

# **NATIONAL PREMIUM GAME CONSORTIUM AGREEMENT**

This Agreement ("Agreement") made and entered into by the lottery entities hereto effective on the date of execution. The lottery entities initially entering into this Agreement are:

- 1) The California Lottery, a party lottery
- 2) The Georgia Lottery Corporation, a party lottery
- 3) The Michigan Lottery, a party lottery
- 4) The New Jersey Lottery, a party lottery
- 5) The New York State Gaming Commission, a party lottery
- 6) The Ohio Lottery, a party lottery
- 7) The Virginia Lottery, a party lottery
- 8) The Multi-State Lottery Association (hereinafter referred to as "MUSL"), an Association of governmental lotteries

The party lotteries identified above from one (1) through (7) are collectively referred to as the "Party Lotteries" and individually, a "Party Lottery." In certain circumstances identified below, a Party Lottery may be referred to by the name of the state in which it operates. The Party Lotteries and MUSL are collectively referred to as the "Parties," and individually, "Party."

**WHEREAS**, each Party Lottery is a legal entity authorized to operate a lottery within its respective jurisdiction; and

**WHEREAS**, MUSL is an Association of governmental lotteries organized to assist its lottery members in their offering one or more joint lottery games; and

**WHEREAS**, each Party Lottery desires to offer the additional game in its respective state known as MONOPOLY® Millionaires' Club, which is to be facilitated by MUSL on behalf of its lottery members and the Party Lotteries; and

**WHEREAS**, the revenue derived from the lottery operated by each Party Lottery and each MUSL member lottery remains within each respective jurisdiction for distribution in accordance with the constitutional, statutory and/or regulatory requirements of the jurisdiction where each of the Parties, including each MUSL member lottery, is located; and

**WHEREAS**, each Party Lottery and MUSL, on behalf of its member lotteries, is entering into this Agreement to benefit its state government, territory or district, in accordance with its respective laws and rules;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, each of the Parties agrees as follows:

## **1. MONOPOLY® MILLIONAIRES' CLUB PROPERTY**

As used herein, the term "MONOPOLY® Millionaires' Club Property" or "MONOPOLY® Millionaires' Club Properties" shall collectively refer to the approved multi-jurisdictional lottery game, matrix, rules, procedures, designs, names, logos, symbols, emblems, characters, artwork, depictions, illustrations, labels, insignia, indicia and visual representations of any type including any and all trademarks, service-marks, copyrights, patented and/or patent pending play styles associated with MONOPOLY® Millionaires' Club owned by or licensed to the Parties.

## 2. CONTRACTING AUTHORITY; GRANT OF LICENSE

**2.1 Authorization to enter agreement with vendors.** The Party Lotteries hereby authorize MUSL to enter into third party vendor agreements on their behalf and for their benefit except that major agreements such as the agreement with MDI/SGI shall require the approval of each Party Lottery agreeing to be bound by that agreement.

One such authorized third party agreement shall be with MDI Entertainment, LLC and Scientific Games International, Inc. and other affiliated entities (hereinafter referred to as the “SG Agreement”) covering patent, copyright and trademark and other rights, including the MONOPOLY® trademark and associated properties licensed by Hasbro, Inc., for use in a multi-jurisdictional lottery game known as MONOPOLY® Millionaires’ Club, (hereinafter referred to as the “MONOPOLY® Millionaires’ Club Game”), to be conducted by the MUSL member lotteries and the Party Lotteries, pursuant to the provisions of this Agreement.

**2.2 Grant of License.** The Party Lotteries hereby agree to use the MONOPOLY® Millionaires’ Club Properties in accordance with the provisions of the SG Agreement. Subject to Section 4 of this Agreement, the right to offer the MONOPOLY® Millionaires’ Club Game is made without further approval by the Parties.

**2.3** The full and complete consideration for the right to offer the MONOPOLY® Millionaires’ Club Game shall be the agreement by the MUSL member lotteries and each of the Party Lotteries to comply with the MONOPOLY® Millionaires’ Club Product Group Game Rules adopted May 29, 2014, as they may be amended from time to time (hereinafter referred to as the “Game Rules”), and the provisions of any third party agreement entered into by MUSL pursuant to section 2.1 of this Agreement.

## 3. TERM

This Agreement shall be effective as of the date set forth above and shall continue until terminated by the Parties, subject to withdrawal by individual Party Lotteries or individual lottery members of MUSL in accordance with this Agreement.

