



REQUEST FOR PROPOSAL

The Multi-State Lottery Association (MUSL) is seeking a qualified Vendor to provide Software Audit and Certification of a Digital Draw System (DDS).

Sealed proposals will be received until March 11, 2019, 3:00 pm CST. Interested Vendors should submit sealed bids to the following address and email:

PROCUREMENT
MULTI-STATE LOTTERY ASSOCIATION
4400 NW Urbandale Drive
Urbandale, IA 50322
Procurement@MUSL.com
Fax: (515) 453-1420

SECTION I GENERAL INFORMATION

1.1 PURPOSE

The Multi-State Lottery Association (MUSL) is an association of governmental lotteries formed to provide certain services to lotteries, including conducting various lottery game drawings. The purpose of this Request for Proposal (RFP) is to identify and select a provider that will evaluate, test and certify five (5) new SmartPlay Origin® Digital Draw Machines. MUSL will employ a two-step certification process: 1) Randomness testing and certification; 2) Software review and certification. This RFP is issued for the second step of the two-step process.

Services will include pre-production testing and assurance / certification that the DDS is fit for the purpose intended.

The RFP should include costs for annual re-certifications for each of the next five years and for certification for software changes as required by game matrix changes. Costs should be listed separately for each category (initial, annual re-certification (at the request of MUSL) and certification for game changes).

Specifically, the DDS will need to be tested, and certified that it is fit for its intended purpose. Services shall include testing that meet regulated gaming industry-accepted software certifications. The selected Vendor will provide a warranty that the DDS is fit for its intended purpose.

Obligations under this contract will commence in April/May 2019. It is anticipated that the new DDS will be put into production by no later than July 1, 2019, so all initial services must be performed by June, 2019.

A multi-year master agreement of up to ten (10) years may be established.

1.2 CONTENT OF THE REQUEST FOR PROPOSAL (RFP)

This RFP is designed to provide Vendors with the information necessary for the preparation of competitive proposals. The RFP is not intended to be comprehensive, and each Vendor is responsible for addressing all issues relevant to the requirements of the RFP.

MUSL reserves the right to modify the RFP at any time. Any modification of the RFP will be clearly marked as a modification and provided to each Vendor who received an original copy of the RFP, and shall be posted to the MUSL website (www.musl.com).

Proposals shall be based solely on the material contained in the RFP or in subsequent modifications to the RFP and corresponding responses. Vendors are to disregard any draft material they may have received, any newspaper articles they may have read, and any other verbal or written representations from any source.

In submitting a proposal the Vendor agrees that it will not bring any claim or have any cause of action against MUSL or its members based on any misunderstanding concerning the information provided or MUSL's or its members' failure, negligent or otherwise, to provide the Vendor with pertinent information as intended under the terms of the RFP. Issuance of the RFP is not a commitment to select any Vendor, and is not a commitment to enter into an Agreement for this endeavor.

1.3 VENDOR INQUIRIES

Vendors may submit written questions concerning this RFP by February 20, 2019. MUSL will respond to the questions in writing, and will post to www.MUSL.com the questions, and responses on or before February 22, 2019.

Modifications to the RFP will be posted to the MUSL website (www.musl.com).

All written questions and other inquiries regarding this RFP shall be directed to:

PROCUREMENT
Multi-State Lottery Association
4400 NW Urbandale Drive
Urbandale, IA 50322
Procurement@musl.com

Written questions emailed to the email address above within the timeframe listed will be addressed. All questions, and all responses will be provided to interested Vendors.

A Vendor may be disqualified for attempts to contact any MUSL employee, MUSL Board member or any member lottery employee, other than to obtain general information about this RFP process.

Changes in applicable laws and rules may affect the award process or the resulting contract. Vendors are responsible for ascertaining pertinent legal requirements and restrictions.

1.4 SUBMISSION OF PROPOSALS

Only one proposal will be accepted from each Vendor.

Vendors must identify and address each requirement in this RFP by section number and in order.

Vendors shall submit the original and three copies in a sealed envelope labeled “Proposal”, **and** email a PDF to the MUSL contact listed in Section 1.3.

Each Proposal must also be accompanied by a signed copy of the Vendor's certification included with the RFP in Appendix A.

1.5 TRANSMITTAL LETTER

A transmittal letter, sign by a person authorized to bind the Vendor to contractual obligations, should be the first page of the Response, and must be submitted as part of the proposal. Additionally, the Transmittal Letter must:

- a. Indicate that it is the transmittal letter;
- b. Identify the Vendor submitting the proposal;
- c. Indicate the name, title, address, and telephone number of the person in the Vendor's organization to be contacted concerning the proposal;
- d. Identify those portions of the RFP that Vendor identifies as confidential information; and,
- e. Identify any requirements regarding the Vendor's software or hardware to remain proprietary or licensed by the Vendor to MUSL.

By signing and submitting the transmittal letter the Vendor:

- a. Commits that it can, and will, if selected provide the goods and services requested in the response to this RFP;
- b. Warrants that no material misrepresentation or omission in connection with its proposal;
- c. Represents that it has not acted with other Vendors to restrict competition for this solicitation; and,
- d. Represents that it has not agreed to pay any person or entity (other than a bona fide employee of the Vendor) a fee or commission conditioned on the award of this contract

1.6 SUBMISSION OF DISCLOSURE DOCUMENTS

The "Initial Vendor Disclosure" document provided with this proposal (Appendix B) must also be included with the proposal.

1.7 DATES RELEVANT TO THIS RFP

February 15, 2019	RFP emailed to potential Vendors and posted to MUSL, NASPL and PGRI websites
February 20, 2019	Vendor questions are due
February 22, 2019	MUSL responses to Vendor’s questions emailed and posted to websites listed above
March 11, 2019	Proposals due by 3:00 p.m. (Central Time)
March 18, 2019	Vendor Selection

All dates are subject to change by MUSL.

Proposals and disclosure documents may be either mailed or hand delivered (with one copy provided by email in PDF), and must be received by the Multi-State Lottery Association, 4400 NW Urbandale Drive, Urbandale, IA 50322, by 3:00 p.m. CST on March 11, 2019.

1.8 COST ACCEPTED BY VENDORS

MUSL is not responsible for any costs incurred by a Vendor which are related to the preparation or delivery of the proposal, any on-site inspection or off-site presentation which may be required, or any other activities related to this RFP.

