332,000.00	6567	\$328,350.00	49.72%	2775548
16	0	N/A	\$50.00	3703	\$185,150.00	3564	\$178,200.00	49.04%	2737590
17	0	N/A	\$100.00	1040	\$104,000.00	1069	\$106,900.00	50.69%	2829352
18	0	N/A	\$100.00	1020	\$102,000.00	1058	\$105,800.00	50.91%	2842013
19	0	N/A	\$100.00	1081	\$108,100.00	1038	\$103,800.00	48.99%	2734338
20	0	N/A	\$100.00	1800	\$180,000.00	1741	\$174,100.00	49.17%	2744471
21	0	N/A	\$100.00	1726	\$172,600.00	1753	\$175,300.00	50.39%	2812635
22	0	N/A	\$100.00	1055	\$105,500.00	1048	\$104,800.00	49.83%	2781685
23	0	N/A	\$500.00	118	\$59,000.00	117	\$58,500.00	49.79%	2779098
24	0	N/A	\$500.00	233	\$116,500.00	241	\$120,500.00	50.84%	2838080
25	0	N/A	\$500.00	231	\$115,500.00	240	\$120,000.00	50.96%	2844305
26	0	N/A	\$500.00	120	\$60,000.00	117	\$58,500.00	49.37%	2755646
27	0	N/A	\$5,000.00	4	\$20,000.00	6	\$30,000.00	60.00%	3349170
28	0	N/A	\$5,000.00	2	\$10,000.00	3	\$15,000.00	60.00%	3349170
29	0	N/A	\$100,000.00	2	\$200,000.00	2	\$200,000.00	50.00%	2790975
Totals:				719719	\$8,941,405.00	682,413	\$8,711,320.00		

END OF PRODUCTION PRIZE STRUCTURE
July 18, 2018 - (POOLS # 1 - 54 COMPLETE)

Prize Structure				Instant Payout			
TEXAS LOTTERY				Total Payout			
GAME NO 2070 HOUSTON TEXANS*							
April 25, 2018 - VERSION A							
Order Quantity:	5,881,950	Pack Size:	75	Pool Size:	120,000	Winners:	1,402,132
Price Point:	\$5.00	Pack/Game:	74,426	Number of Pools:	46,32	Non-winners:	4,178,818
Revenue:	\$27,909,750.00	Pack/Pool:	1,600	Overall Odds:	3,9810	Prize Fund:	\$17,652,725.00
						Instant Payout:	\$18,003,614.50
							\$3.25%
							\$6.09%

