

AGREEMENT

THIS AGREEMENT is entered by and between Ainsworth Game Technology, Limited, with a principal place of business at 10 Holker Street, Newington, New South Wales, Australia, 2127 ("Ainsworth"), and the Delaware State Lottery, an agency created pursuant to 29 Del. - chapter 48, with a principal place of business at 1575 McKee Road, Suite 102, Dover, DE 19904 ("Lottery").

WHEREAS, the Lottery issued a Request for Proposals on April 5, 2013 (the "RFP") to invite interested manufacturers of video lottery terminals to submit proposals for the implementation and operation of video lottery terminals ("VLTs") (hereinafter, as more fully defined in section 1.10 of the RFP);

WHEREAS, Ainsworth submitted to the Lottery its responsive proposal to supply VLTs (the "Proposal") on or about May 3, 2013;

WHEREAS, the Lottery desires to obtain certain services from Ainsworth: and

WHEREAS, Ainsworth desires to provide such services to the Lottery on the terms set forth below;

WHEREAS, the Lottery and Ainsworth represent and warrant that each party has full right, power and authority to enter into and perform under this Agreement;

FOR AND IN CONSIDERATION OF the premises and mutual agreements herein, the Lottery and Ainsworth agree as follows:

1.0 Definitions

Capitalized terms used herein but not otherwise defined herein shall have the meanings set forth in section 1.10 of the RFP, incorporated by reference.

2.0 Lease of VLT Units

Ainsworth agrees to lease to the Lottery for an operational term of five (5) years ("Lease Term") the number of VLTs that the Lottery deems appropriate based on the Lottery's goal of maximizing revenue while protecting the public welfare and security of the operations. The Lottery reserves the right to request Ainsworth lease to the Lottery an additional number of VLTs and/or decrease the number of VLTs leased, subject to the terms of the agreement, the RFP and the Proposal. VLTs will consist of the models as described in Ainsworth's Proposal and any new models that Ainsworth may develop during the term of the Agreement.

2.1 Governing Law

The proposal process, the award procedure, and this Agreement resulting from the RFP shall be governed by the laws of the State of Delaware. The RFP is subject to 29 Del. C. §§4820(b), 6981-82 of the Delaware Code. Any and all litigation arising under the RFP or the Agreement shall be instituted in the appropriate court of the State of Delaware; and, by submitting a proposal, Ainsworth is deemed to waive access to any other court which may have concurrent jurisdiction within or without Delaware.

2.2 Contract Elements

2.2.1 Any conflict or inconsistency between the provisions of the following documents shall be resolved by giving precedence to such documents in the following order: (a) this Agreement (including any amendments or modifications thereto); (b) the Lottery's request for proposals, attached hereto as Appendix A; and (c) Ainsworth's response to the request for proposals, attached hereto as Exhibit B. The aforementioned documents are specifically incorporated into this Agreement and made a part hereof.

2.2.2 The Lottery may, at any time, by written order, make changes in the scope of this Agreement and in the services or work to be performed. No services for which additional compensation may be charged by Ainsworth shall be furnished without the written authorization of the Lottery. When the Lottery desires any addition or deletion to the deliverables or a change in the services to be provided under this Agreement, it shall notify Ainsworth, who shall then submit to the Lottery a "Change Order" for approval authorizing said change. The Change Order shall state whether the change shall cause an alteration in the price or the time required by Ainsworth for any aspect of its performance under this Agreement. Pricing of changes shall be consistent with those established within this Agreement.

2.3 Term of Agreement

2.3.1 This Agreement will be in effect for a five (5) year operational term, or such shorter period as the Lottery may determine due to causes such as contract termination or loss of State funding by the Lottery. The Agreement will be in effect from the date of execution until October 28, 2018 which the parties expect to be five years after the date of installation and operation of the first new VLT under this Agreement.

2.3.2 The Lottery reserves the right to extend this Agreement, with the concurrence of Ainsworth, for up to three, two-year periods, at a rate of compensation negotiated by the parties. Any extension of the Agreement or any notice by the Lottery of intent to solicit new bids must be noticed ninety (90) days prior to the expiration of the Agreement term or at any time mutually agreed upon by both parties.

2.3.3 The Lottery further reserves the right to reactivate or further extend the initial Agreement, or any extension thereof, on thirty days' notice for ninety day periods if a different

bidder's terminals are chosen for subsequent contracts and Ainsworth's terminals do not meet the requirements of the Lottery.

2.3.4 Exercising this right shall not be construed as obligating the Lottery to repeat the procurement process for any subsequent contracts or conferring any right or expectation for Ainsworth to continue operating their video lottery terminals after the expiration of any such 90 day period.

2.4 Ainsworth's Responsibilities as Prime Contractor

2.4.1 Ainsworth will assume sole responsibility for delivery, installation and maintenance of all equipment, software and support services offered in its proposal. The Lottery will consider Ainsworth to be the sole point of contact with regard to contractual matters.

2.4.2 It shall be the duty of Ainsworth to assure that all products of its effort are technically sound and in conformance with all pertinent Federal, State and Local statutes, codes, ordinances, resolutions and other regulations. Ainsworth will not produce a work product that violates or infringes on any copyright or patent rights. Ainsworth shall, without additional compensation, correct or revise any errors or omissions in its work products.

2.4.3 Permitted or required approval by Delaware of any products or services furnished by Ainsworth shall not in any way relieve Ainsworth of responsibility for the professional and technical accuracy and adequacy of its work. The Lottery's review, approval, acceptance, or payment for any of Ainsworth's services herein shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and Ainsworth shall be and remain liable in accordance with the terms of this Agreement and applicable law for all damages to the Lottery caused by Ainsworth's performance or failure to perform under this Agreement.

