



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



► SBI 27: 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by the commission” shall continue in full force and effect except as to any such restriction that is explicitly superseded or modified by the provisions of this subsection.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 WV Truck Stops: Licensing

ASC4 License Number _____ Page 7



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.**

HB3106: Bidding of Additional Permits

- ▶ 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.**

HB3106: Location Cap After 2021 Rebid

- ▶ **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.**

2017 First Special Session

- ▶ 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**

System Conversion Update

- ▶ **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:

<u>4.2.1</u>	<u>LVL Site Surveys</u>	<u>95 days</u>	<u>4/3/2017</u>	<u>8/15/2017</u>	<u>68%</u>
4.2.1.1	Conduct LVL Site Survey for Region 1	25 days	4/3/2017	5/5/2017	68%
4.2.1.2	Conduct LVL Site Survey for Region 2	25 days	5/8/2017	6/12/2017	68%
4.2.1.3	Conduct LVL Site Survey for Region 3	25 days	6/13/2017	7/18/2017	68%
4.2.1.4	Conduct LVL Site Survey for Region 4	20 days	7/19/2017	8/15/2017	68%

System Conversion Update

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

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

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:

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

Survey Methodology

- ▶ Evaluate inside and outside signal strength for Verizon, Sprint and AT&T cellular.
- ▶ Telecomm 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:

		VERIZON (INSIDE)							SPRINT (INSIDE)							AT&T (INSIDE)						
on/VZW Longitud	VZW Lat	Signal Strength [RSSI]	Signal Quality [Ec/No-3G]	Radio Technology	Ping [8.8.8.8 -t] - record avg	Antenna Type	Location/Placement	Signal Strength [RSSI]	Signal Quality [Ec/No-3G]	Radio Technology	Ping [8.8.8.8 -t] - record avg	Antenna Type	Location/Placement	Signal Strength [RSSI]	Signal Quality [Ec/No-3G]	Radio Technology	Ping [8.8.8.8 -t] - record avg	Antenna Type	Location/Placement			
-81.70198 -81.719476	38.338802 38.30879																					
	-82.43444	38.422291	-48	-7	lte	73	flat	site cont	-83	-7	1x	134	whip	site cont	-87	-9	umts	105	whip	site cont		
	-80.748997	39.922801	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA			
	-81.84071	38.385973	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA			
	-82.44307	38.417172	-51	-16	lte	63	flat	site cont	-82	-9	1x	87	flat	site cont	-78	-6	umts	198	flat	site cont		
	-82.41516	38.426846	-53	-7	lte	62	flat	site cont	-86	-7	1x	143	flat	site cont	-80	-6.5	umts	187	flat	site cont		
	-82.567453	38.398784	-66	-8	lte	67	flat	site cont	-82	-7	1x	91	whip	site cont	-82	-5	umts	255	flat	site cont		
23	-80.229654	38.995229	-69	-7	1x	411	FLAT	SITE CONT	-80	-7	1x	88	FLAT	SITE CONT	-85	-7	LTE	TIMED OUT	WHIP	SITE CONT		
23	-80.230499	38.994413	-66	-7	1x	405	FLAT	SITE CONT	-70	-7	1x	91	FLAT	SITE CONT	-85	-7	UMTS	98	FLAT	SITE CONT		
23	-80.230593	38.994877	-78	-7	1x	340	FLAT	SITE CONT	-84	-7	1x	92	FLAT	SITE CONT	-91	-7	UMTS	97	FLAT	SITE CONT		
03	-80.232776	38.995254	-68	-7	1x	350	FLAT	SITE CONT	-65	-7	1x	94	FLAT	SITE CONT	-86	-7	UMTS	105	FLAT	SITE CONT		
23	-80.231357	38.972588	-87	-7	1x	302	FLAT	SITE CONT	-95	-7	1x	230	WHIP	SITE CONT	-91	-7	UMTS	TIMED OUT	FLAT	SITE CONT		
	-82.465049	38.416543	-68	-12	lte	63	flat	site cont	-83	-7	1x	96	flat	site cont	-86	-9	umts	296	whip	site cont		
88	-82.480402	38.411594	-48	-10	lte	68	flat	site cont	-63	-7	1x	89	flat	site cont	-67	-11.5	umts	118	flat	site cont		
88	-82.587097	38.40192	-59	-11	lte	67	flat	site cont	-82	-7	1x	88	flat	site cont	-78	-8	umts	205	flat	site cont		