Kind	Win	Level	Cost	Win	Value	Odds (1 in)	Prize	Total	Total Prize Cost	% Prize Fund
Low Tiers										
01	1	L	\$5	\$5	\$5.00	8,6270	8.50	13,600.00	632,370	\$3,161,650.00
02	2	L	\$5 x 2	\$10	\$10.00	24,8869	3.00	4,800.00	223,368	\$2,233,680.00
03	1	L	\$10	\$10	\$10.00	20,0094	3.75	6,000.00	278,967	\$2,789,670.00
Total (\$10.00):										
11,1120 6.75 10,800.00 502,335										
26.43%										
04	4	L	\$5 x 4	\$20	\$20.00	148,7164	0.50	800.00	37,283	\$745,660.00
05	3	L	\$10 + (\$5 x 2)	\$20	\$20.00	148,7505	0.50	800.00	37,275	\$745,500.00
06	2	L	\$10 x 2	\$20	\$20.00	148,8154	0.50	800.00	37,234	\$744,680.00
07	1	L	\$20	\$20	\$20.00	150,2827	0.50	800.00	37,143	\$742,860.00
Total (\$20.00):										
37,4791 2.00 3,200.00 148,935										
\$2,976,700.00 15.67%										
Total (Low Tiers) 4,345 17.25 27,600.00 1,283,640 \$11,163,900.00 58.73%										
Mid Tiers										
08	3	M	(\$10 x 2) + \$5	\$25	\$25.00	551,6851	0.14	217.39	10,118	\$252,950.00
09	4	M	\$10 + (\$5 x 3)	\$25	\$25.00	551,4671	0.14	217.39	10,122	\$253,090.00
10	1	M	\$5 (GOALPOST)	\$25	\$25.00	238,7642	0.31	500.00	23,281	\$582,025.00
11	1	M	\$25	\$25	\$25.00	604,3688	0.12	200.00	9,246	\$230,900.00
Total (\$25.00):										
105,6049 0.71 1,154.78 62,757 \$1,318,925.00 6.94%										
12	2	M	\$25 x 2	\$50	\$50.00	800,7388	0.09	150.00	6,971	\$348,550.00
13	6	M	\$20 + \$10 + (\$5 x 4)	\$50	\$50.00	687,1764	0.11	173.81	8,123	\$406,150.00
14	5	M	\$10 + (\$5 x 3) + \$5 (GOALPOST)	\$50	\$50.00	418,6324	0.18	285.00	13,302	\$665,100.00
15	1	M	\$10 (GOALPOST)	\$50	\$50.00	422,6509	0.18	284.00	13,207	\$660,350.00
16	1	M	\$50	\$50	\$50.00	768,1230	0.10	156.52	7,267	\$363,350.00
Total (\$50.00):										
114,2204 0.66 1,046.43 48,870 \$2,443,500.00 12.89%										
17	10	M	(\$20 x 2) + (\$10 x 4) + (\$5 x 4)	\$100	\$100.00	2646,7283	0.03	45.00	2,109	\$210,900.00
18	6	M	\$50 + \$20 + (\$10 x 2) + (\$5 x 2)	\$100	\$100.00	2686,2127	0.03	45.00	2,078	\$207,800.00
19	2	M	\$50 x 2	\$100	\$100.00	2834,2376	0.03	45.00	2,119	\$211,900.00
20	7	M	\$20 + \$10 + (\$5 x 4) + \$10 (GOALPOST)	\$100	\$100.00	1576,3167	0.05	75.00	3,441	\$354,100.00
21	1	M	\$100	\$100	\$100.00	1604,4687	0.05	75.00	3,479	\$347,600.00
22	1	M	\$100	\$100	\$100.00	2854,2786	0.03	45.00	2,103	\$210,300.00
Total (\$100.00):										
381,7530 0.21 330.00 15,429 \$1,542,900.00 8.12%										
23	20	M	(\$50 x 3) + (\$25 x 7) + (\$10 x 7) + \$5	\$500	\$500.00	23752,9787	0.00	5.00	235	\$117,500.00
24	9	M	(\$50 x 2) + \$50 (GOALPOST) + (\$25 x 6)	\$500	\$500.00	11776,2858	0.01	10.00	474	\$237,000.00
25	1	M	\$100 (GOALPOST)	\$500	\$500.00	11851,2739	0.01	10.00	471	\$235,500.00
26	1	M	\$500	\$500	\$500.00	23552,5316	0.00	5.00	237	\$118,500.00
Total (\$500.00):										
3839,2731 0.02 30.00 1,417 \$708,500.00 3.73%										
Total (Mid Tiers) 47,1158 2.54 4,222 118,473 \$6,013,825.00 31.65%										
High Tiers										
27	20	H	\$500 (GOALPOST) + (\$500 x 3) + (\$100 x 7) + (\$50 x 4) + (\$20 x 5)	\$5,000	\$5,000.00	558195,0000	0.00	0.22	10	\$50,000.00
28	1	H	\$5,000	\$5,000	\$5,000.00	1116390,0000	0.00	0.11	5	\$25,000.00
Total (\$5,000.00):										
372130,0000 0.00 0.33 15 \$75,000.00 0.39%										
29	1	H	\$100,000	\$100,000	\$100,000.00	1395487,5000	0.00	0.09	4	\$400,000.00
Total (High Tiers):										
26176,6621 0.00 0.51 18 \$475,000.00 2.60%										
Total (Low Tiers + Mid Tiers + High Tiers)										
3,9810 18.84 30,144.53 1,402,132 \$17,652,725.00 92.89%										
Other Prize Tiers										
Houston Texans Merchandise Prize Pack										
Private Suite & On-Field Contest Experience										
Private Plane Away Game Trip										
Season Tickets For 2 (One Year)										
Private Suite & On-Field Contest Experience Federal Withholding										
Private Plane Away Game Trip Federal Withholding										
Total (Other Prize Tiers):										
633 \$1,551,082.50 7.11%										
Total:										
3,9810 18.84 30,144.53 1,402,132 \$19,003,814.50 100.00%										

* Exact Quantity by Kind Level

Total number of winners reflects only what is included in the Instant-Win portion of the game. Second-chance wins are not included in win totals.

There will be no more than twenty-two (22) winners per pack.

GOALPOST - wins 3 TIMES the prize for next applied

ORIGINAL ORDER

SHIPMENT # 1-2	632370
COMPLETE	223368
POOLS # 1 - 54	278967
5581950	37283
	37275
	37234
	37143
	6971
	8123
	13302
	13207
	7267
	2109
	2078
	2119
	3541
	3479
	2103
	235
	474
	471
	237
	10
	5
	4

No.