2.4.4 Ainsworth shall appoint a Project Manager who will manage the performance of services. All of the services specified by this Agreement shall be performed by the Project Manager, or by Ainsworth's associates and employees under the personal supervision of the Project Manager.

2.4.5 Ainsworth agrees that its officers and employees will cooperate with the Lottery in the performance of services under this Agreement and will be available for consultation with the Lottery at such reasonable times with advance notice as to not conflict with their other responsibilities.

2.4.6 Ainsworth has or will retain such employees as it may need to perform the services required by this Agreement. Such employees shall not be employed by the Lottery or any other political subdivision of Delaware.

2.4.7 The rights and remedies of the Lottery provided for in this Agreement are in addition to any other rights and remedies provided by law.

2.5 Lottery Responsibilities

2.5.1 The Lottery shall, without charge, furnish to or make available for examination or use by Ainsworth as it may request, any data which the Lottery has available, including as examples only and not as a limitation:

- a. Copies of reports, surveys, records, and other pertinent documents;
- b. Copies of previously prepared reports, job specifications, surveys, records, ordinances, codes, regulations, other document, and information related to the services specified by this Agreement.

Ainsworth shall return any original data provided by the Lottery.

2.5.2 The Lottery shall assist Ainsworth in obtaining data on documents from public officers or agencies and from private citizens and business firms whenever such material is necessary for the completion of the services specified by this Agreement.

2.5.3 Ainsworth will not be responsible for accuracy of information or data supplied by the Lottery or other sources to the extent such information or data would be relied upon by a reasonably prudent contractor.

2.5.4 The Lottery agrees not to use Ainsworth's name, either express or implied, in any of its advertising or sales materials. Ainsworth reserves the right to reuse the nonproprietary data and the analysis of industry-related information in its continuing analysis of the industries covered.

2.5.5 The rights and remedies of the Lottery provided for in this Agreement are in addition to any other rights and remedies provided by law.

2.6 Independent Contractor

2.6.1 It is understood that in the performance of the services herein provided for, Ainsworth shall be, and is, an independent contractor, and is not an agent or employee of Delaware and shall furnish such services in its own manner and method except as required by this Agreement. Ainsworth shall be solely responsible for, and shall indemnify, defend and save the Lottery and the State of Delaware harmless from all matters relating to the payment of its employees, including compliance with social security, withholding and all other wages, salaries, benefits, taxes, exactions, and regulations of any nature whatsoever.

2.6.2 Ainsworth acknowledges that Ainsworth and any subcontractors, agents or employees employed by Ainsworth shall not, under any circumstances, be considered employees of Delaware, and that they shall not be entitled to any of the benefits or rights afforded employees of Delaware, including, but not limited to, sick leave, vacation leave, holiday pay, Public

Employees Retirement System benefits, or health, life, dental, long-term disability or workers' compensation insurance benefits. Delaware will not provide or pay for any liability or medical insurance, retirement contributions or any other benefits for or on behalf of Ainsworth or any of its officers, employees or other agents.

2.6.3 As an independent contractor, Ainsworth has no authority to bind or commit the Lottery or the State of Delaware. Nothing herein shall be deemed or construed to create a joint venture, partnership, fiduciary or agency relationship between the parties for any purpose.

2.7 Background Investigations

2.7.1 The Lottery may initiate investigations into the backgrounds of any officers, principals, investors, owners, subcontractors, employees, or any other associates of Ainsworth as it deems appropriate. Such background investigations may include fingerprint identification by the Delaware State Police and the Federal Bureau of Investigation, or the appropriate non-U.S. equivalent, with all investigation expenses to be paid by Ainsworth.

2.7.2 By submission of a proposal, Ainsworth consents to such investigations, and to cooperate with such investigations. The Lottery may reject a proposal or terminate an agreement based upon the results of these background checks.

2.8 Minority/Women-Owned Business Participation

It has been and remains the policy of the State of Delaware to promote equality of economic opportunity for minority and women-owned business enterprises (MBE/WBEs) in contracting activities. Accordingly, Ainsworth is strongly encouraged to utilize MBE/WBE subcontractors in the performance of this Agreement.

2.9 Termination

2.9.1 This Agreement may be terminated in whole or in part by either party in the event of substantial failure of the other party to fulfill its obligations under this Agreement through no fault of the terminating party; but only after the other party is given:

- a. Not less than 30 calendar days written notice of intent to terminate; and
- b. An opportunity for consultation with the terminating party prior to termination.

2.9.2 This Agreement may be terminated in whole or in part by the Lottery for its convenience, but only after Ainsworth is given:

- a. Not less than 30 calendar days written notice of intent to terminate; and
- b. An opportunity for consultation with the Lottery prior to termination.

2.9.3 If termination for default is effected by the Lottery, the Lottery will pay Ainsworth that portion of the compensation which has been earned as of the effective date of termination but:

- a. No amount shall be allowed for anticipated profit on performed or unperformed services or other work, and
- b. Any payment due to Ainsworth at the time of termination may be adjusted to the extent of any additional costs occasioned to the Lottery by reason of Ainsworth's default.

2.9.4 If after termination for failure of Ainsworth to fulfill contractual obligations it is determined that Ainsworth has not so failed, the termination shall be deemed to have been effected for the convenience of the Lottery.

2.9.5 The rights and remedies of the Lottery and Ainsworth provided in this section are in addition to any other rights and remedies provided by law or under this Agreement.

2.9.6 Gratuities.

2.9.6.1 Delaware may, by written notice to Ainsworth, terminate this Agreement if it is found after notice and hearing by the Lottery that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by Ainsworth or any agent or representative of Ainsworth to any officer or employee of the Lottery with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending or making of and determinations with respect to the performance of this Agreement.