## 4. SELLING THE MONOPOLY® MILLIONAIRES’ CLUB GAME

It is the intent of the Parties that each MUSL member lottery and each Party Lottery be authorized to sell MONOPOLY® Millionaires’ Club Game tickets in its respective jurisdiction.

In the event a Party is unable to comply with the Game Rules or any other MUSL requirements applicable to the Parties, for the operation of the MONOPOLY® Millionaires’ Club Game and to provide all necessary equipment, systems, internal controls, and such other capabilities as required, the Party will submit to the Monopoly Millionaires’ Club Product Group (“Product Group”) a Notification of Variance, which shall propose alternate solutions that would allow the Party to comply substantially with the intent of the Game Rules and other MUSL requirements. Any alternate solution proposed by a Party must be approved by the Product Group before that Party may sell MONOPOLY® Millionaires’ Club Game tickets.

## 5. PRIZE LIABILITY FOR THE MONOPOLY® MILLIONAIRES’ CLUB GAME

Prize liabilities shall be shared by each of the Parties participating lotteries in the game as outlined in the

Game Rules.

As outlined in the Game Rules, Party Lotteries shall weekly transfer their share of prize liabilities to the MUSL (directly or through the Virginia Lottery) as such liabilities are described in the Game Rules and as indicated by MUSL.

At the election of each Party Lottery, however, a Party Lottery may transfer the prize reserve portion of its prize liability to MUSL or retain that amount in trust for the benefit of the Parties until such amounts are required to be transferred pursuant to the Game Rules. In the event that prize reserve amounts are required for use by the Product Group under the Game Rules, MUSL shall notify the Party Lottery of the amount and transfer date.

The Game Rules shall provide for distinct lower tier prize liability and prize amount provisions for the California Lottery in accordance with its jurisdictional requirements.

**6. MONOPOLY® MILLIONAIRES' CLUB REVENUES**

The revenues from the MONOPOLY® Millionaires' Club Game generated within each Party jurisdiction and not allocated to prizes shall remain in that Party jurisdiction for distribution in accordance with its respective constitutional, statutory, regulatory and/or contractual requirements.

**7. GOVERNING LAW AND LITIGATION: MONOPOLY® MILLIONAIRES' CLUB GAME**

**7.1** Any prize awarded pursuant to any MONOPOLY® Millionaires' Club Game drawing in accordance with this Agreement shall be subject to the constitution or state, territory or district statutes or laws of the jurisdiction where the ticket was purchased. In the event that any provision contained herein conflicts in any way with any constitutional provision or state, territory or district statute or law of a Party jurisdiction, whether now in effect or later adopted, then, as to that Party, such constitutional provision or state, territory or district statute or law shall control.

**7.2** Any claims or litigation relating to a MONOPOLY® Millionaires' Club Game ticket and/or prize (i) shall be resolved according to the laws of the state, territory or district where the ticket was purchased; (ii) must be litigated in said state, territory or district; and (iii) can only be brought against the Party in the state, territory or district where the ticket was purchased.

**7.3** In the event that a Party learns of any matter regarding the MONOPOLY® Millionaires' Club Game that is likely to result in litigation, including, but not limited to information that a monetary or other legal claim has or is likely to be filed, that Party shall immediately notify the other Parties.

**7.4** This Agreement does not waive the defense of sovereign immunity or any other legal or factual defense which any Party may have, nor does this Agreement pledge the credit of the respective states, territories or districts in which any Party is located.

**7.5** The Parties agree to place language on MONOPOLY® Millionaires' Club Game play slips or other MONOPOLY® Millionaires' Club Game literature, if reasonably possible, stating that all claims arising out of the MONOPOLY® Millionaires' Club Game must be pursued consistent with the Game Rules and the regulations, rules, procedures, and laws of the jurisdiction where the ticket was purchased.

**7.6** No Party shall be responsible for the acts or omissions of the officers, appointed officials,

employees, agents, subcontractors or other persons directly or indirectly employed by any other Party, whether the claim, liability, loss, damage, cost or expense is based on negligence, strict liability or any other culpable conduct, whether frivolous or not.

**8. PLEDGE OF CREDIT**

No Party shall pledge the credit of any other Party, directly or indirectly. Each Party shall be liable for its proportionate share of prize monies as provided in the Game Rules.

