

STATE OF MICHIGAN  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
 PROCUREMENT  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 530 W. ALLEGAN, LANSING, MI 48933

**NOTICE OF  
 CONTRACT NO. 071B4300151**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Diamond Game Enterprises 9340 Penfield Avenue Chatsworth, CA 91311	Oji Nwankwo	onwankwo@diamondgame.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	818-727-1690 x224	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
<b>Program Manager</b>	Lottery	Kathy Oviedo	517-335-5778	OviedoK@michigan.gov
<b>Contract Administrator</b>	DTMB	Melissa Sambagiogio	517-284-7016	SambagiogioM@michigan.gov

CONTRACT SUMMARY:			
<b>DESCRIPTION: Charitable Gaming Ticket Vending Machine</b>			
Purchase and/or lease of Charity Game Ticket Vending and Validation Machines ("Devices"); Local Administrative Systems ("Local Systems"), Central Administrative Systems ("Central Systems"), Charity Game Tickets sold through Devices ("Tickets"), Vouchers printed by Devices ("Vouchers"), paper stock used for Vouchers, and related services such as delivery, installation, repair, maintenance, and training.			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
5 years	9/11/2014	9/10/2019	3, 1 year options
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 30	Yes (and see ***)		
<b>ALTERNATE PAYMENT OPTIONS:</b>			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
<b>MINIMUM DELIVERY REQUIREMENTS:</b>			
See Statement of Work			
<b>MISCELLANEOUS INFORMATION:</b>			
N/A			
<b>ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:</b>			<b>\$2,500,000</b>

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See Statement of Work			
<b>MISCELLANEOUS INFORMATION:</b>			
N/A			
<b>ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:</b>			<b>\$2,500,000</b>

**THIS IS NOT AN ORDER:** This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #0071141114B0000771. Orders for purchase will be issued directly by the Michigan Lottery through the issuance of a Purchase Order Form. Orders for delivery, relocation and installation of Equipment will be in writing and delivered by U.S. mail, facsimile, or email. No order will be placed verbally.

\*\*\* Tickets and voucher paper – shipping costs paid by State; Equipment Delivery and Relocation – standard shipping costs paid by the State

**Notice of Contract #:** 071B4300151

**FOR THE CONTRACTOR:**

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**Authorized Agent Signature**  
**James Breslo, President**  
**Diamond Game Enterprises**

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**Date**

**FOR THE STATE:**

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**Sharon Maynard/Sourcing Director**  
**State of Michigan**  
**DTMB Procurement**

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**Date**



# STATE OF MICHIGAN

## STANDARD CONTRACT TERMS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and Diamond Game Enterprises (“**Contractor**”), a California corporation. This Contract is effective on September 11, 2014 (“**Effective Date**”), and unless terminated, expires on September 10, 2019.

This Contract may be renewed for up to three additional one-year periods. Renewals must be by written instrument of the parties.

The parties agree as follows:

- 1. **Duties of Contractor.** Contractor must perform the services and provide the deliverables described in this Contract (the “**Contract Activities**”). An obligation to provide delivery of any commodity is considered a service and is a Contract Activity.

Contractor must furnish all labor, equipment, materials, and supplies necessary for the performance of the Contract Activities, and meet operational standards.

Contractor must: (a) perform the Contract Activities in a timely, professional, safe, and workmanlike manner consistent with standards in the trade, profession, or industry; (b) meet or exceed the performance and operational standards, and specifications of the Contract; (c) provide all Contract Activities in good quality, with no material defects; (d) not interfere with the State’s operations; (e) obtain and maintain all necessary licenses, permits or other authorizations necessary for the performance of the Contract; (f) cooperate with the State, including the State’s quality assurance personnel, and any third party to achieve the objectives of the Contract; (g) return to the State any State-furnished equipment or other resources in the same condition as when provided when no longer required for the Contract; (h) not make any media releases without prior written authorization from the State; (i) assign to the State any claims resulting from state or federal antitrust violations to the extent that those violations concern materials or services supplied by third parties toward fulfillment of the Contract; (j) comply with all State physical and IT security policies and standards which will be made available upon request; and (k) provide the State priority in performance of the Contract except as mandated by federal disaster response requirements. Any breach under this paragraph is considered a material breach.

Contractor must also: (a) be clearly identifiable while on State property by wearing identification issued by the State; and (b) clearly identify themselves whenever making contact with the State.

- 2. **Notices.** All notices and other communications required or permitted under this Contract must be in writing and will be considered given and received: (a) when verified by written receipt if sent by courier; (b) when actually received if sent by mail without verification of receipt; or (c) when verified by automated receipt or electronic logs if sent by facsimile or email.

If to State:

If to Contractor:

Melissa Sambiagio State of Michigan DTMB Procurement PO Box 30026 525 W. Allegan St. Lansing, MI 48909 <a href="mailto:SambiagioM@michigan.gov">SambiagioM@michigan.gov</a> 517-284-7016	James Breslo, President Diamond Game Enterprises 9340 Penfield Avenue Chatsworth, CA 91311 <a href="mailto:notices@diamondgame.com">notices@diamondgame.com</a> (818) 727—1690 x216
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- 3. **Contract Administrator.** The Contract Administrator for each party is the only person authorized to modify any terms and conditions of this Contract:

State:

Contractor:

Melissa Sambiagio State of Michigan DTMB Procurement PO Box 30026 525 W. Allegan St. Lansing, MI 48909 <a href="mailto:SambiagioM@michigan.gov">SambiagioM@michigan.gov</a> 517-284-7016	Oji Nwankwo, General Counsel Diamond Game Enterprises 9340 Penfield Avenue Chatsworth, CA 91311 <a href="mailto:onwankwo@diamondgame.com">onwankwo@diamondgame.com</a> (818) 727—1690 x224
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**4. Program Manager.** The Program Manager for each party will monitor and coordinate the day-to-day activities of the Contract.

State:

Contractor:

Kathie Oviedo Michigan Lottery 101 E. Hillsdale P.O. Box 30023 Lansing, MI 48909 <a href="mailto:OviedoK@michigan.gov">OviedoK@michigan.gov</a> 517-335-5778	Stacey McKinney PMO Director Diamond Game Enterprises 9340 Penfield Ave. Chatsworth, CA. 91311 smckinney@diamondgame.com 818-435-8719
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**5. Insurance Requirements.** Contractor must maintain the insurances identified below and is responsible for all deductibles. All required insurance must: (a) protect the State from claims that may arise out of, are alleged to arise out of, or result from Contractor's or a subcontractor's performance; (b) be primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State; and (c) be provided by an company with an A.M. Best rating of "A" or better and a financial size of VII or better.

Insurance Type	Additional Requirements
<b>Commercial General Liability Insurance</b>	
<u>Minimal Limits:</u> \$1,000,000 Each Occurrence Limit \$1,000,000 Personal & Advertising Injury Limit \$2,000,000 General Aggregate Limit \$2,000,000 Products/Completed Operations  <u>Deductible Maximum:</u> \$50,000 Each Occurrence	Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 04; (2) include a waiver of subrogation; and (3) for a claims-made policy, provide 3 years of tail coverage.
<b>Motor Vehicle Insurance</b>	
<u>Minimal Limits:</u> \$500,000 Per Occurrence	
<b>Workers' Compensation Insurance</b>	
<u>Minimal Limits:</u> Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
<b>Employers Liability Insurance</b>	
<u>Minimal Limits:</u> \$100,000 Each Accident \$100,000 Each Employee by Disease \$500,000 Aggregate Disease.	

If Contractor's policy contains limits higher than the minimum limits, the State is entitled to coverage to the extent of the higher limits. The minimum limits are not intended, and may not be construed to limit any liability or indemnity of Contractor to any indemnified party or other persons.

Contractor must: (a) provide insurance certificates to the Contract Administrator, containing the agreement or purchase order number, at Contract formation and within 20 calendar days of the expiration date of the applicable policies; (b) require that subcontractors maintain the required insurances contained in this Section; (c) notify the Contract Administrator within 5 business days if any insurance is cancelled; and (d) waive all rights against the State for damages covered by insurance. Failure to maintain the required insurance does not limit this waiver.

**6. Reserved**

**7. Reserved**

**8. Independent Contractor.** Contractor is an independent contractor and assumes all rights, obligations and liabilities set forth in this Contract. Contractor, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Contract. Contractor, and not the State, is responsible for the payment of wages, benefits and taxes of Contractor's employees and any subcontractors. Prior performance does not modify Contractor's status as an independent contractor.



9. **Subcontracting.** Contractor may not delegate any of its obligations under the Contract without the prior written approval of the State. Contractor must notify the State at least 90 calendar days before the proposed delegation, and provide the State any information it requests to determine whether the delegation is in its best interest. If approved, Contractor must: (a) be the sole point of contact regarding all contractual matters, including payment and charges for all Contract Activities; (b) make all payments to the subcontractor; and (c) incorporate the terms and conditions contained in this Contract in any subcontract with a subcontractor. Contractor remains responsible for the completion of the Contract Activities, compliance with the terms of this Contract, and the acts and omissions of the subcontractor. The State, in its sole discretion, may require the replacement of any subcontractor.
10. **Staffing.** The Contract Administrator may require Contractor to remove or reassign personnel by providing good-faith reasons in a notice to Contractor.
11. **Background Checks.** Upon request, Contractor must perform background checks on all employees and subcontractors and its employees prior to their assignment. The scope is at the discretion of the State and documentation must be provided as requested. Contractor is responsible for all costs associated with the requested background checks. The State, in its sole discretion, may also perform background checks.
12. **Assignment.** Contractor may not assign this Contract, to any other party, without the prior approval of the State. Upon notice to Contractor, the State, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Contract to any other party. If the State determines that a novation of the Contract to a third party is necessary, Contractor will agree to the novation, provide all necessary documentation and signatures, and continue to perform, with the third party, its obligations under the Contract.
13. **Change of Control.** Contractor will notify, at least 90 calendar days before the effective date, the State of a change in Contractor's organizational structure or ownership. For purposes of this Contract, a change in control means any of the following: (a) a sale of more than 50% of Contractor's stock; (b) a sale of substantially all of Contractor's assets; (c) a change in a majority of Contractor's board members; (d) consummation of a merger or consolidation of Contractor with any other entity; (e) a change in ownership through a transaction or series of transactions; (f) or the Board (or the stockholders) approves a plan of complete liquidation. A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes.

In the event of a change of control, Contractor must require the successor to assume this Contract and all of its obligations under this Contract.

14. **Ordering.** Contractor is not authorized to begin performance until receipt of an authorizing document as identified in Attachment A, Statement of Work.
15. **Acceptance.** Contract Activities are subject to inspection and testing by the State within 30 calendar days of the State's receipt of them ("**State Review Period**"), unless otherwise provided in Attachment A. If the Contract Activities are not fully accepted by the State, the State will notify Contractor by the end of the State Review Period that either: (a) the Contract Activities are accepted, but noted deficiencies must be corrected; or (b) the Contract Activities are rejected. If the State finds material deficiencies, it may: (i) reject the Contract Activities without performing any further inspections; (ii) demand performance at no additional cost; or (iii) terminate this Contract in accordance with Section 16, Delivery.

Within 10 business days from the date of Contractor's receipt of notification of acceptance with deficiencies or rejection of any Contract Activities, Contractor must cure, at no additional cost, the deficiency and deliver unequivocally acceptable Contract Activities to the State. If acceptance with deficiencies or rejection of the Contract Activities impacts the content or delivery of other non-completed Contract Activities, the parties' respective Program Managers must determine an agreed to number of days for re-submission that minimizes the overall impact to the Contract. However, nothing herein affects, alters, or relieves Contractor of its obligations to correct deficiencies in accordance with the time response standards set forth in this Contract.

If Contractor is unable or refuses to correct the deficiency, within the time response standards set forth in this Contract, the State may cancel the order in whole or in part. The State, or a third party identified by the State, may perform the Contract Activities and recover the difference between the cost to cure and the Contract price plus an additional 10% administrative fee.

16. **Delivery.** Contractor must deliver all Contract Activities F.O.B. destination, within the State premises with transportation and handling charges paid by Contractor, unless otherwise specified in Attachment A. All containers and packaging becomes the State's exclusive property upon acceptance.
17. **Risk of Loss.** Until final acceptance, risk of loss or damage remains with Contractor. Contractor is responsible for filing, processing, and collecting all damage claims. The State will record and report to Contractor any evidence of visible damage. If the State rejects the Contract Activities, Contractor must remove them from the premises within 10 days after notification of rejection. The risk of loss of rejected or non-conforming Contract Activities remains with Contractor. Rejected Contract Activities not removed by Contractor within 10 days will be deemed abandoned by Contractor, and the State will have the right to dispose of it as its own property. Contractor must reimburse the State for costs and expenses incurred in storing or effecting removal or disposition of rejected Contract Activities.



**18. Terms of Payment.** Invoices must conform to the requirements communicated from time-to-time by the State. All undisputed amounts are payable within 30 days of the State's receipt as set forth in Attachment A. Contractor may only charge for Contract Activities performed as specified in Attachment A. Invoices must include an itemized statement of all charges. The State is exempt from State sales tax for direct purchases and may be exempt from federal excise tax, if Contract Activities purchased under the Contract are for the State's exclusive use.

The State has the right to withhold payment of any disputed amounts until the parties agree as to the validity of the disputed amount. The State will notify Contractor of any dispute within a reasonable time. Payment by the State will not constitute a waiver of any rights as to Contractor's continuing obligations, including claims for deficiencies or substandard Contract Activities. Contractor's acceptance of final payment by the State constitutes a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still disputed.

The State will only disburse payments under this Contract through Electronic Funds Transfer (EFT). Contractor must register with the State at <http://www.michigan.gov/cpexpress> to receive electronic fund transfer payments. If Contractor does not register, the State is not liable for failure to provide payment.

The State may set-off, from any payment due to Contractor, any amount owed by Contractor.

**19. Liquidated Damages.** Liquidated damages, if applicable, will be assessed in accordance with Section 6 of Attachment A.

**20. Stop Work Order.** The State may suspend any or all activities under the Contract at any time. The State will provide Contractor a written stop work order detailing the suspension. Contractor must comply with the stop work order upon receipt. Within 90 days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) terminate the Contract or purchase order. The State will not pay for Contract Activities; Contractor's lost profits; or any additional compensation during a stop work period.

**21. Termination for Cause.** The State may terminate this Contract for cause, in whole or in part, if Contractor, as determined by the State: (a) materially endangers the value, integrity, or security of any location, data, or personnel; (b) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; (c) engages in any conduct that may expose the State to liability; (d) breaches any of its material duties or obligations; or (e) fails to cure a material breach within the time stated in a notice of breach. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

If the State terminates this Contract under this Section, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period.

If the State, in its sole discretion, determines that a breach under this section is curable, then the State will provide the Contractor with written notice of the breach and a time period of not less than 30 days to cure the breach. Providing an opportunity to cure a breach on one occasion does not obligate the State to do so for any similar successive or repeated breaches, regardless of whether they are capable of being cured. If the State determines, in its sole discretion, that a breach: poses an imminent threat to the health or safety of any person; violates any federal, state, or local law; or poses imminent risk of loss, damage, or destruction to any real or personal property, the State may immediately terminate the Contract in whole or in part without any notice or opportunity to cure.

The State will only pay for amounts due to Contractor for Contract Activities accepted by the State on or before the date of termination, subject to the State's right to set-off any amounts owed by the Contractor for the State's reasonable costs in terminating this Contract. The Contractor must pay all reasonable costs incurred by the State in terminating this Contract for cause, including administrative costs, attorneys' fees, court costs, transition costs and any costs the State incurs to procure the Contract Activities from other sources.

If it is later determined that Contractor was not in breach of the Contract, the termination will be deemed to have been a Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in that Section.

**22. Termination for Convenience.** Subject only to the Lease Cancellation Fee set forth in Section 5.01.04 of Attachment A, the State may immediately terminate this Contract in whole or in part without penalty and for any reason including but not limited to appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance of the Contract Activities immediately, or (b) continue to perform the Contract Activities in accordance with Section 23, Transition Responsibilities. The State will pay all reasonable costs, as determined by the State, for State approved "Transition Responsibilities."

**23. Transition Responsibilities.** Upon termination or expiration of this Contract for any reason, Contractor must, for a reasonable period of time specified by the State (not to exceed 90 days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to the State or its designees. Such transition assistance may include but is



not limited to: (a) continuing to perform the Contract Activities under the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Contract Activities, training, equipment, software, leases, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts ("Transition Responsibilities"). This Contract will automatically be extended through the end of the transition period.

Contractor will not be required, as part of any Transition Responsibilities, to disclose to any third party any confidential or proprietary information of Contractor, and (ii) Contractor will not be required to transfer title to any deliverables that are being leased from Contractor (title of which will, at all times, remain solely with Contractor).

- 24. General Indemnification.** Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and its employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to: (a) any breach by Contractor (or any of its employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, or warranties contained in this Contract; (b) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of its employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); and (c) any acts or omissions of Contractor (or any of its employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

The State will notify Contractor in writing if indemnification is sought; however, failure to do so will not relieve Contractor, except to the extent that Contractor is materially prejudiced. Contractor must, to the satisfaction of the State, demonstrate its financial ability to carry out these obligations.

The State is entitled to: (a) regular updates on proceeding status; (b) participate in the defense of the proceeding; (c) employ its own counsel; and (d) retain control of the defense if the State deems necessary. Contractor will not, without the State's written consent (not to be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in or otherwise seek to terminate any claim, action, or proceeding. To the extent that any State employee, official, or law may be involved or challenged, the State may, at its own expense, control the defense of that portion of the claim.

Any litigation activity on behalf of the State, or any of its subdivisions under this Section and Section 25, Intellectual Property Indemnification, must be coordinated with the Department of Attorney General. An attorney designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

- 25. Intellectual Property Indemnification.** Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and its employees harmless, without limitation, from and against any claims arising out of or relating to copyright, patent, trademark, or trade secret infringement. Notwithstanding the foregoing, Contractor has no obligation to pay any costs, damages or attorneys' fees related to any infringement claim that arises out of: (a) compliance with designs, plans, or specifications furnished by or on behalf of the State as to any piece of equipment, software, commodity, or service; (b) use of the equipment, software, commodity or service in a manner for which the same was neither designed nor contemplated; or (c) the combination, operation or use of the equipment, software or commodity with equipment, software or commodities not supplied by Contractor under this Contract.

If, in either party's opinion, any piece of equipment, software, commodity or service supplied by Contractor or its subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the equipment, software, commodity, or service, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

- 26. Limitation of Liability.** Neither party shall be liable for consequential, incidental, indirect, or special damages, regardless of the nature of the action.
- 27. Disclosure of Litigation, or Other Proceeding.** Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "**Proceeding**") involving Contractor, a subcontractor, or an officer or director of Contractor or subcontractor, that arises during the term of the Contract, including: (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Contractor's viability or financial stability; or (2) a governmental or public entity's claim or written allegation of fraud; or (e) a Proceeding involving any license that Contractor is required to have to perform under this Contract.
- 28. State of Michigan Data.** All data and information provided to Contractor by or on behalf of the State, and all data and information derived therefrom, is the exclusive property of the State ("**State Data**"); this definition is to be construed as broadly as possible. Upon request, Contractor must provide to the State, or a third party designated by the State, all State Data within 10 calendar days



of the request and in the format requested by the State. Contractor will assume all costs incurred in compiling and supplying State Data. No State Data may be used for any marketing purposes.

- 29. Confidentiality.** All information of the parties, except information that is; (a) disclosable under the Michigan Freedom Of Information Act (FOIA); (b) otherwise available to the public without breach of this Contract; (c) released in writing by the disclosing party; (d) obtained from a third party with no obligation of confidentiality; (e) publicly disclosed pursuant to federal or state law; or (f) independently developed by the receiving party without reference to Confidential Information of the disclosing party, is confidential information ("**Confidential Information**"). Nothing in this Section will be construed as an obligation to disclose any particular Confidential Information to the other party.

Each party must use the same care to prevent unauthorized disclosure of Confidential Information as it uses to prevent disclosure of its own information of a similar nature, but no less than a reasonable degree of care. Neither party will: (a) make any use of Confidential Information of the other except as contemplated by this Contract; (b) acquire any interest or license in or assert any lien against the Confidential Information of the other; or (c) refuse any request to promptly return the other party's Confidential Information. Each party will limit disclosure of the other party's Confidential Information to employees, agents, and Subcontractors who must have access to fulfill the purposes of this Contract. Disclosure to a Subcontractor is permissible where: (a) use of a Subcontractor is authorized under this Contract; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's responsibilities; and (c) Contractor obligates the Subcontractor in a written contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor or any Subcontractor may be required to execute a separate agreement to be bound by the provisions of this Section.

Upon termination of the Contract, Contractor must promptly return the State's Confidential Information or, at the State's request, certify to the State that Contractor has destroyed all of the State's Confidential Information.

The provisions of this Section, will not apply where a party is required by law to disclose the other party's Confidential Information provided that the party: (a) promptly provides the furnishing party with notice of the legal request; and (b) assists the disclosing party in resisting or limiting the scope of the disclosure as reasonably requested.

If Contractor breaches this Section, it must (a) promptly cure any deficiencies (b) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures, (c) report to the State, in writing, any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 72 hours after becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances, and (d) pay all costs associated with the breach. Contractor and the State will cooperate to mitigate the effects of any breach, intrusion, or unauthorized use or disclosure.

- 30. Records Maintenance, Inspection, Examination, and Audit.** Under MCL 18.1470, the State or its designee may audit Contractor to verify compliance with this Contract. Contractor must retain, and provide to the State or its designee and the auditor general upon request, all financial and accounting records related to the Contract through the term of the Contract and for 7 years after the latter of termination, expiration, or final payment under this Contract or any extension ("**Audit Period**"). If an audit, litigation, or other action involving the records is initiated before the end of the Audit Period, Contractor must retain the records until all issues are resolved.

Within 10 days of providing notice, the State and its authorized representatives or designees have the right to enter and inspect Contractor's premises or any other places where Contract Activities are being performed, and examine, copy, and audit all records related to this Contract. Contractor must cooperate and provide reasonable assistance. If any financial errors are revealed, the amount in error must be reflected as a credit or debit on subsequent invoices until the amount is paid or refunded. Any remaining balance at the end of the Contract must be paid or refunded within 30 calendar days.

This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.

- 31. Warranties and Representations.** Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) except for deliverables provided to the State pursuant to a lease or revenue-share agreement in which the Contractor retains ownership, all Contract Activities are delivered free from any security interest, lien, or encumbrance and will continue in that respect; (c) the Contract Activities will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (d) Contractor must assign or otherwise transfer to the State or its designee any manufacturer's warranty for the Contract Activities; (e) the Contract Activities are merchantable and fit for the specific purposes identified in the Contract; (f) the Contract signatory has the authority to enter into this Contract; (g) all information furnished by Contractor in connection with the Contract fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information, and Contractor will inform the State of any material adverse changes; and (h) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading. A breach of this Section is considered a material breach of this Contract.

- 32. Conflicts and Ethics.** Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer



of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.

33. **Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations.
34. **Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or mental or physical disability. Breach of this covenant is a material breach of this Contract.
35. **Unfair Labor Practice.** Under MCL 423.324, the State may void any Contract with a Contractor or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.
36. **Governing Law.** This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in Michigan Court of Claims. Contractor consents to venue in Ingham County, and waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint agents in Michigan to receive service of process.
37. **Non-Exclusivity.** Nothing contained in this Contract is intended nor shall be construed as creating any requirements contract with Contractor. This Contract does not restrict the State or its agencies from acquiring similar, equal or like Contract Activities from other sources.
38. **Force Majeure.** Neither party will be in breach of this Contract because of any failure arising from any disaster or acts of God that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Contractor will not be relieved of a breach or delay caused by its subcontractors unless the subcontractor experiences a force majeure and cannot reasonably circumvent the effect through other means. If immediate performance is necessary to ensure public health and safety, the State may immediately contract with a third party.
39. **Dispute Resolution.** The parties will endeavor to resolve any Contract dispute in accordance with this provision. The dispute will be referred to the parties' respective Contract Administrators or Program Managers. Such referral must include a description of the issues and all supporting documentation. The parties must submit the dispute to a senior executive if unable to resolve the dispute within 15 business days. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.  
  
Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' senior executives and either concludes that resolution is unlikely, or fails to respond within 15 business days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This Section does not limit the State's right to terminate the Contract.
40. **Media Releases.** News releases (including promotional literature and commercial advertisements) pertaining to the Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions of the State.
41. **Website Incorporation.** The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.
42. **Order of Precedence.** In the event of a conflict between the terms and conditions of the Contract, the attachments, a purchase order, or an amendment, the order of precedence is: (a) the purchase order; (b) amendments; (c) these Standard Terms, (d) Attachment A; (e) Attachment C; and (f) Attachment B.
43. **Severability.** If any part of this Contract is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Contract and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Contract will continue in full force and effect.
44. **Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.
45. **Survival.** The provisions of this Contract that impose continuing obligations, including warranties and representations, termination, transition, insurance coverage, indemnification, and confidentiality, will survive the expiration or termination of this Contract.
46. **Entire Contract and Modification.** This Contract is the entire agreement and replaces all previous agreements between the parties for the Contract Activities. This Contract may not be amended except by signed agreement between the parties (a "Contract Change Notice").



