

AMENDMENT NO. 5 to the CONTRACT FOR INSTANT TICKET MANUFACTURING AND SERVICES between the TEXAS LOTTERY COMMISSION and IGT GLOBAL SOLUTIONS CORPORATION

WHEREAS, the Texas Lottery Commission (the "Commission" or "Texas Lottery") and IGT Global Solutions Corporation with an assumed name in the State of Texas of "IGT Solutions Corporation" (formerly known as GTECH Corporation and as successor by merger to 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, Amendment No. 2 effective February 24, 2015, Amendment No. 3 effective September 24, 2015, and Amendment No. 4 effective March 1, 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 i) to change the Working Papers due date; and ii) to add prices for a variety of new offered options.

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. RFP Section 7.2.2 is replaced in its entirety with the following:

The Texas Lottery works directly with the Lottery Operator vendor in the development of its comprehensive instant ticket game plan. The comprehensive instant ticket game plan will identify all elements of the games to be introduced including **the draft working papers deadline**, the launch date, price point, theme, and print quantity. The instant ticket game plan will be provided to the Successful Proposer and updated as deemed necessary by the Texas Lottery. The Texas Lottery shall make all final decisions regarding the selection and inclusion of instant ticket games in the plan.

2. RFP Section 7.3.1 is replaced in its entirety with the following:

Upon receiving approval of artwork and prize structure from the Texas Lottery, The Successful Proposer must provide draft working papers to the Texas Lottery on or before the deadline listed in the Scratch Ticket Game Plan. within five (5) business days.

3. RFP Section 8.32.4 is replaced in its entirety with the following:

The Texas Lottery may use branded, proprietary or 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. Further, at the Texas Lottery's request, the Successful Proposer shall attempt to acquire rights to specific branded, proprietary or licensed properties to allow TLC to use the requested name, likeness and images on TLC games in Texas only and in connection with game promotions and advertising. The Successful Proposer shall attempt to obtain all rights customary for a licensedproperty game, including, as an example, any applicable territory restrictions. The Successful Proposer shall prepare written estimates for all license agreement costs and must obtain prior written approval from the Texas Lottery before finalizing any agreement. The Texas Lottery will be responsible for payment of all license fees and will reimburse the Successful Proposer for all reasonable agreement costs for specific branded, proprietary or licensed properties obtained by the Successful Proposer at TLC's request to be used in Texas only. The Texas Lottery may require the Successful Proposer provide prize fulfillment services for games manufactured by the Successful Proposer in accordance with the executed working papers. Proposers should detail their capabilities in providing such services and submit samples with the proposal.

- 4. Attachment A to this Amendment No. 5 supersedes and replaces Contractor's Revised Sealed Cost Proposal in Amendment No. 4, 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. 5 and the Contract.
- 5. 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.
- 6. This Amendment shall be effective upon execution by both parties.

TEX	AS LOTTERY COMMISSION
By:	GARY GRIEF
	EXECUTIVE DIRECTOR
	9-6-16
	(Date)
IGT ((d/b/a	GLOBAL SOLUTIONS CORPORATION IGT Solutions Corporation in the State of Texas)
By:	(Signature)
l	Joseph S. Gendron (Printed Name)
	SVP, WLA North America
	8/30/2016 (Date)