1.9 RESERVED

1.10 CLARIFICATIONS TO PROPOSALS

MUSL may request clarifications of Proposals.

1.11 PROPOSALS VALID FOR NINETY DAYS

All proposals submitted shall remain valid for ninety (90) calendar days following the date on which the proposals are opened. A Vendor's submission of a proposal shall constitute the Vendor's express agreement to this time limit.

1.12 EVALUATION OF INFORMATION

MUSL reserves the right to make on-site inspection of the Vendors' facilities which MUSL deems pertinent and necessary to evaluate the Vendors' proposals. MUSL may consider information obtained during the inspection for purposes of evaluating the proposals.

MUSL reserves the right to obtain information, from any and all sources, concerning a Vendor or a Vendor's product which MUSL deems pertinent to this RFP and to consider such information in evaluating the Vendor's proposal.

1.13 STANDARDS APPLICABLE TO THE AWARD

MUSL shall award the contract to the responsible Vendor submitting the best proposal. MUSL shall consider cost, security, competence, experience, and all other relevant information in making the award.

The selected Vendor, and any subcontractors approved in advance by MUSL, must pass a security background check to be performed by lottery officials or law enforcement officials.

1.14 WAIVER OF INFORMALITIES AND REJECTION FOR NONCOMPLIANCE

The MUSL reserves the right to waive minor deficiencies in a proposal. The decision as to whether a deficiency will be waived or will require the rejection of a proposal will be solely within the discretion of the evaluation committee.

Failure to comply with or respond to any part of this RFP that requires a response may result in rejection of their proposal.

1.15 PROPOSAL REJECTION

MUSL reserves the right to reject any and all proposals in response to this RFP. Vendors whose proposals are not selected for further negotiations or contract award will be notified in writing at the address given in the proposal.

1.16 REQUESTS FOR CONFIDENTIALITY

Proposals will be shown only to MUSL, members of MUSL and persons authorized by the MUSL as deemed appropriate by MUSL.

Any request for confidential treatment of information must be included in the transmittal letter described in this RFP. The request must also include the name, address, and telephone number of the person authorized by the Vendor to respond to any inquiries by the MUSL concerning the confidential status of the materials. The Vendor must also state in the transmittal letter the reasons such confidentiality is necessary.

Any documents submitted which contain confidential information must be marked on the outside as containing confidential information, and each page upon which confidential information appears must be marked as containing confidential information. The confidential information must be clearly identifiable to the reader wherever it appears. All copies of the proposal submitted, as well as the original proposal, must be marked in this manner.

In addition to marking the material as confidential material where it appears, the Vendor must submit one copy of the relevant pages of the proposal from which the confidential information has been excised. The confidential material must be excised in such a way as to allow the public to determine the general nature of the material removed and to retain as much of the document as possible. These pages must be submitted with the transmittal letter and will be made available for public inspection.

The Vendor's failure to request confidential treatment of material pursuant to this section and the relevant laws and administrative rules will be deemed by the MUSL as a waiver of any right to confidentiality that the Vendor may have had. Under no circumstance will MUSL be liable to any Vendor or to any person or entity for any disclosure of any materials not claimed as confidential by the Vendor or for materials MUSL reasonably believes should not be considered trade secret or confidential information.

1.17 COPYRIGHTS

By submitting a proposal the Vendor agrees that MUSL may copy the proposal for purposes of facilitating the evaluation. The Vendor represents that such copying will not violate any copyrights in the materials submitted.

1.18 PROPOSALS PROPERTY OF MUSL

All proposals will become the property of MUSL and will not be returned to the Vendors.

MUSL reserves the right to use any and all information contained in a proposal to the extent permitted by law.

1.19 CONTRACT PROVISIONS

The contract that MUSL expects to award as a result of this RFP will be based upon the proposal submitted by the successful Vendor(s) and all requirements as presented in this RFP. MUSL reserves the right to either award a contract without further negotiation with the successful Vendor or to negotiate terms with the selected Vendor if the best interests of MUSL would be served.

The following contract terms are not intended to be a complete listing of all contract terms, but are provided to enable the Vendor to better evaluate the Vendor's costs associated with the provision of services to MUSL. **When submitting proposals, Vendors should expect that the terms indicated in Appendix D will be included in any contract awarded as a result of this RFP.**

1.20 SCOPE OF OWNERSHIP

The successful Vendor shall agree that at all times during the term of the agreement resulting from this RFP and thereafter, the product and services requested by this RFP shall be considered "work made for hire." MUSL shall have complete and sole ownership of the equipment, goods, hardware, software, and other products and services to be delivered by the Vendor under the agreement. Such services shall include, but not be limited to, any unfinished products (no matter at what stage of completion) that are the result of the Vendor's partial or complete performance under the agreement.

The Vendor agrees that no ideas or materials shall be used by the Vendor, or its subcontractors, at any time, during or after the term of the agreement, to advertise any competitive product of MUSL.

If the agreement is terminated for any reason, the Vendor shall agree to deliver to MUSL any and all products, materials or other items specified herein which MUSL might request, within thirty (30) days of request.

The Vendor shall include in all subcontracts, a provision that the certification report and testing associated with the same shall be a "work made for hire" and MUSL shall have

complete and sole ownership of all products pursuant to the agreement with MUSL. Copyrights shall be retained by the MUSL.

The Vendor shall not convey, assign, transfer or otherwise dispose of any right, title, or interest in any contract resulting from this RFP or work to be performed by the Selected Vendor without prior written approval of MUSL.

MUSL retains the right to inspect any phase of services to be provided either on a continuing or a spot-check basis.

The Vendor shall assure that details of MUSL's marketing programs, advertising and/or game design are not disclosed to persons or organizations other than the personnel and/or subcontractors of the Vendor whose assistance in production is necessary. Upon award of a contract resulting from this RFP, the awardee(s) shall be required to complete a Confidential Information Agreement form and return prior to commencement of services.

SECTION II DISCLOSURE REQUIREMENTS

2.1 NOTICE OF DISCLOSURE REQUIREMENTS

All Vendors submitting a proposal must provide a completed response to the "Initial Vendor Disclosure" document (Appendix B). This document must be included with the Vendor's proposal.

The Vendor must provide complete background information, upon notification of contract award, on all control persons of the Vendor and any person(s) involved in this project deemed pertinent by MUSL. Vendor must pass background checks prior to contract signing.

