LVL Town Hall Meeting III

May 9, 2017 at 1 p.m.
AGENDA

- Introductions – Alan Larrick
- Legislative Updates – Danielle Boyd
- System Conversion Update – Keith Morgan
- ICIS discussion – Ray Moore
- Scientific Games – Steve Angelo
LOTTERY AGENDA

Legislative Updates [2017 Regular Session]

- **SB127**: LVL legislative rule changes- effective upon passage.

- **HB3106**: Relating to increasing the number of video lottery terminals per location, bidding of additional permits, and additional requirements for LVL licensure in the future.

System Conversion Update

ICIS/SAS Conversion Update

Progressive Game Development Update

Special Session [beginning May 4, 2017]
Completed Legislation Related to LVL 2017 Regular Session

- SB127: Revenue Rules Bill
- HB3106: “5 to 7” Bill

WEST VIRGINIA LEGISLATURE

2017 REGULAR SESSION

Enrolled
Committee Substitute
for
Senate Bill 127

BY SENATOR MAYNARD, original sponsor
[Passed March 24, 2017; in effect from passage]

WEST VIRGINIA LEGISLATURE

2017 REGULAR SESSION

ENROLLED

House Bill 3106

BY DELEGATES BARRETT, GEARHEART, STORCH,
AMBLER, ESPINOSA, ROWE, WALTERS, WESTFALL,
SPONAUGLE, ELLINGTON AND A. EVANS
[Passed March 31, 2017; in effect ninety days from passage.]
SB127: LVL Legislative Rule Changes

- Distance restriction between location and gas station reduced from 300 feet to 150 feet.
- LVL locations may be approved at Authorized WV Truck Stops. What is an Authorized WV Truck Stop?

2.12.2.a. Notwithstanding the provisions of section 34 of this rule, an Authorized West Virginia Truck Stop is a facility that (i) is also a convenience store, (ii) has separate diesel islands for fueling commercial vehicles, (iii) has overnight parking spaces for commercial vehicles, (iv) is open 24 hours, and (v) has at least fifty (50) parking spaces.

2.12.2.b. The applicant must attest to all qualification requirements prior to licensure of a limited video lottery retailer to operate video lottery terminals at the location of an Authorized West Virginia Truck Stop, and provide sufficient proof of compliance with all requirements in subdivision 2.12.2 of this subsection.

2.12.3. The provisions of any interpretive rule providing restrictions within the definition of the term “licensed limited video lottery location approved by the commission” shall continue in full force and effect except as to any such restriction that is explicitly superseded or modified by the provisions of this subsection.
AUTHORIZED TRUCK STOP RETAILER DISCLOSURE

Business Entity that Owns Truck Stop

Doing Business As Name of Truck Stop

Street Address of Truck Stop

City ____________________________ State __________ Zip __________

Pursuant to Legislative Rule §179-5-2.12.a., I swear and affirm that the Authorized Truck Stop identified above is a facility that:

1) Is also a convenience store
2) Has separate diesel islands for fueling commercial vehicles
3) Has overnight parking spaces for commercial vehicles
4) Is open 24 hours, and
5) Has at least fifty (50) parking spaces

APPLICANT/AUTHORIZED AGENT/TRUSTEE
OF BUSINESS/ORGANIZATION

Type or Print Name ________________________ Title ______________

Signature ____________________________ Date _____________

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF ______________, to-wit:

Subscribed and sworn to before me, a Notary Public in and for the County and State aforesaid, this _______ day of ____________, 20_____.

My commission expires __________________________________

Notary Signature ______________________________________ SEAL:

Rev. 04/17
HB 3106: “5 to 7” Bill

- Increases Maximum Terminals from 5 to 7 per retail location.
- Requires the Lottery to bid additional permits by September 1, 2017.
- Requires a public hearing be held prior to operating machines pursuant to **NEW** permits **ISSUED AFTER** December 31, 2017.
- Requires a reduction in locations after the 2021 rebid—maximum of 1,250 locations in the next ten year permit period.
- Effective July 1, 2017.
HB3106: “5 to 7”

- Increase in maximum number of terminals increases from 5 to 7 on July 1, 2017.

- Security is accepting paperwork for install of two additional terminals per location.

- NO NEW ICIS MACHINES WILL BE INSTALLED AT ANY LOCATION- TWO ADDITIONAL TERMINALS WILL ONLY BE INSTALLED IN A LOCATION IF THE ADDITIONAL TERMINALS HAVE BEEN CONVERTED TO SAS OR ARE NEW SAS MACHINES.
Bids will be accepted from May 25, 2017 to August 2, 2017, at 11am for the 2017 bid of additional permits. Bid Opening will occur on August 2, 2017, at 1pm.