Attachment A to Amendment No. 5

Ficket Size <u>E</u> 10" x 4"					12'	<u>G</u> 6" x 8"				
Pack Size	75	50	25	20	75	50	25	20	20	10
1,000,000	\$57.25	\$59.50	\$63.61	\$66.79	\$61.89	\$64.33	\$68.27	\$71.54	\$76.81	\$95.59
2,000,000	\$39.36	\$41.57	\$45.66	\$46.00	\$43.71	\$46.16	\$50.09	\$46.50	\$57.87	\$76.61
3,000,000	\$34.28	\$36.45	\$40.55	\$41.85	\$38.62	\$41.07	\$45.00	\$42.00	\$52.58	\$71.33
4,000,000	\$31.82	\$33.98	\$33.87	\$38.95	\$36.16	\$38.62	\$42.57	\$39.87	\$49.96	\$68.74
5,000,000	\$29.24	\$31.36	\$32.16	\$37.87	\$33.95	\$36.41	\$40.34	\$37.93	\$47.61	\$66.37
6,000,000	\$28.00	\$30.10	\$31.40	\$36.58	\$32.95	\$35.41	\$36.10	\$42.62	\$46.57	\$65.35
7,000,000	\$27.34	\$29.42	\$30.72	\$35.48	\$32.33	\$34.79	\$35.43	\$42.01	\$45.92	\$64.69
8,000,000	\$26.57	\$28.65	\$29.96	\$34.98	\$31.35	\$33.81	\$34.36	\$41.02	\$44.84	\$63.61
9,000,000	\$25.99	\$28.07	\$29.37	\$34.00	\$30.79	\$33.25	\$33.75	\$40.46	\$44.27	\$63.04
10,000,000	\$25.74	\$27.82	\$29.12	\$33.77	\$30.58	\$33.05	\$33.54	\$40.26	\$44.06	\$62.84
12,000,000	\$25.54	\$27.62	\$28.98	\$33.61	\$30.27	\$32.74	\$33.01	\$39.95	\$43.80	\$62.56
15,000,000	\$24.84	\$26.92	\$31.89	\$32.58	\$29.52	\$31.99	\$32.33	\$39.20	\$42.96	\$61.72
20,000,000	\$23.97	\$26.02	\$31.22	\$32.00	\$28.83	\$31.30	\$31.71	\$38.50	\$42.19	\$60.93
30,000,000	\$23.64	\$25.70	\$30.86	\$31.12	\$28.49	\$30.97	\$31.26	\$38.17	\$41.88	\$60.61
50,000,000	\$23.31	\$26.44	\$30.53	\$31.07	\$28.17	\$30.63	\$30.90	\$37.82	\$41.52	\$60.27
75,000,000	\$23.18	\$26.30	\$30.39	\$30.98	\$28.02	\$30.49	\$34.46	\$37.68	\$41.36	\$60.03
100,000,000	\$23.12	\$26.25	\$30.33	\$30.75	\$27.97	\$30.44	\$34.36	\$37.60	\$41.27	\$59.92