2.9.6.2 In the event this Agreement is terminated as provided in 2.9.6.1 hereof, the Lottery shall be entitled to pursue the same remedies against Ainsworth it could pursue in the event of a breach of this Agreement by Ainsworth.

2.9.6.3 The rights and remedies of the Lottery provided in Section 2.9.6 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

2.10 Covenant Against Contingent Fees

Ainsworth warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, or a percentage, brokerage or contingent fee. For breach or violation of this warranty, the Lottery shall have the right to annul this agreement without liability or at its discretion deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

2.11 Accounting Records

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

2.12 Audit Requirements

Ainsworth must meet the following specific auditing obligations during the term of this Agreement:

- a. Ainsworth will have a complete financial audit conducted annually. A copy of Ainsworth's certified financial statements shall be provided to the Lottery annually.
- b. In addition, a complete internal control audit of Ainsworth's Delaware operations may be required by the Lottery, to be conducted annually by an independent certified public accounting firm. This audit shall be conducted pursuant to Statement on Auditing Standards No. 70, as issued by the American Institute of Certified Public Accountants. The Lottery reserves the right to specify the type of report and the control objectives to be examined. The Lottery also reserves the right to approve the accounting firm chosen to perform the internal control audit and reserves the right to designate the annual period to be covered by the report and the date by which the report is due. "Delaware operations" refers to local and corporate support of this Agreement, not including Ainsworth's business in general.
- c. The Lottery reserves the right to require the first internal control audit to be conducted within 90 days of installation of Ainsworth's first terminal.

Both the aforementioned types of audits shall be conducted at the expense of Ainsworth.

- d. The Lottery'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 the Lottery.
- e. The Lottery 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.
- f. Ainsworth is required to provide, upon request, copies of filings to the Securities and Exchange Commission.

2.13 Right to Additionally Audit Ainsworth's Delaware Operations

The Lottery reserves the right to audit Ainsworth's records and operations as they relate to Delaware. Such audits may be conducted by the Lottery's own auditors or an independent firm specified by the Lottery.

2.14 Authority of the Lottery

On all questions concerning the interpretation of specifications, the acceptability and quality of material furnished and/or work performed, the classification of material, the execution of the work, the assessment of liquidated damages, and the determination of payment due or to become due, the decision of the Lottery shall be final and binding.

2.15 Cooperation of the Parties

Ainsworth and the Lottery agree that their officers and employees will cooperate fully in the performance of services under this Agreement and will be available for consultation at such reasonable times with advance notice as to not conflict with their other responsibilities. Neither party will unreasonably withhold its approval of any act or request of the other to which its approval is necessary or desirable.

2.16 Indemnification

2.16.1 Ainsworth shall indemnify and hold harmless the Lottery, the State, its agents and employees, from any and all liability, suits, actions or claims made by third parties, together with all reasonable costs and expenses (including attorneys' fees) directly arising out of (A) the negligence or other wrongful conduct of Ainsworth, its agents or employees, or (B) Ainsworth's breach of any material provision of this Agreement not cured after due notice and opportunity to cure, provided as to (A) or (B) that (i) Ainsworth shall have been notified promptly in writing by the Lottery of any notice of such claim; and (ii) Ainsworth shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise.

2.16.2 If the Lottery promptly notifies Ainsworth in writing of a third party claim against the Lottery that any deliverable infringes a copyright or a trade secret of any third party, Ainsworth will defend such claim at its expense and will pay any costs or damages that may be finally awarded against the Lottery. Ainsworth will not indemnify the Lottery, however, if the claim of infringement is caused by (1) the Lottery's misuse or modification of the deliverable; (2) the Lottery's failure to use corrections or enhancements made available by Ainsworth; (3) the Lottery's use of the deliverable in combination with any product or information not owned or developed by Ainsworth; (4) the Lottery's distribution, marketing or use for the benefit of third parties of the deliverable or (5) information, direction, specification or materials provided by a third party. If any deliverable is, or in Ainsworth's opinion is likely to be, held to be infringing, Ainsworth shall at its expense and option either (a) procure the right for the Lottery to continue using it, (b) replace it with a noninfringing equivalent, (c) modify it to make it noninfringing.

The foregoing remedies constitute the Lottery's sole and exclusive remedies and Ainsworth's entire liability with respect to infringement.

2.16.3 The Lottery agrees that Ainsworth's total liability to the Lottery for any and all damages whatsoever arising out of or in any way related to this Agreement from any cause, including but not limited to contract liability or Ainsworth negligence, errors, omissions, strict liability, breach of contract or breach of warranty shall not, in the aggregate, exceed fees paid to Ainsworth.

2.16.4 In no event shall Ainsworth be liable for special, indirect, incidental, economic consequential or punitive damages, including but not limited to lost revenue, lost profits, replacement goods, loss of technology rights or services, loss of data, or interruption or loss of use of software or any portion thereof regardless of the legal theory under which such damages are sought, and even if Ainsworth has been advised of the likelihood of such damages.

2.17 Bonds and Insurance

All required bonds and insurance must be issued by companies which are at least 'A' rated by A.M. Best & Co., are duly licensed, admitted, and authorized to do business in the State of Delaware and are acceptable to the Lottery. Required coverage must be put into effect as of the effective date of the agreement and must remain in effect throughout the term. Ainsworth must submit certificates attesting to such insurance coverage, and any renewals thereof, to the Lottery. The Lottery must receive thirty (30) days advance written notice of cancellation, termination, or failure to renew any policy.

