



AMENDMENT NO. 2
to the
CONTRACT FOR INSTANT TICKET MANUFACTURING AND SERVICES
between the
TEXAS LOTTERY COMMISSION
and
GTECH CORPORATION

WHEREAS, the Texas Lottery Commission (the "Commission" or "Texas Lottery") and GTECH Corporation (formerly GTECH Printing Corporation) ("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 3, 2014 (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 add oversized ticket pricing.

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. Attachment A to this Amendment No. 2 supersedes and replaces Contractor's Revised Sealed Cost Proposal in Amendment No. 1, and shall apply during the Contract term and any renewal period. Attachment A is incorporated by reference and expressly made a part of this Amendment No. 2 and the Contract.
2. 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.
3. This Amendment shall be effective upon execution by both parties.

TEXAS LOTTERY COMMISSION

By: _____

Gary Grief
GARY GRIEF
EXECUTIVE DIRECTOR

2/24/15
(Date)

GTECH CORPORATION

By: _____

[Signature]
(Signature)

Robin Drummond
Robin Drummond
(Printed Name)

SVP, Canada + COO, GTECH Printing
(Title)

2-23-2015
(Date)

**Attachment A to Amendment No. 2
GTECH Corporation (GPC)**

**GTECH PRINTING CORPORATION
ATTACHMENT H
REVISED SEALED COST PROPOSAL**

NOTE TO ALL PROSPECTIVE PROPOSERS: THE COST PROPOSAL MUST BE SUBMITTED IN A SEPARATE SEALED ENVELOPE AS AN ATTACHMENT TO THE ORIGINAL PROPOSAL.

Payment will be based on cost per thousand tickets manufactured.

Options

As part of the base cost (price per thousand tickets) submitted by a Proposer, all items represented in the Proposal must be provided unless specifically identified as Invited, Offered or Specified Options. Any such options must be specifically detailed in the Proposal.

If the services represented in the Proposal are not clearly indicated as Invited, Offered or Specified Options, the cost for such services is included in the base price.

Offering a required item as an option may be cause for rejection of the Proposal.

Evaluation of the Cost Proposal

For purposes of evaluation and comparison, all cost cells for the Base Price and the following four Specified Options (Full UV Coating, Dual Color Imaging, Metallic Ink and Fluorescent Ink) will be evaluated. While all cost cells will be evaluated, some may have greater weight.

Common Price

The Texas Lottery's objective is to maximize revenue to the State of Texas through the selection of "industry best" games and those consistent with the Texas Lottery's current product mix and instant ticket strategy. The Texas Lottery evaluates games based on a variety of criteria including, but not limited to, sales performance, ticket theme, play style, planned start date and overall fit within the overall instant game portfolio. Using these criteria and others, the Texas Lottery also includes branded, proprietary or licensed games which it believes present the best opportunity for maximizing ticket sales and generating revenues for the State.

In working toward its objective to maximize revenue to the State of Texas through the selection of "industry best" games and those consistent with the Texas Lottery's current product mix and instant ticket strategy, the Texas Lottery believes that utilizing multiple vendors for instant ticket manufacturing and services promotes competition, optimizes vendor performance and enhances business resumption capabilities.

The Texas Lottery desires to select multiple Successful Proposers that demonstrate superior technical quality and service and that offer competitive pricing.

The Texas Lottery, through negotiations with all Apparent Successful Proposers, desires to establish common prices for the goods/services included in the Base Price and four specified options (Full UV Coating, Dual Color Imaging, Metallic Ink and Fluorescent Ink).

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As an incentive to accept the common prices established by the Texas Lottery and at the agency's sole discretion, Successful Proposers may be offered an opportunity to produce a comparable number of games for a set period (as determined by the Texas Lottery in its sole discretion) following Contract Award. The Texas Lottery, in its sole discretion, will determine the quantity and volume of ticket production awarded to each Successful Proposer and expressly reserves the right to decrease or increase game orders consistent with the considerations in section 1.1.7, together with other factors including, but not limited to, technical quality and customer service.