## Attachment A STATEMENT OF WORK

### INTRODUCTION

This Statement of Work sets forth Contractor requirements in providing for the purchase and/or lease of Charity Game Ticket Vending and Validation Machines (“Devices”); Local Administrative Systems (“Local Systems”), Central Administrative Systems (“Central Systems”), Charity Game Tickets sold through Devices (“Tickets”), Vouchers printed by Devices (“Vouchers”), paper stock used for Vouchers, and related services such as delivery, installation, repair, maintenance, and training. As used herein “System” or “Systems” without designation as a Local or Central refers to both Local and Central Systems; “Equipment” refers collectively to Devices, Systems, and all affiliated parts as described in Attachment B, Contractor’s proposal.

### SECTION 1: Equipment

Contractor must provide all Equipment in accordance with this Contract. In the event of any conflict between this Statement of Work and Attachment B, the requirements of this Statement of Work prevail.

#### 1.01 Devices

Devices must allow a Player to purchase Tickets; automatically validate purchased Tickets as they are dispensed; add any prizes won to an available balance; and print Vouchers reflecting any unexpended available balance.

##### 1.01.01 Connection to Local System

Devices must be configurable so as to only operate when connected to a designated Local System and to become inoperable if disconnected from that Local System.

##### 1.01.02 Identification Number

Each Device must have a unique identification number that is recognized by connected Systems. All or part of this identification number must be printed on or permanently affixed to the Device to allow visual confirmation that the Local System is correctly identifying the Device.

##### 1.01.03 Video Screen and Speakers

Each Device must have at least one full-color video screen and at least one speaker. Audio volume for each Device must be controllable from within the Device and/or from a connected Local System. Devices may have additional video screens and speakers. All visuals appearing on video screens and all audio must be approved by the State.

##### 1.01.04 Controls and Instructions

Each Device must have simple external controls that allow Players to insert currency; select and purchase Tickets; and convert any available balance into a Voucher. Each Device must have simple operating instructions printed on the Device near its controls. More detailed instructions may appear on the Device’s video screen. All instructions must be available in English. All instructions must be approved by the State.

##### 1.01.05 Currency and Bill Acceptors

Devices must only accept paper currency. Each Device must have a bill acceptor that accurately validates any denomination of inserted U.S. currency. The bill acceptor must reject counterfeit U.S. currency and all foreign currency. Contractor must adjust or replace bill acceptors on all Devices to accommodate changes in U.S. currency at no cost during the term of the Contract. Contractor is responsible for any shortages resulting from failure to adjust or replace bill acceptors during the term of the Contract. Devices must not dispense currency of any kind. If currency is inserted into and validated by the bill acceptor, even a refund without purchase must take the form of a printed Voucher.



#### 1.01.06 Available Balance

When a Player inserts currency, the value of that currency must be added to his or her available balance. When a Player purchases a Ticket, the purchase price of the Ticket must be deducted from his or her available balance. If a dispensed Ticket is automatically validated and wins a prize, the value of that prize must be added to the Player's available balance. A Player must be able to "cash out" his or her available balance at any time. When a Player cashes out, the Device must reset the available balance to zero and print a Voucher accurately reflecting the Player's available balance at the time of cash out. A Player's available balance must be displayed on the Device's video screen at all times until the Player cashes out.

#### 1.01.07 Dispensing Tickets

A Player must only be able to purchase one Ticket at a time. A Ticket must only be dispensed if it has been properly purchased and verified by the Local System. Tickets must be dispensed in a manner that does not distort or damage the Ticket such that its appearance or playability is compromised. Contractor will be responsible for the retail price of any Tickets dispensed without purchase. Contractor will be responsible for the retail price of any Ticket purchased by a player the appearance or playability of which was compromised by the Device beyond an acceptable level of half of one percent (0.5%) of total Tickets sold in a 30-day period.

#### 1.01.08 Automatic Ticket Validation On

Each Device must automatically validate a Ticket as it is being dispensed by scanning a barcode on the Ticket and transferring information from that barcode to the Local System. If the Local System verifies the Ticket, the Device must display images, animations, or video representing play of the Ticket that accurately depict the Ticket's outcome. The images, animations, or video displayed during automatic validation must be substantially similar in appearance to the Ticket that was purchased and dispensed. Sounds or music may accompany automatic validation of the Ticket. If the Local System does not verify the Ticket, the purchase price of the Ticket must not be deducted from the Player's available balance and the Ticket must not be validated. The error must be recorded on the Device or Local System.

#### 1.01.09 Automatic Ticket Validation Off

Devices must be configurable so as to turn automatic validation off. When automatic validation is off, Tickets must not be validated when dispensed, the results of the Ticket must not be displayed on the video screen, and any prize must not be added to the available balance. The Device must still scan the Ticket barcode and transmit that information to the Local System for tracking and for subsequent validation by the Local System. When automatic validation is off, Tickets must be dispensed in a manner that does not distort, damage, burst, open, break, or tear the Ticket such that its appearance or playability is compromised.

#### 1.01.10 Printing Vouchers

Each Device must have its own thermal printer. When a Player chooses to cash out his or her available balance, each Device must print a Voucher on thermal paper. Vouchers must have a barcode used by the Local System to validate the Voucher when it is redeemed. Vouchers must also include all other information described in Section 2.03.02 below.

#### 1.01.11 Voucher Acceptors

A Device may, as an optional feature, include a Voucher acceptor that allows a Player to insert a Voucher into the Device and convert its value into an available balance. All Voucher acceptors must reject Vouchers that are counterfeit or have already been redeemed. All Voucher acceptors or Local Systems must be configurable to reject Vouchers that were issued by a Device located at a different facility or by a different Licensee than the one currently selling Tickets through the Device.

#### 1.01.12 Ticket and Voucher Jams

Each Device must provide an audible or visual alert if a Ticket or Voucher becomes jammed. Clearing Ticket and Voucher jams must be a simple process that can be performed quickly and without special tools.

#### 1.01.13 Ticket and Voucher Capacity

Each Device must be capable of securely storing and dispensing at least 2,400 Tickets of the same Game and at least 200 Vouchers before needing replenishment. Devices may hold Tickets for multiple Games. Loading and removing Tickets and Voucher paper must be a simple process that does not require tools.



#### 1.01.14 Attract Mode

When a Device is turned on but not in use, the video screen must display information about the Tickets on sale including, but not limited to, price, prizes, and instructions on how to purchase. There may also be accompanying sounds.

#### 1.01.15 Accessibility

All Device controls, dispensed Tickets, and printed Vouchers must be reachable by Players of all heights and Players seated in a wheelchair. All instructions and video screens must be clearly visible to Players of all heights and Players seated in a wheelchair.

#### 1.01.16 Physical Device Security

Each Device must be fully enclosed and have secure locks on every point of entry. Each Device must have a cashbox with a lock for removal from the Device and a separate lock to open the cashbox. Each Device must have a separate lock to access components that control Ticket and Voucher results. Each Device must have an audible alarm for unauthorized access to secure areas.

#### 1.01.17 Digital Device Security

Devices must detect any unauthorized modification to any component or software affecting the integrity and validation of Tickets and/or Vouchers. When an unauthorized modification is detected, the Device must become disabled and cannot be reactivated until approved by the State.

### 1.02 Local Systems

Local Systems must connect to, control, and monitor Devices placed at the same location; verify Tickets, validate Vouchers, and record transactions; and allow multiple licensed non-profit organizations to create and export reports in an electronic format.

#### 1.02.01 Device Control

An authorized user must be able to use the Local System to check the status of connected Devices, turn connected Devices on and off, set automatic on and off times for connected Devices, and reactivate a Device that has become deactivated.

#### 1.02.02 Digital Files

Local Systems must store encrypted Digital Files used to present digital representations of a Game and to verify Tickets dispensed by Devices. At no cost, Contractor must provide a method for delivering and loading Digital Files onto Local Systems. If the State elects to use a Central System, the Central System may be used for delivering and loading Digital Files.

#### 1.02.03 Ticket Verification

When a Device is automatically validating a Ticket, the connected Local System must compare and verify the Ticket against installed Digital Files. If the Ticket is verified, the Local System must allow the Device to complete the validation process and record the transaction. If the Ticket is not verified, the Local System must prevent the Device from completing the validation process and record the error. If automatic validation by connected Devices is off, the Local System must be configurable so that a barcode reader connected to the Local System can scan the Ticket, verify the Ticket against installed Digital Files, validate the Ticket, and record the transaction.

#### 1.02.04 Voucher Redemption

When a Device prints a Voucher for a Player's available balance, any information necessary to validate that Voucher must be transmitted to and stored on the connected Local System. Each Local System must include a barcode reader used to scan and validate barcodes printed on Vouchers. After scanning and validating a Voucher, the Local System must record the transaction. The Local System must reject Vouchers that have already been redeemed. Local Systems must also be configurable to reject Vouchers printed by Devices located at a different facility or by a different Licensee.

#### 1.02.05 Transaction Logs

Local Systems must accurately record and store all transactions including, but not limited to, Digital Files loaded onto the Local System; Tickets loaded into Devices; currency and Vouchers inserted into Devices; Tickets sold by Devices; Ticket validations and outcomes; issuance and redemption of Vouchers; identification of connected Devices; on times of connected Devices; disconnection or deactivation of connected Devices; and fault conditions. Transaction logs must be stored on the Local System for a period of time set by the State. Transaction logs must not be capable of modification through the Local System.



#### 1.02.06 Reporting

Contractor will work with the State in developing required reports and export files. Authorized users of the Local System must be able to generate and save reports in an electronic format approved by the State that can be saved, exported, emailed, and printed. Local Systems must be configurable so that reports can be separated for different non-profit organizations. Reports must accurately reflect transactions logged by the Local System and must be modifiable through the Local System.

#### 1.02.07 Local System Security

The Local System must have administrative controls that allow the State to assign usernames, passwords, and access levels for authorized users. All transactions logs must be encrypted or stored on an encrypted system, and must not be capable of modification through the Local System. Local Systems must detect and log any unauthorized attempt to access functions that could affect accurate validation of Tickets; accurate redemption of Vouchers; or accurate transaction logs. If any such unauthorized attempt is detected, the Local System must shut down or otherwise become inoperable until reactivated by the State.

### 1.03 Central System

An optional Central System may be used for connection to and secured communication with Local Systems.

#### 1.03.01 Central System Location

If purchased, Contractor must install the Central System at a location in Michigan identified by the State. Delivery, installation, training, and all additional parts necessary for ordinary operation of the Central System are included in the purchase price. If leased, Contractor must house and manage the Central System in a manner that allows the State access to Central System functions. Housing, management, maintenance, and any other costs associated with the Central System are included in the monthly lease fee.

#### 1.03.02 Communication with Local Systems

The Central System must allow the State to view the operational status of Local Systems and connected Devices; remotely deactivate and reactivate the operational status of Local Systems and connected Devices; and view all records stored on Local Systems.

#### 1.03.03 Record Gathering and Retention

The Central System must be able to gather and store all records from connected Local Systems in an electronic format approved by the State. The Local System must be capable of archiving records on a retention schedule set by the State. At no additional cost, the State must be able to generate, export, and print any archived records stored on the Central System. Unless otherwise agreed by the State and Contractor, all archived files on the Central System must be exported to the State and then permanently purged from the Central System upon expiration or termination of the Contract.

#### 1.03.04 Transferring Digital Files

The Central System must be capable of securely transferring Digital Files used to install Game and Ticket information on Local Systems and/or Devices. The Central System must also be capable of securely transferring data, software, patches, updates, and other digital files used to maintain or enhance operation of Equipment.

#### 1.03.05 Central System Security

The Central System must have administrative controls that allow the State to assign and change user IDs and passwords. If an incorrect password is entered more than a specified number of times, the Central System must log the event. Records gathered from Local Systems must be encrypted and must not be capable of modification at the Local or Central level other than by authorized users. If the Central System is housed and managed by Contractor pursuant to lease, Contractor must provide a list of all personnel that have access to the Central System and notify the State of any change in personnel that have access to the Central System. All such personnel must submit to a background check upon the State's request.

### 1.04 Affiliated and Additional Parts Included

Equipment includes all affiliated parts identified and described by Contractor in Attachment B. Equipment also includes all additional parts necessary for the ordinary operation of that Equipment such as power cords, cables, network connectors, and peripherals. All affiliated and additional parts are included in the purchase price or lease fee and must be provided by Contractor at no additional cost. Replacement parts must be provided at no additional cost during the warranty.



### 1.05 Additional Features

All Equipment features and functions that are not included in the base price of that Equipment must be specifically identified and separately priced on Contractor's price sheet. These functions and features may be ordered at the State's sole discretion. Any Equipment features or functions described in Attachment B that are not identified as a separately billed item on the pricing sheet are included in the purchase price or lease fee and must be provided at no additional cost.

### 1.06 Operation Manuals

Contractor must provide three hardcopy comprehensive operation manuals, technical schematics, and quick-reference cards for each location where a Local System is installed at no cost. Contractor must also provide one electronic copy of the above, including updates where applicable, to the State at no cost.

### 1.07 Software and Licenses

#### 1.07.01 License Grant

Equipment includes all software and licensing necessary for normal operation and use of that Equipment. All necessary software and licensing must be provided by Contractor at no additional cost. Contractor hereby grants the State nonexclusive license to use all software necessary for normal operation and use of Equipment. Where Equipment is purchased, this nonexclusive license is granted in perpetuity and, subject only to Section 1.07.02 below, may be freely transferred by the State to a third party that purchases the Equipment on which the software is installed from the State. The State will not reverse engineer, disassemble, decompile, modify, or create derivative works from software provided by Contractor. Title and all intellectual property rights in software provided by Contractor will remain with Contractor or its licensors.

#### 1.07.02 Cashless Gaming Capability

Each Device obtained hereunder with cashless capability (a "Licensed Cashless Gaming Machine") is provided under a limited license to one or more of the following U.S. Patent Nos. 5,290,033; 5,265,874; 5,429,361; 5,470,079; 6,048,269; 6,729,957; 6,729,958; 6,736,725 and 7,275,991, as well as any continuations, continuations-in-part, divisionals, reissues, reexaminations, and foreign counterparts thereof. Any use of a Licensed Cashless Gaming Machine constitutes the acknowledgement of, and agreement to, the following "Limited License":

(a) Licensed Cashless Gaming Machine License Rights. Licensed Cashless Gaming Machines are licensed for use solely i) in connection with a cashless gaming system that is separately licensed under these patents (a "Licensed Cashless Gaming System") or ii) on a stand-alone basis (not connected to a cashless gaming system). The use of a Licensed Cashless Gaming Machine with an unlicensed gaming system that has cashless capability is an unlicensed use.

(b) Other License Limitations. Each Limited License is expressly limited to the original Licensed Cashless Gaming Machine (i.e., one serial number per license). A license may not be transferred from one gaming machine to another. Any unauthorized transfer voids this license.

#### 1.07.03 Equipment Resale

The State may freely resell any Equipment that it purchases, including the State's license to use any and all software and firmware loaded on that Equipment other than the ability to accept Vouchers in lieu of cash. For purposes of clarity, Section 1.07.02 above relates only to the specific hardware, software and/or firmware that allows Equipment to accept Vouchers in lieu of cash. Contractor warrants that all Equipment and other software will function normally if the software and/or firmware implicated by the terms of Section 1.07.02 is modified or disabled. Contractor agrees to modify or disable any such hardware, software and/or firmware implicated by the terms of Section 1.07.02 at the State's request and at no cost to the State.

### 1.08 Ticket Outcome Unaffected

All Tickets must have a predetermined outcome. Equipment must not affect Ticket outcomes in any way.

### 1.09 Demonstrative Equipment

At no cost, Contractor must provide and install one Device and one Local System at the Charitable Gaming Division's office in Lansing, Michigan. This Equipment may be used by the State to review proposed games, train inspectors, and provide demonstrations.

### 1.10 Equipment Testing

Contractor warrants that purchased or leased Equipment will meet the requirements of this Statement of Work and specifications of Attachment B. The State is not required to inspect or approve any Equipment before or at the time of delivery or relocation. The State may, however, inspect Equipment at any time and without notice. Contractor must repair or replace any Equipment that does not conform to the requirements of this Contract.



### 1.11 Non-Operational Status

All Equipment must be capable of continuous operation 24 hours a day. Equipment is considered non-operational if currency cannot be accepted; Tickets cannot be dispensed; Tickets cannot be validated; Vouchers cannot be issued; the main game video screen is not functioning properly; transactions cannot be accurately logged. If Equipment becomes non-operational while a Device is in use, the Device must issue a Voucher reflecting the Player's available balance or record the Player's available balance until a Voucher can be issued.

### 1.12 ADA and FCC Compliance

All Equipment provided by Contractor must comply with the Americans with Disabilities Act (ADA) and Federal Communications Commission (FCC) regulations. Contractor must make any modification or replacements necessary to make Equipment compliant with the ADA and FCC regulations within 90 days of receiving notice at no cost.

## **SECTION 2: Tickets, Digital Files, and Vouchers**

Contractor must provide all Tickets, Digital Files, and Vouchers in accordance with this Contract. In the event of any conflict between this Statement of Work and Attachment B, the requirements of this Statement of Work prevail.

### 2.01 Tickets

All Tickets must meet the definition of a "Charity Game Ticket," meaning "a ticket commonly referred to as a break-open ticket or pull-tab ... a portion of which is removed to discover whether the ticket is a winning ticket and whether the purchaser may be awarded a prize." MCL 432.102(f). As used in this Statement of Work, the term "Game" refers to the name, theme, appearance, method of play, prize structure, and other common characteristics that identify and separate one set of Tickets from another; the term "Deal" refers to a set number of Tickets of the same Game that have a predetermined prize-structure, randomly distributed winners, and packaged together for resale.

#### 2.01.01 Available Games

At no cost, Contractor must provide a minimum of five different Games during the first year of the Contract and at least one additional Game each remaining year of the Contract, including renewal years. The number of available Games aggregate during the Contract, meaning the State must have at least six Games from which to order Deals in the second year, at least seven Games from which to order Deals in the third year, and so on.

#### 2.01.02 Game Development

Contractor must work with the State in developing requirements for each Game, including, but not limited to, the appearance of the Ticket, the number of Tickets comprising a single Deal, the number and value of prizes within each Deal; and the method used for random distribution of prizes throughout the Deal. Each Game will be described in working papers that must be provided to and approved by the State before Contractor begins production. Game development provided at no cost.

#### 2.01.03 Prize Structure

The prize structure of any Game must be designed to achieve a payout percentage approved by the State. Prize structure may only include progressive elements if approved by the State.

#### 2.01.04 Randomization

Winning Tickets must be randomly distributed throughout a Deal such that a pattern cannot be distinguished.

#### 2.01.05 Serial Numbering

Each Game must have a unique Game number in the format required by the State. Each Deal of Tickets must have a unique Deal number that includes the Game number in the format required by the State. An identification number need not be printed on Tickets, but a unique identification number for each Ticket must be readable through a barcode on the Ticket for verification by the Local System and to record transactions.

#### 2.01.06 Ticket Security

All Tickets must be printed and randomized in a manner that makes it impossible to determine the outcome of a Ticket until it has been played. Any symbols, numbers, or other Game aspect used to determine the outcome of a Ticket must not be visible from outside the Ticket using a high-frequency lamp of up to 500 watts. Any barcode used to determine the outcome of a Ticket must



be encrypted so that it cannot be read by a standard barcode reader to determine the outcome or have a covering that is removed when the Ticket is played.

#### 2.01.07 Ticket Durability

Tickets must maintain their original and intended appearance, open properly, and remain sealed during normal storage, handling, and dispensing for a minimum of two years after shipment.

#### 2.01.08 Ticket Packaging

Deals must be individually packaged in clear shrink-wrap or other plastic covering. Where multiple boxes, rolls, or other units comprise a single Deal, each box, roll, or other unit must be individually packaged in clear shrink wrap or other plastic covering. A card located under the shrink-wrap or other covering must be clearly visible and must identify the Game, Game number, Deal number, and serial numbers of all Tickets included in that Deal. Where multiple boxes, rolls, or other units comprise a single Deal, the card must also indicate the box, roll, or unit number and the total number of boxes, rolls, or other units comprising that Deal (for example "1 of 3"). To reduce cost, multiple Deals may be ordered at a time. Contractor must package and ship orders for multiple Deals in accordance with a service level agreement.

#### 2.01.09 Ticket Inspection

The State may open and inspect any number of Deals in a shipment at any time. If the State in its sole discretion determines that a Deal fails to meet Game specifications or this Statement of Work, Contractor must reimburse the State for the price of the Deal. If the State in its sole discretion determined that a defect potentially compromises the integrity of a Game and related Deals, Contractor must reimburse the State for all potentially affected Deals.

#### 2.01.10 Defective Tickets

A Ticket is defective if it cannot be dispensed by a Device; it cannot be automatically validated when dispensed by a Device; the outcome printed on the Ticket does not match the outcome established for that Ticket by its barcode or digital game file; the printed appearance of the Ticket is irregular or contains any other defect that compromises the integrity of the Game. If the State in its sole discretion determines that more than 1% of the Tickets in a Deal are defective, Contractor must replace the entire Deal at no additional cost. Tickets that are damaged as the result of being incorrectly loaded into a Device are not defective.

### 2.02 Digital Files

Every Game and Deal must include a corresponding encrypted Digital File or Files used to operate the Game and verify Tickets dispensed and validated by Devices.

#### 2.02.01 Game Files

Every Game must include a Digital File or Files used to control the images, animations, audio, prize tables, instructions, and other aspects of how the Game is presented on a Device. The presentation of a Game on a Device must match the Game as it appears on the Ticket. Digital Files for Games are included with the Game at no additional cost.

#### 2.02.02 Deal Files

Every Deal must include a Digital File or Files used to verify each Ticket and Ticket outcome as part of the automatic validation process. Creation of the Digital File or Files for a Deal is included in the purchase price of the Deal and must be provided at no additional cost.

#### 2.02.03 Digital File Installation

Contractor must deliver and install all necessary Digital Files for Games and Deals on all affected Equipment at the facility where the corresponding Deal will be sold. Delivery and installation may be performed electronically so long as any such electronic delivery and installation is secured to the State's satisfaction by encryption. Delivery and installation of Digital Files is included in the purchase price of the Deal and must be provided at no additional cost.

#### 2.02.04 Digital File Updates

At no additional cost, Contractor must provide any updates or modifications to Equipment or Digital Files necessary to maintain normal delivery, installation, and use of Digital Files.



#### 2.02.05 Digital File Disposal

Contractor must provide a method for the deletion of obsolete Digital Files from all Equipment. The deletion method must include a process for preserving a record or log sufficient to review and reconcile transactions for the obsolete Digital Files at a later time.

#### 2.03 Vouchers

Each Device must print standardized Vouchers on thermal paper that Players can redeem through the Local System for currency.

##### 2.03.01 Voucher Development

Contractor must work with the State to develop a standard Voucher layout at no additional cost. The cost of changes to the Voucher layout will be negotiated between the State and Contractor in good faith.

##### 2.03.02 Minimum Voucher Content

Each Voucher must clearly state the Player's available balance at the time of cash out; the date and time it was issued; the location where it was issued; the date by which it must be redeemed; the name and license number of the organization that sold the Ticket; a barcode used to validate the Voucher; and a unique serial number for identification.

##### 2.03.03 Additional Voucher Content

To the extent possible, Vouchers must also include any other information requested by the State such as logos, instructions, rules, addresses, telephone numbers, and website addressed.

##### 2.03.04 Voucher Quality

All information printed on a Voucher must be clearly legible. Any barcode printed on the Voucher used for validation or redemption of the Voucher must be capable of being scanned by the Local System's barcode reader.

#### 2.04 Game, Ticket, Digital File, and Voucher Licensing

Contractor must provide any and all licensing necessary for ordinary use of Games, Tickets, Digital Files, and Vouchers at no additional cost.

#### 2.05 Shipment Confirmation

Contractor must provide the State with shipment confirmation in an electronic format approved by the State at no cost.

### **SECTION 3: Technical Support, Repairs, and Maintenance**

Contractor must provide technical support, onsite repairs, and routine maintenance during the term of the Contract as ordered by the State.

#### 3.01 Call Center

Contractor must provide a Call Center as a point of contact for the State, licensed suppliers, and licensed organizations at no cost. The Call Center must have a toll-free number and must be open for calls from at least 8:00 a.m. to 2:00 a.m. Eastern Time, seven days a week. The Call Center or a call-back technician must provide callers with technical support and allow callers to schedule onsite repairs or maintenance.

##### 3.01.01 Call Center Technical Support

The Call Center or a call-back technician must endeavor to assist callers in resolving technical issues. If a call-back technician is used, he or she must respond to the caller within 60 minutes and must endeavor to assist the caller in resolving the issue over the phone. If the issue cannot be resolved over the phone within 60 minutes, the Call Center or call-back technician must offer to either schedule onsite repair service for the caller or continue to provide technical support over the phone. Technical support, including technical support provided by a call-back technician, is provided at no cost and is not billable as labor under Attachment C.