Ainsworth shall purchase adequate insurance for the performance of the agreement and, by submission of a bid, agrees to indemnify and save harmless and to defend all legal or equitable actions brought against the State, any agency, officer and/or employee of the State, for and from all claims of liability which is or may be the result of Ainsworth's actions during the performance of the agreement. The purchase or nonpurchase of such insurance or the involvement of Ainsworth in any legal or equitable defense of any action brought against Ainsworth based upon work performed pursuant to the agreement will not waive any defense which the State, its agencies and their respective officers, employees and agents might otherwise have against such claims, specifically including the defense of sovereign immunity where applicable, and the State and all agencies, officers and employees thereof shall not be financially responsible for the consequences of work performed, pursuant to said agreement.

2.17.1 Insurance

Ainsworth shall purchase and maintain insurance for claims set forth below which may arise out of or result from Ainsworth's operations under the Agreement, whether such operations be by Ainsworth 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:

- a. Claims under workers' compensation, disability benefit and other similar

employee benefit acts per statute in each state in which Ainsworth does business

- b. Claims for damages because of bodily injury, occupational sickness or disease, or death of Ainsworth's employees
- c. Claims for damages because of bodily injury, sickness or disease, or death of any person other than Ainsworth's employees
- d. Claims for damages because of injury to or destruction of tangible property, including loss of use resulting there from
- e. Comprehensive General Liability Insurance coverage with limits of not less than \$1,000,000.
- f. Property Insurance on all buildings, furniture, fixtures, computer and communications equipment used in operating and supporting the video lottery terminals in an amount equal to or greater than the actual replacement cost thereof. Coverage shall include an All Risk Property Floater to insure personal property including contents, equipment, and mobile items against fire, theft, collision, and flood. The State of Delaware, the Lottery, and Lottery agents will not be responsible for insuring any equipment or facilities included in or associated with the agreement.
- g. Automotive Liability Insurance covering drivers and vehicles employed in connection with the operation of the Agreement with limits of not less than \$300,000 for personal injury to each person and \$25,000 for property damage
- h. Professional Liability/Errors and Omissions/Product Liability Insurance with limits of not less than \$1,000,000 per claim, to be in force and effect at all times which will indemnify Ainsworth and the Lottery for direct loss which may be incurred due to any error caused by Ainsworth, its officers, employees, agents, subcontractors or assigns regardless of negligence

A STATEMENT OF SELF-INSURANCE TO COVER THE ABOVE REQUIREMENTS
SHALL BE CONSIDERED NON-RESPONSIVE.

Errors and Omissions Insurance must continue until one year past the term of the Agreement. All other insurance covered by this section must be effective when performance commences under the Agreement and continue through the life of the Agreement and any authorized extensions.

Certificates of insurance must be furnished to the Lottery Director on date of contract execution, with the exception of the certificate for Errors and Omissions Insurance, which must be furnished to the Lottery Director prior to installation of the first terminal.

The required insurance coverage shall be written for not less than any limits of liability as required by the Agreement, and shall include contractual liability as applicable to Ainsworth's obligations under the Indemnification clause of the agreement.

In no event shall the State of Delaware be named as an additional insured on any policy required by this agreement.

2.17.2 Litigation Bond

Ainsworth must maintain a litigation bond in the amount of \$250,000. A claim upon the bond may be made by the Lottery if the following two conditions are met:

- a. Ainsworth sues the Lottery, the State of Delaware, or any of their officers, employees, or agents with regard to any matter relating to the award of contracts pursuant to this RFP.
- b. The Lottery is the prevailing party in such suit.

The purpose of the bond is to discourage unwarranted litigation by permitting the Lottery to recover damages, including reasonable attorneys' fees, resulting from such litigation. The litigation bond shall remain in effect for a period of two (2) years from the date of proposal submission.

Upon execution of this Agreement, the litigation bond may be released with the approval of the Lottery if Ainsworth completes a covenant not to sue.

2.18 Liquidated Damages

Ainsworth acknowledges:

- a. If Ainsworth does not fulfill the obligations of the Agreement, damage to the Lottery will result. Establishing the precise value of such damage would be costly, difficult, and time consuming.
- b. The liquidated damage amounts specified herein are good faith efforts to quantify the damages that could be reasonably anticipated at the time of the making of the Agreement.
- c. The Lottery may, therefore, in its discretion, deduct liquidated damages from the compensation otherwise due to Ainsworth. All assessments of liquidated damages shall be within the discretion of the Lottery and shall be in addition to, and not in lieu of, the right of the Lottery to terminate the Agreement or to pursue other appropriate remedies.

- d. The Lottery shall notify Ainsworth in writing of the assessment of liquidated damages for any default specified herein and payment of such damages shall be initiated within thirty (30) days of receipt of the assessment notice by deducting such damages from the compensation otherwise due to Ainsworth. If timely payment is not made, the Lottery may collect such damages by making a claim against the professional liability insurance or by any other lawful method.
- e. Excessive liquidated damages, and events leading to such, in the sole discretion of the Lottery, may be grounds for termination of the agreement.

2.18.1 Notification of Liquidated Damages

All assessments of liquidated damages shall be made by the Lottery Director. Upon determination that liquidated damages are to be or may be assessed, the Lottery shall notify Ainsworth of the potential assessment in writing.

2.18.2 Conditions for Termination of Liquidated Damages

As determined appropriate by the Director, the following are the conditions under which Ainsworth may obtain relief from the continued assessment of liquidated damages that have been imposed:

- a. Except as waived in writing by the Director, no liquidated damages imposed shall be terminated or suspended until Ainsworth issues a written notice verifying the correction of the condition(s) for which liquidated damages were imposed, and all the corrections have been subjected to system testing or other verification at the discretion of the Director.
- b. If appropriate, Ainsworth shall conduct systems testing of any correction as the Director deems necessary. Such testing shall be developed jointly by the Lottery and Ainsworth, and approved by the Lottery, including the test script, test environment and test results.
- c. The documentation necessary for verification and approval shall be determined by the Director. The Director shall be the sole judge of the accuracy of any documentation provided.