Base Price

Each Proposer should complete the following matrix utilizing cost per thousand tickets and provide pricing information for each quantity and actual ticket size printed on the identified ticket stock. Prices must be proposed to two (2) decimal places (example: \$6.60/thousand). Base price includes any and all requirements, goods and services described in this RFP that are not Invited, Offered or Specified Options as referenced in this RFP. Specifically, base price shall include insertion of 4" X 4" POS cards in each pack, four color processing, expanded imaging and any additional spot colors required to produce the game tickets as represented in the executed working papers.

Table 1: 10 Point Virgin/Recyclable - Coated Two Sides

NOTE: Use the format provided on the attached Table for your response.

NOTE: INTERMEDIATE QUANTITIES WILL BE DETERMINED BY INTERPOLATION

**Attachment A to Amendment No. 2
GTECH Corporation (GPC)**

Table 1 - 10 Point Virgin/Recyclable-Coated Two Sides

Ticket Size	A 2.4" x 4"		B 4" x 4"			C 6" x 4"		D 8" x 4"			
	250	150	250	150	125	150	125	125	75	50	25
20,000		\$193.86			\$200.83					\$1,232.05	\$1,252.92
120,000		\$104.05			\$107.67						
240,000		\$74.13			\$76.74						
360,000		\$59.16			\$61.37						
480,000		\$49.85			\$51.51						
600,000		\$43.54			\$44.97						
720,000		\$38.89			\$41.10						
840,000		\$35.55			\$37.94						
960,000		\$33.78			\$36.88						
1,000,000	\$33.78	\$34.57	\$35.61	\$36.43	\$36.88	\$43.91	\$44.39	\$51.10	\$52.27	\$52.47	\$57.47
2,000,000	\$19.63	\$20.41	\$23.63	\$24.45	\$24.91	\$28.06	\$28.53	\$33.51	\$34.59	\$37.12	\$41.20
3,000,000	\$15.04	\$15.82	\$18.95	\$19.78	\$20.22	\$23.40	\$23.87	\$28.40	\$29.43	\$31.97	\$36.05
4,000,000	\$12.56	\$13.34	\$16.37	\$17.19	\$17.64	\$21.10	\$21.56	\$25.79	\$26.78	\$28.62	\$33.42
5,000,000	\$11.28	\$12.06	\$14.90	\$15.72	\$16.19	\$19.23	\$19.71	\$24.12	\$25.12	\$27.66	\$31.75
6,000,000	\$10.28	\$11.06	\$14.00	\$14.82	\$15.26	\$18.71	\$19.19	\$22.95	\$23.93	\$26.48	\$30.58
7,000,000	\$9.60	\$10.39	\$13.27	\$14.09	\$14.55	\$17.91	\$18.38	\$22.30	\$23.93	\$26.81	\$29.91
8,000,000	\$9.13	\$9.91	\$12.87	\$13.70	\$14.15	\$17.03	\$17.50	\$21.91	\$22.43	\$25.42	\$29.51
9,000,000	\$8.71	\$9.48	\$12.45	\$13.28	\$13.72	\$16.85	\$17.33	\$21.36	\$21.96	\$24.87	\$28.95
10,000,000	\$8.51	\$9.28	\$12.10	\$12.92	\$13.37	\$16.38	\$16.84	\$21.14	\$21.73	\$24.64	\$28.72
12,000,000	\$8.05	\$8.83	\$11.69	\$12.52	\$12.97	\$16.02	\$16.50	\$20.79	\$21.40	\$24.29	\$28.39
15,000,000	\$7.52	\$8.31	\$11.11	\$11.93	\$12.38	\$15.39	\$15.87	\$20.19	\$20.73	\$23.68	\$27.77
20,000,000	\$7.11	\$7.90	\$10.59	\$11.41	\$11.87	\$14.80	\$15.27	\$19.55	\$20.10	\$23.05	\$27.13
30,000,000	\$6.56	\$7.31	\$10.19	\$11.01	\$11.46	\$14.44	\$14.90	\$19.20	\$19.70	\$22.69	\$26.77
50,000,000	\$6.33	\$7.10	\$9.99	\$10.82	\$11.27	\$14.14	\$14.62	\$18.89	\$19.84	\$22.37	\$26.46
75,000,000	\$6.21	\$6.98	\$9.87	\$10.68	\$11.14	\$14.03	\$14.50	\$18.78	\$19.73	\$22.24	\$26.31
100,000,000	\$6.15	\$6.91	\$9.80	\$10.62	\$11.06	\$13.98	\$14.44	\$18.71	\$19.66	\$22.18	\$26.26