- ONLY CURRENT PERMIT HOLDERS ARE ELIGIBLE TO BID FOR PERMITS. *Bids must be placed by the entity that currently holds permits in order to qualify for bidding.*

- Minimum Bid Price was set by the Commission at $2,000.

- 750 Permits will be bid in the bid opening event scheduled on August 2, 2017.
  - If demand is sufficient, and bids received exceed the 750 permits, then a match option round is authorized and additional permits may be issued as long as total permits issued do not exceed 8,500.
HB3106: Public Hearing Requirement

- Permits issued in the 2017 bid will be effective September 1, 2017. Any permit issued AFTER December 1, 2017, requires a public hearing prior to placement in operation.

- Interpretive rule will be amended to accommodate procedure for meeting this requirement; recommendation that public hearing will be noticed, but will only be held if the Lottery is contacted and a request is made by the public.
Commission must reduce/limit locations licensed to offer limited video lottery to 1,250 during the permit period beginning July 1, 2021.

- 1,336 locations at the time HB3106 completed the legislative process.

If future legislation is necessary to amend this limit on locations then the Lottery will pursue it prior to the 2021 rebid.
Governor has called the legislature for the First Special Session on May 4, 2017.

SB467 and SB468 both passed the Senate in regular session, but were pulled from the House Finance agenda twice in the last week of session. If the call is expanded then these bills may be a part of the expanded call.

Other LVL bills may appear on the call, including a bill increasing the number of machines from 10 to 12 in locations run by fraternal or veterans organizations.
Update: Development of LVL Progressive Game

- According to Steve Angelo from SGI, game play is approximately 15% higher on Progressive games than standard games.

- Confirmation that IGT is developing a stand alone progressive for the market.

- Factors which may impact progressive game development include changes that may go through the legislative process during special session related to maximum bet and bill validator restrictions.

- Will continue to work with manufacturers on development.
System Conversion Plan

- System conversion was developed with 388 separate tasks over a 32 month period:
  - System Design and Programming
  - Data Center Upgrades
  - Site Surveys
  - Site Equipment Installation (RVL and LVL)
  - Training
  - Several types of System Integration Testing

- Team with members from Lottery and SciGames meeting on a daily basis to discuss tasks in project.
- Semi-weekly senior staff meeting to review progress
Scientific Games was sent a data extract with addresses and contact numbers for each retailer location to use in site surveys.

Each site has to be visited to determine the best cellular vendor. The technicians are just recording information, SG communications staff will perform the vendor selection.

Unlike a normal cell phone, usage will be pooled and the rate charged will be uniform for each location, regardless of utilization and vendor
**System Conversion Update**

The original schedule called for four ‘waves’ of surveys from 4/3/17 through 8/15/17. Based on findings from the first wave, additional manpower has been allocated and the status as of 4/26/17 was:

<table>
<thead>
<tr>
<th>4.2.1</th>
<th>LVL Site Surveys</th>
<th>95 days</th>
<th>4/3/2017</th>
<th>8/15/2017</th>
<th>68%</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.2.1.1</td>
<td>Conduct LVL Site Survey for Region 1</td>
<td>25 days</td>
<td>4/3/2017</td>
<td>5/5/2017</td>
<td>68%</td>
</tr>
<tr>
<td>4.2.1.2</td>
<td>Conduct LVL Site Survey for Region 2</td>
<td>25 days</td>
<td>5/8/2017</td>
<td>6/12/2017</td>
<td>68%</td>
</tr>
<tr>
<td>4.2.1.3</td>
<td>Conduct LVL Site Survey for Region 3</td>
<td>25 days</td>
<td>6/13/2017</td>
<td>7/18/2017</td>
<td>68%</td>
</tr>
<tr>
<td>4.2.1.4</td>
<td>Conduct LVL Site Survey for Region 4</td>
<td>20 days</td>
<td>7/19/2017</td>
<td>8/15/2017</td>
<td>68%</td>
</tr>
</tbody>
</table>
System Conversion Update

Since new retailers are being added each week, an update file is being sent to SG weekly.

