

<b>AMENDMENT OF SOLICITATION / MODIFICATION OF CONTRACT</b>		1. Contract Number CFOPD-19-C-041	Page of Pages 1 Attachment A	
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2. Amendment/Modification Number 01	3. Effective Date See 16 C below	4. Requisition/Purchase Request No.	5. Solicitation/Contract Caption Sports Wagering, Lottery Gaming Systems and Related Services
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6. Issued by: Office of the Chief Financial Officer Office of Contracts 1100 4 <sup>th</sup> Street, S.W. Suite E610 Washington, D.C. 20024	Code	7. Administered by (If other than line 6) Office of Lottery and Gaming 2235 Shannon Place, SE Washington, DC 20020
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8. Name and Address of Contractor (No. street, city, county, state and zip code)  Intralot, Inc. 11360 Technology Circle Duluth, GA 30097 Contact: Nick Papadoglou email: nick.papadoglou@intralot.us  Tel: 202 649 1000  Code Facility	9A. Amendment of Solicitation No.
	9B. Dated (See Item 11)
	X 10A. Modification of Contract/Order No. CFOPD-19-C-041
	10B. Dated (See Item 13) July 16, 2019

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers  is extended.  is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning \_\_\_\_\_ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) BY separate letter or fax which includes a reference to the solicitation and amendment number. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such may be made by letter or fax, provided each letter or telegram makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. Accounting and Appropriation Data (If Required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14

X	A. This change order is issued pursuant to (Specify Authority): 27 DCMR Section 3601.2(c) and Section 1.8 of the Contract
	B. The above numbered contract/order is modified to reflect the administrative changes (such as changes in paying office, appropriation data etc.) set forth in item 14, pursuant to the DC Financial Responsibility and Management Assistance Authority.
	C. This supplemental agreement is entered into pursuant to authority of:
	D. Other (Specify type of modification and authority)

**E. IMPORTANT:** Contractor  is not  is required to sign this document and return \_\_\_\_\_1\_\_\_\_ copies to the issuing office.

14. Description of Amendment/Modification (Organized by UCF Section headings, including solicitation/contract subject matter where feasible.)

The Contract is hereby modified as reflected on Attachment A:

All other terms and conditions shall remain unchanged.

Except as provided herein, all terms and conditions of the document is referenced in Item 9A or 10A remain unchanged and in full force and effect.

15A. Name and Title of Signer (Type or print) Byron E. Boothe, Jr.	16A. Name of Contracting Officer Drakus Wiggins
15B. Name of Contractor Byron E. Boothe, Jr.	16B. District of Columbia 01/31/20
15C. Date Signed 01/31/2020	16C. Date Signed 01/31/20

(Signature of person authorized to sign)  
Byron E. Boothe, Jr.  
Interim CEO

(Signature of Contracting Officer)

## ATTACHMENT A

### MODIFICATION NO. 1 OF CONTRACT NO. CFOPD-19-C-041 SPORTS BETTING, LOTTERY GAMING SYSTEMS AND RELATED SERVICES

Contract NO. CFOPD-19-C-041, Sports Betting, Lottery Gaming Systems and Related Services (Contract) is modified as follows:

**I. Section B.4.2 (Price as a Percentage of Sales for Lottery Vertical) is amended to read as follows:**

1. Delivery or performance shall be made only as authorized by the Contract. The Contractor shall furnish to the District, when and if ordered, the supplies or services specified in the Schedule C, Description/Specifications/Work Statement up to the not-to-exceed amount for the Contract period (base and option years).
2. Beginning on October 19, 2019, the Contractor shall be compensated at the rate of 2.8999% on the total Gross sales from the Lottery Vertical for all sales at or below \$260 million of Lottery annual Gross sales, and shall be compensated at the rate of 2.5999% on the total Gross sales for all Gross Sales above \$260 million of Lottery annual Gross sales, as calculated by the OLG, for the base period (5 years) and for the additional option years. In the event that sales, and any other factors, causes the District to anticipate exceeding the "Not to Exceed" amount during the Contract term, the District will seek D.C. Council approval for an increased "Not to Exceed" amount that shall be reflective of revised sales calculations, and any other factors. Upon the receipt of such D.C. Council approval, the District shall enter into a bi-lateral agreement amending the Contract in accordance with such approval, provided however, the Contractor shall have the right to suspend performance that will exceed beyond the "Not to Exceed" amount until such time as the appropriate and required additional authorizations are obtained by the District to increase the amount.