A "Control Person" means any person who owns five percent or more of the Vendor, a parent company, a subsidiary company, and all officers and directors of the Vendor, parent or subsidiary company of the Vendor, or any other business entity directly associated with the Vendor.

All parties contracting with MUSL must pass security checks performed by lottery security officials or law enforcement officials.

MUSL will not award a contract to a Vendor if a Control Person of the Vendor, or a person assigned by the Vendor to perform services for MUSL, has been convicted of a felony or any gambling related offense.

2.2 USE OF INFORMATION

Any information provided to MUSL in the disclosure form or obtained by MUSL through the use of these documents may be used by MUSL to determine the successful Vendor or to disqualify a Vendor. MUSL will not award a contract to a Vendor if a control person of the Vendor or a person assigned by the Vendor to perform services for MUSL has been convicted of a felony or any gambling related offense. Law enforcement or Lottery security officials may confer with Vendors.

SECTION III VENDOR EXPERIENCE

3.1 VENDOR QUALIFICATIONS

Provide resumes for all persons who will be assigned to work on this project. State the experience that the Vendor, the Vendor's key personnel, and the personnel who will be assigned to the project have in providing services similar to those described in this RFP.

3.2 VENDOR EXPERIENCE AND REFERENCES

Identify three (3) to five (5) engagements of comparable complexity which have been conducted by the Vendor over the past two years. MUSL will use the engagements identified as technical references. The Vendor should indicate the name, titles and phone numbers of the persons to be contacted for purposes of obtaining references.

3.3 FACILITIES, RESOURCES, AND EQUIPMENT LIST

Describe the in-house facilities, resources, staff, and equipment that will be used to complete the project.

SECTION IV DESCRIPTION OF WORK

4.1 REQUIREMENTS

Vendor will certify and warrant that the DDS is fit for its intended purpose, and will perform testing on five (5) Digital Draw Systems (“DDS”) purchased from Smartplay International, Inc. Any subcontractor must be approved by MUSL prior to engagement on the project. All five (5) machines will be built to accommodate drawings for the games listed in the game matrix, Appendix E.

A non-disclosure agreement will be required between the selected Vendor and Smartplay International, Inc. (Appendix F).

4.1.2 Requirements:

1. Machines shall be tested to produce draw results for the games listed in appendix E. Some games may allow repeat numbers; other games do not allow repeat numbers.
2. Draw results must be in the order in which they were drawn, if applicable, and as otherwise designated by MUSL.
3. Draw results shall not be predictable.
4. Periodic meetings will be scheduled by MUSL, with MUSL, Smartplay and successful bidder to discuss and facilitate information requests between the entities.
5. MUSL requests that the successful bidder provide these services, and issue a report addressing each result:
 - a. Review of software (source code, compiled code and other information) to ensure it works according to the specifications as provided by MUSL. Bidders should describe the steps taken to undertake this review, and to ensure that there are no extraneous routines and/or malicious code in the software.

- b. Review, and perform statistical testing of all games drawn on five (5) Smartplay Origin® DDS. Bidders should explain in detail how this step will be performed.
6. Attend and observe, with MUSL staff and Smartplay staff, the final installation, implementation and assembly of the five (5) draw machines on MUSL premises as may be required by MUSL.
7. Bidders should submit information regarding the chain of custody processes in place to ensure integrity of the final product and installation.
8. Review the system software configuration.
9. Review the security and integrity controls of each machine.
10. Additional services as deemed appropriate, including but not limited to reviews of the RN server to confirm digital signatures of outputs, review and confirmation that data placed in QR or machine readable code, and other items as deemed necessary by MUSL and/or supplier.

Personnel of the successful vendor who will be assigned to this project may will be required to undergo background checks of staff assigned to this project; in the alternative, MUSL may accept standards the successful Bidder has used for background checks for personnel assigned to this project.

4.1.3 Source code. It is anticipated that Smartplay International, Inc. will provide a secure transfer of source code to the vendor. The source code should contain documented program instructions that Vendor can follow. Source code files should be capable of being verified via a hash.

Under the supervision of Vendor, MUSL will conduct practice draws under normal operating conditions on the DDS system. Vendor will specify the number of practice draws for each game, and will perform statistical analysis of those test draws.

Vendor will review MUSL procedures relating to the operation and use of the DDS, to ensure ongoing integrity of operation.

4.1.4 Report/Certificate. Vendor shall provide oral and written reports regarding the work performed pursuant to this Agreement at the direction of MUSL. Upon successful completion of all of the tests and reviews in this Agreement that are scheduled to occur prior to the first live draw on the DDS system, Vendor shall issue a certificate that the DDS is fit for its intended purpose.

4.1.5 Timeline. The Parties agree that time is of the essence. Vendor shall complete all work relating to this Project, which shall be completed on or before June 15 2019.

4.1.6 Revisions. At the discretion of MUSL any revisions to the deliverables will require recertification.

SECTION V INSURANCE REQUIREMENTS

The selected Vendor, within 15 days following notification of their selection, shall provide MUSL with evidence of insurance which will afford protection and coverage as defined in Appendix D.

Interested Bidders should provide separate costs for errors and omission insurance of \$3,000,000, \$5,000,000 and \$10,000,000.

SECTION VI FINANCIAL INFORMATION

MUSL may request audited financial statements and/or financial records during the evaluation of submitted proposals.

SECTION VII PRICE

The Vendor must provide a single, firm, fixed cost to MUSL for the providing of all services relating to the production of Certification and Integrity Review services and all other described elements of this RFP.

Once under Contract and the work has started, scope of work changes may require change orders which may increase, or decrease the price.

Appendix A

VENDOR CERTIFICATION

I certify that I have the authority to bind the Vendor indicated below to the specific terms and conditions imposed in the RFP, and that by my signature on this document, the Vendor specifically agrees to all of the waivers, restrictions, and requirements of the RFP as conditions precedent to submitting this proposal.

I further state that in making this proposal the indicated Vendor has not consulted with others for the purpose of restricting competition and that the Vendor has not made any knowingly false statements in its proposal or background statement.