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GTech Corporation (GPC)**

Ticket Size	<u>E</u> 10" x 4"		<u>F</u> 12" x 4"				<u>G</u> 6" x 8"	
	50	25	75	50	25	20	20	10
1,000,000	\$59.50	\$63.61	\$61.89	\$64.33	\$68.27	\$71.54	\$76.81	\$95.59
2,000,000	\$41.57	\$45.66	\$43.71	\$46.16	\$50.09	\$46.50	\$57.87	\$76.61
3,000,000	\$36.45	\$40.55	\$38.62	\$41.07	\$45.00	\$42.00	\$52.58	\$71.33
4,000,000	\$33.98	\$33.87	\$36.16	\$38.62	\$42.57	\$39.87	\$49.96	\$68.74
5,000,000	\$31.36	\$32.16	\$33.95	\$36.41	\$40.34	\$37.93	\$47.61	\$66.37
6,000,000	\$30.10	\$31.40	\$32.95	\$35.41	\$36.10	\$42.62	\$46.57	\$65.35
7,000,000	\$29.42	\$30.72	\$32.33	\$34.79	\$35.43	\$42.01	\$45.92	\$64.69
8,000,000	\$28.65	\$29.96	\$31.35	\$33.81	\$34.36	\$41.02	\$44.84	\$63.61
9,000,000	\$28.07	\$29.37	\$30.79	\$33.25	\$33.75	\$40.46	\$44.27	\$63.04
10,000,000	\$27.82	\$29.12	\$30.58	\$33.05	\$33.54	\$40.26	\$44.06	\$62.84
12,000,000	\$27.62	\$28.98	\$30.27	\$32.74	\$33.01	\$39.95	\$43.80	\$62.56
15,000,000	\$26.92	\$31.89	\$29.52	\$31.99	\$32.33	\$39.20	\$42.96	\$61.72
20,000,000	\$26.02	\$31.22	\$28.83	\$31.30	\$31.71	\$38.50	\$42.19	\$60.93
30,000,000	\$25.70	\$30.86	\$28.49	\$30.97	\$31.26	\$38.17	\$41.88	\$60.61
50,000,000	\$26.44	\$30.53	\$28.17	\$30.63	\$30.90	\$37.82	\$41.52	\$60.27
75,000,000	\$26.30	\$30.39	\$28.02	\$30.49	\$34.46	\$37.68	\$41.36	\$60.03
100,000,000	\$26.25	\$30.33	\$27.97	\$30.44	\$34.36	\$37.60	\$41.27	\$59.92

NOTE: INTERMEDIATE QUANTITIES WILL BE DETERMINED BY INTERPOLATION

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In addition, Proposers shall show the cost breakdown of the following line items that are included in the base costs.

1. 4 color processing	Per square inch	<u>\$0.00 per 1k square inches</u>
2. expanded imaging	Per square inch	<u>\$0.05 per 1k square inches</u>
3. additional spot colors	Per color per square inch	<u>\$0.04 per 1k square inches</u>
4. Includes 4x4 card insertion in each pack	Price Per Pack	<u>\$0.15 per insert per pack</u>

SPECIFIED OPTIONS

Prospective Proposers are **required** to submit specifications and pricing for the following options.

Each Proposer should indicate the additional cost per thousand (1,000) tickets for the options listed below.

Specified Options to be negotiated to establish a common price:

1. Cost per thousand tickets for fluorescent inks (other than required by fluorescent benday)

Per color per square inch \$ 0.07 per square inch per 1,000 tickets.