<table>
<thead>
<tr>
<th>License #</th>
<th>Retailer name</th>
<th>Operator</th>
<th>Address</th>
<th>City</th>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td>LR 005595</td>
<td>Oakford Pub</td>
<td>Derrick Video, LLC</td>
<td>38 Oakford Ave</td>
<td>Richwood</td>
<td>Nicholas</td>
</tr>
<tr>
<td>LR 005596</td>
<td>Creekside One-Stop</td>
<td>Advanced Lottery Tech.</td>
<td>1588 Northwestern Tpke</td>
<td>Burlington</td>
<td>Mineral</td>
</tr>
<tr>
<td>LR 005597</td>
<td>Bearskin Hot Spot</td>
<td>Derrick Video, LLC</td>
<td>1599 Alexander Road</td>
<td>French Creek</td>
<td>Upshur</td>
</tr>
<tr>
<td>LR 005598</td>
<td>The Pool Hall</td>
<td>Southern Amusement</td>
<td>1036 Washington Ave</td>
<td>Huntington</td>
<td>Cabell</td>
</tr>
<tr>
<td>LR 005599</td>
<td>Lighthouse Pub &amp; Grill</td>
<td>Derrick Video, LLC</td>
<td>64 White Ridge Rd</td>
<td>Point Pleasant</td>
<td>Mason</td>
</tr>
<tr>
<td>LR 005600</td>
<td>Feast to West Café</td>
<td>Progressive Video</td>
<td>750 Fairmont Rd</td>
<td>Westover</td>
<td>Monongalia</td>
</tr>
<tr>
<td>LR 005602</td>
<td>The Thirsty Goat</td>
<td>None</td>
<td>1301 Poplar St</td>
<td>Kenova</td>
<td>Wayne</td>
</tr>
<tr>
<td>LR 005603</td>
<td>Casey's VII Hot Spot</td>
<td>S &amp; B Gaming LLC</td>
<td>242 Pike St</td>
<td>Shinnston</td>
<td>Harrison</td>
</tr>
<tr>
<td>LR 005608</td>
<td>Pammy's Place &amp; Hot</td>
<td>None</td>
<td>4679 Cuzzart Rd</td>
<td>Bruceton Mills</td>
<td>Preston</td>
</tr>
<tr>
<td>LR 005610</td>
<td>Up On The Lane</td>
<td>Action Gaming, Inc.</td>
<td>97 Edgington Ln</td>
<td>Wheeling</td>
<td>Ohio</td>
</tr>
</tbody>
</table>

These sites were added since the original site survey data was sent. Updates will be sent each week so that Scientific Games surveys all sites. As an example, Oakford Pub was licensed 3/17/2017.
## System Conversion Update