Name

Title

Entity submitting proposal

Date

Appendix B

INITIAL VENDOR DISCLOSURE

The Vendor shall provide the following information:

1. Name, website address, mailing address and physical address of company (or other business entity) submitting the proposal.
2. Type of business entity (e.g., corporation, partnership).
3. Place of incorporation, if applicable.
4. Name and location(s) of major offices and other facilities that relate to the Vendor's performance under the terms of this RFP.
5. Name(s), address(es), and function(s) of any and all subcontractors, associated companies, or consultants to be involved in any phase of this project.
6. Name, address, voice telephone number, email address, and telefax number of Vendor's representative to contact regarding all contractual matters concerning this proposal.
7. Name, address, voice telephone number, email address, and telefax number of Vendor's representative to contact regarding all technical matters concerning this proposal.
8. Name, address, voice telephone number, email address, and telefax number of Vendor's representative to contact regarding scheduling and other arrangements, if necessary.
9. Names of all attorneys and law firms representing the Vendor.
10. Vendor's federal employer identification number.
11. The name, address and telephone number of all persons, consultants, sales agents, or other entities involved in aiding the Vendor's efforts to obtain this contract or otherwise assisting the Vendor.

12. The Vendor must state whether or not, for each controlling person of the Vendor or employee assigned to do the work, during the last five (5) years, any of the following events occurred:
 - a. A petition under the Bankruptcy Act or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer appointed by a court for the business or property of such person, or any partnership in which such person was a general partner at or within two (2) years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two (2) years before the time of such filing.
 - b. Such person was indicted, accused or convicted of a crime or was a subject of a grand jury or criminal investigation (excluding traffic violations and other minor offenses).
 - c. Such person was the subject of any order, judgment or decree of any court of competent jurisdiction permanently or temporarily enjoining him from, or otherwise limiting his participating in any type of professional or business practice or activity (i.e., licenses, suspension and/or revocation of same).
 - d. Such person was the subject of any order, judgment or decree of any federal or state authority barring, suspending or otherwise limiting the right of such person to engage in any professional or business practice or activity.
13. A Vendor must provide the name, home address, cell phone number, home telephone number and current duties and responsibilities of all individuals who will be assigned to work on any contract awarded pursuant to this RFP. This requirement is met if the information requested here is included in the resumes provided with the bid.
14. If any part of the Vendor's work on any contract awarded pursuant to this RFP is to be performed by subcontractors, partners, or consultants, the Vendor must identify such parties and describe their functions, as well as the contractual agreements with said parties. The Vendor should also include resumes of the officers and key employees of such parties.
15. Vendors who employ or have on their governing boards as of the date of their proposals, employees or former employees of MUSL or its members shall identify each such person and their position and responsibilities within the Vendor's organization. If, following a review of this information, MUSL determines that a

conflict of interest may exist, the Vendor may be disqualified from further consideration for the award of a contract.

16. If any control person of the Vendor, or subcontractor of the Vendor, or any employee of either assigned to this project, is a member of the immediate family of any employee of MUSL or its members or has a close personal relationship to any employee of MUSL or its members, indicate each person and employee.
17. The Vendor must state whether any of the following has occurred:
 - a. During the last five (5) years, the Vendor has had a contract terminated for any reason.
 - b. During the last two (2) years, the Vendor has been assessed penalties under any of its existing or past contracts. If so, indicate the public jurisdiction, the reason for the penalty, and the penalty amount of each incident.
 - c. During the last two (2) years, the Vendor, a subsidiary of intermediary company, parent company or holding company was the subject of any order, judgment or decree of any federal or state authority barring, suspending or otherwise limiting the right of the Vendor to engage in any business, practice or activity.

Appendix C – reserved

Appendix D

AGREEMENT FOR THE CERTIFICATION OF A DIGITAL DRAW SYSTEM

This agreement is made by and between the Multi-State Lottery Association (MUSL), an unincorporated government benefit association, and **VENDOR** (Vendor), located at ADDRESS.

1. **Incorporation of Documents.** MUSL Request for Proposal (RFP) number **XXX** and the Vendor's response to the Request for Proposal (Vendor's Proposal) are incorporated by reference into this agreement as though fully set forth.

In the event of a conflict in language between the RFP, RFP amendments, and the proposal, the provisions set forth in the RFP and its amendments shall govern. In the event that an issue is addressed in the proposal that is not addressed in the RFP or its amendments, no conflict in language shall be deemed to occur.

In the event of a conflict in language between any of the above-mentioned documents and the contract, the provisions set forth in the contract shall govern. In the event that an issue is not addressed in the contract, no conflict in language shall be deemed to occur.

Any alterations, variations, changes, modifications or waivers of or to provisions of the contract shall only be valid when they have been reduced to writing and duly executed and approved by each of the parties.

2. **Term.** The initial contract term will be for **one (1) calendar year** from **XXX**. MUSL will have the sole right to extend the contract up to **nine (9)** additional one-year option periods for a total contract period not to exceed **ten (10)** years.
3. **Vendor's Duties.** The Vendor shall perform as set forth in this agreement, the Vendor's Proposal, and as required by the RFP. In the event that any of the employees specified in the Vendor's Proposal become unavailable to the Vendor, the Vendor shall replace them with employees with comparable expertise.

[Brief Description of overall duties]

- 4. Payments to Vendor.** The Vendor agrees to submit an invoice to MUSL requesting payment for the services rendered based on the prices set forth in this agreement. The MUSL agrees to pay the Vendor **XXXX**. This fee shall include all costs incurred by the Vendor in providing services as set forth in this agreement, the RFP, and the Vendor's Proposal. Invoices shall be submitted to the Chief Financial Officer, Multi-State Lottery Association, 4400 NW Urbandale Drive, Urbandale, IA 50322.
- 5. Termination.** MUSL may terminate the contract, paying compensation only for good and valuable product and services received, as determined by MUSL.

If the contract is terminated, compensation, if any, shall be limited to reasonable expenses for products, materials, supplies, and services rendered, for which Vendor has not yet been compensated. MUSL will make no payments for unfurnished work, work in progress, or raw materials acquired unnecessarily in advance, in excess of MUSL's delivery requirements, or initiated after receipt of notice of termination.

- 6. Non-Exclusive.** The contract will not be exclusive as related to **XXX** undertaken by MUSL or its members.