2. Cost per thousand tickets for metallic inks

Per color per square inch \$ 0.07 per square inch per 1,000 tickets.

3. Cost per thousand tickets for dual color game data imaging

Per 1,000 tickets: \$ 0.25344 per square inch per 1,000 tickets.

4. Cost per thousand tickets for full ultraviolet coating in display area

Per square inch: \$ 0.08 per square inch per 1,000 tickets.

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Other Specified Options:

1. Cost per thousand tickets for any reduction for colors less than ten (10).
Price decrease per color \$ 0.0525 per square inch per 1,000 tickets price decrease per color.
2. Cost per thousand tickets for multiple scenes or continuous scene game \$ 0.1425 per 1,000 tickets per additional scene.
3. Cost per thousand tickets for color pulsing - color changes within a press run \$ 0.39584 per color pulse.
4. Cost per thousand tickets for marking process other than full opaque security coating covering. Per square inch No charge for Magic Scratch, a GPC developed coin rub extended play system. Pricing for Player's Mark extended play marking system is \$0.114 per square inch per 1,000 tickets.
5. Cost for cylinder or plate change before or during production \$1425.00 per cylinder/plate change; During production: Additional plate changes required throughout the run, providing there is no file change, are provided at no additional charge.
6. Cost per thousand tickets difference for multiple games across the web Deduct \$2,100.00 for each additional game across the web. Working papers must be signed off at the same time as the initial game.
7. Price per square inch for foil ticket stock \$ 0.2755 per square inch per 1,000 tickets.
8. Price per square inch for holographic ticket stock \$ 1.50 per square inch per 1,000 tickets.

Test Games

Hourly rate for software programming test games No charge for programming the first test game. Software changes for any game after the Working Papers are approved are \$150.00 per hour.

Bar Coded Coupons

Each coupon must have a unique bar code that meets the validation specifications as outlined in this RFP.

**Attachment A to Amendment No. 2
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Direct Mail Bar Coded Coupons

Self-Mailer:

Cost to produce bar coded direct mail pieces of multiple finished and folded sizes (8 1/2" x 14" flat and below), on various paper types (110# card stock and below) with 4-color process printing on both sides, full bleeds ink coverage and various perforations for coupons (up to 4 coupons attached to self-mailer). An example of size, finish and paper is 100# uncoated or coated on an 8 1/2" x 11" sheet with two or three folds. The mailer will be a self-mailer. Perforations would allow for four (4) or fewer unique, bar-coded coupons. The printing,

handling and application of the mailing addresses shall be the responsibility of the Successful Proposer.

1. Cost per thousand for 250,000 self-mailer pieces w/coupons	\$204.00
2. Cost per thousand for 500,000 self-mailer pieces w/coupons	<u>\$148.00</u>
3. Cost per thousand for 1 million self-mailer pieces w/coupons	\$115.00
4. Cost per thousand for 1.5 million self-mailer pieces w/coupons	\$105.00
5. Cost per thousand for 2 million self-mailer pieces w/coupons	\$100.00

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Electronic Coupons

Cost to develop bar-coded, web-based coupons that interact with the validation equipment used by the Texas Lottery. Limited time vouchers and single-use, unique coupons are necessary. Both types of coupons will have bar codes, and must be able to be presented on both the Internet via a web page or through email messages. Where applicable, costs should include any fees for programming for distribution/dissemination of e-coupons via the Texas Lottery website or email to provide unique bar codes for each contact or visitor.