### Status as of 4/25/17:

<table>
<thead>
<tr>
<th>County</th>
<th>Complete</th>
<th>Total</th>
<th>% Complete</th>
<th>County</th>
<th>Complete</th>
<th>Total</th>
<th>% Complete</th>
<th>County</th>
<th>Complete</th>
<th>Total</th>
<th>% Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barbour</td>
<td>1</td>
<td>7</td>
<td>14%</td>
<td>Kanawha</td>
<td>82</td>
<td>110</td>
<td>75%</td>
<td>Preston</td>
<td>25</td>
<td>25</td>
<td>100%</td>
</tr>
<tr>
<td>Berkeley</td>
<td>79</td>
<td>79</td>
<td>100%</td>
<td>Lewis</td>
<td>10</td>
<td>11</td>
<td>91%</td>
<td>Putnam</td>
<td>2</td>
<td>23</td>
<td>9%</td>
</tr>
<tr>
<td>Boone</td>
<td>-</td>
<td>10</td>
<td>0%</td>
<td>Lincoln</td>
<td>1</td>
<td>5</td>
<td>20%</td>
<td>Raleigh</td>
<td>31</td>
<td>44</td>
<td>70%</td>
</tr>
<tr>
<td>Braxton</td>
<td>4</td>
<td>4</td>
<td>100%</td>
<td>Logan</td>
<td>-</td>
<td>20</td>
<td>0%</td>
<td>Randolph</td>
<td>13</td>
<td>16</td>
<td>81%</td>
</tr>
<tr>
<td>Brooke</td>
<td>48</td>
<td>48</td>
<td>100%</td>
<td>Marion</td>
<td>11</td>
<td>54</td>
<td>20%</td>
<td>Ritchie</td>
<td>4</td>
<td>4</td>
<td>100%</td>
</tr>
<tr>
<td>Cabell</td>
<td>60</td>
<td>79</td>
<td>76%</td>
<td>Marshall</td>
<td>40</td>
<td>56</td>
<td>71%</td>
<td>Roane</td>
<td>3</td>
<td>3</td>
<td>100%</td>
</tr>
<tr>
<td>Calhoun</td>
<td>1</td>
<td>1</td>
<td>100%</td>
<td>Mason</td>
<td>28</td>
<td>30</td>
<td>93%</td>
<td>Summers</td>
<td>-</td>
<td>2</td>
<td>0%</td>
</tr>
<tr>
<td>Clay</td>
<td>4</td>
<td>4</td>
<td>100%</td>
<td>McDowell</td>
<td>-</td>
<td>4</td>
<td>0%</td>
<td>Taylor</td>
<td>-</td>
<td>8</td>
<td>0%</td>
</tr>
<tr>
<td>Doddridge</td>
<td>2</td>
<td>2</td>
<td>100%</td>
<td>Mercer</td>
<td>43</td>
<td>44</td>
<td>98%</td>
<td>Tucker</td>
<td>1</td>
<td>1</td>
<td>100%</td>
</tr>
<tr>
<td>Fayette</td>
<td>17</td>
<td>19</td>
<td>89%</td>
<td>Mineral</td>
<td>22</td>
<td>24</td>
<td>92%</td>
<td>Tyler</td>
<td>6</td>
<td>6</td>
<td>100%</td>
</tr>
<tr>
<td>Gilmer</td>
<td>1</td>
<td>1</td>
<td>100%</td>
<td>Mingo</td>
<td>9</td>
<td>9</td>
<td>100%</td>
<td>Upshur</td>
<td>15</td>
<td>16</td>
<td>94%</td>
</tr>
<tr>
<td>Grant</td>
<td>2</td>
<td>2</td>
<td>100%</td>
<td>Monongalia</td>
<td>74</td>
<td>75</td>
<td>99%</td>
<td>Wayne</td>
<td>26</td>
<td>26</td>
<td>100%</td>
</tr>
<tr>
<td>Greenbrier</td>
<td>22</td>
<td>25</td>
<td>88%</td>
<td>Monroe</td>
<td>5</td>
<td>5</td>
<td>100%</td>
<td>Wetzel</td>
<td>19</td>
<td>19</td>
<td>100%</td>
</tr>
<tr>
<td>Hampshire</td>
<td>10</td>
<td>11</td>
<td>91%</td>
<td>Morgan</td>
<td>8</td>
<td>10</td>
<td>80%</td>
<td>Wirt</td>
<td>1</td>
<td>1</td>
<td>100%</td>
</tr>
<tr>
<td>Hancock</td>
<td>68</td>
<td>68</td>
<td>100%</td>
<td>Nicholas</td>
<td>-</td>
<td>8</td>
<td>0%</td>
<td>Wood</td>
<td>98</td>
<td>99</td>
<td>99%</td>
</tr>
<tr>
<td>Hardy</td>
<td>9</td>
<td>9</td>
<td>100%</td>
<td>Ohio</td>
<td>18</td>
<td>91</td>
<td>20%</td>
<td>Wyoming</td>
<td>-</td>
<td>8</td>
<td>0%</td>
</tr>
<tr>
<td>Harrison</td>
<td>58</td>
<td>67</td>
<td>87%</td>
<td>Pendleton</td>
<td>1</td>
<td>1</td>
<td>100%</td>
<td>Grand Total</td>
<td>1,016</td>
<td>1,338</td>
<td>76%</td>
</tr>
<tr>
<td>Jackson</td>
<td>6</td>
<td>16</td>
<td>38%</td>
<td>Pleasants</td>
<td>3</td>
<td>3</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jefferson</td>
<td>23</td>
<td>23</td>
<td>100%</td>
<td>Pocahontas</td>
<td>2</td>
<td>2</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Survey Methodology

- Evaluate inside and outside signal strength for Verizon, Sprint and AT&T cellular.
- Telecom staff at SG will choose provider.
- Provider might change over time.
- Billing is pooled with each location charged the same amount.
- Example of survey results:

<table>
<thead>
<tr>
<th>V2W Longitude</th>
<th>V2W Lat</th>
<th>Signal Quality (FHSI)</th>
<th>Signal Quality (Edico-3G)</th>
<th>Ping [B.B.B.B -1]</th>
<th>Location Type</th>
<th>Location Mtcn</th>
<th>Signal Strength [FHSI]</th>
<th>Signal Strength [Edico-3G]</th>
<th>Antenna Type</th>
<th>Location Mtcn</th>
</tr>
</thead>
<tbody>
<tr>
<td>-80.748847</td>
<td>30.422201</td>
<td>-79.924036</td>
<td>79.512343</td>
<td>-2.7</td>
<td>site comp</td>
<td>site comp</td>
<td>-83</td>
<td>-7</td>
<td>flat</td>
<td>site comp</td>
</tr>
<tr>
<td>-80.748847</td>
<td>30.422201</td>
<td>-79.924036</td>
<td>79.512343</td>
<td>-2.7</td>
<td>site comp</td>
<td>site comp</td>
<td>-83</td>
<td>-7</td>
<td>flat</td>
<td>site comp</td>
</tr>
<tr>
<td>-80.748847</td>
<td>30.422201</td>
<td>-79.924036</td>
<td>79.512343</td>
<td>-2.7</td>
<td>site comp</td>
<td>site comp</td>
<td>-83</td>
<td>-7</td>
<td>flat</td>
<td>site comp</td>
</tr>
</tbody>
</table>
Update: ICIS to SAS Conversion

- **Only SAS machines** will be installed in locations wishing to increase maximum terminals from 5 to 7 on or after July 1, 2017.