**9. AUDITS**

Each Party shall subject MONOPOLY Millionaires' Club Game transactions, account and processes in its state to a test of agreed upon procedures by an independent auditor, according to agreed-upon attestation standards established by the American Institute of Certified Public Accountants. Such procedures will be recommended by the Product Group and agreed to by the Directors of the Parties. Results shall be shared among all of the Parties in a manner agreed to by the Directors. For purposes of this Paragraph, "independent auditor" may include the State Auditor General or comparable office in each Party's jurisdiction.

**10. WITHDRAWAL**

**10.1** Except as otherwise provided in the Game Rules, any Party Lottery or any lottery member of MUSL may withdraw from this Agreement upon six months' prior written notice as follows: if withdrawal by a Party Lottery then notice to MUSL pursuant to Section 14 hereof and if withdrawal by a MUSL member lottery, then to MUSL which, will then provide immediate written notice pursuant to Section 14 herein.

**10.2** Notwithstanding the above, a Party Lottery or a MUSL member lottery may withdraw immediately upon written notice to each of the Parties if such withdrawal is required by law.

**10.3** Withdrawal of any Party Lottery or MUSL member lottery described in this Section for any reason does not cancel any mutual obligation(s) incurred as a result of this Agreement prior to the withdrawal date regardless of the time when such obligation becomes due.

**11. CONFLICT OF LAWS**

In the event of conflict between this Agreement and the constitution or state, territory or district laws of any Party Lottery, MUSL, or MUSL member lottery, then the constitution or state, territory or district law of said Party Lottery, MUSL, or MUSL member lottery shall control.

**12. COUNTERPARTS**

This Agreement may be executed in as many counterparts as there are Parties. When so executed, each shall be deemed to be an original and such counterparts together shall constitute one and the same agreement.

**13. ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, among the Parties

with respect to the subject matter hereof.

**14. NOTICE**

The Parties shall give written notice regarding any changes to the Game Rules, third party agreements, or MUSL Product Group requirements, or any other matter of significance, to the addresses below:

Director  
California Lottery  
701 N 10<sup>th</sup> Street  
Sacramento, CA 95811

Executive Director  
New Jersey Lottery  
PO Box 041  
Trenton, NJ 08625

President and CEO  
Georgia Lottery Corporation  
250 Williams Street, Suite 3000  
Atlanta, Georgia 30303

Director, Lottery Division  
New York State Gaming Commission  
One Broadway Center  
Box 7500  
Schenectady, NY 12301

Commissioner  
Michigan Lottery  
101 E Hillsdale  
PO Box 30023  
Lansing, MI 48909

Executive Director  
Ohio Lottery  
615 W Superior Avenue  
Cleveland, Ohio 44113

Executive Director  
Multi-State Lottery Association  
4400 NW Urbandale Drive  
Urbandale, Iowa 50322

Executive Director  
Virginia Lottery  
900 E Main Street  
Richmond, VA 23219

**15. SEVERABILITY**

If any provision of this Agreement is held unenforceable, then such provision will be modified to reflect the Parties' intention. All remaining provisions of this Agreement shall remain in full force and effect.

**16. MODIFICATION**

This Agreement may only be modified in writing by mutual agreement of all Parties.

IN WITNESS THEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

MULTI-STATE LOTTERY ASSOCIATION

By: \_\_\_\_\_ on \_\_\_\_\_, 2014.  
Charles Strutt, Executive Director  
For and on behalf of the participating MUSL member lotteries

Approved by the Party Lotteries:

The California Lottery

By: \_\_\_\_\_  
Paula LaBrie, Acting Director                      Date

The Georgia Lottery Corporation

By: \_\_\_\_\_  
Debbie Alford, Pres. and CEO                      Date

The Michigan Lottery

By: \_\_\_\_\_  
M Scott Bowen, Commissioner                      Date

The New Jersey Lottery

By: \_\_\_\_\_  
Carole Hedinger, Exec. Director                      Date

The New York State Gaming Commission

By: \_\_\_\_\_  
Gardner Gurney,                      Date  
Acting Dir. Division of Lottery

The Ohio Lottery

By: \_\_\_\_\_  
Dennis Berg, Exec. Director                      Date

The Virginia Lottery

By: \_\_\_\_\_  
Paula Otto, Exec. Director                      Date