03/04/19

Game Name
Houston Texans

Game No
2070

Inv No.
1032949

Vendor
SGI

TLC PO #
362-18-9019 RL015

Description/Tickets Delivered Qty

Units per 1000

Unit Price

Amount

Delivered
Ordered

2% under
2% over

Acceptable
Range

Sub Total
Inserts on Foil
Total

ADDENDUM NUMBER 1
TO
TRADEMARK LICENSE AND PROMOTIONAL AGREEMENT
BETWEEN LICENSOR AND SPONSOR
CONTRACT YEAR JULY 1, 2017 – JUNE 30, 2018

2017-2018 NFL SEASON This ADDENDUM NO. 1 TO TRADEMARK LICENSE AND PROMOTIONAL AGREEMENT BETWEEN LICENSOR AND SPONSOR is attached to and fully incorporated into that certain TRADEMARK LICENSE AND PROMOTIONAL AGREEMENT, effective as of the last date shown to the signature lines therein, by and between Houston NFL Holdings, L.P., d/b/a Houston Texans, and the Texas Lottery Commission (the "Agreement").

1. FEES AND CONSIDERATION

In consideration of being granted the right to use the Team's Trademarks during the Term, SPONSOR shall allocate funds not to exceed two hundred ninety-three thousand seven hundred fifty dollars (\$293,750) for Licensing Fees and one million one hundred ninety-two thousand dollars (\$1,192,000) in Merchandise and Experiential Allocation payments for the following:

- a. Payment to LICENSOR of a royalty based upon the actual Sales of the Game (as defined in section 1.3 of the Agreement) that occur up to and including the date of the NFL Super Bowl game, as follows:

Licensing Fee Sales Allocation

(Based on actual ticket sales – invoiced monthly)

Sell Through Range*	Licensing Percentage	Price per Ticket	Actual Sales	Licensing Fee
Up to 4 million tickets	1.00	\$5	\$20,000,000	\$200,000
4,000,001 to 5.5 million	1.25	\$5	\$7,500,000	\$93,750
Total Licensing Fee Allocation:				\$293,750

- * License percentage fees apply directly to the relevant sales tier and are not retroactive to lower sales levels.

SPONSOR (with the assistance of PRINTER) agrees to print with the intent to distribute and sell approximately five million five hundred thousand (5,500,000) Texas Lottery scratch tickets bearing the Team's Trademarks and that the scratch tickets shall be sold at retail for a price of \$5.00 per ticket.

For example: If the initial sales period indicated sales of 4,250,000 tickets, the invoiced amount would be calculated as:

- 4,000,000 tickets sold at \$5 = \$20,000,000 multiplied by 1.00% licensing fee percentage = \$200,000
- 250,000 tickets sold at \$5 = \$1,250,000 multiplied by 1.25% licensing fee percentage = \$15,625
- The total Licensing Fee invoice would be for two hundred fifteen thousand six hundred twenty-five dollars (\$215,625)

Licensing Fees shall not be paid on any Sales that occur after the date of the current season NFL Super Bowl game.

b. Payment to LICENSOR for merchandise and experiential prizes that will contain a pre-determined number of individual prizes to be awarded through promotional second-chance drawings conducted by SPONSOR and fulfilled by LICENSOR. The total allocation of the merchandise and experiential prizes will be one million one hundred ninety-two thousand dollars (\$1,192,000). Payment amounts are determined based upon the prize being fulfilled and are detailed as follows:

- i. Private Plane Away Game Trip – Owner for a Day, five (5) allocated and valued at forty-nine thousand nine hundred fifty dollars (\$49,950) each.
- ii. Suite and On-Field Contest Experience, five (5) allocated and valued at forty-nine thousand five hundred fifty dollars (\$49,550) each.
- iii. Texans Season Tickets Package for Two (2) Years, forty (40) allocated and valued at five thousand nine hundred dollars (\$5,900) each.
- iv. Limited Edition Wall Plaque, one thousand three hundred ten (1,310) allocated and valued at three hundred fifty dollars (\$350) each.

c. SPONSOR shall pay for all of the print costs incurred to print/produce the Game.

d. SPONSOR shall provide two thousand one hundred seventy-five (2,175) scratch tickets for the following promotions:

- i. One hundred fifty (150) – Training Camp Promotion/Social Media
- ii. One hundred fifty (150) – Call to Action Promotion
- iii. One hundred fifty (150) – Radio Blitz (areas outside of Houston)
- iv. Five hundred (500) – Dear Drew Facebook & Texans TV feature
- v. One thousand two hundred twenty-five (1,225) – in-game fan promotion during all home games

LICENSOR is responsible for picking up the scratch tickets from the local Texas Lottery Claim Center and securing the scratch tickets in a safe place until tickets are needed for each promotion. LICENSOR is responsible for distributing the scratch tickets for each promotion to recipients who are eighteen (18) years of age or older. LICENSOR shall ensure that selected scratch ticket

recipients for each promotion are eighteen (18) years of age or older as identified by an official picture identification card.