7. Indemnification.

- a. **General Indemnification.** Vendor shall indemnify, defend and hold harmless MUSL, its Members and their jurisdictions, and their departments, divisions, agencies, sections, commissions, officers, employees and agents from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:
- i. Any claim, demand, action, citation or legal proceeding arising out of or resulting from (i) the products provided or (ii) performance of the work, duties, responsibilities, actions or omissions of Vendor or any of its subcontractors under this contract, or (iii) a breach of any representation or warranty made by Vendor in the contract.
 - ii. Any claim, demand, action, citation or legal proceeding arising out of or related to occurrences that Vendor is required to insure against as provided for under the contract.

- iii. Any claim, demand, action, citation or legal proceeding arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by Vendor, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable.

- iv. Any claim, demand, action, citation or legal proceeding resulting from an act or omission of Vendor or any of its subcontractors in its or their capacity as an employer of a person.

These indemnification clauses shall not apply to the extent, if any, that such death, bodily injury, property damage, or other damages are caused by the negligence or reckless or intentional wrongful conduct of MUSL, its Members or their individual jurisdictions.

b. Patent / Copyright / Trademark / License Infringement Indemnification

Vendor shall indemnify, defend and hold harmless MUSL, its Members and their jurisdictions, and their departments, divisions, agencies, sections, commissions, officers, employees and agents from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by Vendor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States or foreign patent, copyright, trademark, license, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or service, or the operation thereof, become or in Vendor's opinion be likely to become the subject of a claim of infringement, Vendor shall at Vendor's sole expense (i) procure for MUSL the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to Vendor, (ii) replace or modify the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing.

MUSL will not agree to indemnify the Vendor for any reason.

- 8. Compliance with Laws.** Vendor shall comply with all applicable laws and rules when performing. This also requires that the Vendor pay all taxes, fees, and assessments, however designated, levied, or based upon the goods and services supplied by the Vendor.
- 9. Insurance.** Vendor shall maintain adequate insurance for the performance of the contract and, by submission of a bid, agrees to indemnify and save harmless and to defend all legal or equitable actions brought against MUSL, its Members and their individual jurisdictions, and any agency, officer and/or employee or agent of them, for and from all claims of liability which is or may be the result of Vendor's actions during the performance of the contract. The purchase or non-purchase of such insurance or the involvement of Vendor in any legal or equitable defense of any action brought against Vendor based upon work performed pursuant to the contract will not waive any defense which MUSL, its Members and their individual jurisdictions, and any agency, officer and/or employee or agent might otherwise have against such claims, specifically including the defense of sovereign immunity where applicable, and MUSL, its Members and their individual jurisdictions, and any agency, officer and/or employee or agent thereof shall not be financially responsible for the consequences of work performed, pursuant to said contract.

- a. **Insurance.** Vendor shall purchase and maintain insurance for claims set forth below which may arise out of or result from Vendor's operations under the contract, whether such operations be by Vendor or by any subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:
- i. Claims under workers' compensation, disability benefit and other similar employee benefit acts per statute in each state in which Vendor does business.
 - ii. Claims for damages because of bodily injury, occupational sickness or disease, or death of Vendor's employees
 - iii. Claims for damages because of bodily injury, sickness or disease, or death of any person other than Vendor's employees
 - iv. Claims for damages because of injury to or destruction of tangible property, including loss of use resulting therefrom
- b. **General Liability Insurance** coverage with limits of not less than \$2,000,000 for injury to any one person, \$4,000,000 for any one occurrence of personal injury and \$2,000,000 for any one occurrence of property damage.
- c. **Property Insurance** on all buildings, furniture, fixtures, computer and communications equipment used in fulfilling the requirements of this Agreement. Coverage shall insure personal property including contents, equipment, and mobile items against fire, theft, collision, and flood. MUSL and the individual Members of MUSL will not be responsible for insuring any equipment or facilities included in or associated with the contract.
- d. **Automotive Liability Insurance** covering drivers and vehicles employed in connection with the operation of the contract with limits of not less than \$1,000,000 for personal injury to each person and \$250,000 for property damage.

- e. **Errors and Omissions Insurance** with limits of not less than \$10,000,000 per claim, to be in force and effect at all times which will indemnify Vendor and MUSL and the individual Members of MUSL and their jurisdictions for direct loss which may be incurred due to any error caused by Vendor, its officers, employees, agents, subcontractors or assigns regardless of negligence
 - f. Workers' Compensation Insurance as required by law.
 - g. A statement of self-insurance to cover the above requirements shall be considered non-responsive.
 - h. Errors and Omissions Insurance must continue until one year past the term of the contract. All other insurances covered by this section must be effective when performance commences under the contract and continue through the life of the contract and any authorized extensions.
 - i. Certificates of insurance must be furnished to MUSL on date of contract execution, with the exception of the certificate for Errors and Omissions Insurance, which must be furnished to MUSL prior to installation of the first system.
 - j. The required insurance coverages shall be written for not less than any limits of liability as required by the contract, and shall include contractual liability as applicable to Vendor's obligations under the Indemnification clause of the contract.
- 10. No Assignment.** Assignment of the contract will not be allowed without the written consent of MUSL.
- 11. No News Releases.** Vendor shall not issue any news releases pertaining to this procurement process nor during the performance of the contract without prior written approval by MUSL.
- 12. No use of MUSL or member Intellectual Property.** Vendor agrees not to use MUSL's or any member lottery's name, logos, images, nor any data or results arising from this procurement process or contract as a part of any commercial advertising without prior written approval by MUSL.

13. Sensitive Operation. MUSL is an extremely sensitive enterprise because of the nature of the business and because it is government operated. Therefore, it is essential that its operation, and the operation of other enterprises that would be linked to it in the public mind, avoid not only impropriety but also the appearance of impropriety. Because of these concerns, Vendor is expected to:

- a. Offer goods and services only of the highest standards.
- b. Use its best efforts to uphold the integrity of MUSL and its member lotteries and prevent the Lottery industry from becoming embroiled in unfavorable publicity.
- c. Make sales presentations only with permission of MUSL, and in a responsible manner and when it is necessary to point out the superiority of their goods or services over those of their competitors, to do so in such a manner as to avoid unfavorable publicity for MUSL and its member lotteries.
- d. Avoid promotional activities which could be interpreted as improper and produce embarrassment to MUSL and its member lotteries.
- e. Report discovered security problems to MUSL through email: security@musl.com.
 - i. **Security Reporting.** Vendor and its employees and any subcontractors or subcontractor employees must comply with any security requirements of the RFP, its response, this Agreement, and those implemented at MUSL sites. Except as required by law, Vendor shall report all suspected or known security incidents or other problems to MUSL immediately, and in no instance more than one (1) hour after suspecting or knowing of the security incident, by emailing security@MUSL.com.
 - ii. Vendor understands the secure nature of MUSL's business, and agree that the software provided to MUSL to accomplish this Agreement shall not contain any
 - iii. Failure to follow these requirements may constitute cause for termination of this Agreement at the sole determination of MUSL and as per the indemnification clause, Vendor shall be liable for any actual damages caused by failure to follow these requirements. Vendor is responsible for

assuring their respective personnel are in compliance with these requirements.