Ainsworth's notice of correction will not be accepted until the correction is verified by the Lottery.

2.18.3 Severability of Individual Liquidated Damages

If any portion of the liquidated damages provisions is determined to be unenforceable in

one or more applications, that portion remains in effect in all applications not determined to be invalid and is severable from the invalid applications. If any portion of the liquidated damages provisions is determined to be unenforceable, the other provision or provisions shall remain in full force and effect.

2.18.4 Waivers of Liquidated Damages

It is expressly agreed that the waiver of any liquidated damages due the Lottery shall constitute a waiver only as to such liquidated damages and not a waiver of any future liquidated damages. Failure to demand payment of liquidated damages within any period of time shall not constitute a waiver of such claim by the Lottery.

2.18.5 Payment of Liquidated Damages

All assessed liquidated damages will be deducted from any moneys owed Ainsworth by the Lottery and in the event the amount due from Ainsworth is not sufficient to satisfy the amount of the liquidated damages, Ainsworth shall pay the balance to the Lottery within thirty (30) calendar days of written notification. If the amount due is not paid in full, the balance will be deducted from subsequent payments to Ainsworth. At the Lottery's sole option, the Lottery may obtain payment of assessed liquidated damages through one (1) or more claims upon the professional liability insurance.

2.18.6 Applicability of Liquidated Damages

Ainsworth shall not be required to pay liquidated damages for: delays due to matters as enumerated in the section entitled "Force Majeure," for outages related to regulated communications carriers, due to the Lottery's central system provider, nor for time delays specifically due to, or approved by, the Lottery nor due to a failure of the Lottery to perform or timely perform its obligations under this Agreement.

2.18.7 Late Installation

If Ainsworth does not have the ordered quantities of terminals installed and accepted by the Lottery by a date reasonably specified by the Lottery, the Lottery may assess liquidated damages in the amount of two hundred dollars (\$200) per terminal for each day of delay. The units will be considered operational when they have been installed, tested and accepted by the Lottery (acting reasonably) and are ready to be activated by the central computer system for customer play. Any additional shipments of video lottery terminals may be subject to a reasonable penalty schedule to be established by the Lottery.

2.18.8 Untimely Terminal Repair

2.18.8.1 Ainsworth shall ensure that all terminals are repaired or replaced and operational within the "maximum repair time." "Maximum repair time" shall be measured from the time of

receipt of a service call, and a repair shall be considered completed when the technician who completed the repair informs the central system provider that the terminal is repaired and ready to be activated for play.

2.18.8.2 For the purposes of this provision, "maximum repair time" shall be defined as follows: Two Hours for any video lottery terminal.

2.18.8.3 If terminal maintenance is not completed within the "maximum repair time," liquidated damages may be assessed at the rate of one hundred dollars (\$100) per hour or a fraction thereof that the terminal remains unrepaired beyond the "maximum repair time."

2.18.9 Lack of Video Lottery Terminal Preventive Maintenance

Each type of terminal delivered shall have a preventive maintenance cycle established by Ainsworth and accepted by the Lottery acting reasonably. For each event of neglected preventive maintenance, liquidated damages of one hundred dollars (\$100) per terminal, per day, may be assessed.

2.18.10 Deficient Terminal Field Service

2.18.10.1 Ainsworth shall employ sufficient resources and inventory to meet the performance standards for terminal field service specified in this RFP. Within thirty (30) calendar days after notification from the Lottery that a performance standard is not being met, Ainsworth shall employ such additional resources as are necessary to meet the performance standard.

2.18.10.2 If Ainsworth does not bring deficient performance up to the standards specified within thirty (30) calendar days of notification, the Lottery may impose liquidated damages in the amount of five hundred dollars (\$500) per day until performance is in compliance with the Agreement.

2.18.11 Failure to Provide Enhancements

2.18.11.1 During the term of this Agreement, the Lottery and Ainsworth may agree in writing to a schedule for developing, testing, and implementing or installing a modification or enhancement of an existing game or report or an addition of a new game or report.

2.18.11.2 If Ainsworth fails to meet any material date specified in such a schedule, the Lottery may assess liquidated damages of \$1,000 per day for each day of delay regarding the modification, enhancement, or addition of a game and \$500 per day for each day of delay regarding the modification, enhancement, or addition of a report, or other system change. For purposes of this section, a material date is defined as any date that is specified in the schedule required under 2.18.11.1, that if not met by Ainsworth, will delay the date of implementation or installation of a modification or enhancement of an existing game or an addition of a new game.

2.18.11.3 In addition, at its sole discretion, the Lottery may acting reasonably, require Ainsworth to retain and compensate a third party firm to complete system development tasks in order to ensure timely delivery. The third party firm must be approved by the Lottery (not to be unreasonably withheld) and if necessary, will be selected by the Lottery. Ainsworth must ensure that the third party retained under these circumstances properly complies with non-disclosure agreements regarding proprietary materials and Lottery business plans.

2.18.12 Unauthorized Modifications

2.18.12.1 Ainsworth shall not in the performance of its obligations under this agreement, cause the modification of any software, firmware, or hardware in the video lottery terminals without the prior written consent of the Lottery.

2.18.12.2 If an unauthorized modification occurs in breach of clause 2.18.12.1, the Lottery may assess initial liquidated damages of \$25,000 and additional liquidated damages of \$5,000 per day for each day between the issuance of a removal order and the actual removal of the unauthorized modification and restoration of the device to its previous operating state.