NOTE: INTERMEDIATE QUANTITIES WILL BE DETERMINED BY INTERPOLATION

OVERSIZE TICKET with a single validation barcode

	PRICE G	RID																
Ticket size	8 x 8	8 x 8	8 x 8	8 x 8	8 x 8	8 x 8	9 x 8	9 x 8	9 x 8	9 x 8	9 x 8	9 x 8	10 x 8	10 x 8	10 x 8	10×8	10 x 8	10 x 8
Pack size	15	20	25	30	40	50	15	20	25	30	40	50	15	20	25	30	40	50
500,000	\$ 125.22	\$118.74	\$ 115.50	\$ 113.35	\$110.11	\$107.95	\$ 134.97	\$127.99	\$124.50	\$ 122.17	\$118.68	\$ 116.35	\$ 139.60	\$132.38	\$128.77	\$126.37	\$ 122.76	\$120.35
1,000,000	\$ 96.22	\$ 71.38	\$ 70.10	\$ 70.10	\$ 70.10	\$ 68.09	\$105.16	\$ 77.48	\$ 76.44	\$ 76.44	\$ 76.44	\$ 73.65	\$ 111.53	\$ 83.20	\$ 82.16	\$ 82.16	\$ 82.16	\$ 80.83
2,000,000	\$ 84.20	\$ 60.77	\$ 59.83	\$ 59.83	\$ 59.83	\$ 57.82	\$ 92.73	\$ 67.08	\$ 66.04	\$ 66.04	\$ 66.04	\$ 63.35	\$ 102.54	\$ 72.80	\$ 71.76	\$ 71.76	\$ 71.76	\$ 69.86
3,000,000	\$ 75.22	\$ 57.34	\$ 56.53	\$ 56.53	\$ 56.53	\$ 53.99	\$ 84.84	\$ 63.62	\$ 62.58	\$ 62.58	\$ 62.58	\$ 59.92	\$ 91.32	\$ 69.34	\$ 68.30	\$ 68.30	\$ 68.30	\$ 66.54
4,000,000	\$ 73.26	\$ 55.62	\$ 54.63	\$ 54.63	\$ 54.63	\$ 52.28	\$ 81.21	\$ 61.88	\$ 60.84	\$ 60.84	\$ 60.84	\$ 58.20	\$ 90.32	\$ 67.60	\$ 66.56	\$ 66.56	\$ 66.56	\$ 64.35
5,000,000	\$ 67.58	\$ 54.59	\$ 53.62	\$ 53.62	\$ 53.62	\$ 49.36	\$ 75.19	\$ 60.84	\$ 59.80	\$ 59.80	\$ 59.80	\$ 55.21	\$ 83.21	\$ 66.56	\$ 65.52	\$ 65.52	\$ 65.52	\$ 60.95
					\$ 51.92													
					\$ 51.09													
					\$ 50.74													
9,000,000	\$ 61.97	\$ 52.42	\$ 50.00	\$ 50.00	\$ 50.00	\$ 45.53	\$ 69.10	\$ 58.99	\$ 56.30	\$ 56.30	\$ 56.30	\$ 50.71	\$ 76.43	\$ 63.77	\$ 61.24	\$ 61.24	\$ 61.24	\$ 56.02
10,000,000	\$ 61.72	\$ 51.80	\$ 49.46	\$ 49.46	\$ 49.46	\$ 45.08	\$ 69.07	\$ 58.38	\$ 55.64	\$ 55.64	\$ 55.64	\$ 50.26	\$ 76.36	\$ 63.10	\$ 60.55	\$ 60,55	\$ 60.55	\$ 55.38
12,000,000	\$ 61.42	\$ 51.16	\$ 48.75	\$ 48.75	\$ 48.75	\$ 44.56	\$ 68.72	\$ 57.71	\$ 54.96	\$ 54.96	\$ 54.96	\$ 49.67	\$ 75.84	\$ 62.40	\$ 59.85	\$ 59.85	\$ 59.85	\$ 54.77
15,000,000	\$ 61.09	\$ 51.16	\$ 48.75	\$ 48.75	\$ 48.75	\$ 44.56	\$ 68.31	\$ 57.71	\$ 54.96	\$ 54.96	\$ 54.96	\$ 49.67	\$ 75.52	\$ 62.40	\$ 59.85	\$ 59.85	\$ 59.85	\$ 54.77
20,000,000			\$ 48.75		\$ 48.75										\$ 59.85			
30,000,000	\$ 60,43	\$ 51.16	\$ 48.75	\$ 48.75	\$ 48.75	\$ 44.56	\$ 67.63	\$ 57.71	\$ 54.96	\$ 54.96	\$ 54.96	\$ 49.67	\$ 74.89	\$ 62.40	\$ 59.85	\$ 59.85	\$ 59.85	\$ 54.77