- All ICIS machines should be converted to SAS prior to September 1, 2017, to guarantee scheduling for system “go live”.

- Any machine not running on the SAS protocol by December 31, 2017, will no longer be operational– no guarantee of timely conversion scheduling so PLAN AHEAD.
Update: ICIS to SAS Conversion

- LVL conversions to the new Connexus system will occur in 12 cycles beginning 10/3/17. SAS only sites will be included in these schedules and will be connected to the new terminal controller using cellular communications.

- Any location with one or more ICIS machines will remain on the old AEGIS system in dialup mode. As the location becomes SAS only, it will be added to the end of the schedule.

- Prompt action is required to ensure your location can be converted prior to the end of the AEGIS system -- December 31, 2017.

- One option to avoid being at the end of the schedule would be to remove your ICIS machine and plan for a later installation of a SAS machine, providing an earlier spot in the schedule and minimizing your risk.
Scientific Games Agenda

1. Site Controller
   a. Overview
   b. End of meeting demo
2. Site Surveys
   a. Progress update
   b. Importance of informing retailer/ location
3. Site Equipment Contracts
4. Network Access Agreement
5. Credit Application
6. Open Q&A
7. Site Controller Demo
PartnerTech Integrated Design

- 15.6” Display with Projected Capacitive Touch
- Intel Skylake platform
- High speed USB 3.0 Interface
- High quality HDMI port
- Latest DDR4 Memory
- Integrated barcode scanner
## PartnerTech Data

<table>
<thead>
<tr>
<th>Total Site Controllers</th>
<th>2,455</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Site Controller Calls</td>
<td>537 21.9%</td>
</tr>
</tbody>
</table>

- Covered by manufactures warranty: 78%
- Charged to operator: 22%

### Of Which These required No Site visit:

<table>
<thead>
<tr>
<th>Item</th>
<th>Qty</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Fault Found</td>
<td>25</td>
<td>1.0%</td>
</tr>
<tr>
<td>Network Issue</td>
<td>32</td>
<td>1.3%</td>
</tr>
<tr>
<td>1st Line Fix - No site visit required - i.e. Re-Boot</td>
<td>216</td>
<td>8.8%</td>
</tr>
</tbody>
</table>

**Total:** 273 11.1%

### Site Visits Total: 265 10.8%

<table>
<thead>
<tr>
<th>Non-repair/ adjust/ replace</th>
<th>Qty</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Fault Found</td>
<td>98</td>
<td>4.0%</td>
</tr>
<tr>
<td>Cleaned</td>
<td>3</td>
<td>0.1%</td>
</tr>
<tr>
<td>Recalibrated Screen 15&quot;</td>
<td>2</td>
<td>0.1%</td>
</tr>
<tr>
<td>Printer Jam/Paper Out</td>
<td>19</td>
<td>0.7%</td>
</tr>
<tr>
<td>Recalibrated Screen 22&quot;</td>
<td>3</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

### Repaired / Adjusted Part: 140 5.7%

<table>
<thead>
<tr>
<th>Of Which</th>
<th>Qty</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reimaged_RAM Clear</td>
<td>17</td>
<td>0.7%</td>
</tr>
<tr>
<td>Re-Imaged</td>
<td>27</td>
<td>1.1%</td>
</tr>
<tr>
<td>Reset BIOS</td>
<td>29</td>
<td>1.2%</td>
</tr>
<tr>
<td>Power unit Swap</td>
<td>20</td>
<td>0.8%</td>
</tr>
<tr>
<td>Replaced LCD</td>
<td>2</td>
<td>0.1%</td>
</tr>
<tr>
<td>Replaced IO Battery</td>
<td>4</td>
<td>0.2%</td>
</tr>
<tr>
<td>Replaced Back Office Connection HW</td>
<td>32</td>
<td>1.3%</td>
</tr>
<tr>
<td>SC Unit Swapped</td>
<td>9</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

### Population %’s

- 6+ years 20%: 491
- 4 years 50%: 1228
- 3 years 20%: 491
- 2 years 9%: 221
- Less than 1 year 1%: 25
Site Survey Update

✓ Process

✓ Completed 1,327 of 1,338 locations – 99%

✓ On Track

✓ Biggest Challenge:

  ✓ Location not aware of our appointment

  ✓ Please inform your location manager or employees

✓ Will be completed by end of May
Key Information on Contracts

- SG will be utilizing our Bally business entity for all contracts. Please note that Bally is a legal and licensed business entity of Scientific Games in West Virginia.
- The contracts are final and non-negotiable.
- All contracts must be signed and returned to SG by July 30, 2017 to ensure a timely install of your new equipment.
- Any late contract returns could result in a delayed install date.
- Contracts that are not returned signed will result in a site shutdown on January 1, 2018 at 12:01am.
- Operators/Independents will have a “how to fill out contracts” document.
- Process for accuracy: SG will confirm DBA name and quantities with the Lottery, if adjustments need to be made, SG will contact the Operator or Independent for verification. If official changes need to be made, an amendment will be generated for signature and return to SG in a timely manner.
- Credit application for Leasing site equipment must be completed and submitted to SG prior to execution of the Site Equipment Lease Agreement.
- Please return all signed contracts and credit applications to Patty Morgan. patty.morgan@scientificgames.com
Site Equipment Contracts

- Will review key items and allow for questions.
- Copies are available.
- Includes credit application for lease.
LIMITED VIDEO LOTTERY LOCATION PURCHASE
AND LICENSE AGREEMENT

This Limited Video Lottery Purchase and License (the “License” or “Agreement”) is entered into as of __________, 2017, (“Effective Date”) by and between Bally Gaming, Inc., a Nevada corporation (“Bally”) and ______________________, a ______________________, with its offices located at ______________________, (“USER”).

WHEREAS, Bally and USER desire to enter into this Agreement in accordance with the General Terms and Conditions set forth in Exhibit B, attached and incorporated herein, allowing USER the non-exclusive right and license to use Bally specific, limited computer software and embedded firmware embedded in or downloaded into devices manufactured by Bally and others, and the data

SG will be filling in this information and sending to each operator/ independent for verification & signature.

If discrepancies are found, please contact SG for changes.
Site Equipment Contracts

Purchase Agreement

1. Make sure you complete this section, Sign and Date with Title

2. SG will fully execute and resend to operator/ independent.

If discrepancies are found, please contact SG for changes.
**Exhibit A**

**Site Equipment - Initial Go-Live Kit**

<table>
<thead>
<tr>
<th>Part Number</th>
<th>Description</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>3rd Party Hardware</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SP-2615 U261511209,000</td>
<td>SP-2615 POS Terminal (includes Monitor &amp; Integrated Bar Code Scanner)</td>
<td>Site Controller</td>
</tr>
<tr>
<td>9300011050109</td>
<td>RP400 Printer Serial w/ USB Cable</td>
<td>Printer</td>
</tr>
<tr>
<td>SEL 2880x1</td>
<td>SELL-2880F GIGA-232 Fiber-Optic Transceiver, up to 40/200 Bits per Second, 500 m</td>
<td>Transceiver/Modem</td>
</tr>
<tr>
<td>IP CELLULAR COMMUNICATIONS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WPA2-1328-063-5U</td>
<td>Digi Transport WP21 LTE Amer 385/3</td>
<td>IP Cellular Modem</td>
</tr>
<tr>
<td>F1050NA</td>
<td>NETGEAR F5108 8-Port Fast Ethernet Switch</td>
<td>Switch (only sites w/ Safecash)</td>
</tr>
<tr>
<td>3S1015</td>
<td>10dB Dual-Band Machine to Machine Booster Kit (Includes Magnetic Antenna &amp; Power Adapter)</td>
<td>Signal Booster</td>
</tr>
<tr>
<td>312124</td>
<td>Wilson Stamped Yagi Antenna 1700/1900/4G/L 50 Ohm Assembled Aluminum w/N Female Connector</td>
<td>External Antenna (if required)</td>
</tr>
<tr>
<td>MM008000MAM</td>
<td>15' Radial (10dBi) Military Grade 30/40 LTE Magnetic Mnt</td>
<td>Antenna (if required)</td>
</tr>
<tr>
<td><strong>TED</strong></td>
<td>Carrier provided DSL modem that is bridged and support 2 VPNs</td>
<td>Locations w/o cell service</td>
</tr>
</tbody>
</table>

*Equipment may be included, will be included at an extra charge if needed. **DSL equipment will be included if IP Cellular is not an option.

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Purchase Price Per Kit</td>
<td>3,095.00</td>
</tr>
<tr>
<td>Total Kits Required by Customer</td>
<td></td>
</tr>
<tr>
<td>Total Extended Price</td>
<td></td>
</tr>
</tbody>
</table>

**Customer Signature**

**Date**

SG will fill out quantity based on current data file from Lottery. Extended price will be updated.