2.18.13 Unauthorized Access

2.18.13.1 In the performance of its obligations under this agreement, Ainsworth shall use its reasonable endeavours to prevent persons not authorized by the Lottery from accessing the terminals or computer systems.

2.18.13.2 If Ainsworth fails to prevent unauthorized access as required under clause 2.18.13.1 the Lottery may impose liquidated damages of \$10,000 for each incident of unauthorized access by an unauthorized person.

2.19 Ownership of Materials and Right of Use

2.19.1 Ownership of all data, documentary material, and operating reports originated and prepared for the Lottery pursuant to this Agreement shall belong exclusively to the Lottery.

2.19.2 Ownership of the video lottery equipment and software shall be retained by Ainsworth at the close of the Agreement or any extension thereto.

2.19.3 If for any reason other than a breach of agreement by the Lottery, Ainsworth loses the ability to comply with the terms of the Agreement, the Lottery shall retain the right to use the equipment, source program instructions and documentation for those items owned by Ainsworth and that are necessary to provide contractual services. Said right shall be limited to the right of the Lottery to possess and make use of such solely for the use and benefit of the Lottery in maintaining, altering and improving the operational characteristics of the programs and systems being used under the Agreement.

2.19.4 If the Lottery exercises its right to use the contract items, all software programs, documentation, operating instructions, hardware, and the like, including modifications or alterations thereof, shall be kept in confidence and shall be returned together with all copies to Ainsworth when their use has been completed.

2.20 Game Playing and Prize Payment Restrictions

No officer or employee of Ainsworth or of any subcontractor or owner of a 10% or greater share of either who is involved in Delaware operations shall play the video lottery games of the Delaware State Lottery or be paid a prize in any video lottery game. Ainsworth shall ensure that this requirement is made known to each officer and employee of Ainsworth and of any subcontractor.

2.21 Force Majeure

2.21.1 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.

2.21.2 Neither Ainsworth nor the Lottery shall be liable to the other for any delay in or failure of performance under the Agreement 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 the Lottery Director to be necessary to enable complete performance by Ainsworth if reasonable diligence is exercised after the cause of delay or failure has been removed.

2.21.3 If Force Majeure conditions for Ainsworth shall be expected to continue unabated for an indefinite period and Ainsworth cannot service the Agreement, the Lottery retains the right to operate the terminals (see RFP 2.16) and/or to terminate the Agreement so that business continuity can be restored.

2.22 Security Program

2.22.1 Prior to operations under the Agreement, Ainsworth shall establish a physical and software security program for its equipment, subject to the prior written approval of the Lottery.

2.22.2 The Lottery reserves the right to require at any time such further and additional security measures as deemed necessary or appropriate to ensure the integrity of the equipment or the games.

2.22.3 The Lottery reserves the right, at any time and without prior notice, to inspect and otherwise evaluate all phases of performance specified in the Agreement and the premises in which such work is performed.

2.23 Taxes, Fees and Assessments

2.23.1 Ainsworth shall pay all taxes, fees and assessments upon the terminals, however designated, levied or based.

2.23.2 Delaware is a sovereign entity and shall not be liable for the payment of federal, state and local sales, use and excise taxes, including any interest and penalties from any related deficiency, which may become due and payable as a consequence of the Agreement.

2.24 News Releases

Ainsworth shall not issue any news releases pertaining to the award of or performance of the Agreement without prior approval by the Lottery, and then only in cooperation with the Lottery.

2.25 Advertising

Ainsworth agrees not to use the Lottery's name, logos, images, nor any data or results arising from the RFP process or this Agreement as a part of any commercial advertising without prior written approval by the Lottery.

2.26 Hiring of Lottery Personnel

At all times during the proposal evaluation period and continuing for one year following either the award of contracts or the rejection of all proposals, Ainsworth is prohibited from officially or unofficially making any employment offer or proposing any business arrangement whatsoever to any Evaluation Committee personnel, advisors and Lottery employees involved in the evaluation of proposals, the contract awards, or contract negotiations. Making such an offer or proposition may result in the termination of the agreement.

2.27 Code of Conduct

The Delaware State Lottery is an extremely sensitive enterprise because of the nature of the business and because it is government-affiliated. 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 this, Ainsworth is expected to:

- a. Offer goods and services only of the highest standards
- b. Use its best efforts to prevent the industry from becoming embroiled in unfavorable publicity
- c. Make sales presentations in a responsible manner. When pointing out the perceived superiority of their goods or services over those of competitors, Ainsworth shall do so in such a manner as to avoid unfavorable publicity for the industry
- d. Avoid promotional activities which could be interpreted as improper and provide embarrassment to the industry
- e. Report security problems or potential security problems immediately and only to the Lottery
- f. Comply with all Video Lottery Regulations.

2.28 Tests Following Award

- a. Certification Tests. The Lottery requires that the game algorithms be certified by an independent laboratory (The Lottery currently contracts with Gaming Laboratories International). Ainsworth must cooperate in submitting chips and/or other appropriate materials for the testing. Certification is an expense that must be borne by Ainsworth.
- b. Functional Tests. The Lottery will conduct a series of acceptance tests to fully determine Ainsworth's communication functionality with the Lottery's central system. Failure of Ainsworth to pass these tests may result in Ainsworth paying liquidated damages. Cooperation of Ainsworth in these tests is required. Ainsworth will not be responsible for expenses resulting from this form of testing.

The terminals will be tested for each and every requirement in the RFP. Ainsworth's assistance in arranging tests will be necessary. The Lottery, at its sole discretion, will determine whether performance against the acceptance tests is adequate, and installation can proceed.

2.29 End of Contract Conversion

2.29.1 At the end of this Agreement, the Lottery shall be solely responsible for identifying the milestones and dates of conversion for video lottery terminals, and Ainsworth shall cooperate fully and in good faith in said conversion.