Ticket size	11 x 8	11 x 8	11×8	11 x 8	11 x 8	11 x 8	12 x 8	12 x 8	12 x 8	12 x 8	12 x 8	12 x 8	12 x 16	12 x 16				
Pack size	15	20	25	30	40	50	15	20	25	30	40	50	15	20	25	30	40	50
500,000	\$ 148.84	\$141.14	\$ 137.29	\$ 134.73	\$130.88	\$ 128.31	\$158.08	\$149.90	\$145.81	\$ 143.09	\$139.00	\$ 136.27	\$ 256.32	\$ 243.06	\$ 236.43	\$ 232.01	\$ 225.38	\$ 220.9
1,000,000	\$ 120.21	\$ 89.00	\$ 88.01	\$ 88.01	\$ 88.01	\$ 85.80	\$ 128.90	\$ 94.74	\$ 93.82	\$ 93.82	\$ 93.82	\$ 92.51	\$ 237.70	\$ 225.40	\$219.25	\$ 215.16	\$ 209.01	\$ 204.9
2,000,000	\$111.20	\$ 78.52	\$ 77.48	\$ 77.48	\$ 77.48	\$ 75.40	\$ 119.86	\$ 84.33	\$ 83.28	\$ 83.28	\$ 83.28	\$ 82.08	\$ 225.32	\$ 213.66	\$207.84	\$ 203.95	\$ 198.12	\$ 194.2
3,000,000	\$ 99,23	\$ 75.06	\$ 74.02	\$ 74.02	\$ 74.02	\$ 71.94	\$ 107.15	\$ 80.72	\$ 79.74	\$ 79.74	\$ 79.74	\$ 77.83	\$ 206.45	\$ 195.77	\$190.43	\$ 186.87	\$ 181.53	\$ 177.5
4,000,000	\$ 98.27	\$ 73.32	\$ 72.28	\$ 72.28	\$ 72.28	\$ 70.20	\$ 106.22	\$ 79.00	\$ 78.00	\$ 78.00	\$ 78.00	\$ 75.23	\$ 204.52	\$193.94	\$ 188.65	\$ 185.13	\$179.84	\$ 176.
5,000,000	\$ 90.60	\$ 72.28	\$ 71.24	\$ 71.24	\$ 71.24	\$ 66.25	\$ 97.98	\$ 78.13	\$ 76.60	\$ 76.60	\$ 76.60	\$ 71.16	\$ 190.65	\$180.79	\$175.86	\$ 172.57	\$ 167.64	\$ 164.
6,000,000	\$ 90.40	\$ 71.29	\$ 68.73	\$ 68.73	\$ 68.73	\$ 63.50	\$ 97.81	\$ 76.82	\$ 74.20	\$ 74.20	\$ 74.20	\$ 69.53	\$ 189.93	\$ 180.11	\$175.20	\$ 171.92	\$ 167.01	\$ 163.
7,000,000	\$ 87.37	\$ 70.27	\$ 67.71	\$ 67.71	\$ 67.71	\$ 62.48	\$ 94.56	\$ 75.81	\$ 73.46	\$ 73.46	\$ 73.46	\$ 68.03	\$ 184.80	\$ 175.24	\$170.46	\$167.27	\$ 162,49	\$ 159.
8,000,000	\$ 84.27	\$ 69.84	\$ 67.28	\$ 67.28	\$ 67.28	\$ 62.05	\$ 91.23	\$ 75.12	\$ 72.69	\$ 72.69	\$ 72.69	\$ 67.58	\$ 177.91	\$ 168.71	\$ 164.11	\$ 161.04	\$ 156.44	\$ 153.
9,000,000	\$ 83.37	\$ 69.01	\$ 66.46	\$ 66.46	\$ 66.46	\$ 61.22	\$ 90.73	\$ 74.26	\$ 71.68	\$ 71.68	\$ 71.68	\$ 66.30	\$177.63	\$ 168.44	\$ 163.85	\$160.78	\$ 156.19	\$ 153.
10,000,000	\$ 83.29	\$ 68.32	\$ 65.76	\$ 65.76	\$ 65.76	\$ 60.70	\$ 90.67	\$ 73.38	\$ 70.97	\$ 70.97	\$ 70.97	\$ 65.53	\$ 177.40	\$ 168.22	\$163.64	\$ 160.58	\$ 155.99	\$ 152.
12,000,000	\$ 83.12	\$ 67.71	\$ 65.16	\$ 65.16	\$ 65.16	\$ 60.13	\$ 90.40	\$ 72.97	\$ 70.45	\$ 70.45	\$ 70.45	\$ 64.68	\$ 177.06	\$ 167.90	\$163.32	\$ 160 27	\$ 155 60	\$ 152
15,000,000	\$ 82.71	\$ 67.71	\$ 65.16	\$ 65.16	\$ 65.16	\$ 60.13	\$ 89.90	\$ 72.97	\$ 70.45	\$ 70.45	\$ 70.45	\$ 64.68	\$ 176.45	\$167.32	\$162.76	\$ 159.72	\$ 155.15	\$ 152.
20,000,000	\$ 82.40	\$ 67.71	\$ 65.16	\$ 65.16	\$ 65.16	\$ 60.13	\$ 89.73	\$ 72.97	\$ 70.45	\$ 70.45	\$ 70.45	\$ 64.68	\$ 176.18	\$167.06	\$162,51	\$ 159,47	\$ 154.91	\$ 151.
30,000,000	\$ 82.08	\$ 67.71	\$ 65.16	\$ 65.16	\$ 65.16	\$ 60.13	\$ 89.26	\$ 72.97	\$ 70.45	\$ 70.45	\$ 70.45	\$ 64.68	\$ 175.77	\$ 166.68	\$162.13	\$ 159.10	\$ 154.55	\$ 151.