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

Total Site Controllers	2,455		<u>Total Warranty vs. Payment</u>	
Total Site Controller Calls	537	21.9%	Covered by manufactures warranty	78%
			Charged to operator	22%
Of Which These required No Site vist;			Population %'s	
No Fault Found	25	1.0%	6+ years 20%	491
Network Issue	32	1.3%	4 years 50%	1228
1st Line Fix - No site vist required - i.e. Re-Boot	216	8.8%	3 years 20%	491
Total	273	11.1%	2 years 9%	221
			Less than 1 year 1%	25
Site Visits Total	265	10.8%		
Non-repair/ adjust/ replace	Qty	%		
No Fault Found	98	4.0%		
Cleaned	3	0.1%		
Recalibrated Screen 15"	2	0.1%		
Printer Jam/Paper Out	19	0.7%		
Recalibrated Screen 22"	3	0.1%		
Repaired / Adjusted Part	140	5.7%		
Of Which				
Reimaged_RAM Clear	17	0.7%		
Re-Imaged	27	1.1%		
Reset BIOS	29	1.2%		
Power unit Swap	20	0.8%		
Replaced LCD	2	0.1%		
Replaced IO Battery	4	0.2%		
Replaced Back Office Connection HW	32	1.3%		
SC Unit Swapped	9	0.4%		

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.

Site Equipment Contracts

Purchase Agreement

6650 El Camino Road ♦ Las Vegas, Nevada 89118
(702) 532-7700

Page 1

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.

Site Equipment Contracts

Purchase Agreement

Page 5

(d) **Late payment:** Bally shall have the right to charge interest, payable immediately upon demand, on late payments at the lower of (i) 1.5% per month on any payment(s) not made or (ii) the highest rate permitted by law.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement on the date(s) below indicated:

BALLY:	USER:
Bally Gaming, Inc.	_____
By _____	By _____
Name _____	Name _____
(Print name as signed above)	(Print name as signed above)
Title _____	Title _____
Date _____	Date _____

1

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

2

SG will fully execute and resend to operator/ independent.

Site Equipment Contracts

Purchase Agreement

Exhibit A

Site Equipment - Initial Go-Live Kit

Page 6

3rd Party Hardware

Part Number	Quantity	Description	Category
WVL - LVL VENUE HARDWARE			
SP-2615 U26153129L000	1	SP-2615 POS Terminal (Includes Monitor & Integrated Bar Code Scanner)	Site Controller
930001L100009	1	RP600 Printer Serial w/ USB Cable	Printer
SEL-2800F1	1	SEL-2800F: EIA-232 Fiber-Optic Transceiver, Up to 40,000 Bits per Second, 500 m	Transceiver/Modem
IP CELLULAR COMMUNICATIONS			
WR21-L52B-DE1-SU	1	DIGI TransPort WR21 ,LTE Amer ,2Eth/2	IP Cellular Modem
*FS108NA	1	NETGEAR FS108 8-Port Fast Ethernet Switch	Switch (only sites w/ Safecash)
*SCSOLOI15	1	15dB Dual-Band Machine to Machine Booster Kit (Includes Magnetic Antenna & Power Adapter)	Signal Booster
*3111124	1	Wilson Stamped Yagi Antenna 1700/1900MHz, 50 Ohm Anodized Aluminum w/ N Female Connector	External Antennae (if required)
*MG8DBSMAM	1	13"-8dB (10dBi) Military Grade 3G 4G LTE Magnetic Mnt	Antennae (if required)
**TBD	1	Carrier provided DSL modem that is bridged and support 2 VPNs	Locations w/o cell service

**Equipment may be required, will be included at no extra charge if needed.*

***DSL equipment will be included if IP Cellular is not an option.*

Total Purchase Price Per Kit **\$ 3,095.00**

Total Kits Required by Customer

Total Extended 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.

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.

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Order form for additional equipment for NEW locations.

Make sure you Review, Sign and Date.

Site Equipment Contracts

Purchase Agreement

Page 16

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!