##### 3.01.02 Approving Requested Repairs & Maintenance

Unless provided at no additional cost pursuant to warranty, lease, or other agreement, the State must first approve any requested onsite repair or maintenance. Approval must be sought within two business days of the request and prior to



Contractor taking any billable action relating to the request. The State need not approve any repair or maintenance that is provided or required at no additional cost pursuant to warranty, lease, or other agreement.

#### 3.01.03 Call Center Logs

Contractor must provide the State with electronic copies of monthly call logs in a format approved by the State at no cost. Call logs must include the caller's name and location; the date and time of the call; the issue or issues being reported; and whether the issue was resolved during the call or whether an onsite visit was scheduled.

### 3.02 Onsite Repairs

Contractor must provide onsite repair and replacement of Equipment and/or affiliated parts as ordered and approved by the State.

#### 3.02.01 Repair of Non-Operational Equipment

If Equipment is non-operational as defined in Section 1.11, a technician must arrive at the location and begin repairs within 72 hours of: a) when the repair was requested if repairs are provided at no cost under a service lease, or b) when the repair was approved by the State if costs will be incurred.

#### 3.02.02 Repair of Operational Equipment

If Equipment requires repair, but does not meet the definition of non-operational as defined in Section 1.11, a technician must arrive at the location and begin repairs within 120 hours of: a) when the repair was requested if repairs are provided at no cost under a service lease, or b) when the repair was approved by the State if costs will be incurred.

#### 3.02.03 Unsuccessful Repairs

If Equipment cannot be repaired within 120 hours from when Contractor begins work, Contractor must replace the malfunctioning Equipment or parts as necessary to restore normal operation at no cost under a service lease or at no further cost beyond any approved costs already incurred for repair of the Equipment.

#### 3.02.04 Repair Logs

Contractor must provide the State with electronic copies of repair logs in a format approved by the State at no cost. Repair logs must include the location where repairs occurred; the issue or issues reported; the Equipment at issue; the date/s repairs were performed; the time work began; the time work ended; the repairs or replacements that occurred; and whether the issue was resolved.

### 3.03 Onsite Maintenance

Contractor must perform onsite maintenance for all purchased Equipment at least once between 180-and-365 days from the date of installation at no cost. Thereafter, any billable maintenance must be ordered and approved by the State. Contractor must perform routine onsite maintenance monthly for all Equipment covered by a service lease.

#### 3.03.01 Maintenance Causing Non-Operational Status

Maintenance that renders Equipment non-operational as defined in Section 1.11 must be completed within 24 hours of when the Equipment became non-operational.

#### 3.03.02 Maintenance Not Causing Non-Operational Status

Maintenance that does not render Equipment non-operational as that term is defined in Section 1.11 must be completed within 72 hours of when maintenance began.

#### 3.03.03 Maintenance Logs

Contractor must provide the State with electronic copies maintenance logs in a format approved by the State at no cost. Maintenance logs must include the location where maintenance occurred; the Equipment involved; the date/s maintenance was performed; the time work began; the time work ended; any parts replaced during maintenance.

### 3.04 Modifications

Contractor must perform modifications necessary to maintain normal operation of Equipment or to add new functions or features as ordered by the State. All modifications must first be approved by the State.



#### 3.04.01 Maintaining Normal Operation

Contractor must perform any modifications necessary to attain or maintain normal operation of Equipment (such as software patches and updates, removal and replacement of any unlicensed software, and alterations necessary to comply with the ADA or FCC regulations) at no cost for five years from the date of installation if Equipment is purchased or at no cost during the term of a lease.

#### 3.04.02 Enhancing Operation

The cost of performing any modification that enhances ordinary operation of Equipment, such as adding new features will be negotiated between the State and Contractor in good faith. Optional features identified and priced in Attachment C will be billed in accordance with Attachment C.

#### 3.04.03 Modification Causing Non-Operational Status

Any modification that renders Equipment non-operational as defined in Section 1.11 must be completed within 72 hours of when the Equipment became non-operational.

#### 3.04.04 Modification Not Causing Non-Operational Status

Any modification that does not render Equipment non-operational as defined in Section 1.11 must be completed within 120 days of when work began.

#### 3.04.05 Modification Logs

Contractor must provide the State with electronic copies of modification logs in a format approved by the State at no cost. Modification logs must include the modification performed; location or locations affected; the Equipment affected; the dates modifications were performed; the time work began; the time work ended; and all parts or software added, replaced, or altered as part of the modification.

### 3.05 Scheduling Repair, Maintenance, and Modification

It is Contractor's responsibility to schedule and coordinate times for repairs, maintenance, and modifications with the location where affected Equipment is placed. Contractor will only contact the State for assistance if reasonable attempts to schedule work have failed.

### 3.06 Identification for Repairs, Maintenance, and Modifications

An employee, subcontractor, agent, or other person acting on behalf of Contractor must wear a uniform, identification badge, vest, or other article of clothing clearly identifying that person and the company for which he or she works.

## **SECTION 4: Delivery, Installation, Relocation, and Training.**

Contractor must deliver, relocate, and install Equipment as ordered by the State. Contractor must provide training on use of Equipment as ordered by the State.

### 4.01 Delivery and Installation

Contractor must deliver and install Equipment ordered or leased by the State at any location in Michigan identified by the State no later than ninety (90) days following (a) order by the State to purchase or lease Equipment; (b) final agreed comprehensive Equipment specification and working papers; and (c) any Equipment testing ordered by the State; provided, however, if the State requests any changes to the specification and/or working papers following the parties' initial or subsequent agreement on the specification and/or working papers, the delivery and installation timeline shall be reasonably adjusted pursuant to the mutual agreement of the parties in writing. Installation is considered complete when all Equipment at the designated location meets all requirements of this Contract and meets all parameters for operation set forth in this Statement of Work and Attachment B.

### 4.02 Relocation and Installation

Within 30 days of an order by the State, Contractor must disconnect and move Equipment to any location in Michigan identified by the State. If ordered by the State, Contractor must install Equipment at the new location. Installation is considered complete when all Equipment at the designated location meets all requirements of this Statement of Work and meets all parameters for operation set forth in Contractor's proposal. In addition, within 30 days of an order by the State, Contractor will move Devices within a given location at no cost once per year per location.



#### 4.03 Damage during Delivery, Relocation, or Installation

Contractor is responsible for damage to Equipment that occurs during delivery, relocation, or installation. Contractor must repair any damaged Equipment to its original appearance and working condition at no cost. Any damage or defects that exist prior to delivery or relocation must be specifically identified and reported to the State prior to delivery or relocation. Any damage that has not been reported to the State prior to delivery or relocation is presumed to have occurred during delivery, relocation, or installation.

#### 4.04 Training

Contractor must provide training on the operation, maintenance, and simple troubleshooting techniques for all Equipment. Contractor must work with the State in developing topics and materials for training. Training must be held at a location and time selected by the State. Contractor must provide one free training session for each Local System that is purchased or leased at the time and location where the Local System is installed. Contractor must work with the State in developing training materials such as brief descriptions of routine operation or maintenance. Contractor must provide training material during the term of the Contract as requested at no cost.

#### 4.05 Identification during Delivery, Relocation, Installation, and Training

An employee, subcontractor, agent, or other person acting on behalf of Contractor must wear a uniform, identification badge, vest, or other article of clothing clearly identifying that person and the company for which he or she works.

### **SECTION 5: Ordering, Billing, and Payment**

Contractor must bill the State in accordance with this Statement of Work and the pricing sheet attached as Attachment C. In the event of any conflict between the Attachments, Attachment C prevails. Where Attachment C does not directly address the conflict, this Statement of Work prevails.

#### 5.01 Billing Equipment

The State will place orders for Equipment in writing and delivered by U.S. mail, facsimile, or email. No order may be placed verbally. No minimum order, or any order at all, is required. Unless otherwise agreed by the parties, the State will not place a new order to lease Equipment after 30 months following the Effective Date of the Contract.

##### 5.01.01 Purchasing Equipment

If the State purchases Equipment, the State will pay 50% of the purchase price within 30 days of order, and the remaining 50% within 30 days of either receipt of invoice or completion of installation and free training whichever is later.

##### 5.01.02 Leasing Equipment

If the State leases Equipment, the initial lease payment will be made within 30 days of either receipt of invoice or installation, whichever is later. Lease payments will be billable every 30 days forward and paid within 30 days of receipt of invoice. The State may stop leasing Equipment at any time and without any penalty other than that set forth in Section 5.01.04 following 30 days' notice.

##### 5.01.03 Services Included With Equipment Lease

Internet service and installation of internet service, if needed, is provided during the term of the lease at no cost.

##### 5.01.04 Equipment Lease Cancellation Fee

If the State cancels its lease of Equipment within 9 months of installation of that Equipment, the State will pay Contractor a Lease Cancellation Fee in an amount equal to the cost of leasing that Equipment for 6 months. This shall be Contractor's exclusive remedy for cancellation of a lease within 9 months of installation. No Cancellation Fee will apply to lease of a Central System. Should the State and Contractor enter a revenue sharing agreement, any leased Equipment will automatically become part of that agreement and the Lease Cancellation Fee shall not apply.

##### 5.01.05 Revenue Sharing Agreement

The State and Contractor may agree to move from the purchase or lease of Equipment to a revenue sharing agreement. Under such agreement, Contractor would provide all Equipment, Tickets, Voucher paper, technical support, replacement parts, repair, maintenance, training, delivery, installation, and any other services identified in the Statement of Work or Contractor's proposal, in exchange for a percentage of revenue from Ticket sales.



5.01.06 Equipment Buyback

Should the State and Contractor enter a lease or revenue-sharing agreement, the State may require Contractor to buy back any Equipment already purchased by the State as follows:

Within 6 months of final payment	75% of purchase price
Within 1 year of final payment	65% of purchase price
Within 18 months of final payment	50% of purchase price
Within 2 years of final payment	40% of purchase price
Within 4 years of final payment	25% of purchase price

5.02 Billing Tickets and Voucher Paper

The State will place orders for Tickets, Games, and Voucher paper in writing and delivered by U.S. mail, facsimile, or email. No order may be placed verbally. No minimum order, or any order at all, is required.

5.02.01 Purchasing Tickets

Contractor must provide Tickets within 30 days of an order by the State. Contractor must ship Tickets to any location or locations identified by the State. Contractor must ship as directed by the State and must only bill actual standard shipping costs unless special shipping is requested. Contractor must provide the State with an itemized invoice for Tickets and shipping at the end of each month. Payment for Tickets and shipping will be made within 30 days of invoice. Creation and installation of corresponding Digital Deal Files are included with the purchase of Tickets at no additional cost.

5.02.02 Purchasing Voucher Paper

Contractor must provide thermal paper for Vouchers within 30 days of an order by the State. Payment will be made within 30 days of receipt and invoice. Contractor must ship Voucher paper to any location identified by the State. Contractor must ship as directed by the State and must only bill actual shipping costs. Contractor must provide the State with an itemized invoice for voucher paper and shipping at the end of each month.

5.03 Billing Repairs, Maintenance, and Modifications

Unless provided at no cost pursuant to warranty, lease, or other agreement, the State must either order or approve requested repairs, maintenance, and modifications. Orders and approval must be in writing and delivered by U.S. mail, facsimile, or email.

5.03.01 Equipment Parts Warranty

For a period of twelve (12) months following installation, Contractor warrants the fitness for use of all purchased Equipment and parts (not including software which is updated as needed to maintain normal operation at no cost under Section 3.04.01).

During the warranty period, Contractor warrants and guarantees to the State that the Equipment parts will be free from defects in material and workmanship that materially affect the performance of the Equipment. Deviations from any specifications or standards that do not materially affect the performance of the Equipment are not considered to be defects in materials or workmanship.

The State's sole and exclusive remedies relating to defective parts during the warranty period are (1) repair or replacement, at Contractor's sole discretion, of defective parts, and (2) liquidated damages as set forth in Section 6 below. Any replacement parts, whether new or refurbished, will be warranted for the remainder of the original applicable warranty period. Liability will not exceed the initial purchase price of the defective part (not including applicable liquidated damages). Contractor will not pay for lost time, lost profits, inconvenience, or any incidental or consequential damages. This warranty is void if the Equipment or any part thereof is modified to be operated in violation of law, or if the defective part has been modified, misused, abused, vandalized, damaged by a force majeure.

This warranty does not cover any cost relating to the labor associated with the removal or installation of defective parts.

5.03.02 Billing Onsite Repairs and Maintenance

If the State enters into a monthly service lease, Contractor will perform all installations, repairs, maintenance, and modifications at no additional cost. If the State does not enter into a monthly service lease, Contractor must perform installation, repairs, maintenance, and modifications as ordered and approved by the State at the hourly rate set forth in Attachment C. Hourly billing must be provided on a monthly basis.



#### 5.03.03 Billing Modifications

Modifications required to attain or maintain normal operation of Equipment as described in Section 3.04.01 above must be provided at no cost. Modifications to enhance normal operation will be negotiated by the State and Contractor in good faith. Whenever possible, modification to enhance normal operation must be performed remotely. Contractor may only bill for travel time to a location if remote modification is not possible. Only actual travel time may be billed. Regardless of actual travel time, billing for travel may not exceed three hours. Payment will be made within 30 days of work completion and invoice. Travel may not be billed were modifications are performed to Equipment covered by a service lease.

#### 5.03.04 Billing Replacement Parts

After expiration of the warranty period, Contractor may bill for replacement parts in accordance with Attachment D. Where parts do not appear on Attachment D, the State must approve the cost of any replacement part before any billable action (such as ordering or installation) occurs. Payment will be made within 30 days of work completion and invoice.

### 5.04 Billing for Equipment Delivery, Relocation, and Installation

The State will place orders for delivery, relocation, and installation of Equipment in writing and delivered by U.S. mail, facsimile, or email. No order may be placed verbally.

#### 5.04.01 Equipment Delivery and Relocation

Contractor must deliver or ship Equipment as directed by the State. Where shipping is used, Contractor may only bill for actual standard shipping costs unless special shipping is requested. Payment for delivery or relocation will be made within 30 days after invoice and completion of installation.

#### 5.04.02 Billing Installation

Contractor may bill the hourly rate for installation set forth in the attached pricing sheet unless installation is covered at no cost under a service lease. Contractor may only bill for actual hours worked. Contractor may not bill for breaks or lunches. Contractor may not bill for a minimum number of hours per visit. Contractor may not bill installation for more than 1.5 hours for each Device and 1 hour for each Local System. Contractor may only bill for travel as set forth in Attachment C. Contractor may not bill separate travel time for both delivery and installation of Equipment to a location. The hourly rate for travel includes all travel related expense including, but not limited to, gas and insurance. Only actual travel time may be billed. Regardless of actual travel time, billing for travel to a location may not exceed 3 hours. Payment will be made within 30 days of work completion and invoice.

### 5.05 Billing for Training

The State will place orders for training in writing and delivered by U.S. mail, facsimile, or email. No order may be placed verbally.

#### 5.05.01 Billing for Training

Contractor must provide one training session free of charge for each Local System purchased or leased. This training must occur at the time and location of installation. Additional training may be purchased by the State in accordance with the attached pricing sheet or provided under a service lease. Training must be held at a location and time selected by the State. If training is held off Contractor's premises, Contractor may bill for actual travel time to the training location. Regardless of actual travel time, billing for travel may not exceed 3 hours. Payment will be made within 30 days after training and receipt of invoice.

## SECTION 6: Liquidated Damages

Because it would be impracticable and extremely difficult to determine actual damages sustained from Contractor's late or improper performance, the State and Contractor agree to the liquidated damages set forth below. All liquidated damages are independent of each other meaning collection of damages under one section does not preclude or affect collection of damages under another section, provided that in the event that one or more of Sections 6.01, 6.02, or 6.03 are triggered simultaneously, only the section with greatest liquidated damage penalty will be enforced.

With the exception of Section 6.16, installation at a given facility must be completed before any liquidated damage penalties will be enforced.



#### 6.01 Non-Operational Equipment

\$5.00 per hour for each Device or System that is non-operational as defined in Section 1.11 for more than 72 hours from the time non-operational status was reported to Contractor. Damages are only calculated during the standard business hours of the location in which the Device or System is located, and in no case will exceed \$80.00 per Device or local System per day.

#### 6.02 Extended Non-Operational Status

\$10.00 per hour for each Device or System that is non-operational as defined in Section 1.11 for more than 120 hours from the time non-operational status was reported to Contractor. Damages are only calculated during the standard business hours of the location in which the Device or System is located, and in no case will exceed \$160.00 per Equipment item, per day.

#### 6.03 Recurring Non-Operational Status

\$10.00 per hour for each Device or System that is non-operational as defined in Section 1.11 for more than 72 hours from the time non-operational status was reported to Contractor if the same Device or System has been non-operational two or more times in the preceding 30 days. Damages are only calculated during the standard business hours of the location in which the Device or System is located and in no case will exceed \$160.00 per Equipment item per day.

#### 6.04 Loss of Available Balance

\$50.00 per instance of a Device or System failing to issue a Voucher or record a Player's available balance when a Device becomes non-operational, provided a Player cannot be properly paid by the facility through another means based on data from the Local System.

#### 6.05 Erroneously Dispensed Tickets

Retail price of any Ticket that a Device dispenses without purchase or damages while dispensing as described in Sections 1.01.07 and 1.01.09.

#### 6.06 Outdated Bill Acceptors

\$10 per day for each Bill Acceptor that has not been updated as required by Section 1.01.05 for more than 45 days for half of deployed Devices and 90 days for remaining Devices from the time an update is required.

#### 6.07 Unauthorized System Access

\$500 for each instance of unauthorized modification to a Device or System logs, records, or any function or component affecting the award or value of prizes or Vouchers where the Device or System did not detect or log the unauthorized modification as required by Sections 1.01.18 and 1.02.07 not to exceed \$25,000 annually.

#### 6.08 ADA and FCC Compliance

\$250.00 per day for each Device or System that is not in compliance with the Americans with Disabilities Act or Federal Communications Commission regulations within 90 days after receiving notice from the State.

#### 6.09 Call Center Unavailable

\$10.00 per hour the Call Center is not open for calls between 8:00 a.m. to midnight Eastern Time as required by Section 3.01. \$10.00 per instance that a call-back technician fails to call back a caller within 60 minutes as required by Section 3.01.01.

#### 6.10 Untimely Repair

\$50.00 per day for each Device and System that has not been repaired as required by Sections 3.02.01, 3.02.02, and 3.02.03.

#### 6.11 Untimely Maintenance

\$50.00 per day for each Device and System Contractor has failed to perform maintenance as required by Sections 3.03.01 and 3.03.02.

#### 6.12 Untimely Modification or Upgrade

\$50.00 per day for each Device or System that has not been modified or upgraded as required by Sections 3.04.03 and 3.04.04.

**6.13 Unapproved Modifications and Upgrades**

\$1,000.00 for each instance of modification or upgrade to a Device or System that has not been approved by the State.

**6.14 Incomplete Transaction Logs**

\$1,000.00 for each instance of damaged, deleted, missing, or incomplete Local System transaction logs as required by Section 1.02.05.

**6.15 Incomplete Service Logs**

\$100.00 for each instance of failure by Contractor to provide the State with a complete log of services conducted by Contractor as required by Sections 3.01.02, 3.02.04, 3.03.03, and 3.04.05.

**6.16 Untimely Delivery, Relocation, and Installation**

\$20.00 for each Device or System every day the Device or System is not delivered or relocated and installed as required by Sections 4.01 and 4.02.

**6.17 Untimely Training**

\$50.00 for each day Contractor fails to provide training as required by Sections 4.04.

**SECTION 7: Service Level Agreements**

Contractor may be required to enter into service level agreements as required by the State relating to performance of Contract Activities. Such agreements will define the performance requirements but will not impose additional services or damages unless otherwise agreed upon by the State and Contractor.



## ATTACHMENT B DIAMOND GAMES RFP PROPOSAL

### EXHIBIT A - STATEMENT OF WORK

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As prescribed by the RFP, Diamond Game will provide separate responses to each of the sections and subsections outlined within the RFP.

Please note, Diamond Game has added a section at the end of Exhibit A titled, "Optional Features". This section is meant to describe in detail a variety of features that the State may wish to employ, but are not integral to the operation on the Devices or associated system. Diamond Game has additionally added a subsection within Exhibit A, Section 2 titled, "Economic Benefit". This subsection is meant to address the significant indirect benefits from the economic activity associated with the product in the state of Michigan.

#### 1. Equipment Specifications

The Device type and model proposed by Diamond Game is the LT-3 instant ticket vending and validation machine. Diamond Game's LT-3 dispenses charity game tickets to purchasers. The machine is fully secure, and enclosed with a video monitor that displays the result of the paper ticket as it is dispensed. High-level features of the Diamond Game LT-3 are listed below:

**Video Display** - The video monitor displays the ticket result to the purchaser in an entertaining fashion. The machine does not in any way alter or affect the ticket result, which is pre-printed on the ticket. Each Device is configured with a widescreen touch display to serve as the primary game interface and an upper widescreen display for additional marketing and information.

**Audio System** - The LT-3 includes a premium 2.1 audio system providing entertaining and celebratory music and sounds to accompany the graphical display.

**Cabinet** - The LT-3 is available in two cabinet models – the *Jet Kiosk* and the *Gem*.

The Jet Kiosk is an upright cabinet with a small footprint and sleek design. It has a 20" widescreen touch display user interface, with an upper 20" widescreen display for marketing or other information. The Jet Kiosk is approximately 24" wide, 71" tall, and 21" inches deep. Detailed size dimension information can be found in the diagrams at the end of this section. The Jet Kiosk is built for walk-up play or seated play. The ideal seating height for the Jet Kiosk is 30". The Jet Kiosk contains a built-in ticket dispenser with barcode scanner, as well as a high security bill validator and logic box.

The Gem is a dual-monitor cabinet with a large 22" widescreen touch display for an improved player experience, along with a secondary 22" widescreen display. The Gem is approximately 28" wide, 66" tall, and 21" deep. Detailed size dimension information can be found in the diagrams at the end of this section. The ideal seating height for the Gem is 23". Like the Jet Kiosk, the Gem contains a built-in Ticket dispenser with barcode scanner, as well as a high security bill validator and logic box.

***Note:*** For the purposes of this proposal, the Jet Kiosk is used for all photographs. However, overview diagrams for both cabinet models are contained at the end of this section.

Component level diagrams for both cabinet styles can be made available upon request from the State.



**Machine Functionality** - The machine accepts currency or a receipt voucher and maintains and displays the purchaser's balance. As each purchase is made, the amount of the purchase is deducted from the purchaser's balance. If a ticket is a winning ticket, the machine adds the winning amount to the purchaser's balance, thus permitting the purchaser to buy more tickets. When the purchaser no longer wishes to purchase tickets and a balance remains on the machine, the purchaser may press the "Cash Out" button. A payment voucher will print and dispense to the purchaser. The purchaser may then take the voucher to a clerk to redeem it for cash. The clerk will scan the barcode on the payment voucher to confirm the balance and then pay the purchaser.

Fraud prevention is an important benefit of our payment voucher system. The payment voucher states in clear large numbers the exact amount owed to the player, greatly reducing the opportunity for a clerk to defraud a player.