Cost to create and distribute multi-use, limited-time offer e-coupons:
\$3,500.00 (single bar code per offer, not unique bar codes per recipient)

1. Cost per thousand for unique, single-use e-coupons for 100,000	<u>\$14.00</u>
2. Cost per thousand for unique, single-use e-coupons for 250,000	<u>\$13.15</u>
3. Cost per thousand for unique, single-use e-coupons for 500,000	<u>\$12.25</u>
4. Cost per thousand for unique, single-use e-coupons for 1,000,000	<u>\$10.50</u>
5. Cost per thousand for unique, single-use e-coupons for 2,000,000	<u>\$7.00</u>

Hand Out Coupons - Cost to produce bar coded coupon insert as noted below:

- x Size: Approximately 8.5" x 3.5", bleed design
- x Paper: (25 x 38) 105#, 7pt. Orion Satin Matte
- x Colors: A: 4c process front, unprinted back
 B: 4c process front, 1c back
 C: 4c process front, 4c back
- x Imaging: Image bar code on front in black ink
- x Finishing: Padded & glued in pads of 125. (Pad on 8.5in. edge)
- x Freight is extra per actual freight invoice.

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<u>Quantity</u>	<u>Price per 1,000 individual coupons</u>		
<u>Pieces</u>	<u>Option A</u>	<u>Option B</u>	<u>Option C</u>
5,000 coupons = 40 pads of 125	\$1,325.00	\$1,404.00	\$2,024.00
10,000 coupons = 80 pads of 125	\$672.00	\$712.00	\$1,029.00
20,000 coupons = 160 pads of 125	\$354.00	\$374.00	\$539.00
30,000 coupons = 240 pads of 125	\$250.00	\$264.00	\$385.00
50,000 coupons = 400 pads of 125	\$190.00	\$199.00	\$259.00
100,000 coupons = 800 pads of 125	\$102.00	\$107.00	\$134.00
125,000 coupons = 1,000 pads of 125	\$90.00	\$94.00	\$116.00
250,000 coupons = 2,000 pads of 125	\$64.00	\$66.00	\$76.00
500,000 coupons = 4,000 pads of 125	\$51.00	\$52.00	\$57.00
1,000,000 coupons = 8,000 pads of 125	\$44.00	\$45.00	\$49.00

Branded, Proprietary and Licensed Games

The Texas Lottery may use branded, proprietary and licensed games as part of its game portfolio. 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. In accordance with the executed working papers, the Texas Lottery may require prize fulfillment services for licensed property games and/or other games manufactured by the Successful Proposer.

Exclusive Pricing rates should be categorized in a table(s) based on product strength/recognition and priced accordingly. Proposers shall provide separate tables for games that utilize licensing fees and games that utilize merchandise allocations. Licensed property games whether utilizing the licensing fee or merchandise model shall include print costs and any necessary fulfillment services. Proposers should provide any volume discounts.

Please provide pricing tables for Branded, Proprietary and Licensed games.

Promotional Second Chance Drawings

A. The following fees will apply to Mail-In Second Chance Drawings:

1. Branded/Licensed Property Games

Cost to set up, monitor and support the system for a single Branded/Licensed Property game, and any associated second chance drawings in the Branded/Licensed Property game that utilizes the merchandise model. The number of second chance drawings is determined by the Texas Lottery.

\$ 0.00

**Attachment A to Amendment No. 2
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2. Non-Branded/Licensed Property Games

Cost to set up, monitor and support the system for a single Non-Branded/Licensed Property game, or a Branded/Licensed Property game that does not utilize the merchandise model.

- i. Cost to set up, monitor and support the 1st drawing for a game.

\$ 9,400.00

- ii. Cost to set up, monitor and support subsequent drawing(s) for the same game.

\$ 5,000.00

B. The following fees will apply to Internet Entry Second Chance Drawings:

- i. For branded or Licensed Property Games produced by the Successful Proposer where the Texas Lottery pays the Successful Proposer directly as promotional second-chance drawing merchandise prizes are claimed (also known as the merchandise model), the Successful Proposer waives all costs to set up, monitor and support the draw system and all drawing costs.
- ii. For promotional second-chance drawing services for all other instant games (including, but not limited to, games that do not use the merchandise model, games produced by other Texas Lottery vendors, etc.), the Texas Lottery agrees to pay the Successful Proposer \$ 18,500.00 per game to set up, monitor and support the draw system (including all costs for the first promotional second-chance drawing in the game), plus an additional \$ 14,100.00 for the remaining drawings in the game.