- iv. Vendor shall be provided with MUSL security protocols, and agrees to adhere to the same. If Vendor has a substantially similar code of conduct/ethics, adherence to the same by Vendor, and subcontractors (if any) shall be required. Vendor's employment handbook may be sufficient to comply with MUSL's security requirements if after review by MUSL it is determined that the protocols meet MUSL security requirements.

14. Approvals Required. MUSL must approve all employees, subcontractors, agents involved with performance of the contract.

15. Notification of Substantial Change Required. If Vendor experiences a substantial change in financial condition during the term of a contract with MUSL, then MUSL must be notified in writing at the time the change occurs or is identified. A "substantial change" in financial condition is defined as any event that, following generally accepted accounting practices, would require a notation in the audited annual report. Failure to notify MUSL of such a change may result in termination of the contract.

16. Accounting Records. Vendor is required to maintain books, records and all other evidence pertaining to the contract in accordance with generally accepted accounting principles (GAAP) and such other procedures specified by MUSL. These records shall be available to MUSL, and its internal or external auditors (and other designees) at all times during the contract period and any extension thereof, and for three (3) full years from the expiration date and/or final payment on the contract or extension thereof, whichever is later.

- a. MUSL's certified public accounting firm or other designate will be given the right to review the work papers of these audits, if considered necessary by MUSL.
- b. MUSL and its independent certified public accountants shall be given a copy of all reports including any management letters issued as a result of the specified audits.
- c. Vendor is required to provide, upon request, copies of filings to the Securities and Exchange Commission.

- d. MUSL reserves the right at any time to audit Vendor's records and operations as they relate to this contract. Such audits may be conducted by MUSL's own auditors or an independent firm specified by MUSL at the expense of Vendor.

17. Force Majeure. A Force Majeure occurrence is an event or effect that cannot be reasonably anticipated or controlled. As herein used, Force Majeure means acts of war; terrorism; action of the elements; governmental interference; rationing; or any other cause which is beyond the control of the party affected and which, by the exercise of reasonable diligence, said party is unable to prevent.

Neither Vendor nor MUSL shall be liable to the other for any delay in or failure of performance under the contract of Vendor due to a Force Majeure occurrence. Any such delay in or failure of performance shall not constitute default or give rise to any liability for damages. The existence of such causes of such delay or failure shall extend the period for performance to such extent as determined by MUSL to be necessary to enable complete performance by Vendor if reasonable diligence is exercised after the cause of delay or failure has been removed.

If Force Majeure conditions shall be expected to continue unabated for an indefinite period and Vendor cannot service the contract, MUSL retains the right to operate the System and/or to terminate the contract so that business continuity can be restored.

18. Conversion. At the end of Vendor's contract, MUSL shall be solely responsible for identifying the milestones and dates of conversion, and Vendor shall cooperate fully and in good faith in said conversion. Vendor shall remove all its equipment and materials on a MUSL-specified schedule of calendar days.

19. Ownership of Goods Produced. All goods produced, videotaped, filed, or recorded material produced under the terms of this agreement is solely owned by MUSL and cannot be sold or reproduced by the Vendor without express permission from MUSL. MUSL retains full ownership of all rights associated with the DDS testing. All material produced under the contract shall be the sole property of MUSL. Work performed and services provided by the Vendor shall be deemed a "work for hire" and MUSL shall have the right to reproduce or use any products derived from the Vendor's work under the contract without payment of any royalties, fees, etc.

- 20. Vendor Not Employee or Agent of MUSL.** The Vendor, its employees, agents or subcontractors performing under this agreement are not employees or agents of MUSL or its MUSL members, but is an independent Vendor performing pursuant to the terms of this agreement.
- 21. Choice of Forum.** The laws of the State of Iowa shall govern and determine all matters arising out of or in connection with this agreement. In the event that any proceeding of a quasi-judicial or judicial nature is brought to determine any matter arising out of or in connection with this agreement, such proceeding must be brought in Polk County District Court for the State of Iowa or in Federal District Court for the Southern District of Iowa in Polk County, Iowa.
- 22. Severance.** If any provision of this agreement is held to be invalid or unenforceable, the remainder shall remain valid and enforceable.
- 23. Amendment.** This Contract may be amended by mutual agreement of the parties. Any such amendment must be in writing and signed by an authorized representative of the parties.

24. Notices. All written notices and communications required by this agreement shall be sent in writing and via email to the following addresses:

Legal Department
Multi-State Lottery Association
4400 NW Urbandale Drive
Urbandale, IA 50322

VENDOR NAME
VENDOR ADDRESS

The above Agreement entered into on the below dates:

Vendor

Multi-State Lottery Association

Date

Date

APPENDIX E

The DDS must produce random and unpredictable output for these games:

All indicated matrices and tiers must be capable of modification by user, and saved, as requested by the user, on the system for future draw use.

Jurisdiction		Game Name	Description	Range of numbers per ball set,	Number of balls selected	Are Numbers allowed to repeat; Yes or No
MUSL Internal Use Machines						
MUSL Games		Power Play	Grand Prize <= \$150 M 43 tiers (24-2's; 13-3's; 3-4's; 2-5's; 1-10)	Tiered 1 thru 5	1	No
			Grand Prize > \$150 M 42 tiers (24-2's; 13-3's; 3-4's; 2-5's)	Tiered 2 thru 5		
		All Star Bonus	32 tiers (15-2's; 10-3's; 4-4's; 3-5's)	Tiered 2 thru 5	1	No
		2by2	2/26 + 2/26	1 thru 26	2	No
				1 thru 26	2	
		Tier (Raffle) Draw	Must permit multiple tiers as defined by user; vendor must indicate maximum raffle pool			
	Special (Raffle) Draw	Vendor must indicate maximum raffle pool				
		Special lotto drawings with matrices and draw features (e.g. repeat / non-repeat numbers) to be defined by user	Examples: 5/x; 6/x; 7/x; 5/x +1/y; a/x + b/y; etc.			
Regular State Draws						
SD		SD Dakota Ca\$h		1 thru 35	5	No
		Tier Draw				
		Special Draw				