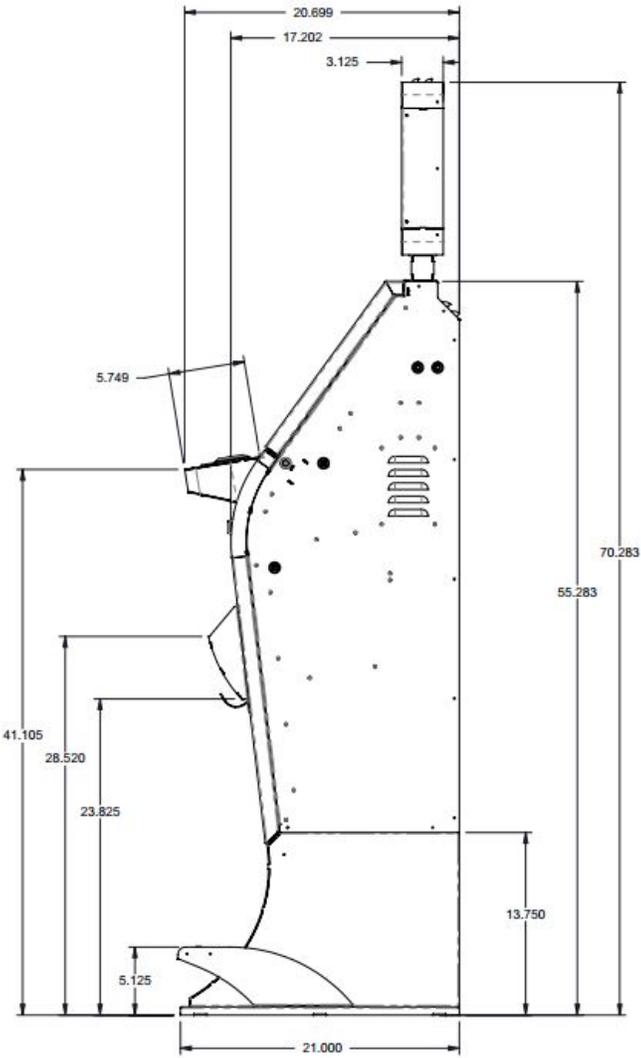
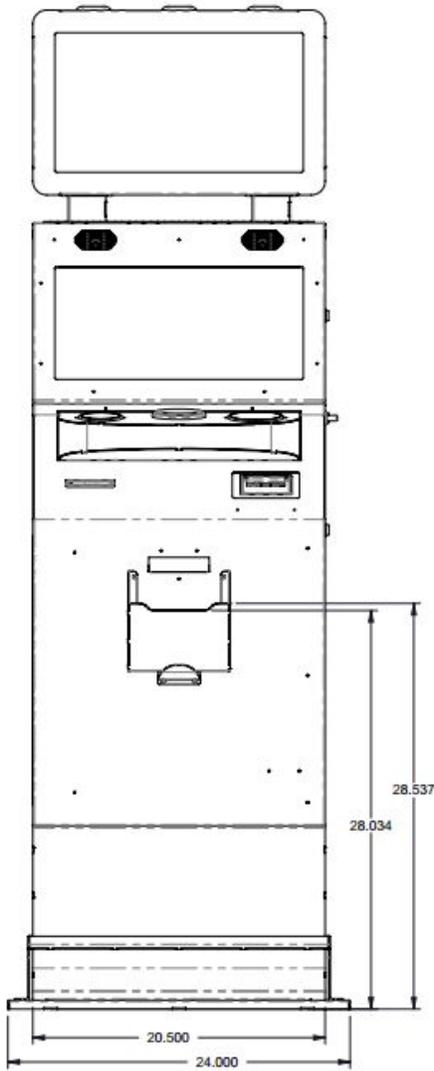
**Paper Ticket** - The paper tickets are pre-printed in the same basic manner as traditional lottery tickets on a web-fed press and placed within the device for sale to the purchaser. The tickets are not printed by or within the device. The device only reads, cuts, and dispenses the ticket, displaying the result on the video monitor. The tickets contain the game result underneath the ticket covering. The tickets are pre-printed and come on a roll or deck which is placed within the machine for dispensing. The game result is pre-printed on the ticket, with deal and individual ticket information encoded within a barcode on the paper ticket which is read by the machine. See "Ticket Requirements" subsection below for additional details.

**Battery Backup** - The LT-3 includes a built in 750va battery backup system in case of power failure. The installed backup system will keep the LT-3 powered up for an additional 30 minutes after building electricity has failed.

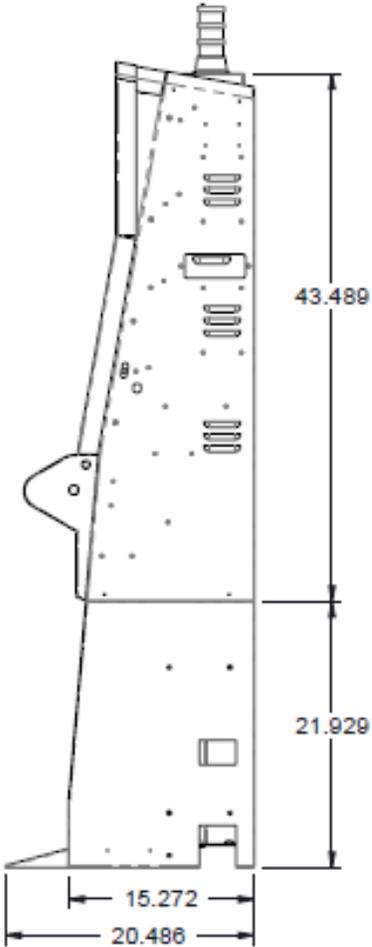
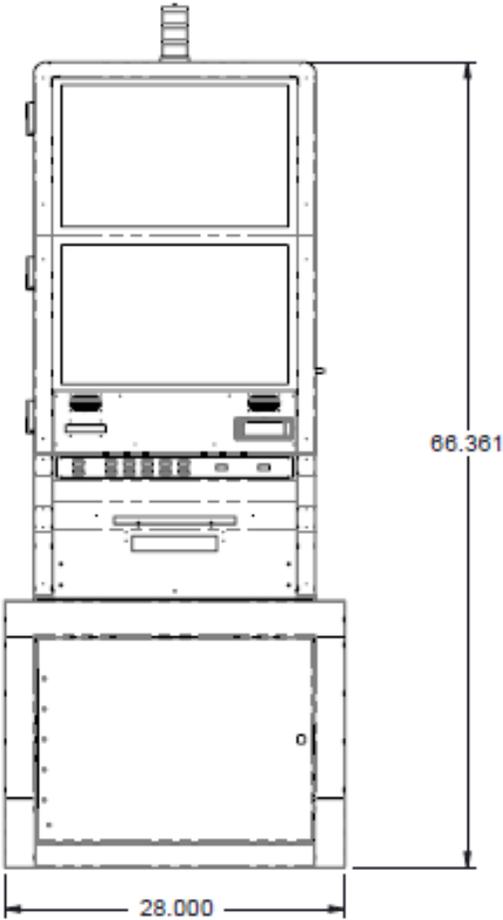
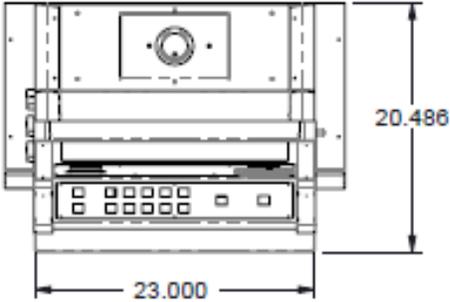
One of the key reasons the LT-3 is such a good fit for the Devices described in the RFP is that the LT-3 was designed to excel in a different market segment than traditional ITVMs or other forms of Lottery dispensers. While existing Lottery dispensers and technologies are ideal for transient locations like grocery stores, gas stations and convenience stores, the LT-3 was designed for stay-and-play entertainment destinations – exactly the sort of environment provided by the Facilities licensed to sell charity-game tickets in Michigan. Longer individual play sessions and multiple devices per location combine to generate gross sales and net revenues that are far greater than traditional ITVMs.

An overview of the LT-3 Device cabinet hardware and peripherals is provided in section 1.01 General Device Requirements.

An overview diagram of LT-3 ITLM Jet Kiosk is shown below for convenient reference.



An overview diagram of LT-3 Device Gem is shown below for convenient reference.



Diamond Game acknowledges and accepts the requirement that a contractor must provide a system that connects to, monitors, and controls a single or multiple Devices located at a facility.



For details regarding the proposed Diamond Game system, please refer to Exhibit A, Section 1.09.

Diamond Game acknowledges and accepts the requirement that the Contractor may be required to enter into service level agreements relating to Device and System operation during the term of the Contract. As clarified in Answer #82 of the State Answers to Bidder Questions, Diamond Game expects the currently-undefined service level agreements “to be used to establish specific requirements for performance of work and timelines under a contract. [And that the] agreements will define but not increase performance or liquidated damages beyond what is set forth in Exhibit A, Statement of Work.”

## 1.01 General Device Requirements

### *Cabinet Requirements*

As is conveyed in the photographs below, the LT-3 is fully enclosed and possesses simple external controls for purchasing tickets. As required, it additionally contains a bill acceptor, instructions, a video screen, speakers, and all other requirements enumerated within Section 1.01 of the RFP. The Device is ADA compliant, allowing for clear and convenient accessibility by individuals of all heights and seated in wheelchairs. All instructions and video screens will be clearly visible to individuals of all heights and by individuals seated in wheelchairs. Speaker volume for each Device will be controllable from within the Device.



The LT-3 ITLM Jet Kiosk cabinet is an upright cabinet with 2 monitors, one of which is a touch screen video display. The touch screen display is used for displaying game outcomes, pay table information, attendant menu features, and as a player interface. The cabinet contains a logic board, bill acceptor, power distribution box, voucher printer and paper mechanism. The interior of the machine can be accessed through the main and belly doors, each with its own separate lock. The main door provides access to the logic box. The belly door provides access to the voucher printer, bill acceptor, cash box and power switch. Each of the doors has a “cherry” switch that is monitored by the logic board.

The monitor may be accessed by opening the main door. The logic box is a locked compartment that may be accessed with a service key after opening the main door. The logic box is also monitored by a “cherry” switch.



**Second Screen or Monitor** – Displays logos, copyright information, marketing messages and sometimes win animation.

**Game or Main Screen** – Displays game symbols, win/loss information, play button, credit meter, cost per play, help and cash out buttons. This is a touch screen. Additional marketing messages may also display periodically.

**Hard Play Button** – When the button is pressed down, the machine plays one ticket (same functionality as pressing the Play button on the game touchscreen)

**Cup Holders** – Two different sized cup holders for player convenience.



**Voucher Printer** – When a player decides to cash out, the printer will generate a voucher with any balance the customer had prior to pressing the cash out button. If total balance is \$0, no voucher will print.

**Bill Validator** – Cash or vouchers can be inserted and credited to the machine for play. Any disallowed or foreign currency will be rejected by the system.

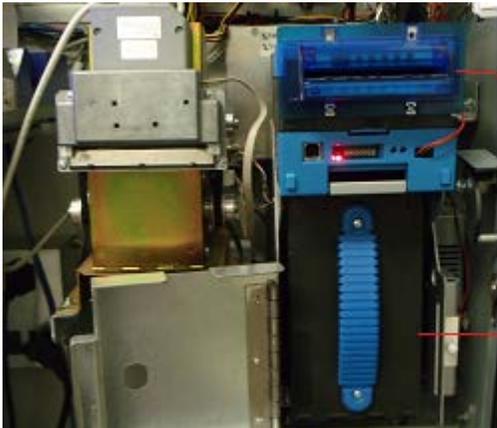
**Ticket Chute** – After each play, the purchased ticket will be cut and dropped into the ticket chute.



Voucher Printer

Ticket Cutter

**Ticket Cutter** – Tickets are scanned and cut whenever a player initiates a play by pressing the PLAY button.



Bill Validator

Cash Box

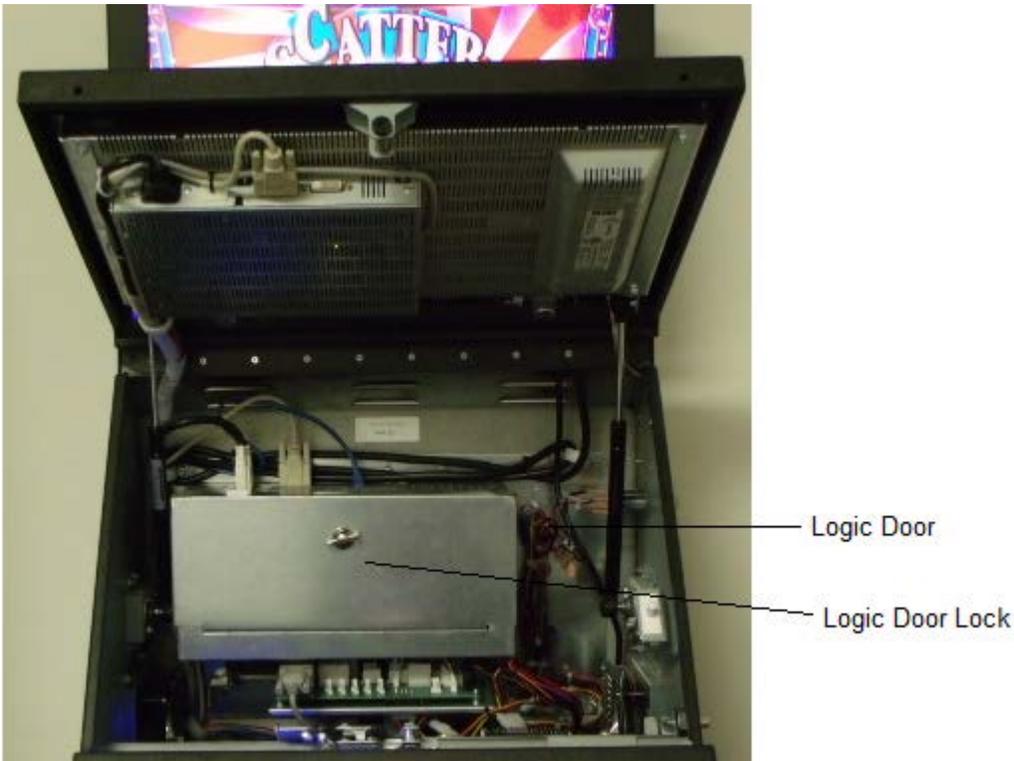
**Cash Box** – All cash inserted into the Bill Validator and properly validated is stacked in the cash box. The cash box has a separate door with a lock that requires a service key to remove the cash box. There is a “cherry” switch that activates an alarm when the cash box door is opened.



Cash box Lock

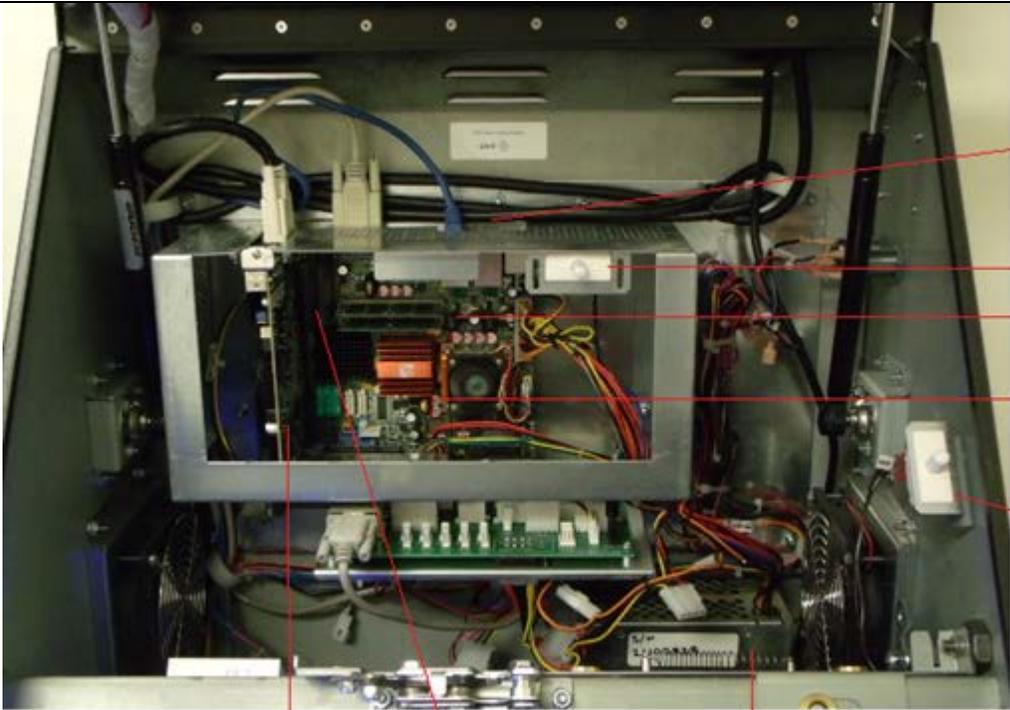


Once cash box is removed from the machine, it has another lock on the bottom of the box that requires a service key to open and access the cash and vouchers.



**Logic Door** – Security door to prevent unauthorized access to game software. A “cherry” switch sensor activates (located behind the door) when the door is opened and sets off an alarm.

**Logic Door Lock** – A service key is required to open the logic door.



Ethernet Ports

Logic Door Switch

RAM

Logic Board

Main Door Switch

Video Card

Compact Flash Cards  
(Game and System)

Power Supply

**Ethernet Ports** – Available to connect to the switch. There are two.

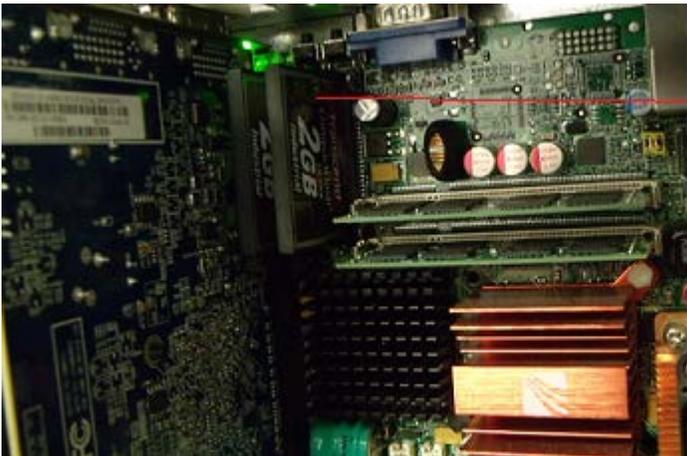
**Logic Door Switch** – A “cherry” switch that will activate an alarm when the logic door is open.

**RAM** – Random Access Memory.

**Video Card** – Enables the second screen display.

**Power Supply** – Power switch is located underneath this power supply box.

**Compact Flash Card** – There are two CF cards: one for game and one for system. The system card is always closest to the RAM.



Compact Flash  
Game and System



Momentary and Non-Momentary locks (clear Handpays and access to Tech Menu)

Main Door button and lock

Belly Door lock and key

**Main Lock** – A service key is needed to unlock the main door. Then the metal knob must be pressed to open the door.



Non-momentary

Momentary

**Momentary lock** – The first or front-most lock has a spring which allows an attendant to clear hand pays. This lock requires a service key.

**Non-momentary lock** – The “second” lock allows a technician to access the “Tech Menu”. This lock requires a service key.

*Ticket Requirements*

As required by the RFP, Diamond Game can provide tickets and voucher paper to be used in the Device.



The LT-3 is capable of securely storing and dispensing 4,000 – 16,000 tickets and 400 vouchers before needing replenishment.

There are 3 ticket models offered by Diamond Game that meet the definition of a charity game ticket as defined in MCL 432.102(f). The ticket models have varying qualities designed to accommodate a variety of different needs, depending on the priorities of the state. Each ticket model has a unique price that is listed on the Pricing Form in Exhibit C.

The 3 Charity Game Ticket models offered by Diamond Game are summarized as follows:

- 3-Window Pull-tab Ticket
  - Large, substantial ticket; heavy stock ticket
  - Displays game symbols and win amounts
  - Currently in use by the Missouri Lottery in connection with LT-3 devices at Veteran and Fraternal Clubs
- 1-Window Pull-tab Ticket
  - Medium-weight, moderate stock ticket
  - Displays game symbols and win amounts
  - Currently in use by the Ontario Lottery in connection with LT-3 devices at Charitable Bingo Halls
- Peel Pull-Tab Ticket
  - Light-weight, light stock ticket
  - Displays encoded game results or symbols and win amounts
  - A Hybrid of the tickets currently in play in Maryland and New Mexico

The 3 ticket models offered by Diamond Game are characterized in detail below. Please note, the State may request alterations to the specifics of tickets described below, such as revisiting the precise size, stock, formatting, or text of any design present on any sample ticket.

3-Window Pull-Tab Ticket

- General Specifications

<u>Ticket Description:</u>	Large, heavy-stock ticket with three perforated windows which display results in the form of icons and win amounts. Currently in use by the Missouri Lottery.
<u>Ticket Size:</u>	1.875" x 3". Acceptable width variance identified as +/- 0.0075". Acceptable height variances identified as +0.155" and -0.0355"
<u>Perforated Window Dimensions:</u>	.66" tall x 1.375" wide .25" distance between windows .25" distance from window to top of ticket .25" distance from window to bottom of ticket .25" distance to left side of ticket .25" distance to right side of ticket
<u>Roll Size:</u>	4,000 tickets.
<u>Physical Roll Size:</u>	12.75" diameter
<u>Deal Size:</u>	48,000 tickets



Number of Rolls/Decks per deal: 12

Ticket Stock: Top Stock- 7Pt. 1000LBS. Tag (for Top/Bottom Stock)  
 Bottom Stock- 7Pt. 1000LBS. Tag  
 The top stock and bottom stock are glued together on all sides and between the windows.

Ticket Thickness: .015 inches

Win Verification: The value of all winning combinations on the ticket are totaled over a blue DG logoed box in the center window of the ticket. Prizes only verified upon purchase from dispenser. Winning combinations can also be verified against the deal Flare.

Ticket Numbering: Ticket number increment from 1 to X (where X = the final number of tickets on roll) for each roll.  
 Roll numbering, within a deal, increments from 1 to 12.

Lead/Trailer Information: Each roll has 12 Void leader tickets at the start of the roll and 12 Void trailer tickets at the end of the roll.

Barcode: Barcode type is code 128 Auto-Encoding.

- Content Specifications

- 1) Level 1 – Ticket Front
  - a. Contains three perforated windows, logos/other content as defined. Example shown is Magenta water-based acrylic ink. The design of the logos/other content wording can be altered at the preference of the state.



- 2) Level 2 – Inside Ticket front
  - a. Basic black-out print



- 3) Level 3 –
  - a. Displays winners in icon format
  - b. Inside Colors: HP ‘Black 4260 Ink Cartridge’
    - i. Solid Fast Dry Film III Envinks. 2 passes with 7.2 and 10.0 BCM @ varnish line screens

Ticket Inside Non-Winner



Ticket Inside Winner



Ticket Inside Winner



- 4) Level 4 – Ticket back
  - a. Contains barcode and other printed content, as specified. Example shown:
    - i. Variable print + 2 color Flexo Yellow and Magenta water-based acrylic
    - ii. The specifics of the level 4 design, wording, and contents can be defined at the preference of the state.

**Ticket Back****b. Barcodes**

- i. The barcode for the individual Ticket is positioned below game imagery and/or information to be determined by the State.
  1. Additional disclaimer text can be placed beneath the barcode if required.



1-Window Pull-Tab Ticket

- General Specifications

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<u>Ticket Description:</u>	Light-weight, double-ply Ticket with a single perforated window which displays results in the form of icons and win amounts. Currently in use by the Ontario Lottery.
<u>Ticket Size:</u>	1.00" x 3.00"
<u>Perforated Window Dimensions:</u>	.75" tall  .125" gap above and below window  2.625" long  .125" gap on the left side of the window  .25 gap on the right side of the window
<u>Roll Size:</u>	15,000 tickets.
<u>Physical Roll Size:</u>	N/A – Decks are used
<u>Deal Size:</u>	120,000 tickets
<u>Number of Rolls/Decks per deal:</u>	8
<u>Ticket Stock:</u>	Top Stock- 80LBS.  Bottom Stock 80LBS.
<u>Ticket Thickness:</u>	0.007"
<u>Lead/Trailer Information:</u>	Each roll has 12 Void leader tickets at the start of the roll and 12 Void trailer tickets at the end of the roll.
<u>Barcode:</u>	Barcode type is code 128 Auto-Encoding.



• Content Specifications

- 1) Level 1 - front of the cover ply of the paper
  - I. Wallpaper Logo design
  - II. Black and White coloration
  - III. Marketing or directional phrases (such as "Open Here") can run vertically up the right hand side of the design. The specifics of this wording can be altered at the preference of the state.



- IV. Level 1 paper is perforated through. The design of the perforations on each ticket is shown in the image below.

**Level 1 Perforation Design.**

DieLine



- 2) Level 2 - reverse side of the top ply of paper
  - a. Opaque black block out plate



- 1) Level 3 - front/inside of the bottom ply of the paper
  - A. 2-color plate with DG logo and win bar
  - B. Variable ticket result data is imaged in blue win bar and any associated text can be provided in the win bar. The specifics of this wording can be altered at the preference of the state.
  - C. 4 sample tickets are displayed below:
    - Examples below: Winning ticket show 3 lines of text:



- 1<sup>st</sup> line: Number of credits won
- 2<sup>nd</sup> line: Dollar value of credits won
- 3<sup>rd</sup> line: the word “Win”
- Example below: Non-winning tickets show 1 line of text
  - 1<sup>st</sup> line: the words “Try Again”



- C) Variable game icons are imaged in the position indicated in the wireframe
- D) Deal ticket number is printed on the far right. Print direction is rotated vertically.
- E) Extra Winner protection features are available upon request. In the event of certain win value conditions, additional elements are printed on the ticket to ensure legitimacy and prevent fraud. For example:
  1. \$20-999.99: Italicized font used to print the 2<sup>nd</sup> line of winning tickets.
  2. \$100 or greater: Capital letter ‘G’ printed between symbols and win text, in direction of symbols.
  3. \$200 or greater: Small letters ‘pw’ printed between 1<sup>st</sup> symbol column and 2<sup>nd</sup> symbol column.

**Example of a ticket including winner protection features items 1-3:**



- 4. \$300 or greater: Small letter ‘t’ printed between 2<sup>nd</sup> symbol column and 3<sup>rd</sup> symbol column.