**Attachment A to Amendment No. 2
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INVITED OPTIONS

Proposers are **not required** to submit specifications and pricing for Invited Options. Each Proposer should indicate the additional cost per thousand (1,000) tickets, if any, for any options, including those listed below. Pricing should be noted as cost per square inch, if appropriate.

1. Cost per thousand for die-cut tickets. \$5,000.00 set-up plus \$0.30 per thousand square inches.
2. Cost per pack, if any, for additional inserts in each pack of tickets. \$ 0.75 per each card, plus \$0.40 for insertion of numbered pack insert cards.
3. Cost per thousand for pouch tickets. No Bid.
4. Cost per thousand for holograms on tickets. No Bid.
5. Cost per thousand for continuous four color process covering entire ticket. If process printing on the overprint is integrated with the graphics then \$0.17 per square inch per 1,000 tickets.
6. Cost per thousand for four-color printed on ticket back. \$3,000.00 set up + \$0.15 per square inch per 1,000 tickets.
7. Cost per thousand for perforated stub, with either horizontal or vertical perforations and with or without imaging.

Without Imaging: \$1,000.00 plus \$0.03 per square inch per 1,000 tickets.

With Imaging: \$1,000.00 plus \$0.06 per square inch per 1,000 tickets.
8. Cost per thousand for scored tickets. Vertical score \$1,000.00 plus \$0.05 per square inch per 1,000 tickets; Horizontal score \$5,000.00 plus \$0.10 per square inch per 1,000 tickets.
9. Cost per thousand for scented tickets. \$0.55 per square inch per 1,000 tickets.
10. Cost per thousand for break-open tickets with perforated window. No Bid.
11. Cost per thousand for thermal ink imaging. \$0.20 per square inch per 1,000 tickets.

In addition, each Proposer should indicate the additional cost, if any, for the options listed below:

Merchandise fulfillment for non-licensed property games

Up to 10.0% of the merchandise prize pool, depending on the scope of the program.

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OFFERED OPTIONS

Proposers should respond to this section on sheets attached hereto the price for Proposer-offered optional items. Proposers are free to describe offered options and the terms and pricing under which they are offered. Proposers are not required to submit any Offered Options under section 8.34 of this RFP.

GTECH Printing Corporation (GPC) presents the following list of additional services and options which are available for consideration by the Texas Lottery Commission (TLC).

OPTION	DESCRIPTION	PRICE
New Play Styles		
Extended Bonus Play	<p>This feature introduces a new dimension to instant games with the addition of a bonus area which gives players six more chances to win. The player plays the main game, takes symbols uncovered from that game and uses them in the bonus game. It can be added to any existing play style and maximizes the player's opportunity to win.</p>	<p>Price to be determined based on final specifications.</p>
Linked Bonus	<p>With Linked Bonus, players enjoy multiple games on one ticket and have the opportunity to win bonus prizes when they win multiple games in a linked section. Players can match three like symbols in any spin across and win the prize indicated in the prize legend. If the player wins on all four spins in a single game, he or she scratches the bonus area to reveal an additional prize for that game.</p>	<p>Price to be determined based on final specifications.</p>

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OPTION	DESCRIPTION	PRICE
Criss Cross	Criss Cross games feature more matching, more fun, and more excitement for your players. This unique, patent pending play style allows more prize symbols to be featured on each ticket. This concept allows a prize to be associated with two numbers. Players attempt to match a "column" number (your numbers) to a "row" number (winning numbers). Finding a match allows the player to scratch the prize symbol where the two numbers cross in the grid. Criss Cross can create multiple near-win experiences on every single ticket, ultimately enhancing the players' excitement.	Price to be determined based on final specifications.
Head2Head	The Head2Head concept is a socially interactive concept that allows two players to compete against each other. In Head2Head, players compete against each other on the same instant ticket as one instant ticket contains two games. Players interact by sitting on opposite sides of a table and playing simultaneously or by passing the ticket back and forth.	Price to be determined based on final specifications.
Second Chance at Retail		
Lucky Sweeps®	This GPC proprietary product awards the player a chance to win an entry into a secondary raffle game. By attaching a top tier prize to the raffle game it reduces the chance of the top tier prize in a single Scratch-it ticket game from selling out.	Price to be determined based on final specifications.
Security Options		
Secure Shield	Secure Shield takes instant ticket security to a new level. Secure Shield is a process for encrypting data on instant tickets, where the data is printed as a bar code and hidden under the scratch-off material; the process supports single-scan, keyless validation for retailers. Secure Shield also allows players to check the win status of their instant ticket on the Lottery's current ticket checkers.	Included in base price