2.29.2 Ainsworth shall remove all its equipment and materials from each agent location on a Lottery-specified schedule of calendar days.

2.30 Funding Out Clause

If sufficient funds are not appropriated by the Delaware General Assembly or other appropriate Federal or State agency to sustain, in whole or in part, the Lottery's performance under this Agreement, or if such support is reduced such that it is insufficient to sustain said performance, then the Agreement shall be null and void at the insistence of the Lottery.

2.31 Equipment and Software Changes and Upgrades

- a. Ainsworth's services shall include software changes, including fixes to all software errors and design defects, improved versions of the software, software enhancements and new gaming features, software changes for promotions, new games from Ainsworth's library, new games defined by the Lottery, and changes to reports. Ainsworth is further required to maintain the video terminal software with supported releases for any third party products incorporated.

All these changes and upgrades shall be included in Ainsworth's base price.

- b. Changes and enhancements that exceed contract-specified requirements (and which are not otherwise accommodated by the above or by the pricing method in RFP Part 4) will have the terms and price negotiated.

Any equipment made available to any of Ainsworth's other clients shall also be made available to the Lottery.

- c. Unless otherwise specifically agreed to by the Lottery Director, Ainsworth agrees to provide game conversions for a minimum of 25% per year of the total number of VLTs leased under this Agreement for the initial five (5) year term of the agreement. A conversion will be considered a change in game theme software.

2.32 Authority of Lottery

On all questions concerning the interpretation of specifications, the acceptability and quality of material furnished and/or work performed, the classification of material, the execution of the work, the assessment of liquidated damages and the determination of payment due or to become due, the decision of the Lottery shall be final and binding.

2.33 Lottery Approval of Staffing

The Lottery reserves the right to review and if perceived as being reasonably necessary, reject an employee's assignment to this Agreement, either at contract inception or during the term. In addition, the Lottery may require Ainsworth to provide minimum levels of staffing or service to meet the requirements as set out in this Agreement.

2.34 Subcontract Approval

Any proposed subcontracts shall be subject to the prior approval of the Lottery (not to be unreasonably withheld) and shall include such contracting and purchasing requirements as shall be binding on agencies of the Lottery. The proposal and agreement shall identify proposed subcontractors by name. Ainsworth will subcontract with Spielo International, 328 Urquhart Road, Moncton, New Brunswick, Canada, to provide assistance with service and maintenance.

2.35 Compensation During Contract

Ainsworth will be compensated by the Lottery based on management and accounting reports generated by central system data. Method of payment will be via weekly electronic funds transfer, based on a percentage of net proceeds generated by Ainsworth's video lottery terminals.

2.36 Replacement of Under-Performing Video Lottery Terminals

2.36.1 The purpose of installing video lottery terminals is to maximize revenues for the Lottery. If it becomes clear that a population of Ainsworth terminals is under-performing with regard to generating net proceeds, the Lottery reserves the right to alter the mix of video lottery terminals. The following procedure will apply for determining the need for, and carrying out of, replacement of under-performing Ainsworth terminals.

2.36.2 The Lottery shall maintain reports that define the performance of video lottery terminals. The reports will apply to the overall population of video lottery terminals, to terminals provided by individual successful bidders, and to distinct groups within the population provided by individual successful bidders. Typical groups of "similar" terminals to be compared using such performance data will include, but will not be limited to, video display terminals against other video display terminals, and reel-type terminals against other reel-type terminals.

2.36.3 For comparison purposes, the Lottery will use a rolling eight (8) week review of performance data for identifying under-performing terminals. The Lottery will exercise several tests of the following nature based on the results of these reviews, including:

- a. If a group of similar terminals from Ainsworth are under-performing average net proceeds of the total terminal population by 10% or more
- b. If a group of terminals from Ainsworth are under-performing the average net proceeds of a comparable set of terminals with a similar play style by 10% or more
- c. If a group of terminals from Ainsworth are under-performing the average net proceeds of a comparably located set of terminals by 10% or more.

2.36.4 As a result of such performance tests the Lottery will make a determination whether the group of terminals is "under-performing" and correction or replacement is prudent.

2.36.5 For a group of terminals determined to be "under-performing," Ainsworth shall have thirty (30) days in which to perform adjustments that are acceptable to the Lottery. At the end of the afforded adjustment period the terminals will be monitored for forty-five (45) days. If the adjustments include the replacement of terminals, then Ainsworth shall have forty five (45) days in which to perform the adjustments.

2.36.6 If the "under-performing" tests still indicate that the population is "under-performing," then the Lottery reserves the right to order that those video lottery terminals be removed within thirty (30) days. The Lottery may then opt to replace the removed terminals with terminals from Ainsworth or a different successful bidder, based on favorable net proceeds experience as determined from the net proceeds reviews described above, or other selection criteria. (Replacement with terminals from another successful bidder will still be subject to the stipulation that no provider may furnish over 65% of the terminals at any one venue.)

2.36.7 For removed terminals, Ainsworth shall receive no further compensation from the Lottery, either related to net proceeds or to the effort and/or expense of removal. For removed terminals, the Lottery will award those terminals as necessary to other successful bidders pursuant to 29 Del. C. §4820(b).

2.37 Reduction of Video Lottery Terminals

It is the Lottery's intent to maintain a sufficient number of VLTs at each Agent's location to maximize revenues for the Lottery while maintaining the highest possible performance levels in the most efficient manner possible. In the event it becomes necessary to reduce the number of terminals at any of the Agents' locations, the Lottery reserves the right to remove terminals based on performance levels of terminals provided by Ainsworth and other individual successful bidders and to distinct groups within the population provided by Ainsworth and individual successful bidders, as determined by the rolling eight (8) week review of performance data as described in section 2.36.

