

LOTTERY INSTANT TICKET DESIGN, DEVELOPMENT
AND PRODUCTION SERVICES—ALTERNATE CONTRACTOR
CONTRACT #C110004B
AMENDMENT ONE

THIS AMENDMENT (the "Amendment") made this 6th day of August, 2018, by and between the **NEW YORK STATE GAMING COMMISSION, DIVISION OF THE LOTTERY** (the "Commission" or "Lottery"), an executive agency of the State of New York with its principal place of business at One Broadway Center, Post Office Box 7500, Schenectady, New York 12301-7500, and **IGT GLOBAL SOLUTIONS CORPORATION** (f/k/a GTECH Corporation), a corporation organized under the laws of the State of Delaware having an office at 10 Memorial Boulevard, Providence, Rhode Island 02903 (the "Contractor"). The Commission or Lottery and the Contractor are hereinafter referred to collectively as the "Parties".

WHEREAS, in connection with the Request for Proposals for Instant Ticket Design, Development and Production Services, dated February 14, 2011, and issued by the Lottery (the "RFP"), the Parties (through "New York State Division of Lottery" and "GTECH Printing Corporation", respectively) entered into Contract Number C110001 and Addendum One to revise the Contract Number to C110004, both effective on August 22, 2011 (the "Agreement");

WHEREAS, the Parties entered into a Contract Assignment, dated June 9, 2014, and effective on July 25, 2014, to reflect the merger of GTECH Printing Corporation into GTECH Corporation. This Contract Assignment resulted in a change of Contract Number from C110004 to C110004B, and also included additions and updates to the terms and conditions from the initial contract;

WHEREAS, the Commission wishes to extend the Agreement and received an exemption, dated August 3, 2017, from the competitive bidding process, from the Office of the State Comptroller ("OSC") to extend the Agreement on a sole source basis through August 5, 2020;

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises hereinafter set forth, the parties hereto agree as follows:

1. **Term.** The term of the Agreement shall be extended through August 5, 2020.
2. **Amended Language.** The Agreement is amended to reflect the following:

Section 3 of the Agreement, "Compensation", is amended, effective upon approval of the Office of the State Comptroller, to reflect discounts to the option prices and license fees set forth in the Contractor's Proposal, dated April 7, 2011, as follows:

(a) Option Price Reductions.

- Additional display color \$0.04 per ~~thousand~~ square inch per 1,000

RO/

➤ Additional overprint color	\$0.04 per thousand square inch per 1,000	RO
➤ Additional color on each ticket	\$0.04 per thousand square inch per 1,000	RO
➤ Fluorescent ink	\$0.15 per thousand square inch per 1,000	RO
➤ Metallic ink	\$0.15 per thousand square inch per 1,000	RO
➤ Holographic ticket stock	\$1.99 per thousand square inch per 1,000	RO
➤ Multiple color imaging of play symbol	\$5,000 set-up charge, plus \$0.26 per thousand square inch per 1,000 additional color	RO
➤ Die-cutting (fixed price)	\$5,000 set-up charge, plus \$0.23 per thousand square inch per 1,000	RO

(b) Licensed Content Fee Reductions¹ (License fee as a percentage of gross sales).

➤ Flamingo	1.50%
➤ Paris Las Vegas	1.50%
➤ Rio Las Vegas	1.50%
➤ Horseshoe	1.50%

Section 6 of the Agreement, "Termination", is amended to revise paragraph (b) and add paragraph (d) as follows:

- (b) Sentence two of paragraph (b) is deleted in its entirety and replaced with the following: Such Notice shall state clearly and specifically the cause for which termination is sought, and the Contractor shall be entitled to a period of thirty (30) days from the date of the written Notice of termination to correct or cure the cause so described to the reasonable satisfaction of the Lottery in which case such Notice shall be deemed withdrawn and a nullity.
- (d) Upon written notice to the Contractor, and a reasonable opportunity for the Contractor to be heard with appropriate Commission officials or staff, the Agreement may be terminated by the Commission's Executive Director or his or her designee at the Contractor's expense where the Contractor is determined by the Executive Director or his or her designee to be non-responsible, as "responsible" and "non-responsible" or "nonresponsible" are treated in New York State Finance Law. In such event, the Executive Director or his or her designee may complete the contractual requirements in any manner he or she deems advisable and pursue available legal or equitable remedies for breach.