2) Level 4 - reverse/back of the bottom ply of paper



- A. The phrase "Ticket cannot be redeemed for cash." appears at the top middle of ticket. The specifics of this wording can be altered at the preference of the State.
- B. The form number of the given game result set being printed is displayed in the top middle of the ticket.
- C. The Deal number, Deck ticket number and Deck numbers appear directly above the bar code in left to right order, respectively.
- D. Barcodes
  - The barcode for the individual ticket is positioned below game imagery and/or information to be determined by the State.
    - a. Additional disclaimer text can be placed beneath the barcode if required.



Peel-Open Ticket

- General Specifications

The Peel-Open Ticket is a lighter, inexpensive equivalent to the 1-Window Pull-Tab Ticket.

<u>Ticket Description:</u>	Light-weight, double-ply ticket with a peel-release cover ply which displays results in the form of encoded play indicia and/or symbols and win amounts.
<u>Ticket Size:</u>	5/8" x 3.00"
<u>Perforated Window Dimensions:</u>	N/A
<u>Roll Size:</u>	16,000
<u>Physical Roll Size:</u>	12" diameter
<u>Deal Size:</u>	128,000 tickets
<u>Number of Rolls/Decks per deal:</u>	8
<u>Ticket Stock:</u>	375 LBS
<u>Ticket Thickness:</u>	0.0067"
<u>Lead/Trailer Information:</u>	Each roll has 12 Void leader tickets at the start of the roll and 12 Void trailer tickets at the end of the roll.
<u>Barcode:</u>	Barcode type is code 128 Auto-Encoding.



- Content Specifications

1. Level 1 – single color, repeating wallpaper style design with “open here” text running vertically along the far right hand side of the ticket.



2. Level 2 – standard blackout



3. Level 3 – single color for plate (border provided for visual clarity, not actually part of design)



- a. Extra Winner protection features
  - 1) In the event of certain win value conditions, the State may elect to include additional elements to be printed on the ticket to ensure legitimacy and prevent fraud.

4. Level 4

- a. Contains the barcode
- b. The barcode for the individual ticket is positioned below Deal, Roll, and Ticket information and/or information to be determined by the State.
  - 1) Additional disclaimer text can be placed beneath the barcode if required.



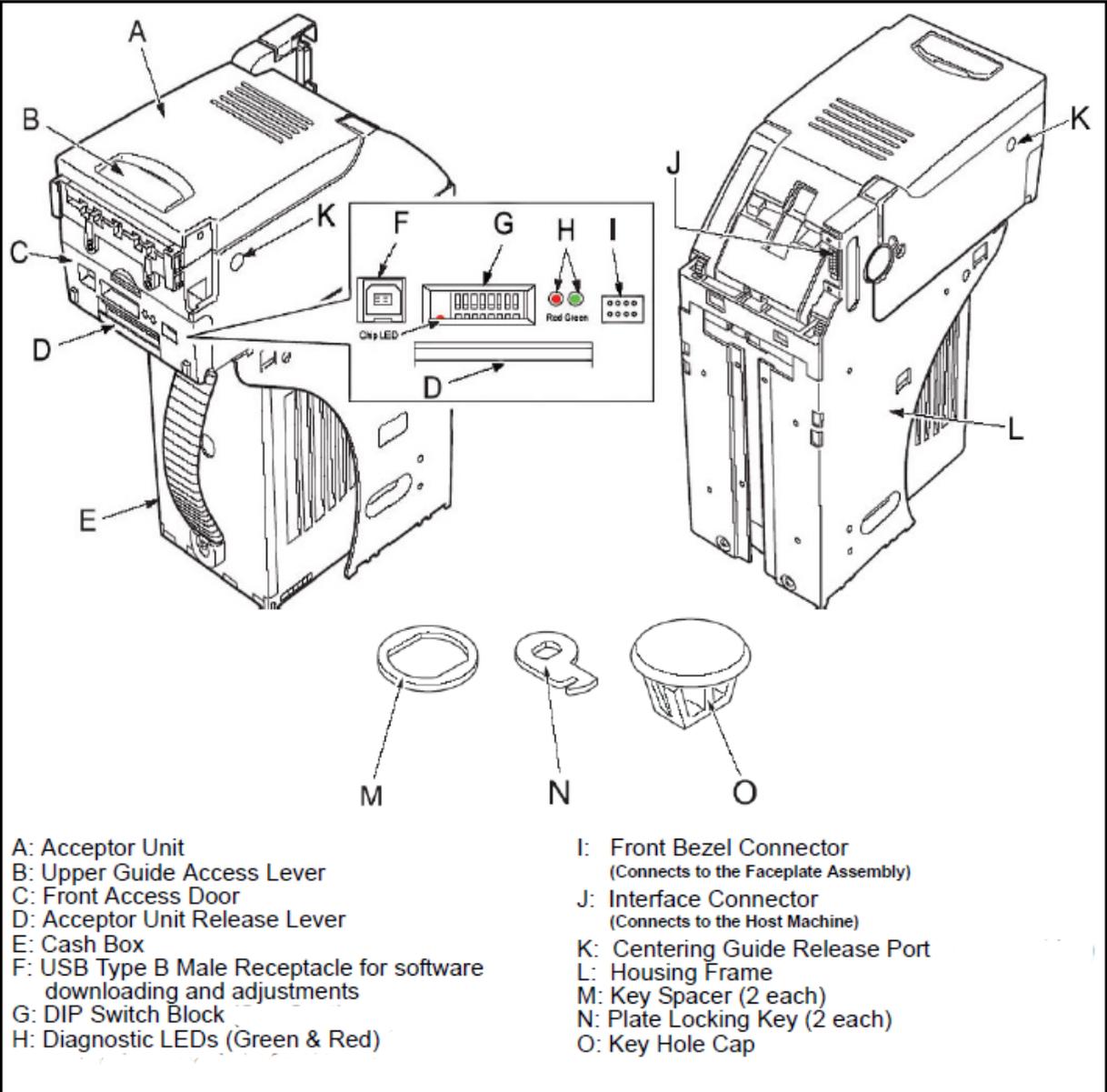
As required under the RFP, all dispensed tickets and vouchers will be reachable by individuals of all heights and by individuals seated in wheelchairs. Please see section 1.15 for additional information. There will be a visual and audible alert if a ticket or voucher becomes jammed.

1.02 Bill Acceptors

The Dollar Bill Acceptor (“DBA”) envisioned for use in Michigan is the JCM UBA-10-SS. The DBA is regularly used in commercial, tribal, and charitable gaming environments and complies with all of the requirements enumerated in section 1.02. Diamond Game acknowledges that we will be responsible for any shortages resulting from failure to update DBA.

A diagram of the DBA is included below.

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The DBA is capable of being modified to accept a voucher issued by the same Device or another Device located at the same facility. Such functionality, commonly referred to as "Ticket In Ticket Out" or "TITO", requires licensing intellectual property from a third party provider. If TITO functionality is selected, the DBA will be configured to comply with any and all currency requirements associated with the TITO system.

1.03 Available Balance

The Diamond Game LT-3 will accurately accept and display currency or vouchers in the account balance available to the user for purchasing tickets. As required, the LT-3 will accurately subtract money from the account balance as tickets are purchased. In the event that the automatic ticket validation is enabled, applicable winnings will be credited back into the players account balance. Per the specifications, a user will be able to add to the account balance at any time, and will be also be able to convert his or her available balance into a voucher at any time before or after purchase of a ticket.



A more in depth depiction of the usage scenario is listed below. Note, for the purposes of this example, the auto validation feature is assumed to be enabled.

A purchaser inserts money or a voucher, if enabled, into the DBA, pushes the play button, and views the game result. If applicable, the game result is added to the balance on-screen. The purchaser may also elect to cash out funds and take his or her payment voucher to be redeemed at the cashier. These basic steps are broken down into more detailed scenarios in the following subsections.

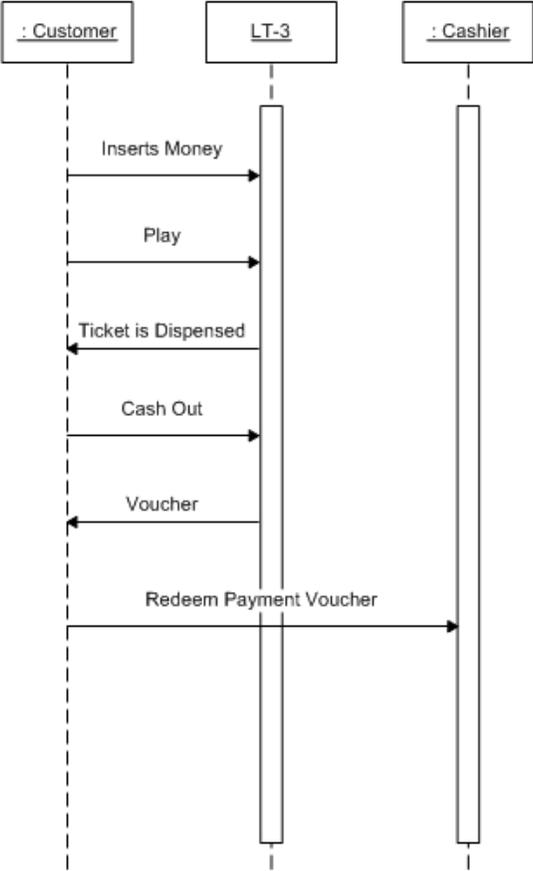
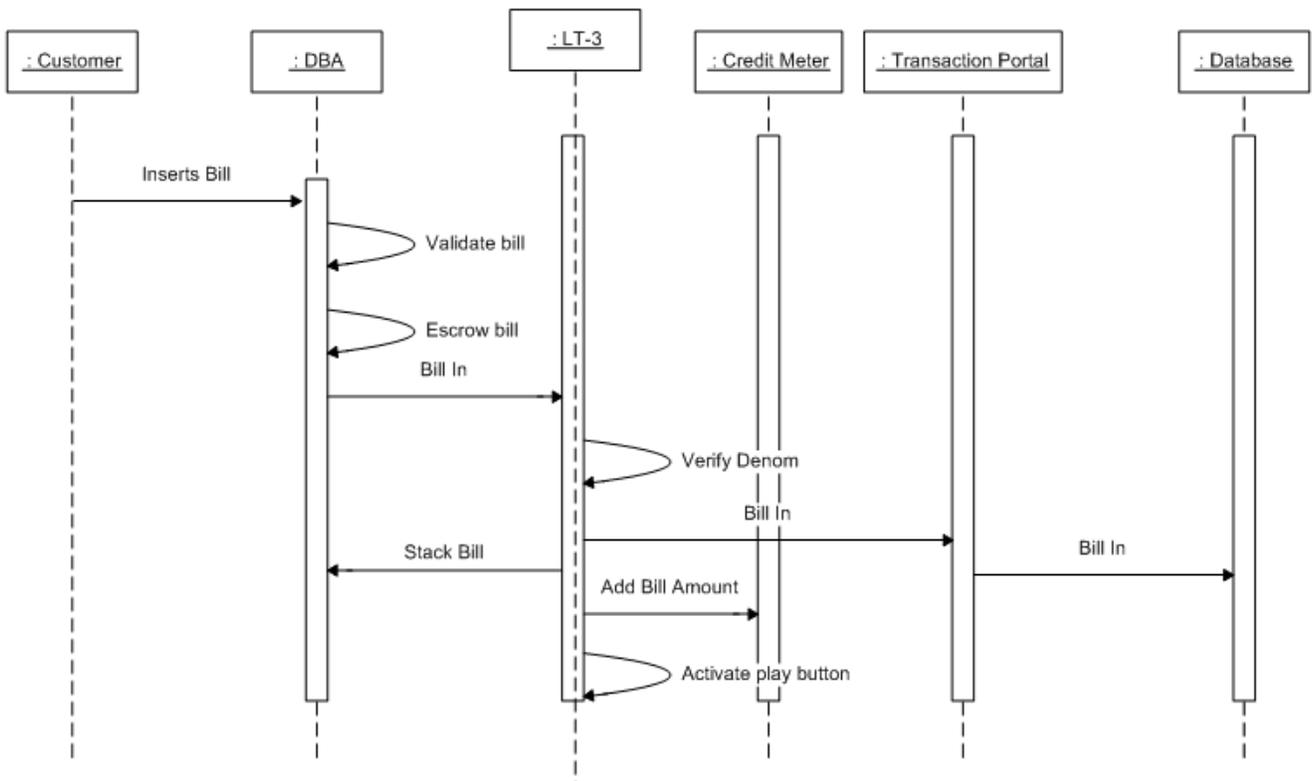


Figure - Basic Usage Scenario

Insertion of Currency

1. The purchaser inserts a bill.
2. The DBA validates and determines what type of bill. If it is an invalid bill it is rejected.
3. The DBA escrows bill.
4. The DBA reports bill to the game.
5. The ticket dispenser verifies that bill is an acceptable denomination, otherwise the bill is rejected. If it is valid, the ticket dispenser has the DBA stack the bill.
6. The Bill is stacked.
7. The money is credited to the credit meter and the bill insert is reported to the Transaction Portal (“TP”). See Section 1.09 for details regarding the Diamond Game system and its associated applications, such as the TP.
8. The TP calls database stored procedure to record this transaction.



9. If enough credits are available to purchase a ticket, the play button is activated.

**Figure - Insert Cash**

Insertion of Voucher

1. The purchaser inserts voucher into the DBA.
2. The DBA validates and reads voucher's barcode. If it is invalid it is rejected.
3. The DBA escrows voucher.
4. The DBA reports voucher info to the ticket dispenser.
5. The ticket dispenser requests the value of the voucher from the TP.
6. The TP calls a database stored procedure to retrieve the voucher info.
7. If it is a valid voucher, the TP returns the voucher amount to the ticket dispenser. If it is not valid an error is returned.
8. If an error is received the ticket dispenser has the DBA reject the voucher, otherwise it has the DBA stack the voucher.
9. The money is credited to the credit meter.
10. If enough credits are available to purchase a ticket, the play button is activated.

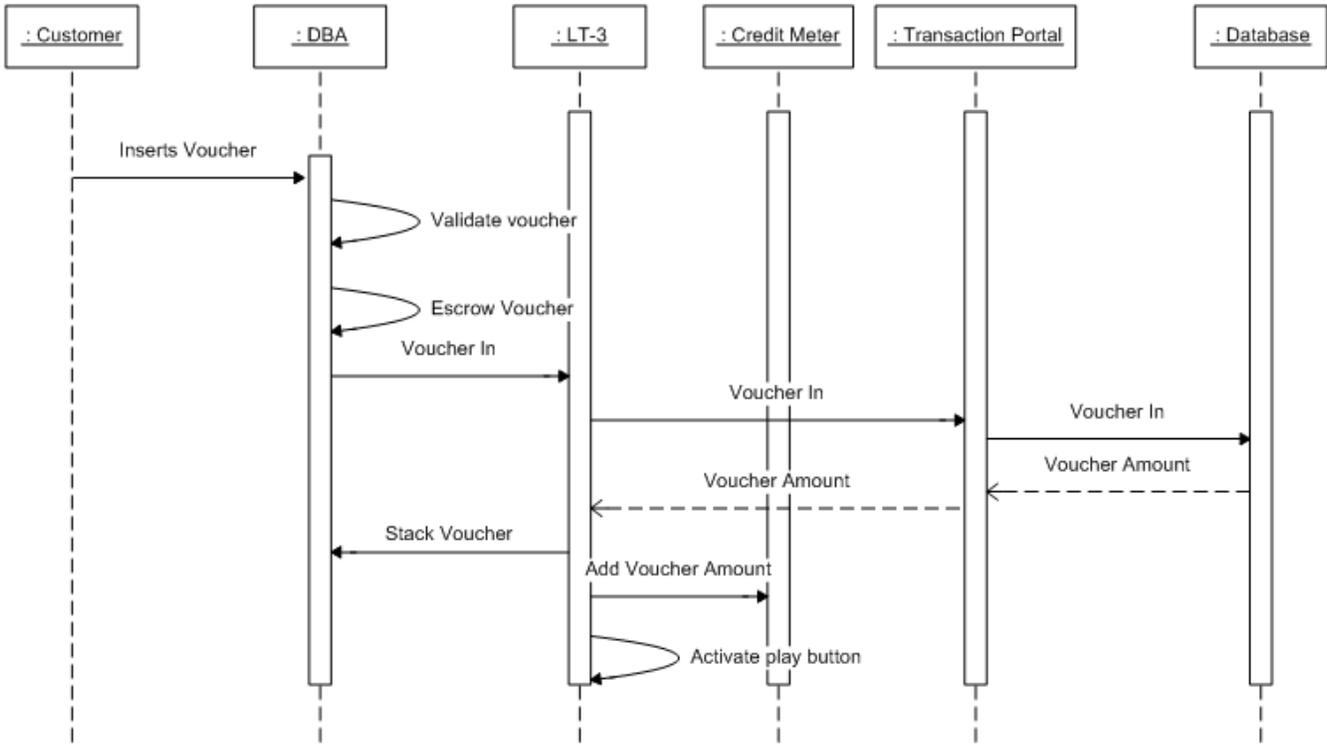


Figure - Insert Voucher

1.04 Dispensing Tickets

As required, the LT-3 only dispenses one ticket at a time and all tickets will have been properly purchased.

The following usage scenario explains the process of dispensing a ticket, under the assumption that the automatic ticket Validation feature is enabled.

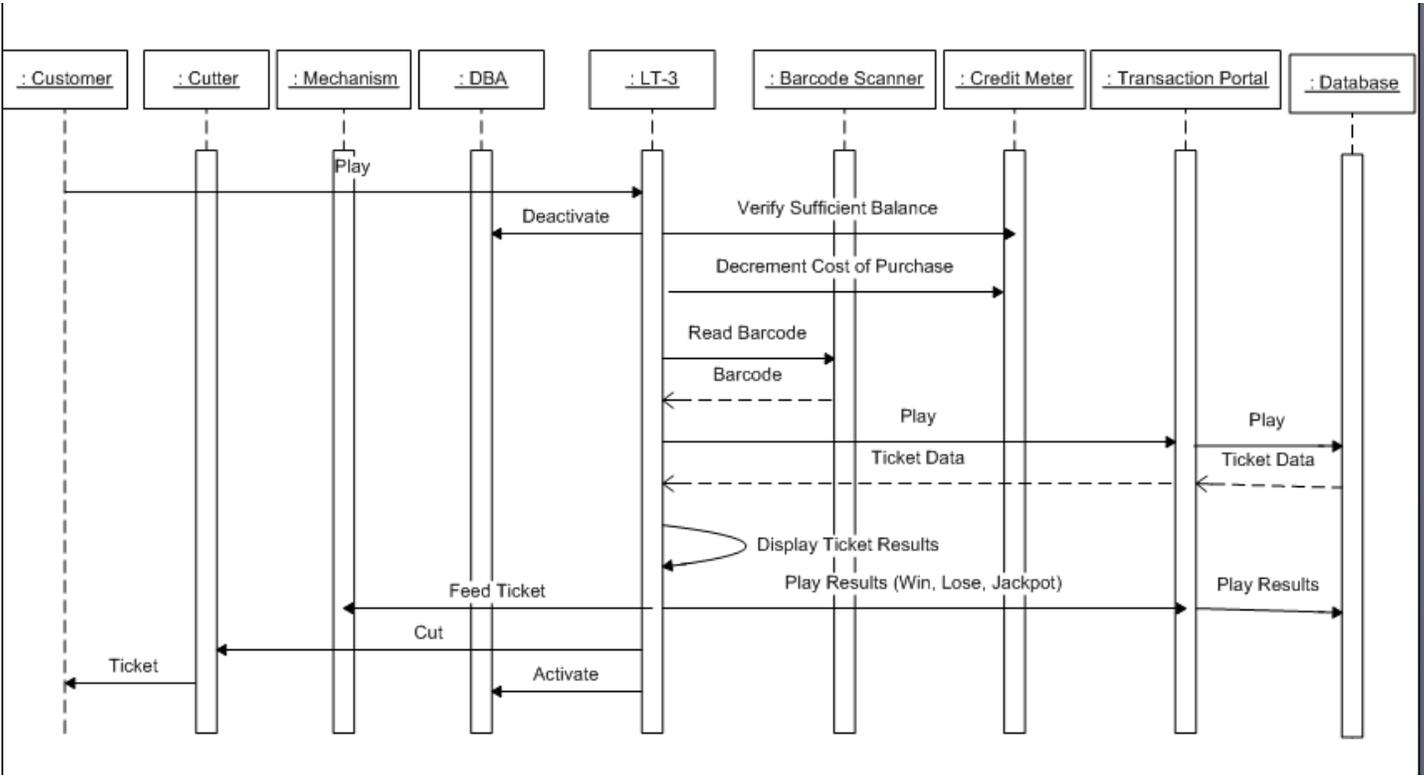
For an explanation of the Dispensing of a Charity ticket when the automatic ticket Validation feature is disabled, please see section 1.07.

Dispensing of a Charity Ticket

- 1. The purchaser presses Play.
- 2. The ticket dispenser deactivates the bill validator so no bills will be accepted while the game is in play.
- 3. The ticket dispenser verifies that there is enough money on the machine to purchase a ticket.
- 4. The credit meter is decremented by the value of the purchase amount.
- 5. The machine has the barcode scanner read the barcode on the current ticket.
- 6. The barcode is returned to the machine.
- 7. The machine sends the play message, including deal # and ticket # from the barcode, to the TP.



- 8. The TP retrieves the game display data specific to that ticket from the database. This data is an encrypted eBarcode.
- 9. The TP responds to the machine with the encrypted eBarcode.
- 10. The machine decrypts the eBarcode data and displays the results on the screen.
- 11. The machine sends the game results (Win, Lose, or Jackpot) to the server via the TP.
- 12. The TP updates the database with the data for last game played.
- 13. The machine activates the paper feed mechanism to feed 1 ticket.
- 14. The machine cycles the cutter to cut the ticket.
- 15. The machine reactivates the bill validator.



16. The non-cashable ticket is dispensed to the purchaser.

Figure – Dispensing of a Charity Ticket

As required by Section 1.04 of the RFP, all tickets will be dispensed in such a way that in no way distorts, damages, bursts, opens, breaks, or tears the ticket such that its appearance or playability is compromised in any way.

Moreover, to further increase security, Diamond Game’s LT-3 and system contain a number of features to protect against counterfeiting and alteration of instant tickets, many of which are contained in the interaction between the instant tickets and the Device itself. When a player purchases a ticket from the LT-3, the dispenser scans the barcode on the ticket to validate it against the data file as follows. The dispenser and system rapidly execute a series of tests on each ticket to assure it is from the current active deal, is a valid finite result from the current deal, has not already been



played and provided that the automatic ticket validation feature is enabled, is then validated as played. These three steps of (1) activation, (2) verification, and (3) validation create numerous security advantages.

Because Diamond Game tickets are purchased one at a time from a dispenser, they are only activated one at a time from a dispenser. They do not need to be activated by the pack or by the deal. This means that the tickets have no value prior to purchase through the Device. For the Lottery, this eliminates the concern that an active pack of tickets may be lost or stolen and turned in without being purchased. It also means that any quantity of instant tickets, from a single roll to a warehouse full of deals has no value until it is loaded in a specific machine at a specific location using a specific encrypted data file.

A charity game ticket can only be activated, verified, and validated once several components converge:

1. A deal of sealed charity game tickets, consisting of multiple rolls in multiple sealed boxes, must be received by a retailer. The deals are assigned to each retailer upon order for replenishment. Only Diamond Game knows the retail destination for each deal before it is received. At the State's request, Diamond Game will provide shipment tracking notifications to the State to ensure that the State has access to retail destination information if desired.
2. The correct game and system software must be installed on a dispenser at the retail site.
3. The specific encrypted deal file for that deal must be installed on the server at that site. Only Diamond Game techs have access to this file.

With these three components in place, any attempt to load an incorrect deal at a retail site will result in a load failure. Because the system tracks all events at all dispensers, any attempt to load the wrong deal will be recorded and reported.

Once the proper tickets are installed in the dispenser, the tickets are activated and, if the automatic validation feature is baled, validated one ticket a time. If a roll of tickets in play were to be removed from the dispenser for any reason there would be no way for the system to validate or pay the removed instant tickets because they were never activated, verified, or validated by the dispenser. As noted above, only the right dispenser at the right location with the right software reading the right file can activate a ticket.

After a ticket is verified, the system validates the record for that instant ticket as "read". The system tracks the status of every ticket in a deal, for example, a 480,000 ticket deal has 480,000 unique finite records that will be marked as the tickets are sold. Once a ticket has been validated and the record for that ticket has been marked as "read" it cannot be "read" again. This assures that no instant ticket gets paid twice. Any attempt to re-scan the ticket will result in a read error that will be recorded by the system.

Activating, verifying, and potentially validating each ticket in the dispenser eliminates the product risk before and after purchase. The ticket cannot be activated before it is loaded, it can only be loaded at a specific location, it is only verified on purchase, and it is immediately marked as read if the automatic validation feature is enabled so it cannot be re-read by the system again. All of these factors add a level of ticket security to Diamond Game's LT-3 Device that have not been available on any other Lottery ticket dispenser before.