SUPER TICKET** - Includes a proprietary GTECH play mechanic where multiple perforations and barcodes are used on a large oversize ticket to allow separation and validation of individual subtickets.

To the above base price add \$8,500 set up fee + \$0.18 per square inch of ticket per 1000 tickets

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	\$0.00 per 1k square inches
2.	expanded imaging	Per square inch	\$0.05 per 1k square inches
3.	additional spot colors	Per color per square inch	\$0.04 per 1k square inches
4.	Includes 4x4 card insertion	The state of the s	\$0.15 per insert per pack
	in each pack		

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.

Other Specified Options:

- 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 <u>Deduct</u> \$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.
- 9. Hole Drilling \$240 per 1,000 tickets

Test Games

Hourly rate for software programming test games <u>No charge for programming</u> 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.

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 ½" 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	\$148.00
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

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	\$14.00
2.	Cost per thousand for unique, single-use e-coupons for 250,000	
2	Cost per thousand for unique, single-use e-coupons for 250,000	\$13.15
٥.	Cost per thousand for unique, single-use e-coupons for 500,000	\$12.25
4.	Cost per thousand for unique, single-use e-coupons for 1,000,000	\$10.50
5.	Cost per thousand for unique, single-use e-coupons for 2,000,000	\$7.00

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

- Size: Approximately 8.5" x 3.5", bleed design
- 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.

Ouantity

Price per 1.000 individual coupons

Pieces	Option A	Option B	Option C
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, and Non-Licensed Games with Experiential or Merchandise Prizes

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. In accordance with the executed working papers, the Texas Lottery may require prize fulfillment services for any games manufactured by the Successful Proposer.

For branded, proprietary and licensed games, 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).

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.

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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	\$	9,400.00	
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 Cost to set up, monitor and support subsequent drawing(s) for the same game.

\$ 5	5,000	.00		
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- B. The following fees will apply to Internet Entry Second Chance Drawings:
 - 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.

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.
- 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. <u>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.</u>
- 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.

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
Translucent Marking System	A type of Marking System where the color is mixed in with the transparent scratch-off ink and appears as a solid (not dots) lay	\$0.09 per square inch per 1,000 tickets per color
Glitz™ (Glitter Ink)	down Glitz is one of our latest printing innovations and is sure to dazzle your players with its dimension and flair. Glitz is the perfect solution for adding sparkle to holiday tickets or adding a richer feel to premium games. The Lottery can enhance its Scratch game tickets with Glitz to increase visibility at retail locations and create a higher perceived value for customers. Glitz is applied to the graphic portion of the ticket	\$0.20 per square inch per 1,000 tickets
Glam™ (Color Fusion Advanced Holographic Printing Process)	Glam (color-fusion printing) is one of our newest printing innovations. Glam applies a holographic 3-D effect to the display and overprint areas of a ticket, adding to its perceived value in a more cost effective manner than holographic paper can. This color-fusion process creates a visually appealing format for the design of high-price-point games, specialty games with supporting marketing campaigns, or seasonal promotions. Our Glam product has been applied to several tickets (both domestic and international) currently shining in the market today	\$0.30 per square inch per 1,000 tickets
Glitz™ and Glam™	J. S.	\$2,500 set up charge + \$0.40 per square inch per 1,000 tickets for tickets with a total surface area