Site Equipment Contracts

Lease Agreement

Page 1



6650 El Camino Road • Las Vegas, Nevada 89118
(702) 532-7700

LIMITED VIDEO LOTTERY LOCATION LEASE AGREEMENT

This Limited Video Lottery Location Lease Agreement (the “Lease” 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 lease Bally specific, limited computer software and embedded firmware embedded in or downloaded into devices manufactured by Bally and others, and the data generated therefrom (collectively, the “Software”) at the following prices as set forth on Exhibit A, incorporated and attached hereto, subject to the restrictions contained within this Agreement, and

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

Site Equipment Contracts

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

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

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Site Equipment - Initial Go-Live Kit

3rd Party Hardware

Part Number	Quantity	Description	Category
WVL - LVL VENUE HARDWARE			
SP-2615 U26153129L000	1	SP-2615 POS Terminal (Includes Monitor & Integrated Bar Code Scanner)	Site Controller
930001L100009	1	RP600 Printer Serial w/ USB Cable	Printer
SEL-2800F1	1	SEL-2800F: EIA-232 Fiber-Optic Transceiver, Up to 40,000 Bits per Second, 500 m	Transceiver/Modem
IP CELLULAR COMMUNICATIONS			
WR21-L52B-DE1-SU	1	DIGI TransPort WR21 ,LTE Amer ,2Eth/2	IP Cellular Modem
*FS108NA	1	NETGEAR FS108 8-Port Fast Ethernet Switch	Switch (only sites w/ Safecash)
*SCSOL0115	1	15dB Dual-Band Machine to Machine Booster Kit (Includes Magnetic Antenna & Power Adapter)	Signal Booster
*311124	1	Wilson Stamped Yagi Antenna 1700/1900MHz, 50 Ohm Anodized Aluminum w/ N Female Connector	External Antennae (if required)
*MG8DBSMAM	1	13"-8dB (10dBi) Military Grade 3G 4G LTE Magnetic Mnt	Antennae (if required)
*TBD	1	Carrier provided DSL modem that is bridged and support 2 VPNs	Locations w/o cell service

*Equipment may be required, will be included at no extra charge if needed.

**DSL equipment will be included if IP Cellular is not an option.

Total Quarterly Lease Price Per Kit	\$	88.95
>paid quarterly		Paid Quarterly
Total Kits Required by Customer		
Total Extended Lease Price		

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

Make sure you Review, Sign and Date.

Customer Signature

Date

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.

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Order form for additional equipment for NEW locations

Make sure you Review, Sign and Date.

Site Equipment Contracts

Lease Agreement

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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!

Network Access Agreement

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

Network Access Agreement

Page 1



6650 El Camino Road • Las Vegas, Nevada 89118
(702) 532-7700

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,

Agreement ("Set Up Fee"). The Set Up Fee will include all services required by Bally to enable USER's access and utilize the Network 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 as they are incurred, which amounts shall be payable within thirty (30)

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Network Access Agreement

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EXHIBIT B

USER'S LVL SITES

1. LVL Site #1
Address
2. LVL Site #2
Address
3. LVL Site #3
Address

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.



COMPANY NAME _____

DBA BUSINESS NAME _____

ADDRESS _____

PHONE # () _____ FAX # () _____ FED TAX I.D. # _____

☐ CORPORATION ☐ PARTNERSHIP ☐ INDIVIDUAL ☐ SUBSIDIARY ☐ DIVISION ☐ AFFILIATE ☐ TRIBAL

IF COMPANY IS A SUBSIDIARY, DIVISION OR AFFILIATE OF ANOTHER CORPORATION, PLEASE LIST PARENT CORPORATION: _____

STATE OF INCORPORATION (IF APPLICABLE) _____

NAME _____ PHONE # () _____ FAX # () _____

ADDRESS _____

YOUR COMPANY'S ACCOUNTS PAYABLE CONTACT PERSON: _____

PHONE # () _____ EXT _____ FAX # () _____

INFORMATION ON OFFICERS, PARTNERS, OWNERS (should include CEO, CFO, COO)

NAME	TITLE	YEARS WITH COMPANY
_____	_____	_____
_____	_____	_____
_____	_____	_____

AMOUNT OF CREDIT REQUESTED: _____ ARE PO'S REQUIRED FOR ALL ORDERS? ☐ YES ☐ NO

HAS THE COMPANY, ITS OFFICERS, PARTNERS, OWNERS EVER FILED FOR BANKRUPTCY? ☐ YES YEAR _____ ☐ NO

WHERE: _____

NAME OF YOUR BANK: (if more than one, your primary bank) _____

ADDRESS: _____

PHONE # () _____ FAX # () _____ CONTACT PERSON _____

ACCOUNT # _____

TRADE REFERENCES (TO INCLUDE NAME, ADDRESS AND PHONE NUMBER)

1) _____ PHONE _____ FAX _____

2) _____ PHONE _____ FAX _____

3) _____ PHONE _____ FAX _____

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.

A CURRENT FINANCIAL STATEMENT MUST ACCOMPANY THIS APPLICATION

TERMS AND CONDITIONS OF CREDIT SALES

In consideration of Bally Technologies Inc., (hereinafter called "Seller") extending credit to Applicant (herein after called "Purchaser"). Applicant agrees to be bound by the following terms and conditions.