Diamond game acknowledges and accepts the responsibility for the retail price of any ticket dispensed without purchase, as well as the responsibility for the cost of any tickets the appearance or playability of which were compromised by the Device beyond an acceptable tolerance of 0.1%. This value will be tracked by the Diamond Game system.

### 1.05 Dispensing Vouchers

As required by Section 1.05 of the RFP, each LT-3 Device will be capable of printing a voucher that depicts the date and time it was issued, the issuing Device, the date by which it must be redeemed, and a standard barcode to validate the voucher. If awarded a contract under this RFP, Diamond Game will work with the State to include all information

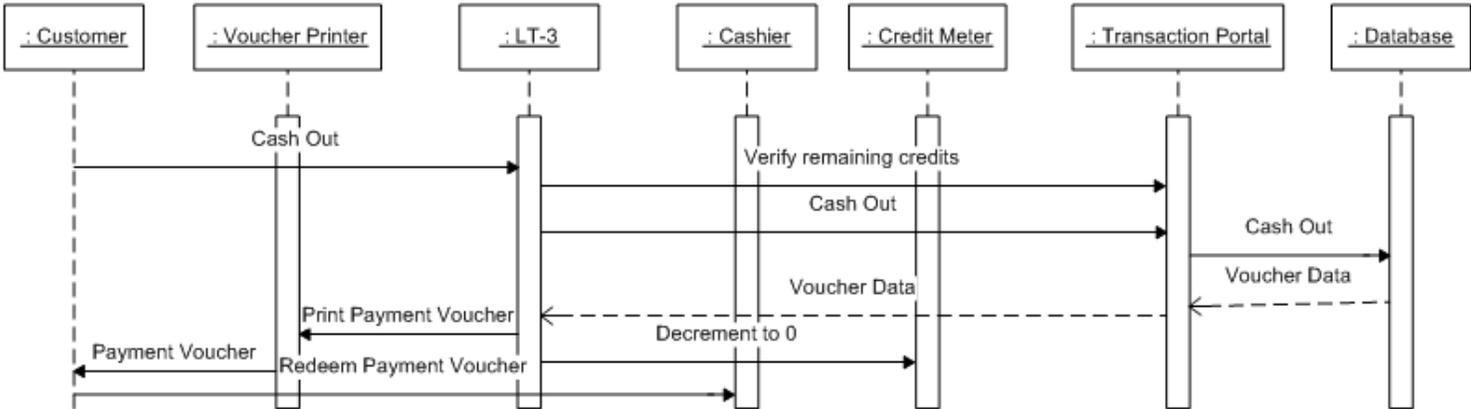


requested by the State to appear on the voucher, including logos, instructions, rules, websites, addresses, and any desired contact information.

The following usage scenario explains the process by which a user can access a voucher.

Dispensing Vouchers

- 1. The purchaser presses the cash out button.
- 2. The ticket dispenser verifies that there are remaining credits on the credit meter.
- 3. The ticket dispenser requests a ticket from the TP for the amount of the remaining credits.
- 4. The TP invokes a database stored procedure to create a payment voucher.
- 5. The TP returns the ticket info to the ticket dispenser.
- 6. The ticket dispenser sends a message with the ticket info to the printer to print a ticket.
- 7. The printer prints a ticket with all remaining funds.
- 8. The credit meter is decremented to 0.
- 9. The purchaser retrieves the ticket.



- 10. The purchaser redeems the ticket at the cashier or by reinserting it into another machine.

Figure – Dispensing Vouchers



1.06 Video and Audio

As required by Section 1.06 of the RFP, the LT-3 Device video screen will display information about the Charity Game Tickets, including price, prizes, and instructions while not in use. When the Device is being used, it will additionally show account balance, last prize value, instructions on how to cash out, automatically validate tickets, and more. All of these data points are displayed in the screen image below. An option to view help pages that explain the game functionality in greater detail will also be available.



The game display proposed for use by the LT-3 in Michigan, depicted in the screen shot above, simulates the animation of opening a 3-window pull-tab ticket. There are accompanying sounds and graphical animations to increase the player experience and communicate significant game events to the player. The game results are clearly communicated to the player through the video screen, and can be cross-referenced with the game result information printed on the Charity Game Ticket itself. The display of the 3-window pull-tab game is purely to add entertainment value to the player and does not affect the outcome of any ticket. The display merely translates the result of the ticket into an animated, entertaining format.

Diamond Game possesses additional entertaining display options that could be implemented upon the request of the State. As two examples, (1) the LT-3s deployed by the Ontario Lottery utilize a “popping symbols” display that animates the appearance of symbols onto a set of reels, and (2) the LT-3s in Anne Arundel County, overseen by the Maryland Lottery, currently utilize a “spinning reels” display. Information and visual example of all entertaining display options are available upon request by the State.



The purchase price and prize amounts for a given game theme are controlled by the math models for which the game is designed. When any of these components are modified by game mathematicians, a new software version is created. This new version is then thoroughly tested by the Quality Assurance department (“QA”) before releasing for use. The duration of this cycle depends upon the scope of the change.

Modifications to the game or ticket interface may be requested by the Lottery. The game interface, which contains instructions, visuals, animations, and sounds, resides on the game media. When any of these components are modified (by artists, developers, sound engineers, etc), a new software version is created. This new version is then thoroughly tested by QA before releasing for use. Similar to the game interface process, the duration of this cycle depends upon the scope of the change.

### 1.07 Automatic Ticket Validation

As required by Section 1.07 of the RFP, the LT-3 will provide a user with the option to engage or disengage the automatic validation of a purchased ticket.

Diamond Game has a patent application pending that covers a system whereby the Player is given the option, prior to a ticket being dispensed, of the ticket being redeemed automatically at the device or manually with a cashier (this patent application was filed in March 2010, and is a continuation application based upon Diamond Game’s “multi-price ticket” patent referenced in Exhibit A, Section 8, below). Electronic records are stored in the system for each winning ticket that includes an indication of whether the winning ticket was redeemed automatically at the Device or was held for manual redemption with a cashier.

When the automatic validation feature is engaged, the Device will validate the ticket as it is being dispensed, as explained in the usage scenarios present in Sections 1.02 through 1.05. As described in Section 1.06, the accompanying screen animations on the Device will match the appearance of the ticket being dispensed and will accurately depict the outcome of the ticket. In the event that the ticket awards a prize, the prize will be added to the user’s account balance as described in section 1.03. Such tickets will be electronically “marked” as played in the system, so that any attempt to redeem a ticket that has already been played will be identified by the system and rejected.

While in automatic validation mode, a button is available to the player that will allow the player to switch to manual validation. Additional explanatory text that addresses the manual validation option may be present.

To ensure that Players are cognizant of which validation mode they are in, when switching to manual validation mode, the Player will be presented with a prompt to confirm that he or she wants to engage manual validation and allow the Player to return to automatic validation if desired.

When the manual validation feature is engaged, a simplified player interface appears on the main screen, providing only the ability to purchase tickets, which must be manually validated, view balance, cash out, access the help screens, and return to automatic validation mode. No themed graphics or entertaining display is shown. When tickets are purchased in manual validation mode, prize results and values are not displayed on the screen. The purchase amount is deducted from the player's balance, and any prize awards must be paid by the cashier.

After each attempt to purchase a ticket in manual validation mode, the player will be visually prompted with an on-screen message that reminds the player that the ticket about to be purchased must be taken to a cashier for redemption. There will also be a prompt for the Player to affirm his or her intent for manual redemption. The prompt will allow the player to proceed with manual redemption or switch to the automatic validation screen.



In order to redeem tickets purchased through the manual validation mode, a cashier will be required to scan or input the ticket into the Diamond Game system so as to confirm that the ticket being presented for redemption has not already been played.

While in manual validation mode, the player may return to the automatic validation screen at any time.

Modifications to the visuals and/or audio in connection with dispensing different tickets are possible if requested by the State. If requested, such modifications would bear an effect on the visuals, animations, and sounds that reside on the game media. When any of these components are modified (by artists, developers, sound engineers, etc.), a new software version is created. This new version is then thoroughly tested by QA before releasing for implementation in a live environment. Similar to the game interface process, the duration of this cycle depends upon the scope of the change.

### 1.08 Device Security

As required by Section 1.08 of the RFP, each LT-3 device will be full enclosed with secure locks on any access panels or points of entry. The LT-3 contains separate locks for accessing areas within the device where money and tickets are stored, as well as any areas containing components that affect validation of tickets or printing of vouchers. As specified, the LT-3 additionally possesses an audible alarm in the event of an unauthorized attempt to access the secure areas or components.

All device-level activity, including any instance of any user accessing the device, the operating system or data will be logged by the retail system and replicated to a centralized reporting server on a transactional basis (see Section 1.09 for details). Due to the construction of the Diamond Game system, all components relating to the integrity of the award of prizes will be entirely secure. In the event that a predetermined number of unauthorized attempts access occurs, the Device will default to an unusable state until a technician or system administrator performs the selected functions to re-enable the Device.

Each device will maintain independent logs and issue vouchers for reconciliation against the system values. Additional features related to log accuracy, reconciliation, and data replication are additionally available through Diamond Game's system. Please see the system explanation in section 1.09.

Each LT-3 Device will become inoperable if not connected to the specified Diamond Game system.

A variety of additional security features are inherent in the construction of the Diamond Game system composition. Please see section 1.09 for details.

### 1.09 Basic System Requirements

Diamond Game's LT-3 Device is designed to work with a sophisticated system comprised of a site-level, retail server and a centralized management server to which all of the retail servers communicate information on a transactional basis. Details related to the Diamond Game system are listed below.

#### The Lottery Retail Accounting System ("LRAS")

The Lottery Retail Accounting System (LRAS) enables the reporting, maintenance, and payout of all LT-3 devices at a single location. It is designed to work in tandem with the Lottery Management System (LMS), as certain data elements would be transferred from the site level to the central LMS level for reporting purposes or certain payout requirements. The LRAS allows authorized users the ability to print various auditing, transaction and user reports from the data stored in the site server database. After launching the application and entering a valid username and password, the user selects



a report to be run from the several standard reports listed in the “Report” menu item. Upon selecting a report, the user is presented a “Criteria” window in which report specific data is entered, such as a data range. After valid criteria are entered, the onscreen version of the report is displayed via a print preview screen. The user can review each page of the report onscreen. If desired, the user can print the report or export it to a file for later use. The standard reports display the most commonly queried information, most importantly for accounting data such as revenue and hold percentages over a time period (dollars in/out, play counts, dollars and games played per bet amount, win counts, etc.). This accounting system supports many different games simultaneously deployed at a particular location, so some reports are by machine number, and some are for a specific game or pay table of a game.

The LRAS also has a “Maintenance” menu which allows configuration options for setting up location data, pay tables available, bank setup (as in a bank of machines), and machine setup (setting of jackpot amounts, pay tables, games, etc.). The availability of functionality accessible in this program is determined by the appropriate user permissions. User permissions are controlled by the administrator user account, which can establish various permission levels to existing or new users.

The LRAS is installed on the server at the retail site. It handles accounting, reporting, machine setup, configuration, and voucher payout. Revenue data from all retail sites is transmitted from the LRAS to the LMS on a transactional/real-time basis using SQL Server replication for consolidated reporting. Additional applications are installed on the site server which facilitate operations:

Machine Monitor is an application which allows for review of which machines are online and offline at the site level. When machines are offline, the application may be set to send out notification emails to specified email recipients.

The Transaction Portal (TP) is the communication component of the server, handling communications between the ticket dispensers and the server. This component handles transferring information between the accounting system database and the dispensers, including their configuration, events and game play results.

The Transaction Portal Control is an application that allows monitoring of the currently connected machines to the server and their status. It also allows the ability to manage the TP itself, as well as options for logging events from the TP.

The Deal Import application imports deals created by the Deal Generation system at Diamond Game. The import process also loads the accounting system with supporting data so that game results can be validated as tickets are purchased. Forms are also loaded that contain Deal information and describe the winning Tier levels, the corresponding number of coins won for the Tier level, and the number of winning occurrences of each Tier level. The Deal Import application takes these results and puts them into the accounting system database so that they may be used by games and other system components. The Deal Import application will also generate logs and reports of each import action, giving details of successes and failures or other pertinent events during the importing process.

## The Lottery Management System (“LMS”)

The LMS receives revenue data from retail sites and has two primary functions: consolidated reporting and the payout of vouchers over a specified dollar threshold, and over a specified age if applicable. These options are configurable, so that if this system is not needed for payout, values can be set to ensure that vouchers are not transferred. Once a voucher is transferred for payout via the LMS, it can no longer be paid out at the retail level.



## The Blue Diamond Platform

The Blue Diamond platform is the technician's and operator's interface for certain machine and game configuration options and setup. It also serves as a tool for dispute resolution when necessary. Viewing history of previous games is a helpful way to review actions on the machine. The system and the game are on individual compact flash cards, which are plugged into the logic board inside the cabinet. Both have self-authentication features which validate that no changes have been made to the software. In addition, the Basic Input Output System ("BIOS") contains a security key which is checked by the Blue Diamond platform to ensure that it has not been modified.

Detailed User Manuals for the LRAS, LMS, or Blue Diamond platform are available upon request.

Due to the LMS/LRAS (central/local) relationship there is an inherent redundancy built into the system. If the LMS server temporarily goes off line for any reason, the operation of an individual device as controlled by the site's LRAS server will not be affected.

Moreover, the LMS has a cluster environment with automatic failover. LRAS backup servers will be maintained at our service provider's warehouse facility, which would be manually configured and deployed in the event and downtime. The LMS and LRAS system data is backed up according to a defined schedule and can be repopulated according to the given backup plan.

Both the LMS and LRAS are capable of possessing redundant hardware such as hard drives and power supplies at the respective site at which they are located.

As required, each device is able to be configured to become inoperable if not connected to a specified system, and a user of the device or system will not be able to change this setting without assistance or pre-approval of some agreed-upon process provided by the state.

The Diamond Game system uses a proprietary/closed protocol communication via TCP/IP from Devices to server. The benefits of such a system are focused largely on security and product integrity, as the closed protocol allows for unique game play encryption capabilities, as well as the ability to validate the game result at both the device and server level. Our Devices can also communicate via SAS 6.02 with various third party player tracking providers. As such, the system is flexible in that interfaces may be written to communicate to other systems (i.e., G2S/S2S).

The individual Devices communicate via TCP/IP with local site servers. Each local site server communicates via SQL replication to the central system for consolidated reporting and optional payout of vouchers over a configurable amount.

Regarding the server operations, the Diamond Game Back Office System consists of a standard off-the-shelf Windows Server 2008 computer that communicates with the machines over an Ethernet network using TCP/IP. The server IP address and port are set on the machine the first time it is started and stored in NVRAM.

When Devices are initially connected to the server, the server verifies that the Device has been setup within the server configuration. Once verified, the Device is registered as connected, and the server will start logging messages and accounting data for that machine. The Devices themselves keep track of critical data such as meter information, game recall and event history. This is stored on NVRAM resident on the Device's logic board.

A Device, once initialized and registered by the server, begins play by inserting sufficient funds (either bills or vouchers) and then dispensing a ticket via the play button. The Device will send a play message to the server, including the deal number and ticket number of the ticket read by the mechanism. The server will receive and respond with the



corresponding ticket information from the appropriate deal. These pieces of information are encoded at the application layer via a proprietary scheme.

The encoded data sent to a machine includes all relevant information to display an appropriate win, including the win amount and the specific symbol combination to display appropriate to the game type. As stated in the introduction, the actual results are on the ticket. The data sent by the server is to facilitate displaying these results to the purchaser. It in no way changes the outcome of the printed ticket. It does provide fraud prevention by recording what tabs have been played and will not allow the same ticket to be played twice.

A series of network topology documents designed to visually outline the connectivity of the Device Central System to an individual Device is below. Please note, these diagrams represent examples of how the networks may be connected. Certain details may differ for implementation.

In the event that the State wishes to view a tologoy document outlining the connectivity of the LMS, such as document can be provided upon request.

*[Remainder of page intentionally left blank]*



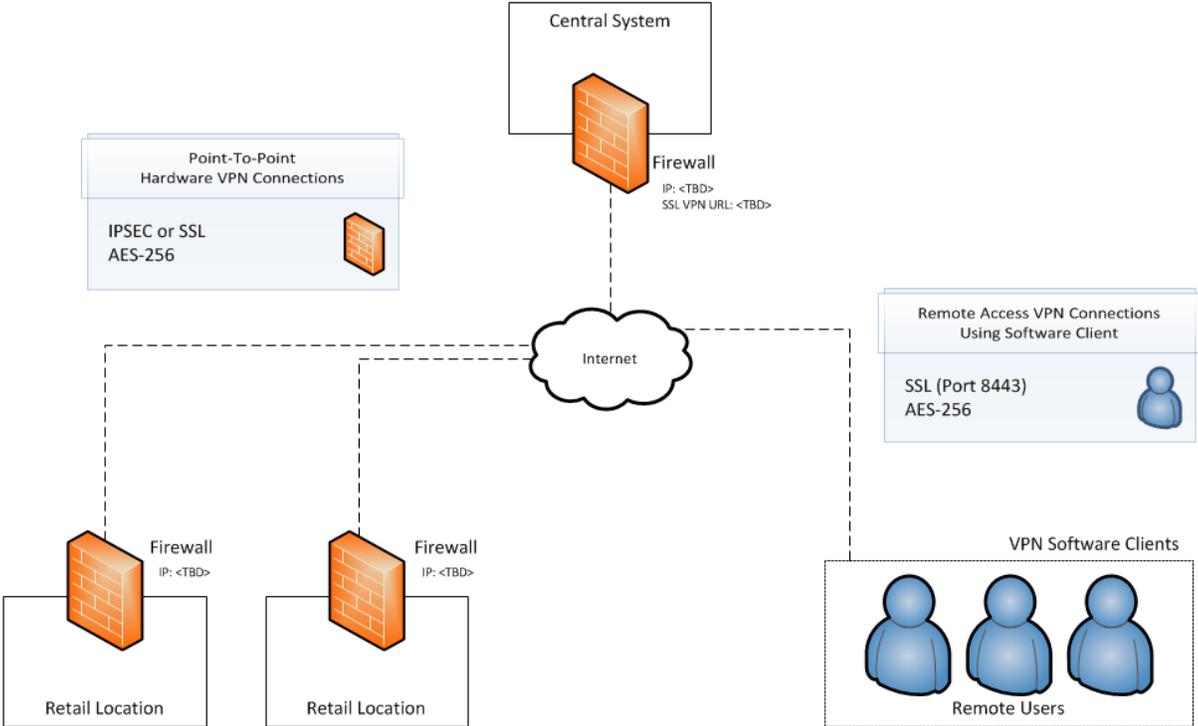
Central System Overview



Michigan Lottery Overview

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Central System Overview





Retail System Overview



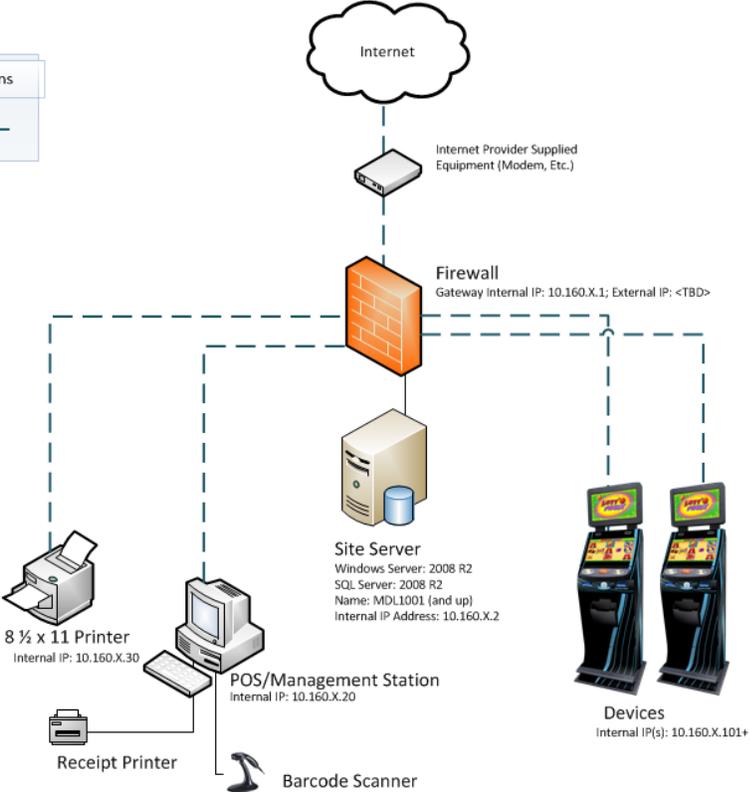
Michigan Lottery Overview

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Retail System Overview

Site Provided Network Connections

Cat 5e or 6a -----



Retail Network IP: 10.160.X.0;  
Subnet Mask: 255.255.255.0;  
Domain: DGMDL.local



## 1.10 System Logs

Consolidated reporting is available at the LMS. The following data is available in near real-time from the system (hourly, daily, weekly, monthly, quarterly, semi-annually, annually). Reports are available by location, by purchase amount, by game theme starting at hourly, then daily, and so forth. Should more specific, detailed audit reporting be required, additional retail site reports may be accessed remotely. All logged data accessible via reporting cannot be altered by an operator accessing the system.

Diamond Game reporting package more than fulfills the requirements enumerated in section 1.10. A listing of Diamond Game's standard package of reports is can be provided to the State upon request. A listing of the standard package of available reports if outlined below, separated into two classifications: LRAS reports and LMS reports. Notwithstanding the listing below, Diamond Game understands that the State may require that certain customized reports be developed for efficient integration into existing State procedures or reporting. In anticipation of such a need, the Diamond Game system uses a SQL database and can build reporting around captured data to satisfy nearly any reasonable request. Diamond Game will work with the State to build any additional reports that may be required.

### **LRAS Reports**

- Receipt Printer Reports
  - Daily Revenue by Machine – Formatted for a receipt printer. Displays revenue data by machine for the set accounting day period. Defaults to the previous 24-hour period.
- Voucher Payout Receipt Reports
  - Start Session Receipt Report – Formatted for a receipt printer. Displays the cashier signed in, the date and time, the session ID, and the starting cash drawer balance.
  - Session Summary Report – Formatted for a receipt printer. Displays the cashier signed in, the date and time, the session ID, the starting cash drawer balance, the number of payouts, the total amount of payouts, any cash added during the session, any cash removed during the session, and the ending balance.
  - Cash Bank Transaction Report – Formatted for a receipt printer. Displays the cashier signed in, the session ID, the amount added or removed to/from the cash drawer balance, and the type of action (add or removal).
- Audit Reports
  - Machine Activity Report – Displays detailed machine activity for the selected period, to include door opens, money in, drops, insert and extract of technician key, stacker removed, and win/lose/forfeit/jackpot activity. The maximum selectable date range for this report is 1 week due to the amount of data.
- Daily Reports
  - Daily Revenue by Machine Report - This report provides data very similar to the same report formatted to fit the receipt printer; however it is formatted for 8.5x11" printer paper.
  - Daily Cashier's Report - Displays all voucher payout activity by cashier, by session.
  - Daily Cash Bank Report - Displays all POS activity for all cashiers, by session.
  - Voucher Liability Report – Displays all vouchers that are valid for a location which have not yet been paid for an accounting day.
- System Reports



- System Event Report – Displays when a stored procedure has a non-zero error returned. Records LRAS report runs and failed payouts, payout overrides, reprint of receipts, machine shutdowns, and voucher errors. Records associated machine number and error number, event date and time.
- Machine Access Report – Displays number of door opens for main door, cash door, logic door, and base door, by machine number and associated information. Totals are grouped by accounting date. Filtered by accounting date range, no limit on time span.
- Other
  - Weekly Revenue Share by Game – Displays day-by-day revenue share totals by game for a location.
  - Revenue by Machine - Displays same data as 'Daily Revenue by Machine Report', but for a configurable reporting period.
  - Drop by Date Range - Displays all cash box drop activity for a configurable reporting period.
  - Deal Inventory – Paper – Displays total tabs, total remaining, and total dispensed for each terminal. User can opt to display all closed deals for reporting purposes.
  - TPP-Deal Analysis - Displays statistics used in deal analysis, to include amount played, amount won, amount held, and payout percent. User may select all deals or a specific deal from a drop-down menu.
  - Voucher Liability by Date Range - Displays all vouchers that are valid for a location which have not yet been paid, for a selectable period.
  - Login Information – Displays all system login events
  - Weekly Machine Status Report – Displays machine status by week for a configurable reporting period.