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OPTION	DESCRIPTION	PRICE
Custom Micro Font Bendays	GPC can produce benday patterns that incorporate the name of the lottery or other words in the benday line. With the naked eye it looks like a solid line, but under magnification the name of the lottery can be seen. This surreptitious security feature increases the effectiveness of bendays to frustrate cut and paste counterfeiting techniques. The micro font benday can also be printed using fluorescent or invisible inks.	\$0.10 per thousand square inches
Tinted Varnish	Tinted varnish is used as a security feature to make alteration attempts tamper evident.	\$0.05 per thousand square inches
Print Options		
Instant 3D Printing	With the popularity of 3D movies, GPC can provide the Lottery with the opportunity to take advantage of this trend. By producing your instant tickets in 3D, you have the ability to captivate seasoned lottery players and attract the emerging market.	Price to be determined based on final specifications.
Internal Custom Perforations	These are custom free-flowing perforations to accent game theme and play. They can create a jigsaw puzzle effect for premium collector games.	\$5,000.00 set-up plus \$0.35 per thousand square inches for each additional color.
Multi-Colored Imaging	This option is similar to two-color imaging but is done with more than two colors.	Price to be determined based on final specifications.
Six Color Process Printing	Our flexographic press, MAX, is designed to go beyond four-color-process printing; It is capable of six-color-process printing, giving customers the largest color space in which to create exciting, colorful tickets. Six-color-process printing adds orange and brown to the color-creation process to provide more color depth and gradation in the shadows.	Price to be determined based on final specifications.

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OPTION	DESCRIPTION	PRICE
Glitter Ink	These inks add luster to games and increases perceived value of the ticket.	\$0.20 per thousand square inches
Simulated Foil Ink	This ink looks like foil when applied to the ticket. Several colors are available to meet your game design needs.	\$0.12 per thousand square inches
Holographic Ink	Holographic ink is a color shifting ink that changes appearance if held at different angles to a light source. Holographic ink is widely used to print currency.	Price to be determined based on final specifications.

GPC Licensed Properties

GPC is pleased to offer the Texas Lottery Commission (TLC) our entire licensed property portfolio at industry competitive pricing. Licensed properties can be acquired by a License Fee Model, a Merchandise Model or a combination of both.

License Fee – The license fee options are based on a percentage of actual sales. The rates are detailed in the table below.

Merchandise – The TLC will allocate a percentage of the prize fund for the acquisition of unique experiential prizes or custom branded merchandise from GPC. The specific merchandise allocation amount is detailed in the table below.

Fee and Merchandise – GPC welcomes the opportunity to provide custom pricing based on a combination of a reduced fee plus a reduced merchandise requirement to accommodate the TLC.

**Attachment A to Amendment No. 2
GTECH Corporation (GPC)**

The Texas Lottery Commission rates are contained in the table below.

Texas Lottery Licensed Property Rate Card		
Properties	License Fee as a Percentage of Sales *	Merchandise Fee as a Percentage of the Prize Fund *
World Series of Poker	1.50%	7.25%
Caesars Palace	1.50%	7.25%
Harrah's	1.50%	7.25%
The Three Stooges	1.50%	7.25%
Bejeweled	1.50%	7.25%
Plants vs. Zombies	1.50%	7.25%
Zuma	1.50%	7.25%
Mystery PI	1.50%	7.25%
Billboard	1.00%	7.25%

** License/Merchandise Fees do not include printing costs. Printing costs are calculated as the cost of printing using the per 1,000 printing prices in Table 1, at the quantity ordered.*