Make sure you Review, Sign and Date.

*If discrepancies are found, please contact SG for changes.*
**Site Equipment Contracts**

**Purchase Agreement**

EXHIBIT C
Order Form

**SAMPLE**

This Order ("Order") is entered into as of the date of USER's signature below ("Effective Date") by and between Bally Gaming, Inc., a Nevada corporation ("Bally") and ____________________ ("USER").

1) USER wishes to acquire the [Software][Site Equipment][Professional Services] described on Exhibit A, incorporated and attached hereto, for its use at its LVL Site(s) located at ______________________, in accordance with the terms and conditions of the Agreement and this Order, for the LVL Site(s) scheduled in Section 2, below.

2) LVL Site(s):

3) The terms and conditions of the Limited Video Lottery Location Lease Agreement executed between USER and Bally dated __________, and any amendments or addenda thereto (collectively, the "Agreement") are incorporated herein by reference and shall continue in full force and effect. Capitalized terms not defined in this Order shall have the meaning ascribed to them in the Agreement.

**Order form for additional equipment for NEW locations.**

**Make sure you Review, Sign and Date.**

**Short Form – so you don’t have to resign the larger contract!**
Site Equipment Contracts

Purchase Agreement

EXHIBIT D
USER’S LVL SITES

1. LVL Site #1
   Address

2. LVL Site #2
   Address

3. LVL Site #3
   Address

SG will fill in the information based on current data file from Lottery. Please double check this information!

If discrepancies are found, please contact SG for changes.
Site Equipment Contracts

Lease Agreement

SG will be filling in this information and sending to each operator/independent for verification & signature.

If discrepancies are found, please contact SG for changes.
Lease Agreement

Software is available for use by the USER for production use at the LVL Site(s) (“Go-Live Date”).

II. Site Equipment Lease, Warranty, Restocking, Usage Restrictions and Remedies

Lease. USER agrees to lease the Site Equipment described in Exhibit A pursuant to the LVL Regulations. For any LVL Site(s) in addition to those scheduled in Exhibit A, USER shall submit an executed Order to Bally, in a form substantially similar to Exhibit B, attached hereto and incorporated herein by reference (each, an “Order”) for any such additional Site Equipment to be leased for these additional VLT Site(s). USER shall lease the Site Equipment for the entire Term of this Agreement, subject to any termination fees applicable to the Site Equipment as provided for under this Agreement.

Warranty. For a period of two (2) years from delivery of the Site Equipment to the LVL Site(s), Bally warrants to USER that the Site Equipment, if properly installed by USER pursuant to Bally’s specifications, will be free from defects in design, workmanship, and material.

Make sure you read the terms and conditions as they are different than the purchase agreement and have consequences related to non-payment and usage.
Site Equipment Contracts

Purchase Agreement

Exhibit A

Site Equipment - Initial Go-Live Kit

<table>
<thead>
<tr>
<th>3rd Party Hardware</th>
<th>Description</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>WPL - LV/VIENUE HARDWARE</td>
<td>SP-2655 POS Terminal (Includes Monitor &amp; Integrated Bar Code Scanner)</td>
<td>Site Controller</td>
</tr>
<tr>
<td></td>
<td>930001L1002009</td>
<td>Printer</td>
</tr>
<tr>
<td></td>
<td>SC2-2800F</td>
<td>Transceiver/Modem</td>
</tr>
<tr>
<td>IP CELLULAR COMMUNICATIONS</td>
<td>Digi TransPort WR28_1, 1TE Archer R2, 2G/3G</td>
<td>IP Cellular</td>
</tr>
<tr>
<td></td>
<td>NETGEAR F1080-8- Port Fast Ethernet Switch</td>
<td>Modem</td>
</tr>
<tr>
<td></td>
<td>Wilson Stamped Yagi Antenna 1700/1900 MHz</td>
<td>External Antenna</td>
</tr>
<tr>
<td></td>
<td>15' - 808 (3096) Military Grade 36C 1 TLE: Magnetic Mint</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Customer provided DSL modem that is bridged and support 2 VPNs</td>
<td></td>
</tr>
</tbody>
</table>

Equipment may be required. Will be included at no extra charge if needed. DST equipment will be included if IP Cellular is not an option.

Total Quarterly Lease Price Per Kit $88.95

Paid Quarterly

Total Kits Required by Customer

Total Extended Lease Price

Customer Signature     Date

SG will fill out quantity based on current data file from Lottery. Extended price will be updated.

Make sure you Review, Sign and Date.