### **LMS Reports**

- Daily Activity by Site – Displays all dollars in, vouchers in, vouchers out, amount played, amount won, and net revenue, for all locations.
- Expired Vouchers by Site – Displays vouchers expired by site. Displays voucher ID, voucher Amount, Created Date, and Expiration Date. User-selectable reporting period.
- Hourly Revenue by Machine – Displays revenue data by machine for each hour.
- Liability – Displays vouchers not paid at retail locations
- Monthly Revenue by Game – Displays monthly revenue, sales, and payout totals by game, by location.
- Revenue by Deal – Displays revenue data by deal.
- Revenue by Machine - Displays revenue by machine, weekly.
- Security Audit – Displays reports accessed, security changes, successful and failed logins.
- Weekly Lottery Invoice – Used by Diamond Game to bill the lottery. Calculations are shown for substantiation.
- Weekly Revenue Share by Game - Displays revenue by game for specified period.
- Ticket Balance Report - Displays all locations, by location for the accounting day. Used to balance and reflects weekly income at all retailers. Displays any locations that failed to report for that period.

Because of the sensitivity of reports residing at the retail level, a report access matrix is typically created to ensure no unwanted users have the ability to run reports.

The following matrix displays an example of the list of system reports by type, along with the type of user who may access each report by default. Green indicates ability to access, red indicates a report is limited for a specific user type. Access to reporting for each type of user is configurable based on State requirements.



Report Type Key	
	Receipt Printer Reports
	Daily Reports
	Audit Reports
	System Reports
	Other
	Voucher Payout Receipt Reports

	Admin	Supervisor	Reporting	Cashier	Diamond Tech
Daily Revenue By Machine					
Daily Revenue By Machine Report					
Daily Cashiers Report					
Daily Cash Bank Report					
Voucher Liability Report					
Machine Activity Report					
System Event Report					
Machine Access Report					
Weekly Revenue Share By Game Report					
Revenue By Machine Report					
Drop By Date Range Report					
Deal Inventory - Paper					
TPP Deal Analysis					
Voucher Liability By Date Range Report					
Login Information					
Weekly Machine Status Report					
Voucher Payout Receipt Report					
Start Session Receipt Report					
Session Summary Receipt Report					
Cash Bank Transaction Receipt Report					

A standard Microsoft Office program, or equivalent application can be made available on the operator Workstation to fulfill the preference that each System should provide a way for operators at the facility to enter notations such as refilling tickets, removing cash, clearing ticket/voucher jams, malfunctions, and scheduling of service calls.

1.11 System Security

As specified in Section 1.11, local access to the system will be password protected. System logs will not be capable of change at the facility level, will be fully encrypted and entirely protected. Each LRAS server will log any unauthorized attempts to access system logs. If a person fails to enter the correct password more than five times the system will become disabled.

In addition to the aforementioned basic security requirements, Diamond Game offers a large array of additional security features. Diamond Game utilizes industry-proven anti-virus solutions, such as Symantec’s cloud based Anti-Virus



solution. Updates are rolled out after they have received and passed all applicable testing effort by Development and the QA department.

Diamond Game would endeavor to review physical security annually and user roles and rights quarterly. Field technicians would verify that the LRAS servers are physically secure on a quarter basis at each Veterans' Organization.

Application privilege assignments are controlled by application administrators, and segregation of duties within the LRAS and LMS applications is defined based on the types of user groups set up in the system. In the LMS application, user access types are Administration, Reporting, and Payout. Users with Administration accounts may create new users, reset passwords, and more. Those with Reporting accounts may only access reports, and those with Payout accounts may only access certain reports and may pay out vouchers. In the LRAS application, the user access types are Administrator, Supervisor, Reporting, and Cashier. The administrator may access all areas and functions of the application. The supervisor may setup users at cashier and reporting levels, perform general troubleshooting and resolution, access reports, and other maintenance options. The reporting user may access reports, and the cashier user ID is intended for users whose sole interaction is operation of the payout station.

Diamond additionally employs proactive monitoring solutions to adhere to best practices and minimize potential downtime. These solutions allow the Diamond Game system to identify potential problems and service outages. Diamond Game utilizes industry standard monitoring solutions.

Diamond Game monitors Devices, Windows Servers, Windows Services, and Network Connectivity. LT-3 Devices are monitored to see if they are connected, not connected, or connected but not playable due to an error. Windows Servers and their network connectivity are checked through pings being sent once every 5 minutes to every server. This helps ensure that network connectivity and the server are functional. SQL Server is also being monitored for errors that require user intervention including failed backups, high availability alerts, and out of sync replication.

A detailed listing of all monitoring applications and their functions can be provided upon request.

### 1.12 Non-Operational

As required under Section 1.12, each Device and System is capable of continuous operation for 24 hours a day. In the event that a Device becomes non-operational, the Device will issue a voucher reflecting the user's available balance or, if the Device cannot issue a voucher, it will maintain the user's available balance until a voucher can be issued. Due to the presence of the LRAS/LMS system composition, all information regarding the activity of the Device prior to the point of non-operation will be logged in two separate places and will be able to be conveniently accessed by the appropriate parties if needed.

In the event that the system becomes non-operational, because of the LMS/LRAS system configuration, the risk of system outage due to disaster is largely mitigated. In the event communication is lost between a retail system and the central system, operations at retail sites can continue without interruption. Data will be sent to the central system, if applicable, upon restoration of communications.

Given that the Devices depend on the LRAS running MSSQL Server to retrieve game results, store financial data, and communicate system events it is critical that the LRAS is always running and that a recovery procedure is in place in case of a failure.

The following procedures are followed to ensure data is not lost.

- An MSSQL Maintenance Plan is created.
  - The plan is responsible for creating a Full Backup of all databases on a daily basis. These backups can be used to fully restore the databases at the time they were backed up.



- If there are any failures in these procedures, alerts will be sent to the appropriate staff.
- A recovery procedure is in place.
  - If data on the database gets corrupted or lost, the database backups will be used to track down the issue and restore the database to a consistent state.
  - If the server fails, a new server will be brought in to replace it. The previously backed up databases will be used to restore the server.
  - Games on the Cabinet will be connected to the replacement server.
- Data is archived.
  - There are procedures in place to extract data from the databases and save it for years. This will ensure that all system and financial data for the system is accessible if needed.
  - Data archival also ensures that production system performance does not degrade because of excess data.
- Alerts are sent out, ensuring prompt responses to potential issues.
  - If a Device gets an error, an alert is sent out to the appropriate staff.
  - If a critical service on the Server stops, an alert is sent to the appropriate staff.
  - If the server itself goes down or needs attention, an alert is sent to the appropriate staff.

1.13 Additional Equipment

As required, a table of additional equipment necessary to enable the operation of Diamond Game Devices and Systems is listed below:

<b>Category</b>	<b>Description</b>	<b>Quantity</b>
Central Site	Server	2
Central Site	VPN Concentrator	2
Central Site	Switch	2
Central Site	Backup & Anti-Virus	1
Central Site	Server OS	2
Central Site	SQL Server	1
Central Site	KVM	1
Central Site	Monitoring	1
Central Site	Terminal Server Licenses	1
Back Up Central Site	Server	1
Back Up Central Site	VPN Concentrator	1
Back Up Central Site	Switch	2
Back Up Central Site	Server OS	1
Back Up Central Site	SQL Server	1
Back Up Central Site	KVM	1
Retail Site	Server	1
Retail Site	Server OS	1
Retail Site	SQL Server	1
Retail Site	Switch	1
Retail Site	VPN/Router	1



Retail Site	Server UPS	1
Retail Site	POS UPS	1
Retail Site	POS Monitor	1
Retail Site	POS Computer	1
Retail Site	POS Keyboard	1
Retail Site	POS Mouse	1
Retail Site	POS Receipt Printer	1
Retail Site	POS Scanner	1
Retail Site	POS Cash Drawer	1
Retail Site	Reports Printer	1
Retail Site	SQL CALs	1
Retail Site	Device CALs	1
Retail Site	Cables	1

1.14 FCC Compliance

The LT-3 Device and system fully comply with all Federal Communications Commission regulations and standards. Moreover, Diamond Game’s proposed LT-3 Device has been tested according to TUV SUD "Testing and Certification Regulations". LT-3 is listed by TUV U8 12 03 73234 003 to UL 22/R:2010 and CAN/CSA-E 60335-2-82:2006, which include FCC testing.

A copy of the LT-3 TUV cabinet certification is available upon request.

1.15 ADA Compliance

As required in section 1.15, Diamond Game’s LT-3 gaming device and system is ADA compliant. In the event the State requires modifications associated with ADA regulations, Diamond Game acknowledges the requirement that such modifications would need to occur prior to implementation and at no additional cost.

2. Technical Support, Repairs, and Maintenance

Diamond Game acknowledges that the Contractor will be required to provide technical support, on-site repairs, and routine maintenance during the term of the Contract. And that all such requirements will be provided at no additional cost to the State beyond that which is defined in Exhibit C’s Pricing Form.

In order to provide the required technical support, Diamond Game would plan to engage in a number of activities that would have a benefit to the State. Details regarding the Economic Benefit to the State of Michigan of Deploying Diamond Game’s LT-3 can be found in Exhibit B, Section 6.

2.01 Call Center

As required by Section 2.01, Diamond Game will provide a Call Center to service a point of contact for the State, supplier, or facility. The call center will be open for calls between 8:00 a.m. to 2:00 a.m. Eastern Time, seven days a week. The Call Center will perform all of the functions requested by the RFP, including providing technical support, routing calls as necessary to schedule on-site repairs, maintenance, or escalating calls as is appropriate.



## 2.02 Technical Support

Diamond Game acknowledges the requirements that the Call Center operator must endeavor to resolve the caller's issue in the defined timeframe or escalate the call to an appropriate party. If the issue cannot be resolved within one hour, on-site service for the caller will be required.

Following the standard procedure utilized by Diamond Game in other U.S. and Canadian Lottery markets, Diamond Game would recommend that in the event of a complex service issue, the Facility or given stakeholder would contact Diamond Game Technical Support via a phone service to be determined and provide the following information:

- *Location Name*
- *Address*
- *Caller*
- *Call Back #*
- *Alternate Contact*
- *Call Back #*
- *Event Code*
- *Error Description*
- *Machine number*

The phone service operator will ask the party reporting the issue a series of questions that will be used to generate an automatic email that will be sent to Diamond Game for issue tracking and resolution purposes.

When an event arises that warrants the utilization of the phone service maintenance system ("Tier One call"), Diamond Game technicians will review the call to determine which Facility is affected and the technician responsible for that site will respond within the parameters specified in the RFP. Technicians are responsible for specific locations and are required to notify one another in the event of a sick day, vacation time, or emergency where they require another technician to cover their sites. Due to the nature of this position, travel is required and in the event that a technician cannot respond to a Tier One call immediately as they may be driving, then another technician will contact the site (even if it is not their location) wherever possible within a 30-minute time frame to assess the situation and try to resolve the issue over the phone or advise them that a technician will be on site as soon as possible.

The technicians will send out an email confirming that the site has been contacted and whether they are en route to the site, if there is a need for an on-site repair, or that they provided instructions to the staff to do the repair over the phone. A follow up phone call to see if the issue was resolved by the staff is made by the technician to indicate that this matter has been resolved. An email is sent out again to state what the resolution was and the time that the issue was closed.

If the technician has performed an on-site repair, an email is sent with the resolution and the resolution time. Should the issue not be resolved at the time of the visit, an email notification is sent with details of the further work required and the case remains open.

## 2.03 Call Center Logs

As required by section 2.03, the call center will maintain a call log that identifies all of the information defined by Section 2.03, in addition to the recommended data points listed in Section 2.02 of Diamond Game's proposal.

Additionally, a summary report is generated each morning to list the previous day's Tier One calls. At this time, a Diamond Game Office Manager verifies against the emails and time from the initial Tier One call. These are then logged



into our internal tracking system, Microsoft Dynamics Navision. The time stamp on the initial Tier One call email is the time that is logged as the “initial time”. The call to the site made by the technician is logged as the “response time”. The last email by the technician should be the resolution (what repairs were made by the technician to resolve the problem) and the time which is logged as the “resolution time”. These three times are logged into the enterprise resource planning tool, Microsoft Dynamics Navision. Microsoft Dynamics Navision collects numerous Diamond Game business’s functions into one integrated system. Microsoft Dynamics Navision contains integrated financial, manufacturing, supply chain management, sales and marketing, project management, human resources, and services management information and is currently employed as a resource planning tool for all of Diamond Game domestic and Canadian Lottery customers.

Should any discrepancies arise between the daily report, the email traffic, or any Navision logs, a follow up investigation is conducted. In these circumstances, the call remains open until a resolution confirmation is received and only then is the call entered into the system as complete.

Diamond Game will provide the State with copies of any logs, reports, emails, or correspondences related to service at the request of the State.

#### 2.04 Repairs

Diamond game acknowledges and agrees to the repairs requirements set forth in section 2.04 of the RFP. This includes the requirements that if a Device or System is non-operational, as defined in Section 1.12 above, a technician will arrive at the location and begin repairs within 72 hours of when the repair was requested. If a Device or System is still operational, a technician will arrive at the location and begin repairs within 120 hours of when the repair was requested. Diamond Game will always endeavor to exceed the minimum requirements associated with the service and repair requirements associated with Devices and their associated system deployed under this RFP.

Diamond game acknowledges and agrees that, pursuant to the Standard Contract terms, if a Device or System cannot be repaired within 7 days from the start of repair, Diamond Game will immediately replace the Device, System, and/or any associated equipment provided by Diamond Game as necessary to restore normal operation.

Diamond Game also confirms that during any on-site repair, the Diamond Game service technician will also test the security, safety, and general operation of all Devices and Systems at that location and perform any necessary maintenance.

Notwithstanding the above statement, in addition to the service and maintenance items listed above, in order to ensure sustained operation of the LT-3 Devices in the various facilities throughout Michigan, Diamond Game will look to the Facilities to provide a limited level of service to the equipment. This level of service is required to ensure the product continues to function properly. Failure of a Facility to provide this level of service can potentially result in equipment failure or underperformance. These service items are not technically complicated but should be completed by a competent staff member.

At a minimum, Diamond Game recommends a minimum of one Facility staff member to be on duty during all operating hours.

For the sake of efficiency and optimal Device operational status, Facility staff will be asked to provide the machine malfunction support and manage on-site paper needs as follows:



- Receives and stores the paper deal inventory and ticket out vouchers. The paper deals and voucher inventory should be stored in a controlled environment, between 15° to 30°C (59° to 86°F) and relative humidity between 30% to 60%.
- Refills the vouchers when the vouchers run out
- Ensure adequate stock control and timely orders are placed for replacement voucher stock
- Reloads the paper rolls in the machine when they run out, removes old box/roll and replenishes spare slot with next box, if applicable
- Ensure adequate stock control and timely orders are placed for replacement rolls
- Performs cash drops if required, according to the State's defined schedule
- Supplies and refills printer paper and ink cartridges at the POS stations when they require replenishing.
- Veterans' Organization facility staff will be asked to clear simple game errors
  - Game screen alignment
  - Game screen lockups
  - Paper Jams/Mech Adjustments - simple ones (without removing any parts)
  - Paper ticket errors
  - Bill validator errors
  - Paper voucher errors
- Should consistent machine errors occur resulting in machine shut down, the errors should be recorded on the "Machine Error Report" for later review by Diamond Game Staff.
- Veterans' Organization facility Staff will also be requested to help with cleanliness - wiping down exterior on a periodic basis including tops of cabinets, ideally at a minimum once per week.
- Veterans' Organization facility Staff will also be requested to help with interior cleanliness and ensure no paper debris, trash, tools, if applicable, are left in the machines. Cleanliness should be checked every time the machine is opened.
- Frequent cleaning of the scanner is strongly recommended to reduce paper dust build up.

In the event of a more advanced service need, the Call Center Tier One escalation procedure described in Section 2.03 should be followed.

## 2.05 Repair Logs

As required by section 2.05, Diamond Game will maintain a log of all repairs. The log will include the date, time, and location of the repair; issue or issues reported; the Device or System at issue; all repairs or replacements that occurred; how the issue was resolved; and any additional key information. Such logs will be made available to State upon request and can be provided as hardcopies, or in the form of electronic logs of service activities and repairs using the Service Module in Microsoft Dynamics Navision. Please see section 2.03 for additional information related to Microsoft Dynamics Navision.

Due to processing procedures, electronic logs will be made available one week following any recorded activity. Any available electronic logs can be provided immediately upon receiving a request from the State.

## 2.06 Maintenance

As required by Section 2.05, Diamond Game acknowledges and agrees to perform on-site preventative maintenance ("PM") for all Devices, Systems, and any associated equipment provided by Diamond Game at least once every 180 days.



Such maintenance will be coordinated with the given Facility and will comply with various non-operational device requirements outlined within the RFP.

During the PM routine, technicians will perform the following tasks:

- Replace or clean player panel buttons and lens caps
- Inspect and replace light harness ties as required
- Inspect player panel wiring and tighten switches
- Check door layout lanyard condition
- Perform pay table test
- Inspect video display for areas of discoloration or fade
- Check and or adjust horizontal and vertical alignment
- Clean monitor mask with lint-free cloth
- Clean video screen with anti-static glass cleaner
- Inspect for cracks or chips and replace as required
- Remove bill head and transport assembly
- Remove residue from bill head wheels
- Clean bill head lenses
- Inspect transport belt
- Remove residue from transport wheels
- Clean transport optics
- Adjust transport tabs
- Inspect springs and sprockets
- Return assembly to game
- Inspect and seat all power supply connections
- Inspect and seat all motherboard and processor board connections
- Vacuum game floor

## 2.07 Maintenance Logs

As required by Section 2.07, Diamond Game will maintain a log of all maintenance, including the date, time, and location of the maintenance; the Devices and Systems at issue; and all work performed or parts replaced.

Diamond Technicians will additionally maintain a written maintenance log inside the main cabinet access area of each Diamond Game LT-3 Device. Every technician employee who gains entry into any internal space of the Device for performing physical maintenance or repair will sign the maintenance log, record their employee license, indicate the date and time of entry and list all areas inspected, repaired or serviced. Diamond Game will retain the maintenance log for the full period of the contract and shall make the maintenance log immediately available to the Lottery upon request. Monthly reports of preventative maintenance work performed will be made available on a monthly basis and will be accessible to the Lottery upon request.

## 2.08 Replacement Parts

As required by Section 2.08, Diamond Game will maintain replacement parts to reduce downtime for common repairs or perform regular maintenance. All such replacement parts will meet the original equipment requirements.



Furthermore, it is recommended that common consumable parts be stored at the Facilities to reduce downtime for common repairs. A stocked parts locker at each Facility will be at the technicians' disposal at all times. The parts locker will ensure the ability to sustain the service of the LT-3 Devices. Spare parts will be replaced at Facilities twice weekly (or more often if necessary) by courier. Repairable parts will be processed as directed by Diamond Game. Defective parts are to be sent to Diamond Game's Processing Center with the defective part properly tagged as "defective" and the following information included: date tagged, Tech name (or ID # and readable), failure/problem/fault of the part and the Device number that it failed in. All returned parts must be properly packaged, ideally in its original packing container.

The service warehouse containing all mechanical and electronic components necessary to fully service, repair, or replace a malfunction on Diamond Game Devices will be located in an area to be determined by Diamond Game and approved by the State pursuant to any applicable requirements of RFP. Parts provided by Diamond Game will be stored in clearly marked and easily identifiable bins and segregated and stored separately from other manufacturer's parts.

### 2.09 Modifications and Upgrades

As required by Section 2.09, Diamond Game agrees that modifications, game conversions, device relocations, and upgrades to Devices or Systems may become necessary throughout the term of the contract. As such, Diamond Game acknowledges and agrees to comply with the requirement to clear all modifications or upgrades with the State before beginning work and, if the modification or upgrade must occur at a facility where a Device or System is located, Diamond Game will schedule an available time with the facility. As specified, Diamond Game agrees that all such modifications will be subject to, and comply with, the non-operation requirements outlined in the RFP.

### 2.10 Modification and Upgrade Logs

As required by Section 2.09, Diamond Game agrees to maintain, and make available to the State upon request, a log of all modifications and upgrades, that at a minimum will include the reason for the modification or upgrade; the date, time, and location of the work; the work performed; and all Devices or Systems affected.

## 3. Delivery, Installation, Relocation, and Training

Diamond Game agrees to deliver, install, relocate, and provide training during the term of the Contract and that all such activities will be provided at no additional cost to the State beyond that which is defined in Exhibit C – Pricing Form.

### 3.01 Delivery

As required by Section 3.01, Diamond Game agrees to deliver, install, and connect each Device, System, and any associated equipment, at a facility anywhere within the State of Michigan as requested by the State within 90 days of an order.

Please note, the commitment to adhere to a 90-day requirement assumes no atypical start-up testing cycle or associated game or system development tasks. For program start-up, certain user-acceptance testing periods, requirements finalizations, development requests, report development requests, etc. may require the 90-day timeframe to be extended. The factors associated with such an extension would be under the State's control.



### 3.02 Relocation

As required by Section 3.02, Diamond Game agrees to move all Device and Systems, including and associated equipment, from a facility, and delivery install, and connect, each Device and System, within 90 days of a request by the State.

### 3.03 Training

Diamond Game acknowledges and agrees to the requirement that within 2 days of delivery or relocation to a facility, Diamond Game will provide comprehensive training on the operation of the Device and System to all individuals identified by the State, including staff working at the facility where the Devices and Systems have been delivered. Diamond Game will additionally provide manuals and quick reference cards for the Devices and Systems.

A detailed LRAS manual, LMS manual, and Blue Diamond System Manual are all available upon request.

Sample quick reference cards are additionally available upon request. These sheets can be customized to the needs of the State if specific verbiage or details in the sample provided below do not meet with the satisfaction of the State.

In addition to Facility specified training that occurs at the point of installation, Diamond recommends that the State thoroughly review and sign-off on the LT-3 Devices through a User Acceptance Testing (“UAT”) cycle. During UAT, Diamond Game would recommend, a team from Diamond Game to go to a specified UAT location to install the equipment and provide a high level training on the system and software.

The Diamond Game team will guide and support the State on site during the UAT cycle as needed to complete the goals and objectives as defined by the State. The list below is a sample of the sorts of UAT scripts that are typically addressed, however, the exact details of the UAT cycle, or even the need for any UAT, is entirely at the discretion of the State.

- a. *Verify Terminal Identification and Validation at sign on*
- b. *Manual and Automatic Disabling and Enabling of Devices based on full floor, zone, bank or individual Device*
- c. *Verify TITO accuracy, if applicable*
- d. *Verify Device System and Device general functionality and response time*
- e. *Verify all Device System Reporting and Accounting is accurate and complete*
- f. *Real-time Polling of Full set of Device Logs*
- g. *Validating of full set of Device Logs*
- h. *Performing validations and balancing accounting reports*
- i. *Performing validations and balancing performance reports*
- j. *Performing transaction look-ups*
- k. *Test of a full floor sweep*
- l. *Test of distribution and response of daily invoice*
- m. *Validate and balance the results of a Coin-test during installation*
- n. *Balance all reports with all available data*



- o. Verify exporting of reports – all formats*
- p. Printing and validation of all security reports*
- q. Verify Asset Tracking Software*
- r. Verify Device System Failover*
- s. Verify Facility failure/site controller failure and data recovery when back online*
- t. Forcing Device failures to verify proper system notification (including create print jams, disconnect power and communication cables, door opens, etc.)*
- u. Forcing System failures to verify proper Device System recovery (including disconnect power and communication cables, improper Device Central System operation, etc.)*
- v. Forcing Device, network and System failures by volume testing System performance in transaction rate and capacity*
- w. Written documentation of expected results, actual test results, and status of each exception*

During the completion of the testing to be defined by the State, the Diamond Game team will document any issues or feature requests from the State and deliver it to the Diamond Game Project Management Team for evaluation and implementation. Diamond Game will regularly host meetings to discuss all issues and requests from the customer with UAT staff, Diamond Game team at UAT, Diamond Game project managers and Diamond Game developers when necessary. Depending on the priority of issues and feature requests, there may be new releases of software for the UAT staff to review and test during the UAT period.

Once UAT is completed and the State has signed off, any outstanding issues or feature requests will be tracked by Diamond Game project managers for future releases.

Based on prior experience in applicable markets, the Diamond Game Device UAT takes approximately 2-3 weeks, depending on the level of changes requested by the State or discovered during the UAT.

### 3.04 Training Logs

As required by section 3.04, Diamond Game will maintain a log of all training that, at a minimum, will include the date, time, and location of the training; persons present; topics covered; training materials distributed; and approximate duration of training measured in minutes. All logs, materials, documentation, notes, etc. associated with training will be made available to the State upon request.

### 3.05 Employee Identification

Diamond Game acknowledges and agrees to all Employee Identification requirements outlined in section 3.05.

In existing markets, described in detail in Exhibit B, Section 5, Diamond Game employees wear Diamond Game uniform shirts during on-site repairs, maintenance, modifications, upgrades, training, or any other field service activity. All Diamond Game employees, when communicating via email, use a standard DGE signature, which indicates their name, title, and contains their contact information. Employees clearly identify themselves when contacting customers via phone. Diamond Game is additionally agreeable to complying with any other reasonable Employee Identification requirements set forth by the State.



#### 4. Liquidated Damages

Diamond Game acknowledges and agrees to all of the liquidated damages defined within section 4.01 through section 4.14.