Emergency Backup draws						
DC		DC 2 (Pick 2)		0 thru 9	2	Yes
		DC 3 (Pick 3)		0 thru 9	3	Yes
		DC 4 (Pick 4)		0 thru 9	4	Yes
		DC 5 (Pick 5)		0 thru 9	5	Yes
		Tier Draw				
		Special Draw				
MT		MT Ca\$h		1 thru 45	5	No
		Big Sky Bonus	4/28 + 1/17	1 thru 28	4	No
				1 thru 17	1	
		Tier Draw				
		Special Draw				
Emergency Backup draws						
OK		Pick 3		0 thru 9	3	Yes
		Cash 5		1 thru 36	5	No
	<i>Other OK Games</i>					
		2/26 +2/26		1 thru 26	2	No
				1 thru 26	2	No
		5/33 + 1/16		1 thru 33	5	No
				1 thru 16	1	
		5/38 + 1/16		1 thru 38	5	No
				1 thru 16	1	
		5/47 + 1/19		1 thru 47	5	No
				1 thru 19	1	
		12/24		1 thru 24	12	No
		Tier Draw				
	Special Draw					
SC		Pick 3	0-9	0 thru 9	3	Yes
		Pick 4	0-9	0 thru 9	4	Yes
		Palmetto Cash 5	5 of 38	1 thru 38	5	No

		with Power-up	16 tiers/options (8-2's; 5-3's; 2-4's, 1-5)	2 thru 5	1	No
		Tier Draw				
		Special Draw				
MUSL Internal Use Machines						
Emergency Backup draws						
Tri-State		Pick 3		0 thru 9	3	Yes
		Pick 4		0 thru 9	4	Yes
		Megabucks <i>Plus</i>	5/41 + 1/6	1 thru 41	5	No
				1 thru 6	1	
		Gimme 5	5 of 39	1 thru 39	5	No
		Tier Draw				
		Special Draw				

APPENDIX F

NONDISCLOSURE AGREEMENT

This Nondisclosure Agreement (the "Agreement") is entered into as of date between Smartplay International, Inc. ("Smartplay"), a New Jersey corporation having its principal office at 1550 Bridgeboro Road, Edgewater Park, New Jersey and _____ ("Company"), having a place of business address. Each of the parties hereto shall include Affiliates of the parties as defined herein.

Purpose. Smartplay and Company wish to explore a possible business relationship pursuant to which each party may disclose its Confidential Information (as defined herein) to the other party. This Agreement is intended to bind Recipient (as defined herein) and prevent it from disclosing the Confidential Information of the Disclosing Party (as defined herein) or from using the Confidential Information for purposes other than evaluation of the business relationship and/or engaging in such relationship as described in Section 2(e). In consideration of the Disclosing Party's disclosure of such Confidential Information and in recognition of the confidential and proprietary nature thereof, the Recipient agrees to treat such Confidential Information in the manner provided by this Agreement, and the parties hereby agree as set forth below.

Definitions. For purposes of this Agreement, the terms set forth below shall have the meanings specified in this Section 2:

The term "**Affiliate (or Affiliates)**" shall mean with respect to any party (a) any corporate entity for which that party holds at least one seat on the board, (b) any partnership or joint venture where that party is a general partner, or (c) any other entity that is controlling, controlled by or under common control with such party. "Control" means having the right, through the ownership of voting securities or otherwise, to elect the management and otherwise to direct the policies of such entity.

The term "**Confidential Information**" shall mean any information, technology, technical data, trade secrets, know-how or ideas, including, without limitation, that which relates to business operations, products, services, customers, markets, research, inventions, processes, designs, drawings, engineering, marketing, products or services under development or finances of the Disclosing Party, which Confidential Information is intended to be treated as confidential, as determined by its nature and content. In the case of disclosure in non-documentary form made orally or by visual inspection, such disclosure shall be deemed to be part of the Confidential Information of the Disclosing Party if the Receiving Party is apprised of the nature thereof prior to its receipt, or if the information disclosed would be reasonably understood by the Receiving

Party to be confidential as determined by its nature and content. The failure to mark information does not destroy the confidentiality of that information where it is otherwise confidential by the terms of this Agreement. The amount and type of Confidential Information to be disclosed is completely within the sole discretion of the Disclosing Party. Without granting any right or license, the Disclosing Party agrees that Confidential Information does not include information, technology, technical data, trade secrets, know-how or ideas that the Recipient can demonstrate (i) was in the public domain at the time it was disclosed to the Recipient; (ii) was known to the Recipient at the time of disclosure by the Disclosing Party; (iii) is disclosed by the Recipient with the prior written approval of the Disclosing Party; (iv) was independently developed by the Recipient, or becomes known to the Recipient from a source other than the Disclosing Party without breach of this Agreement by the Recipient; (v) is disclosed by the Disclosing Party to a third party without restrictions similar to those contained in this Agreement; (vi) is disclosed pursuant to law or the order or mandatory requirement of a court, administrative agency, or other governmental body, as provided in Section 3(a); or (vii) becomes generally available to the public or the electronic security alarm industry through no fault of the Recipient or its employees or advisors.

The term "**Recipient**," with respect to any item or items of Confidential Information, shall mean the party receiving such item or items of Confidential Information.

The term "**Disclosing Party**," with respect to any item or items of Confidential Information, shall mean the party disclosing such item or items of Confidential Information.

The term "**Purpose**" shall mean the potential business relationship between Company and Smartplay in connection with strategic, technical or general partnership.

Nondisclosure and Non-Use of Confidential Information

- (a) Recipient agrees not to disclose the Confidential Information disclosed to it by the Disclosing Party to third parties, except (i) those employees, officers, directors, consultants, agents, contractors, counsel, independent public accountants, and advisors of Recipient who are required to have the Confidential Information in order to carry out the contemplated purposes described in Section 2(e). Recipient agrees to use the same degree of care that it uses to protect its own Confidential Information of similar importance, but in no event less than reasonable care, to prevent the unauthorized use, disclosure or dissemination of Confidential Information of the Disclosing Party. Notwithstanding this Section 3(a), Recipient may disclose Confidential Information if required by law or pursuant to a court order or other mandatory requirement of an administrative agency or other governmental body; provided, that Recipient has notified the Disclosing Party promptly upon learning of the order or mandatory requirement of any court, administrative agency or other governmental body and has given the Disclosing Party a

reasonable opportunity (and cooperated with the Disclosing Party) to contest or limit the scope of such required disclosure (including application for a protective order). The Recipient agrees to notify the Disclosing Party in writing of any misuse or misappropriation of such Confidential Information of the Disclosing Party, which may come to its attention.