¹ Under the original agreement these games were grouped under Caesars Palace at a 2.00% license fee.

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Section 15 of the Agreement, "Miscellaneous Provisions", is amended to amend paragraphs (d) and (e), and add paragraphs (f), (g) and (h) as follows:

(d) Continuing Contractor Responsibility.

- (i) The Contractor shall, at all times during the Agreement term and any extended term, remain responsible as "responsible" and "non-responsible" or "nonresponsible" are treated in New York State Finance Law. The Contractor agrees, if requested by the Executive Director of the Commission or his or her designee, to present evidence of its continuing legal authority to do business in New York State, integrity, experience, ability, prior performance, and organizational and financial capacity.
- (ii) The Executive Director of the Commission or his or her designee, in his or her sole discretion, reserves the right to suspend any or all activities under this Agreement, at any time, when he or she discovers information that calls into question the responsibility of the Contractor. In the event of such suspension, the Contractor will be given written Notice outlining the terms of such suspension. Upon issuance of such Notice, the Contractor must comply with the terms of the suspension Notice. Such suspension will be effective as of the date of the written Notice of suspension if the Commission determines that harm or potential harm to the Commission may or will result immediately if activities continue, within the Commission's reasonable discretion. Should the Commission determine that harm or potential harm to the Commission may result if activities continue under this Agreement, within the Commission's discretion, the Contractor shall be entitled to a period of thirty (30) days from the date of the written Notice of suspension to correct or cure the basis of the suspension so described in the written Notice to the reasonable satisfaction of the Commission, in which case such suspension shall be deemed withdrawn and a nullity. Whether the Contractor has corrected or cured the basis for the suspension is within the Commission's reasonable discretion. Activity under this Agreement may resume at such time as the Executive Director of the Commission or his or her designee issues a written notice authorizing a resumption of performance under the Agreement.

(e) Conflicts of Interest.

- (i) The Contractor will provide a completed "Vendor Assurance of No Conflict of Interest or Detrimental Effect" form (or any updated form identified by the Commission for the same purpose), signed by an authorized executive or legal representative attesting that the Contractor's performance of the services does not and will not create a conflict of interest with, nor position the Contractor to breach any other

contract currently in force with the State of New York, and that the Contractor will not act in any manner that is detrimental to any project on which the Contractor is rendering services.

(ii) The Contractor hereby reaffirms the attestations made in its proposal and covenants and represents that there is and shall be no actual or potential conflict of interest that could prevent the Contractor's satisfactory or ethical performance of duties required to be performed pursuant to the terms of the Agreement. The Contractor shall have a duty to notify the Commission immediately of any actual or potential conflicts of interest.

(iii) In conjunction with any subcontract under this Agreement, the Contractor shall obtain and deliver to the Commission, prior to entering into a subcontract, a "Vendor Assurance of No Conflict of Interest or Detrimental Effect" form, signed by an authorized executive or legal representative of the subcontractor. The Contractor shall also require in any subcontracting agreement that the subcontractor, in conjunction with any further sub-subcontracting agreement, obtain and deliver to the Commission a signed and completed Vendor Assurance of No Conflict of Interest or Detrimental Effect form for each of its sub-subcontractors prior to entering into a sub-subcontract.

(iv) The Commission and the Contractor recognize that conflicts may occur in the future because the Contractor may have existing, or establish new, relationships. The Commission will review the nature of any relationships and reserves the right to terminate this Agreement for any reason, or for cause, if, in the judgment of the Commission, a real or potential conflict of interest cannot be cured.

(f) Public Officers Law.

Contractors, consultants, vendors, subcontractors, and sub-subcontractors may hire former New York State Agency or Authority employees. However, as a general rule and in accordance with New York Public Officers Law, former employees of a State Agency or Authority may neither appear nor practice before that State Agency or Authority, nor receive compensation for services rendered on a matter before that State Agency or Authority, for a period of two years following their separation from that State Agency's or Authority's service. In addition, former State Agency or Authority employees are subject to a "lifetime bar" from appearing before the respective State Agency or Authority or receiving compensation for services regarding any transaction in which the employee personally participated or which was under the employee's active consideration during the employee's tenure with that State Agency or Authority.

(g) Ethics Requirements.