#### 5. Service Level Agreements

Diamond Game acknowledges the requirement set forth in section 5 and is agreeable to entering into service level agreements reflecting the performance and liquidated damages identified in Section 1, 2, 3, and 4 of the RFP.

Notwithstanding the statement above in regards to Section 5, as clarified in Answer #82 of the State Answers to Bidder Questions, Diamond Game expects the currently-undefined service level agreements “to be used to establish specific requirements for performance of work and timelines under a contract... [and that the] agreements will define but not increase performance or liquidated damages beyond what is set forth in Exhibit A, Statement of Work.”

#### 6. Ordering

Upon receipt of an order, Diamond Game will internally review the order for accuracy and issue a verification of order receipt in writing, signed by a Diamond Game executive officer or other designated employee as appropriate, and delivered to the State via email or any other means of communication to be determined as necessary by the State.

#### 7. Quality Assurance

All Devices and Systems provided by Diamond Game will undergo an extensive Quality Assurance (“QA”) process. Samples of QA checklists and procedures can be made available to the State upon request .

As described throughout Section 2 and Section 3 of this proposal, Diamond Game will provide high quality technical support, repairs, maintenance, delivery, installation, and training.

Specific quality assurance methodologies in the given areas are described below:

1. Equipment– Each Device and ticket dispensing mechanism is put through extensive hands-on visual and functional checks. During manufacturing, quality assurance technicians complete and sign a checklist included with each Device which is assembled and tested. Extensive testing and a similar checklist is completed and included with each ticket dispensing mechanism assembled at Diamond Game headquarters prior to shipment for installation in the Device. Samples of these checklists and basic functional check procedures can be made available to the State upon request.
2. Technical Support - Diamond Game uses a call center that is available 24 hours a day. Support calls are progressed from the call center to the technician responsible for Tier 1 support calls in that region. If the Diamond Game technician is unable to resolve the support call and a high-level fix is required, the issue is escalated to the California headquarter office’s Field Support team. The information from the Tier 1 support technician is transferred via email in the form of an incident report. The California Field Support team will reproduce the issue and send the resolution back to the field technician. If the solution found requires a software or hardware update, a technical bulletin will be sent to any affected customers to alert them of the issue and when it will be resolved. A copy of Diamond Game’s Tier 1 support procedure can be made available to the State upon request.



3. Repairs and Maintenance – When necessary, repairs to hardware are tracked from initiation to completion by assigned Project Managers and thoroughly tested at Diamond Game facilities prior to installation. On-site repairs are monitored by technicians to ensure proper operation after repair.
4. Delivery and Installation – Diamond Game uses proven shipment providers and standard tracking mechanisms. Installation quality is managed by seasoned Project Managers and Field Service Managers who provide oversight before, during, and after installations to ensure smooth operations. In some cases, there is a follow up service team that arrives the day after a completed installation to monitor and provide additional support as needed.
5. Training – In order to provide detailed and relevant training of our customers, our training staff has developed detailed training materials with focus on market specific requirements alongside the standard functionality and features testing. The trainers work alongside internal QA testers to ensure all aspects of the Diamond Game system are covered in the training plan, including back office systems, applications, database and paper testing, when applicable. Once mastered, Diamond Game training staff train the Field Support Team through presentations, documentation and hands on practice sessions to solidify their knowledge on new market requirements.

## 8. Incentives

As specified in the RFP, Diamond Game will include special incentives in Exhibit C – Pricing Form.

### “Optional Features”

Diamond Game’s LT-3 has a variety of additional optional features and functions that are available to the State. As required in section 4 of Exhibit C, the pricing schedule clearly identifies the cost associated with including or excluding the optional features listed below.

#### ***Optional Multi-Price Ticket Feature***

Diamond Game’s patented multi-price feature allows players to choose from one of several price points on a single device while the device still dispenses a single pre-printed set of game tickets. Prize amounts vary commensurately with the price point of the wager amount. The multi-price ticket feature enables the powerful benefit of allowing operators to offer players a variety of price points on a single device without an increase in ticket handling or storage burdens. This feature increases the reach, attraction, and playability of the LT-3 device — all while simultaneously reducing labor costs and paper storage requirements. The player also benefits from increased interaction, greater control of his or her wagering budget, and a more engaging experience. Because Diamond Game holds proprietary intellectual property associated with this feature, no other prospective manufacturer can offer this feature or its benefits.

In light of the foregoing, Diamond Game recommends all Devices be deployed with the multi-price ticket feature.

For information regarding pricing associated with this feature, please see Exhibit C – Pricing Form.

#### ***Optional Multi-Game Ticket Feature***

Diamond Game’s patented multi-game feature allows multiple games to be printed and played on a single ticket. Each ticket is dispensed after all games on the individual ticket are complete. In the case



where a player cashes out before all the games on a ticket have been played, the un-purchased games on that ticket are voided in the system and the ticket is dispensed to the player. These games have not been purchased, thus any prizes that may be associated with void games are not paid out. The benefit of this feature is a significant reduction in paper consumption and storage requirements. There is also a major reduction in the amount of labor costs placed on the facility operators given that the reduction in ticket consumption comes with an associated decrease in the amount of paper shipments, receipts, documentation, and replenishment. All of these benefits would lead to a more efficient and lean Charity Game Ticket Vending and Validation Machines program. Because Diamond Game holds the intellectual property rights associated with this feature, no other prospective manufacturer can offer this feature or its benefits.

To successfully develop and deploy the Multi-Game Ticket Feature in Michigan, Diamond Game would need to engage in a dialogue with the State to fully define the system requirements associated with this feature. As such, the earliest this feature can be made available to the State is 12 months following the receipt of the complete system requirements. For information regarding pricing associated with this feature, please see Exhibit C – Pricing Form.

### ***Optional Encoded Play Indicia***

The Optional Encoded Play Indicia feature is a versatile way of displaying game result information on the tickets. This feature allows for the game result to be communicated to the player through a numeric code on the ticket, rather than through the display of game symbols and graphics. This methodology of displaying the game result on the ticket further enhances the security of the ticket. The feature can additionally allow for game themes that share a prize structure to function off of the same paper deal. This reduces labor costs and paper storage requirements on the operator.

All of the various ticket models proposed within Section 1.01 can be deployed using the Encoded Play Indicia feature.

For information regarding pricing associated with this Feature, please see Exhibit C – Pricing Form.

### ***Optional Local-Site Progressive Game***

The Optional Local-Site Progressive Game is a feature that enables Diamond Game Devices to contain a jackpot that begins with a pre-determined seeded amount (for example, \$1,000) that incrementally increases in size with each ticket played on the given device. This incremental increase is derived as a percentage relative to each wager made and is placed automatically into a progressive pool that increases in size until a player wins the progressive jackpot. All games have a base payout percentage. The progressive jackpot will be paid out in addition to this base payout percentage.

The progressive jackpot consists of the seeded amount plus whatever additional amount has accumulated through the play of the game. The amount in the jackpot is tracked and clearly communicated to the player on the game monitor. After a progressive jackpot is won, the jackpot returns to the seeded amount and begins progressing again. For any progressive game, the total payout from the local-site progressive feature is fixed and is factored into the payout and hold percentages for that deal. When deal of paper is entirely consumed, any remaining progressive jackpot amount remains on the device and rolls over to the next deal when inserted into the device.



The trigger for awarding the progressive jackpot award will always be the top prize result contained within the given game. Any games that shared a prize structure or deal will contribute to the same shared progressive jackpot pool.

For information regarding pricing associated with this Feature, please see Exhibit C – Pricing Form.

***Optional Multi-Site Progressive Game***

The optional Multi-Site Progressive game enables all individual State facilities to be linked to a progressive feature, resulting in significantly larger jackpots than could otherwise be contained in site-specific deals.

The funding of the progressive prize would be similar to traditional progressive games. The progressive contribution will be determined by the proportion of sales on each Device. The proposed instant game would have a very large pool of tickets, distributed across all participating State facilities, with multiple top prizes ensuring jackpot winners appear regularly.

To successfully develop and deploy the Multi-Site Progressive Game in Michigan, Diamond Game would need to engage in a dialogue with the State to fully define the system requirements associated with this feature. Detailed game math would be developed and provided to the State to review in the event this optional feature is requested. As such, the earliest this feature can be made available to the State is 12 months following the receipt of the complete system requirements.

In the event the State wishes to exercise this option, information regarding pricing associated with this feature can be found in see Exhibit C – Pricing Form.



**Attachment C - Diamond Game Pricing Sheet**

**Device**

*Purchase price includes all parts, functions, and services set forth in the Statement of Work and Attachment B, as well as internet service and installation of installation service where needed during the term of the Contract . Lease fee for Device includes all parts, functions, and services set forth in the Statement of Work and Attachment B, as well as Local System, internet service, and installation of internet service where needed during the lease.*

<i>Item</i>	<i>Purchase</i>	<i>Lease (monthly)</i>
Device	\$16,950 for the first two orders placed within 4 months  \$17,500 after the first two orders or after 4 months	\$1,000
TITO Functionality License Fee	\$1,400	\$65

**Local System**

*Purchase price includes all parts, functions, and services set forth in the Statement of Work and Attachment B, including internet service and installation of internet service where needed during the term of the Contract. Only parts, functions, or services priced separately on this Pricing Sheet may be billed separately. Local Systems are included in Device Lease at no additional cost.*

<i>Item</i>	<i>Purchase</i>	<i>Lease (monthly)</i>
Local System A (1-8 Devices and includes one POS)	\$9,950	Local System suited to number of Devices at a location included in Device lease at no additional cost
Local System B (9-40 Devices and includes one POS)	\$19,950	
Local System C (40+ Devices and includes one POS)	\$49,950	
Additional Point of Sale systems to be used at the same location	\$2,275	\$90

**Central System**

*Purchase price includes all parts, functions, and services set forth in the Statement of Work and Attachment B. Lease fee includes all parts, functions, and services set forth in the Statement of Work and Attachment B. Only parts, functions, or services priced separately on this Pricing Sheet may be billed separately. Limited Central System function includes standardized weekly reports detailing Local System transactions and remote shut-down of Local Systems on request. Limited Central System functions does not include direct access by the State. A Central System is an optional feature and not required to perform the Contract. Contractor must perform all requirements of the Contract, including without limitation remote uploads of electronic files and updates, even if a Central System is not purchased or leased.*

<i>Item</i>	<i>Purchase</i>	<i>Lease (monthly)</i>
Central System	\$150,000	\$1,667
Limited Central System Function	N/A	\$500



**Tickets**

*Purchase price includes development, production, and packaging of tickets; creating all corresponding digital files; transferring and loading all digital files to systems and devices; and reporting shipments and installation to the State. Actual costs for approved shipping may be billed separately.*

<i>Item</i>	<i>Per Thousand</i>
Peel-Open	\$3.00
1-Window	\$4.50
3-Windows	\$13.00

**Voucher Paper**

*Price includes design, layout, and reporting shipping to the Bureau. Actual cost of approved shipping may be billed separately.*

<i>Item</i>	<i>Purchase</i>	<i>Lease (monthly)</i>
Voucher Paper Unit (12,000 vouchers)	\$100.00	All paper included in Device Lease at no additional cost

**Repair, Maintenance, and Modification**

*For purchased or leased equipment, repair, maintenance, and modifications may only be billed where ordered and approved by the State. All expenses related to repair, maintenance, and modifications, including, but not limited to, labor, travel, gas, and insurance, are included. Travel time may not exceed 3 hours and may only be billed at a single hourly rate (regardless of how many technicians are sent to a location). Billing for maintenance may not exceed 1 hour for each Device and Local System at a location. Repairs are limited to actual hours worked. Following the warranty period, parts are billed in accordance with Attachment D.*

<i>Item</i>	<i>Hourly Rate Option</i>
Labor	\$85
Travel	\$55

**Delivery, Relocation, and Installation**

*For purchased or leased equipment, delivery, relocation, and installation may only be billed where ordered and approved by the State. All expenses related to delivery, relocation, and installation including, but not limited to, gas, insurance, and labor, are included in the hourly rate. Travel may not exceed 3 hours and may only be billed as a single hourly rate regardless of how many technicians are sent to a location. Installation may not exceed 1.5 hours per Device and 1 hour per Local System. Travel for installation may not be billed if travel is billed for delivery. Where shipping is used instead of delivery, only actual costs for approved shipping may be billed.*

<i>Item</i>	<i>Hourly Rate Option</i>
Delivery or relocation	\$55
Installation	\$85



**Training**

The development and printing of all training materials is not billable. For each Local System purchased or leased, one training session will be provided free of charge at the location where the Local System is installed. Travel may not be billed for free post-installation training provided at the facility. Contractor may bill for other training ordered by the State. Travel for additional training may not exceed 3 hours and may only be billed as a single hourly rate regardless of the number of trainers sent to the location.

<i>Item</i>	<i>Hourly Rate Option</i>
Additional Training	\$85
Travel	\$55
Training Materials	No Charge

**Monthly Service Lease**

At any time during the Contract, the State may, at its sole discretion, have services provided for Equipment under a monthly service lease. The monthly service lease includes all repair, monthly preventative maintenance, all labor for modifications, all labor for installations, all training, and all associated travel for the above for covered Equipment. For purposes of clarity, a monthly service lease is intended to be a flat fee that covers all expenses related to repair, maintenance, modification, and installation of all covered Equipment. Though billed per Device, the monthly service lease covers all Systems and parts connected to the covered Device.

<i>Item</i>	<i>Monthly Fee</i>
Monthly Service Lease	\$200 per Device

**Initial Order Special Offer**

In addition to the price reduction for the first two orders within a 4 month period, if the State elects to order 60 Devices or more in an initial order placed in the month of September, 2014, Contractor shall provide the following one-time special offer in connection with that initial order.

<i>Item</i>	<i>Monthly Fee</i>
If the State places an initial order for 60 Devices or more in the month of September, 2014, Contractor will provide, free of charge to the State, TITO Functionality Licenses in an amount equal to the number of Devices provided in the initial order minus thirty (30) (e.g., if the State orders 70 machines in its initial order, Contractor shall provide the State with 40 TITO Functionality Licenses free of charge).	No Charge



**Attachment D- Michigan Charity Ticket Vending and Validation Machines  
Diamond Game Replacement Parts List with Pricing**

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Price</u>
<b>Server Parts</b>			
	Small Server: up to 8 devices (no software)	1	\$2,750.00
	Medium Server: up to 40 devices (No software)	2	\$5,500.00
	Large Server: up to 250 devices (No software)	3	\$8,500.00
	Tripp Lite 12U Rack Enclosure	1	\$550.00
	SVRE-UPS 1500VA/900W 2U 8outlt	1	\$225.00
	PS-Cyberpower 685VA UPS w/ AVR	1	\$90.00
<b>POS and Management Reporting PC Parts</b>			
	Complete POS	1	\$2,275.00
	CMPP-Laser Printer Brother 5450	1	\$190.00
	Lenova Think Centre M72E or Equivalent	1	\$625.00
	CMPP-Surge Strip 6 Outlet 120v	1	\$15.00
	POS Cash Drawer w/Epson Interf	1	\$145.00
	POS RCPT PRNTR Epson TM-T88IV	1	\$435.00
	POS Hand Scanner MetroLogic	1	\$180.00
	POS 15" Touch Scrn LCD Black	1	\$435.00
<b>Gem Cabinet Parts</b>			
050-01465000	IC-M550 Intel Celeron 2.0GHz	1	\$150.00
350-00823800	MEM-CENTON 2GB DDR2-667 PC5300	2	\$120.00
140-01431500	ECM-HD6450 1G w/ HDMI-DVI Adpt	1	\$70.00
010-01437000	PCBA-GEM SDVO/PCIE Backplane	1	\$95.00
020-01000000	PS-N2 pwr Sply	1	\$300.00
070-00030000	LT-Tower Light	1	\$20.00
100-01647600	SWI-GPB1280 Large Oval/RedHalo	1	\$65.00
100-01648000	SWI-GPB581 Chasing Halo Oval	1	\$70.00
100-01613000	SWI-BD 810 CASHOUT BTN ASY LED	1	\$20.00
100-01614000	SWI-BD 810 CALL ATNDNT BTN ASY	1	\$20.00
110-00150000	WIR-Ethernet Patch Cable 25 ft	1	\$15.00
130-00860000	FAN-12V 120mm Cab Fan	1	\$25.00
300-00220000	DIS-22" Cx PMVA nontouch Dsply	1	\$465.00
300-00219000	DIS-22" Cx PMVA Touch Display	1	\$620.00
600-01453000	UH-BD Main Harness (PRINTER)	1	\$20.00
600-01455000	UH-BD Main Harness (DBA)	1	\$20.00
600-01457000	UH-BD Main Harn (BUTTONS)	1	\$60.00
600-01460000	UH-BD Mini Ellipse Topper Harn	1	\$15.00
600-01461000	UH-BD Main Harn (KEY SWITCHES)	1	\$10.00
600-01462000	UH-BD Logic Alarm Harness	1	\$10.00
600-01463500	UH-BD Main Harn (5ALRM SENSRS)	1	\$15.00
600-01482000	UH-S410 LO-3.5mm filtered jack	1	\$15.00
600-01465000	UH-BD Main Harness (MECH)	1	\$20.00
600-01472000	UH-BD LED Belly Harness Assy	1	\$40.00



600-01476000	UH-Halo Btn Pwr Pigtail	1	\$10.00
110-00801000	WIR-6ft m DB15 video cable	1	\$10.00
110-00805000	WIR-6 ft m DVI-D m DVI-D Cable	1	\$20.00
110-00800000	WIR-6ft Universal Power Cord	4	\$25.00
110-00803000	WIR-GEM Cab Grounding Strap	6	\$25.00
100-00761000	SWI-Cherry E79-30A	4	\$40.00
120-01440000	SPK-MISCO BJ21-01B PWRD SUB	1	\$200.00
120-01441000	SPK-74ON04-1 41x71 oval 4ohm	2	\$30.00
600-01479000	UH-BJ2101 Pwr harness	1	\$10.00
600-01480000	UH-3.5mm-3.5mm audio cable 6'	1	\$10.00
020-01441000	PS-PEM Box Assy	1	\$70.00
070-01426000	LT-GEM 2.5 Blu LED set LEFT	1	\$30.00
070-01426000	LT-GEM 2.5 Blu LED set LEFT	1	\$30.00
Gem Button Options			
600-01458000	UH-BD 14 Button Harness	1	\$70.00
100-01646100	SWI-BD 810 BTN ASY LED	1	\$15.00
Gem Lock Options			
420-00950000	LOC-Main Dr/Pedestal Lock #176	1	\$10.00
420-00460000	LOC-Spk/Belly Door Lock #2203	1	\$10.00
420-00570000	LOC-Logic Door Lock #J4979	1	\$10.00
420-00970000	LOC-DBA Lock #J4978	1	\$10.00
420-00990000	LOC-Topper Lock #J0017	1	\$10.00
420-01420000	LOC-LCK114303 Momentary	1	\$10.00
420-01421000	LOC-LCK114302 Maintained	1	\$10.00
420-00540000	LOC-Stacker Lock 1 #157(158)	2	\$15.00
420-01422000	LOC-VSR GEM Std Lock	6	\$55.00
420-01423000	LOC-VSR Stacker Lock	2	\$20.00
420-01424000	LOC-Metal Shipping Lock	6	\$35.00
500-02060000	FM-BD CAB, Ticket Tray	1	\$40.00
500-02058000	FM-BD Cab, Ticket Chute	1	\$10.00
Pedestal Options			
500-02051000	FM-BD Cab, Pedestal Side Hinge	1	\$300.00
LT-3 Kiosk Parts			
010-01437000	PCBA-GEM SDVO/PCIE Backplane	1	\$125.00
020-01446000	PS-Sparkle 400w ATX + 24v	1	\$300.00
110-00150000	WIR-Ethernet Patch Cable 25 ft	1	\$15.00
130-00861000	FAN-12V 120mm Cab Fan 2000RPM	1	\$20.00
300-00217000	DIS-20" WS CX Touch Disply LCD	1	\$475.00
600-01453000	UH-BD Main Harness (PRINTER)	1	\$15.00
600-01455000	UH-BD Main Harness (DBA)	1	\$15.00
600-01461000	UH-BD Main Harn (KEY SWITCHES)	1	\$15.00



600-01462000	UH-BD Logic Alarm Harness	1	\$10.00
600-01463500	UH-BD Main Harn (5ALRM SENSRS)	1	\$25.00
600-01482000	UH-S410 LO-3.5mm Filtered Jack	1	\$30.00
600-01465000	UH-BD Main Harness (MECH) Rev A.	1	\$20.00
600-01479000	UH-BJ2101 Power Harness	1	\$10.00
110-00803000	WIR-GEM Cab Grounding Strap	4	\$10.00
020-01441000	PS-PEM Box Assy	1	\$70.00
110-00801500	WIR-HDB15M-HDB15M 45DEG SVGA	1	\$20.00
110-00800000	WIR-6ft Universal Power Cord	3	\$20.00
100-00761000	SWI-Cherry E79-30A	4	\$40.00
120-01440000	SPK-MISCO BJ21-01B Powered Sub	1	\$95.00
120-01441000	SPK-74ON04-LSB 41x71 oval 4ohm	1	\$15.00
120-01441000	SPK-74ON04-LSR 41x71 oval 4ohm	1	\$15.00
600-01480000	UH-3.5mm-3.5mm Audio Cable 6'	1	\$10.00
080-00117000	CON-Right Angle DB9 Adapter	1	\$15.00
600-01485000	UH-Kiosk Gamesman 2 btn harn	1	\$15.00
100-01612500	SWI-BD 581 BTN ASY LED (Cash out)	1	\$15.00
100-01647600	SWI-GPB1280 Large Oval/RedHalo	1	\$65.00
500-01281000	FM-SlimCab Serial Plate TUV 5A	1	\$10.00
kiosk Top Display Components			
300-00218000	DIS-20" WS CX Display LCD Only	1	\$365.00
110-00804000	WIR-Power Cord 10ft (Add for top display)	1	\$10.00
110-00805000	WIR-6 ft m DVI-D m DVI-D Cable	1	\$20.00
Kiosk Locks			
420-01420000	LOC-LCK114303 Momentary	1	\$10.00
420-01421000	LOC-LCK114302 Maintained	1	\$10.00
420-01424000	LOC-Shipping Lock	5	\$25.00
Printer, BV, Peripherals, Logic Parts			
310-01433000	PRT-Ithaca Epic 950 RS232	1	\$425.00
600-01454000	UH-BD Ithaca Printer Pigtail	1	\$10.00
310-01435000	PRT-Bzl BlueLED Ithaca Epic950	1	\$40.00
330-01383000	DBA-JCM UBA-10-SS USA wCashbox	1	\$535.00
330-01384000	DBA-JCM UBA-10-SS CASHBOX	1	\$120.00
600-01456000	UH-BD JCM DBA Pigtail	1	\$20.00
330-01402000	DBA-JCM 5LED Blue Bzl Eurocoin	1	\$60.00
020-01442000	PS-Tripplite UPS AVR900U	1	\$125.00
010-01434000	PCBA-DPX S410 PCIE	1	\$850.00
050-01465000	IC-M550 Intel Celeron 2.0GHz	1	\$150.00
350-00823800	MEM-CENTON 2GB DDR2-667 PC5300	2	\$90.00
140-01431500	ECM-HD6450 1G w/ HDMI-DVI Adpt	1	\$80.00
Paper Mechanism Parts			
	Complete Mechanism	1	\$1,250.00
340-00299000	CDR-Motorola MS-954 Scanner	1	\$200.00



600-01490000	UH-MS-954 Scanner Cable	1	\$20.00
500-02046000	FM-Twin Cut Inverted Ctr Brkt	1	\$10.00
500-01384000	FM-Timing Belt	2	\$10.00
500-01385000	FM-Timing BeltPulley	4	\$40.00
500-01400000	FM-Top Roller	1	\$45.00
500-01420000	FM-Top Roller Bushng	2	\$10.00
140-01425000	ECM-TwinCutt Paper Cutter	1	\$230.00
400-00390500	HDW-A/C mech motor 1-1/4 stack	1	\$95.00
400-01397000	HDW-Dowel Pin	2	\$30.00
050-01405000	IC-Motor rly	1	\$35.00
600-01231000	UH-BD COPC Mechanism Harness	1	\$45.00
010-01441000	PCBA-COPC Board Assembly	1	\$60.00
500-00650015	FM-Ticket Guide, Curved	1	\$15.00
500-00650002	FM-Base mnt stop	1	\$15.00
500-00650003	FM-Base mnt cutter REV.A	1	\$15.00
500-00651000	FM-Ctr Brkt Base Guide Assy.	1	\$45.00
500-00650006	FM-Motor mnt brkt	1	\$15.00
500-00650017	FM-MS-954 Scanner Bracket	1	\$30.00
500-00650008	FM-Steel Pinch Roller	1	\$25.00
500-00650011	FM-Roller mnt	1	\$10.00
500-00650009	FM-Pinch Roller Clip	2	\$10.00
500-00650016	FM-COPC Mounting Plate REV. A	1	\$20.00