OPTION	DESCRIPTION	PRICE
		of 48 square inches of ticket and below; \$2,500 set up charge + \$0.25 per square inch per 1,000 tickets for tickets with a total surface area greater than 48 square inches of ticket
Three Color Imaging	Like Dual-color imaging, three color imaging creates opportunities to enhance a game's perceived value when play symbols are imaged in three colors to complement game designs.	\$5,500 set up charge + \$0.30 per square inch per 1,000 tickets
Four Colored Imaging	IGT can provide up to four colors of imaging on a single ticket	\$7,000 set up charge + \$0.36 per square inch per 1,000 tickets
Six Color Process Printing	Our Flexographic press 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	\$0.20 per square inch per 1,000 tickets
Holographic Ink (Color shifting 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	\$5,000 set up charge + \$0.50 per square inch per 1,000 tickets
Raised UV	IGT can apply a thick layer of UV varnish only on some of the elements of the ticket, such as the game name, call outs, or graphic elements. This technique provides a sense of dimension (or texture) to those elements in comparison to the tickets other elements.	\$0.35 per square inch per 1,000 tickets
Synchronized printing	Games that include graphically printed images in each overprint design which match the graphically printed images under the overprint	\$ 2,500 set up charge, plus \$1,000 per each additional scene or grid, plus \$0.10 per square inch per thousand tickets
Synchronized play action	Synchronization of game data to ticket graphics, example Zodiac/Horoscope games	\$1,000 for each additional scene + \$0.10 per square inch per 1,000 tickets
Extended Bonus Play	This feature introduces a new dimension to instant games with the addition of a bonus area which gives players more chances to	No charge to the lottery if the game is printed by IGT

OPTION	DESCRIPTION	PRICE
	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 players' opportunity to win	
Linked Bonus	With Linked Bonus, players enjoy multiple	No charge to the lottery
	games on one ticket and have the	if the game is printed by
	opportunity to win bonus prizes when they	IGT
	win multiple games in a lined section.	
	Players can match like symbols in any spin	
	across and win the prize indicated in the	1
	prize legend. If the player wins on all spins	
	in a single game, he or she scratches the	
	bonus area to reveal an additional prize for	
	that game	
Criss Cross	Criss Cross games feature more matching,	No charge to the lottery
	more fun and more excitement for your	if the game is printed by
	players. This unique patent pending play	IGT
	style allows more prize symbols to be	101
	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	
Head2Head	The Head2Head concept is a socially	No charge to the lottery
	interactive concept that allows two players	if the game is printed by
	to compete against each other. In	IGT
	Head2Head, players compete against each	101
	other on the same instant ticket as one	
	instant ticket contains two games. Players	
	interact by sitting on opposite sides of a	
	table and play simultaneously or by passing	
	the ticket back and forth	
Lucky Sweeps®	This IGT proprietary product offers scratch	Price is to be determined
	ticket players a chance to enter a second	
	chance promotional drawing for another	based upon final
	lottery game when their scratch ticket is	specifications
	validated and a designated 'lucky' symbol is	
	revealed	
Instant 3D Printing	With the popularity of 3D movies, IGT can	do 25
	provide the lottery with the opportunity to	\$0.35 per square inch per
	provide the lottery with the opportunity to	1,000 tickets

OPTION	DESCRIPTION	PRICE
	your instant tickets in 3D, you have the ability to captivate seasoned lottery players and attract the emerging market	
Crossword Connect™ and/or Crossword Corners	IGT's proprietary play features that add value to the extended-play category by connecting multiple crossword grids	\$0.06 per square inch per 1,000 tickets
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
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
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.
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