Recipient further agrees not to (i) use the Confidential Information provided to it by the Disclosing Party for any purpose other than the Purpose, (ii) derive any commercial benefit (whether direct or indirect) from such Confidential Information, and (iii) not to copy or reverse engineer any such Confidential Information.

Except to the extent required by law, permitted by this Agreement or as mutually agreed, neither party shall disclose the existence or subject matter of the negotiations or business relationship contemplated by this Agreement.

Return of Materials. Upon the earlier of (a) ten (10) days after receipt by Recipient of a written notice from the Disclosing Party requesting the return or destruction of the Disclosing Party's Confidential Information or (b) notice of the decision by either party not to enter into the transaction referred to in this Agreement the Confidential Information that has been furnished to Recipient by the Disclosing Party shall be promptly returned or destroyed, including all copies thereof. Documents of the Recipient into which confidential information of the Disclosing party have been incorporated shall be destroyed. A written certificate of destruction shall be provided from the Recipient to the Disclosing Party for all documents destroyed and not returned.

No Rights Granted. Nothing in this Agreement is intended to grant any rights under any patent, trade secret or copyright of the Disclosing Party to Recipient, nor shall this Agreement grant Recipient any rights in or to the Disclosing Party's Confidential Information. Neither the disclosure of Confidential Information nor discussions between the parties will be construed as an encouragement, inducement or commitment to expend funds in anticipation of entering into a business relationship, including but not limited to, funds expended for business development or product development or research efforts. Further, each party reserves the right to conduct business in any area related to the Confidential Information disclosed hereunder.

Termination of Agreement and Continuing Obligation. This Agreement shall terminate the later of one year from: this Agreement's effective date, the last day of any ongoing business between the parties relating to the Purpose, or the date of the notice referenced in Section 4(b). Notwithstanding the foregoing, and whether or not the business relationship described in Section 2(e) is consummated, unless otherwise mutually agreed in writing, Recipient's nondisclosure and non-use obligations hereunder with respect to each item of Confidential Information shall terminate five (5) years from the date of termination of this Agreement.

Governing Law and Service of Process. This Agreement shall be governed by and construed under the laws of the State of New Jersey, without regard to any conflicts of law provisions and shall benefit and be binding upon the parties hereto and their respective successors and permitted assigns. The parties agree that service of process and any notice provided or required by this Agreement shall be delivered personally, or by U.S. Mail, certified or registered, return receipt requested (with post office receipt stamp affixed), or by telex or facsimile (telecopy) with automatic confirmation of receipt required by the sending machine, or by national overnight courier service, e.g., Federal Express, with confirmation of receipt required to the recipient's address set forth above. Service of process or notice shall be effective upon receipt or, if mailed, three (3) business days after mailing, whichever is sooner. Either party may change its address for service or notice by providing notice to the other party. The Parties irrevocably acknowledge and agree that any suit arising out of or from, in connection with or as a result of this Agreement or any of the transactions contemplated hereby may be brought only in the courts of the Superior Court of New Jersey, Burlington County or the United States District Court for the District of New Jersey. Each Party irrevocably assents and submits to the jurisdiction and venue of each such court in any suit, and unconditionally and irrevocably waives any objection that it may now or hereafter have to jurisdiction or venue in any suit in any of such courts.

Remedies. The Recipient agrees that its obligations hereunder are necessary and reasonable in order to protect the Disclosing Party and the Disclosing Party's business, and expressly agrees that monetary damages would be inadequate to compensate the other party for any breach of any covenant or agreement set forth herein. Accordingly, the Recipient agrees and acknowledges that any such violation or threatened violation will cause irreparable injury to the Disclosing Party and that, in addition to any other remedies that may be available, in law, in equity or otherwise, the Disclosing Party shall be entitled to seek injunctive relief against the breach or threatened breach of this Agreement or the continuation of any such breach, without the necessity of proving actual damages. In the event of a breach or threatened breach by either party, the other party shall recover all costs and expenses including, without limitation or example, reasonable attorneys', paralegals' and other professionals' fees arising out of or from, as a result of, in connection with or related to any such breach or threatened breach, regardless of whether any claim results in a lawsuit or is settled by the parties.

Validity. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future state or federal laws or rules and regulations promulgated thereunder effective during the term hereof, such provision shall be fully severable, and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom.

Successors and Assigns. Neither this Agreement nor any rights or obligations of the Recipient under this Agreement shall be transferable or assignable by that party without the prior written consent of the Disclosing Party, and any attempted transfer or assignment of this Agreement by either party not in accordance herewith shall be null and void.

Point of Contact. The following persons, will, on behalf of the respective parties, be responsible for the management and administration of this Agreement, including the transmittal or receipt of Confidential Information by any means, however, all Confidential Information exchanged hereunder shall be afforded the protection of this Agreement even if not furnished to the points of contact listed below:

Smartplay International, Inc.	Company name
Thomas Markert President 1550 Bridgeboro Road, Edgewater Park, New Jersey 08010 (609) 880-1860	Person representing company and their title

Miscellaneous. Failure to enforce any provision of this Agreement shall not constitute a waiver of any term hereof.

Counterparts and Facsimile. The parties agree that this Agreement may be executed in one or more counterparts, but this Agreement shall not be valid, enforceable or effective unless and until both parties have executed this Agreement by authorized signatories and all counterparts have been delivered, all of which together shall constitute one and the same agreement. The parties further agree that this Agreement may be transmitted by facsimile machine (telecopy) and that a signature of an authorized representative of a party transmitted by facsimile shall be deemed to be an original signature and enforceable as such for all purposes.

Intending to be legally bound hereby, the parties have caused this Agreement to be duly authorized, executed and delivered.

Company Name

SMARTPLAY INTERNATIONAL, INC.

By: _____
 Name/Title

 Thomas Markert, President