The Contractor shall not engage any person who is, or has been at any time, in the employ of the State to perform services in violation of the provisions of the

New York Public Officers Law, other laws applicable to the service of State employees, and the rules, regulations, opinions, guidelines or policies promulgated or issued by the New York State Joint Commission on Public Ethics, or its predecessors (collectively, the "Ethics Requirements"). The Contractor certifies that all its employees who are former employees of the State and who are assigned to perform services under this Agreement shall be assigned in accordance with all Ethics Requirements. During the Term, no person who is employed by the Contractor and who is disqualified from providing services under this Agreement pursuant to any Ethics Requirements may share in any net revenues of the Contractor derived from this Agreement. The Contractor shall identify and provide the State with notice of those employees of the Contractor who are former employees of the State that will be assigned to perform services under this Agreement, and make sure that such employees comply with all applicable laws and prohibitions. The State may request that the Contractor provide it with whatever information the State deems appropriate about each such person's engagement, work cooperatively with the State to solicit advice from the New York State Joint Commission on Public Ethics, and, if deemed appropriate by the State, instruct any such person to seek the opinion of the New York State Joint Commission on Public Ethics. The State shall have the right to terminate this Agreement at any time if any work performed hereunder conflicts with any of the Ethics Requirements. These ethics requirements also apply to the role and obligations of subcontractors and sub-subcontractors.

(h) Anti-Discrimination.

The Contractor has provided a form (EO 177 Certification), signed by an authorized executive or legal representative attesting that the Contractor certifies that it does not have institutional policies or practices that fail to address the harassment and discrimination of individuals on the basis of their age, race, creed, color, national origin, sex, sexual orientation, gender identity, disability, marital status, military status, or other protected status under the Human Rights Law.

3. **Amendment Value.** The not-to-exceed value of amounts paid to the Contractor under this Amendment is \$2,100,000.
4. **Approvals Required.** This Amendment shall not be effective and binding upon the Commission or the State of New York unless and until approved by the Attorney General and OSC, and the date that all approvals are obtained will be the Effective Date of this Amendment. The Commission agrees to exercise its best efforts to obtain such approvals.
5. **Other Provisions.** All other provisions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

IGT GLOBAL SOLUTIONS CORPORATION

By: Joseph S. Manderson

Title: COO, Lottery

Date: 7/26/18

NEW YORK STATE GAMING COMMISSION, DIVISION OF LOTTERY

By: [Signature]

Title: Acting Ex Director

Date: 8/6/18

NEW YORK STATE OFFICE OF THE ATTORNEY GENERAL

By: APPROVED AS TO FORM NYS ATTORNEY GENERAL

Title: AUG 10 2018

Date: Benjamin L. Maggi
BENJAMIN L. MAGGI
ASSISTANT ATTORNEY GENERAL

NEW YORK STATE OFFICE OF THE STATE COMPTROLLER Thomas P. DiNapoli

By: APPROVED DEPT. OF AUDIT & CONTROL

Title: OCT 11 2018

Date: [Signature]
FOR THE STATE COMPTROLLER

Acknowledgement

ACKNOWLEDGEMENT BY INDIVIDUAL

STATE OF _____)

) ss.:

COUNTY OF _____)

On this _____ day of _____, 20____, before me personally came _____, to me known and known to me to be the person described in and who executed the foregoing instrument and he/she acknowledged to me that he/she executed the same.

Notary Public

ACKNOWLEDGEMENT BY UNINCORPORATED ASSOCIATION

STATE OF _____)

) ss.:

COUNTY OF _____)

On this _____ day of _____, 20____, before me personally came _____, to me known and known to me to be the person described in and who executed the above instrument, who, being duly sworn by me, did for himself/herself depose and say that he/she is a member of the firm of _____ and that he/she executed the foregoing instrument in the firm name of _____, and that he/she had authority to sign same, and he/she did duly acknowledge to me that he/she executed the same as the act and deed of said firm of _____, for the uses and purposes mentioned therein.

Notary Public

ACKNOWLEDGEMENT BY CORPORATION

STATE OF Rhode Island)

) ss.:

COUNTY OF Providence)

On this 26th day of July, in the year 2018, before me personally came Joseph Henderson, to me known, who, being by me duly sworn did depose and say that he/she resides in East Greenwich, RI; that he/she is the COO, lottery of the IGT, the corporation described in and which executed the above instrument; and that he/she signed his/her name(s) thereto by authority of the board of directors of said corporation.

Patricia E. Robinson

Notary Public

State of Rhode Island

Commission Number: 55678

My Commission Expires June 16 2021

Patricia E. Robinson
Notary Public