Invoicing for Merchandise and Experiential Prize Fulfillment

LICENSOR will be paid by SPONSOR for merchandise and experiential prizes over the course of the Game as prizes are fulfilled, as more particularly described in this section. SPONSOR agrees to conduct five (5) promotional second-chance drawings for the prizes and to award in each drawing: one (1) Private Plane Away Game Trip – Owner for a Day prize; one (1) Suite and On-Field Contest Experience; eight (8) Texans Season Tickets Package for two (2) Years prizes; and, two hundred sixty-two (262) Limited Edition Wall Plaque prizes. The drawings shall be conducted according to the following schedule:

Drawing No.	Time Period
1	Between Sept. 1– Oct. 15
2	Between Oct. 16– Nov. 30
3	Between Dec. 1– Jan. 15
4	Between Jan. 16– Feb. 28
5	Within fifteen (15) business days after the “End-of-Game” date described in the following section

LICENSOR will invoice SPONSOR on a monthly basis as the prizes are fulfilled. A detailed accounting of the prizes fulfilled will be included with the invoice, including the name and address of all experiential and merchandise prize pack winners during the monthly billing period and the date each experiential prize was fulfilled or each merchandise prize was mailed to each winner.

Invoicing for Licensing Fee Sales Allocation

During the Term of this Agreement, SPONSOR shall deliver Game sales reports to LICENSOR on the first state business day of each month beginning after the date of the start of sales of the Game. If the first business day of the month is a state of Texas holiday, then sales report will be due on the next business day that is not a state holiday. SPONSOR will detail weekly sales totals for the applicable reporting period. LICENSOR then will issue an invoice for the licensing fee sales allocation to SPONSOR in accordance with the tiered License Fee Allocation schedule above. This process will continue until the official “Call” date for the Game determined by SPONSOR in its sole discretion or until the date of the NFL Super Bowl game, whichever comes first. The “Call” date begins a 45-day period during which all remaining tickets for the Game are returned to SPONSOR. The “End-of-Game” date is forty-five (45) days from the “Call” date and marks the end of the Game. No tickets for the closed Game may be distributed to or sold by retailers after the “End-of-Game” date. A final reconciled sales report will be provided to LICENSOR by SPONSOR no later than ninety (90) days following the official “End-of-Game” date.

The timing and decision to close a Game will be in accordance with SPONSOR’s rules, policies and procedures. All of SPONSOR’s directives, policies, procedures, rules, regulations and applicable laws shall apply to the Game.

Instant Ticket Game Analysis
8/28/16-8/25/18

Average Number of Weeks for 85% Average Sell Through

Print Quantities	Price Point						Print Quantities	Price Point				
	\$1	\$2	\$3	\$5	\$7			\$10	\$20	\$25	\$30	\$50
< 5M	None	Week 12*	None	None	None		2M	None	None	None	None	None
5M-9.99M	Week 16	Week 18	Week 17	Week 19	None		3M	None	None	None	None	Week 52*
10M-14.99M	Week 21	None	None	Week 16*	None		4M	None	None	None	None	None
15M-19.99M	None	None	Week 32*	Week 52*	None		5M	None	Week 33*	None	None	None
20M-24.99M	None	Week 34*	None	None	None		6M	Week 15	None	None	None	None
25M-29.99M	None	None	None	None	None		7M	None	Week 49*	None	None	None
30M-34.99M	Week 41	Week 57*	None	None	None		8M	None	None	None	None	None
>35M	None	Week 60	Week 64	Week 52*	None		>9M	Week 33	Week 41*	None	None	None

Average Weekly Dollar Sales at 85% Average Sell Through

Print Quantities	Price Point						Print Quantities	Price Point				
	\$1	\$2	\$3	\$5	\$7			\$10	\$20	\$25	\$30	\$50
< 5M	None	\$714,918	None	None	None		2M	None	None	None	None	None
5M-9.99M	\$515,035	\$758,306	\$1,248,375	\$1,874,253	None		3M	None	None	None	None	\$2,913,384
10M-14.99M	\$466,349	None	None	\$2,919,843	None		4M	None	None	None	None	None
15M-19.99M	None	None	\$1,302,836	\$1,508,375	None		5M	None	\$2,578,733	None	None	None
20M-24.99M	None	\$1,078,385	None	None	None		6M	\$3,483,559	None	None	None	None
25M-29.99M	None	None	None	None	None		7M	None	\$2,502,908	None	None	None
30M-34.99M	\$632,952	\$1,039,084	None	None	None		8M	None	None	None	None	None
>35M	None	\$1,119,742	\$1,583,593	\$3,361,809	None		>9M	\$3,182,478	\$3,781,160	None	None	None

None = no games at this level with 85% sell through
* only one game at this level with 85% sell through

Excludes Promotional Tickets
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