If discrepancies are found, please contact SG for changes.
Site Equipment Contracts

Lease Agreement

EXHIBIT C
Order Form

SAMPLE

This Order (“Order”) is entered into as of the date of USER’s signature below (“Effective Date”) by and between Bally Gaming, Inc., a Nevada corporation (“Bally”) and ____________________ (“USER”).

1) USER wishes to acquire the [Software][Site Equipment][Professional Services] described on Exhibit A, incorporated and attached hereto, for its use at its LVL Site(s) located at ________________, in accordance with the terms and conditions of the Agreement and this Order, for the LVL Site(s) scheduled in Section 2, below.

2) LVL Site(s):

3) The terms and conditions of the Limited Video Lottery Location Lease Agreement executed between USER and Bally dated ______________, and any amendments or addenda thereto (collectively, the “Agreement”) are incorporated herein by reference and shall continue in full force and effect. Capitalized terms not defined in this Order shall have the meaning ascribed to them in the Agreement.

Order form for additional equipment for NEW locations

Make sure you Review, Sign and Date.

Short Form – so you don’t have to resign the larger contract!
Site Equipment Contracts

Lease Agreement

EXHIBIT D
USER’S LVL SITES

1. LVL Site #1
   Address

2. LVL Site #2
   Address

3. LVL Site #3
   Address

SG will fill in the information based on current data file from Lottery. Please double check this information!

If discrepancies are found, please contact SG for changes.
Network Access Agreement

- Will review key items and allow for questions.
- Copies are available.
- Includes credit application.
Network Access Agreement

ADDENDUM – LIMITED VIDEO LOTTERY NETWORK ACCESS

This Addendum - Limited Video Lottery Network Access (the “Addendum”) is entered into as of ________ 2017, (“Effective Date”) by and between Bally Gaming, Inc., a Nevada corporation (“Bally”) and __________, a __________, with its offices located at ________________________________ (“USER”).

WHEREAS, Bally and USER have previously entered into a certain agreement for the purchase, license or lease of Site Equipment and Software pursuant to their Limited Video Lottery Location Purchase and License Agreement / Limited Video Lottery Location Lease Agreement dated ____________, 2017, previously entered into by the parties (“Agreement”). Capitalized terms and conditions used in this Addendum shall have the same meaning as set forth in the Agreement unless specifically defined otherwise herein.

WHEREAS, Bally and USER further desire to provide for access and license to the particular technologies, software and other products required for video lottery terminals located at the LVL Site to property interface, and for the use of the Software and Network Access.

(2) Monthly Network Fee and Invoicing. Commencing on the Access Date, USER shall pay Bally the monthly fee per location of $70.00 for the ongoing use of the Network Software and available of the Network Access (“Monthly Network Fee”). USER will pay the Monthly Network Fee per location in advance in accordance with the usage level of Network Access elected by USER. The Monthly Network Fee per location will be due on the date of Bally’s invoice to USER for such Monthly Network Fee.

(3) Taxes, Insurance, Freight. To the extent that any taxes (value added, network related or otherwise), insurance or freight charges may be due and payable to Bally, Bally shall invoice USER for such charges and they are incurred, which amounts shall be payable within thirty (30) days of receipt of such invoice.

If discrepancies are found, please contact SG for changes.
EXHIBIT B

USER’S LVL SITES

1. LVL Site #1
   Address

2. LVL Site #2
   Address

3. LVL Site #3
   Address

If discrepancies are found, please contact SG for changes.
Credit Application

Your responsibility to fill the form out accurately and completely.

Any mistakes or omissions could delay the application process or result in a denial for service.

Forms must be turned in and approved by SG credit prior to entering into a Lease or Network Access Agreement.
Credit Application

Your responsibility to fill the form out accurately and completely.

Any mistakes or omissions could delay the application process or result in a denial for service.

Forms must be turned in and approved by SG credit prior to entering into a Lease or Network Access Agreement.
Key Information on Contracts

✓ Final contracts will be sent starting May 22nd.
✓ The contracts are final and non-negotiable.
✓ All contracts must be signed and returned to SG by July 30, 2017 to ensure a timely install of your new equipment.
✓ Operators/ Independents will have a “how to fill out contracts” document.
✓ Credit application for Leasing site equipment must be completed and submitted to SG prior to execution of the Site Equipment Lease Agreement.
✓ Please return all signed contracts and credit applications to Patty Morgan. patty.morgan@scientificgames.com
WRAP UP/FINAL REMARKS

Please direct questions about presentation to Danielle Boyd, Managing General Counsel, 304-558-0500 x 293
Site Controller Demo

Steve Angelo, Vice President Video Gaming Systems