1. GENERAL TERMS

- The application here made is not for extended credit but for an open account for the purchase of products from Bally Technologies Inc. All such purchases are made subject hereto unless other terms are especially agreed upon in writing.
- On any account placed in hands of an attorney for collection or if collected through suit, probate, bankruptcy proceeding or by collection agency, there will be paid, in addition to all other charges, the actual collection fees, attorneys fees, and court costs incurred in collecting the account.
- Applicant warrants that they are authorized to complete this credit application and to agree to its terms.
- Applicant authorizes Bally Technologies Inc. to investigate any references listed pertaining to applicant's credit or financial responsibility.
- Oral statements made by salespeople or other representatives are not binding on Bally Technologies Inc.
- Bally Technologies Inc. shall have the right to deny any credit application or to deny any additional extension of credit if there is a delinquent balance.
- Service charges may be assessed on past due balances at the rate of 1 1/4% per month or the highest per cent permitted by law, whichever is less.
- Payments must be made to the remit to advice below.

2. TERMS OF SALE

- All amounts charged will be due on date of receipt of invoice or later date as specified on the invoice and FINANCE CHARGES may be imposed on this account if said account is not paid on the date amount comes due.
- All other amounts charged by the applicant will be due 30 days following the invoice date and the FINANCE CHARGE may be imposed on this account if said account is not paid on date the amount comes due.
- All sales will be made under the Bally Technologies Inc. standard warranty. A copy of which will be supplied upon request.

ACCEPTED ON _____

BY: _____

COMPANY NAME _____

X _____

(SIGNATURE)

X _____

(SIGNATURE)

*The applicant hereby authorizes the above listed references to provide Bally Technologies relevant credit information related to the applicant and any DBA's. The applicant authorizes Bally Technologies to obtain both commercial and personal credit reports (where applicable) to assist in the extension of credit.

PERSONAL GUARANTEE

In consideration of Bally Technologies Inc. (hereinafter called "Seller") extending credit to the above identified Applicant (hereinafter called "Purchaser"), the undersigned (hereinafter called "Guarantor(s)") jointly and severally hereby guarantee and promise to pay to Seller, on demand, any and all indebtedness of Purchaser up to the amount of the account balance, when due for goods, wares, and merchandise sold and to be sold to Purchaser by Seller. This is a continuing guaranty relating to any obligation, indebtedness, including that arising under successive transactions or from time to time renewals after it has been performed/satisfied. Guarantor(s) understands and agree that this guaranty shall remain in full force and effect until actual receipt by Seller of a written notice of revocation as to future sales. Guarantor(s) hereby waive any notice to us, or either of us, on the sale of any goods, wares and merchandise to Purchaser and waive any right to require Seller to a) proceed against Purchaser, b) proceed against or exhaust any security held for Purchaser, or c) pursue any other remedy in Seller's power whatsoever. Guarantor(s) waive all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of this guaranty, and of the existence, creation, or incurring of new or additional obligations. Guarantor(s) authorize Seller, without notice or demand and without affecting their liability hereunder, to change the time for performance of, or otherwise change the terms of the obligation or any part hereof, to take and hold security for the performance of this guaranty or obligation guaranteed, to exchange, enforce, waive release any such security and to release or substitute any one or more of the Guarantor(s) in the event Seller employs an attorney or uses the services of a collection agency in order to secure payment of any sums due it from purchaser and/or to enforce the obligations of Guarantor under this guaranty. Guarantor(s) agree to pay all attorneys' fees, service charges and other costs paid or incurred by Seller. Should Seller utilize an attorney or collection service to secure payment which charges a "flat percentage fee" based upon the amount recovered, Guarantor(s) agree to pay not less than thirty-three percent (33%) of the principal amount due to Seller by Purchaser in addition to all other sums due.

The undersigned Guarantor(s) warrant they have read this personal guarantee, understand it, and agree to it.

ACCEPTED AND EXECUTED AT _____

ON _____

X _____

(SIGNATURE OF INDIVIDUAL GUARANTOR)

X _____

(SIGNATURE OF INDIVIDUAL GUARANTOR)

(PRINT NAME AND ADDRESS OF GUARANTOR)

(PRINT NAME AND ADDRESS OF GUARANTOR)

FORWARD COMPLETED APPLICATION TO:

Bally Technologies Inc.
6650 S. El Camino Road
Las Vegas, NV 89118
888-844-7579 fax

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