**II. Section B.4.3 (Price as a Percentage of Sales for iLottery Vertical) is amended to read as follows:**

1. iLottery internet sales will launch based on a signed specification and project plan agreed to by all parties, but no sooner than January 22, 2021. The Contractor will be paid a net win (defined as sales minus prizes) fee of thirty (30%) percent for not traditional games (defined as any game or game designed for fast play, characterized by higher payouts, and that reveals in less than four and a half minutes in an electronic format) and eighteen (18%) percent of gross draw game sales for traditional games (defined as any game or game design currently provided on the lottery central system and designed to be played with a play slip in paper or electronic form with a reveal of four and a half minutes or longer) throughout the term of the new contract and any extensions thereto.
2. In the event the District is permitted to conduct wagering at Federal Enclave locations then the Contractor will be paid a net win (defined as sales minus prizes) fee of twenty-eight (28.6%) percent for not traditional games (defined as any game or game designed for fast play, characterized by higher payouts, and that reveals in less than four and a

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half minutes in an electronic format) and fifteen (15%) percent of gross draw game sales for traditional games (defined as any game or game design currently provided on the lottery central system and designed to be played with a play slip in paper or electronic form with a reveal of four and a half minutes or longer).

### **III. Section B.4.7 (Retail Equipment) is modified to read as follows:**

1. The Contractor shall offer 500 new Photon terminals, printers, barcode readers, CDU's, Player Advertisement Display's (PAD) included within the base price of the Contract and its extensions.
2. Race2Riches content will be replaced based and thereafter converted upon mutual agreement between the parties on the specification of the revised game. Contractor shall deliver the Race2Riches replacement game for user acceptance testing (UAT) by July 31, 2020. The Contractor will be compensated with 14% on the Gross Gaming revenues produced from the revised Race to Riches game or any new content added as part of the wider category of games.

### **IV. Section B.4.8 (Sports Betting) is amended to read as follows:**

1. The System shall be capable of selling sports wagering via mobile and online platforms by March 31, 2020 and through a retail network by November 13, 2020. The Contractor shall, in accordance with its Proposal incorporated into the Contract by reference, provide (install, operate and maintain) its Sports Betting platform for both the retail network as well as online and mobile. The Contractor shall also provide all risk and trading managed services for the smooth operation of the sportsbook product. The Contractor shall also undertake the task to integrate with any 3rd party payment providers thereby providing the capability to the Lottery players to debit and credit their Sport Betting electronic wallet.
2. The Contractor shall seek approval from the OLG on an annual basis (1 year in advance) the payout of the sportsbook product to be offered both in retail and online channels and agrees that the reconciliation of the payout will be on biennial basis. The Contractor shall guarantee the payout as a percentage (%) of revenues and any differences in the reconciliation will be credited to OLG from the Contractor on a biennial basis. For the first year, the sportsbook payout shall not exceed eighty percent (80%) of gross gaming revenue and Contractor shall be responsible for all payouts above the eighty percent (80%) limit.
3. The Contractor, as part of its Sports Betting managed services offer, shall provide OLG with a new customer care center (Call Center or CC) separate to the one that it operates currently for the Lottery games. The new CC will handle end customers/players.

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4. The Contractor shall also offer marketing services to OLG for the daily operation of its Sports Book product. The Contractor shall employ a team of experts to carry out Acquisition, Retention and other CRM related activities.
  5. For its part, the OLG agrees to cover all costs/expenses related to the operation of the Sports Betting that fall outside the Contractor's responsibilities set forth above, and more specifically, Bonuses and promotions to any or all products during operations for both retail, web and mobile channels, consumables in retail, and affiliate network commission in the online channel, payment provider fees and finally streaming fees (i.e. sports betting related content streaming of live games)
  6. For its part, the OLG agrees to pay the Contractor the percentage of 42.5% on the sports betting produced GGR for the duration of the Contract base period (5 years) and for the extensions of the Contract for the platform, risk and trading and marketing related managed services. "Gross Gaming Revenue" or "GGR" is the Gross Sales minus the winner payout, i.e. all money paid to winners, excluding any Guaranteed Payouts and Special Jackpot Contributions that are not mutually agreed by the Parties.
  7. The OLG agrees that it shall spend a minimum of 2% of Sports Betting Gross sales (i.e. handle) in marketing activities mutually agreed with the Contractor in areas such as the following (but not limited to): above the line advertising (including radio, TV), below the line (PoP material), digital strategy (bonusing, promotion and retention campaigns). OLG will fund product launch activities, at an amount not to exceed \$3.6 million, to support marketing, promotions, player acquisition and player retention initiatives slated to begin in January 2020. This funding will not impact the contract cap amount. All activities and campaigns (above and below the line) supporting the product launch and beyond must adhere to a pre-approved plan prepared by the Contractor.
- V. The Contract is amended to add new sections C.9.11 and C.9.12 as follows:**
- C.9.11 The bank account that Contractor requires for holding District funds shall be entitled as follows, using the District's tax identification number (53-6001131), with three (3) District signatories: Intralot for the benefit of the District of Columbia Government.
- C.9.12 To the extent permitted by the Processor, Contractor shall add the District of Columbia Office of the Treasurer to its Merchant Processing Agreement as either a co-signor or an authorized representative.

Except as expressly amended or modified hereby, all terms, conditions and provisions of the Contract are and shall remain in full force and effect and all references therein to such Contract shall henceforth refer to the Contract as modified by this Amendment. This Amendment shall be deemed incorporated into, and a part of, the Contract.