2.38 Patented Devices, Materials and Processes

2.38.1 Ainsworth shall only provide for the use of any patented design, material, or process to be used or furnished under this Agreement by suitable legal agreement with the patentee or owner, and shall file a copy of any necessary agreements with the Lottery. Ainsworth shall save and hold harmless the State of Delaware, the Lottery, the Director, the Lottery staff and agents from any and all claims arising out of the use of such patented design, device, material, or process in connection with the work agreed to be performed under this Agreement.

2.38.2 Should patentable or licensable designs, devices, materials, or processes arise from Ainsworth's work under this Agreement, Ainsworth shall retain the right to possess, develop, and

commercialize such items. The Lottery shall be granted the right or license to employ said items indefinitely in the execution of Lottery business; however, the Lottery shall not license, distribute, or otherwise commercialize such items.

2.39 Use of Copyrighted or Trademarked Materials

2.39.1 Ainsworth shall have the obligation to ensure that use of materials does not infringe on copyright, trademark, or other intellectual property rights of third parties. This may require Ainsworth to obtain permission for use, including payments made for such, to third parties. In particular, Ainsworth is required to pay all franchise and/or licensing fees for use of games employing symbols or names involving intellectual property rights of third parties.

2.40 Licensing as a Technology Provider

The Lottery can make an award only to vendors that obtain a Technology Provider license, pursuant to 29 Del. C. §4805(a)(17). The denial of a license application will result in the elimination of Ainsworth as a technology provider regardless of the recommendations or findings of the Lottery Evaluation Committee or the Lottery Director. The failure of Ainsworth to maintain its status as a licensed technology provider during the term of the Agreement will result in the termination of the Agreement. Ainsworth must reimburse the Lottery for the cost of periodic background checks related to licensing. This Agreement may be awarded contingent on Ainsworth being awarded a license.

2.41 Removal of Unapproved Equipment and Loss of License

Any video lottery terminal from Ainsworth that does not conform to the VLTs previously provided by Ainsworth for testing and acceptance will be disconnected. If any modification to a video lottery terminal that has not been approved by the Lottery is supplied by Ainsworth and operated at a Video Lottery Agent location, the Lottery may disconnect all of Ainsworth's VLTs and may suspend its Technology Provider License.

2.42 Assignment

This Agreement may not be assigned, transferred, conveyed, sublet, or otherwise disposed of without previous written approval of the Lottery. Any purported assignment in violation of this section shall be null and void. Further, Ainsworth may not assign the right to receive moneys due under the Agreement without the prior written consent of the Lottery.

2.43 Confidential Information

2.43.1 Ainsworth, its officers, employees, agents, representatives, and subcontractors, shall not disclose to any other person or entity any information pertaining to the Lottery's methods, systems, programs, procedures, or operations at any time without prior written approval of the Lottery, except as may be necessary in its performance of the Agreement. The Lottery, its

officers, employees, agents, representatives, and contractors, to the extent permitted by law shall not disclose to any other person or entity any confidential, secret, or proprietary information or know-how, concerning the equipment, programming, software, trademarks, trade or commercial secrets, of Ainsworth or its subcontractors, except as may be necessary in its performance of the Agreement.

2.43.2 In the event that any demand, claim, action, or proceeding of any nature whatsoever is made, asserted, or instituted that has as its purpose or object, or may have as its consequence, the disclosure to any person of any of the information referred to herein, each party shall immediately: notify the other party thereof; and, if legal action is successfully taken by a party to prevent disclosure, the other party shall not disclose such information unless, until, and only to the extent required to do so, by the final order of a judicial, legislative, executive or administrative authority having actual jurisdiction thereof.

2.44 Scope of Agreement

If the scope of any provision of this Agreement or the RFP are declared to be too broad in any respect whatsoever to permit enforcement to its full extent, then such provision shall be enforced to the maximum extent permitted by law, and Ainsworth hereto consents and agrees that such scope may be judicially modified accordingly and that the whole of such provisions of this Agreement or the RFP shall not thereby fail, but the scope of such provisions shall be curtailed only to the extent necessary to conform to law.

2.45 Statutory Provisions

2.45.1 The Lottery may require Ainsworth to execute truth-in-negotiation certificates stating that the prices bid and other costs supporting the compensation are accurate, complete, and current at the time of contracting. Under 29 Del. C. §6982(b)(3), the original contract price and any additions thereto shall be adjusted to exclude significant sums where the Lottery determines the contract price was increased due to inaccurate, incomplete, or noncurrent price information. All such contract adjustments shall be made within one (1) year following the end of the contract.

2.45.2 No Agreement shall be executed until Ainsworth has provided the Lottery with its taxpayer identification number or its Delaware business license number.

2.46 Miscellaneous Provisions

2.46.1 In performance of this Agreement, Ainsworth shall comply with all applicable federal, state and local laws, ordinances, codes and regulations. Ainsworth shall solely bear the costs of permits and other relevant costs required in the performance of this Agreement.

2.46.2 Neither this Agreement nor any appendix may be modified or amended except by the mutual written agreement of the parties. No waiver of any provision of this Agreement shall be

effective unless it is in writing and signed by the party against which it is sought to be enforced.

2.46.3 The delay or failure by either party to exercise or enforce any of its rights under this Agreement shall not constitute or be deemed a waiver of that party's right thereafter to enforce those rights, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

2.46.4 Ainsworth covenants that it presently has no interest and that it will not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Ainsworth further covenants, to its knowledge and ability, that in the performance of said services no person having any such interest shall be employed.

2.46.5 Ainsworth acknowledges that the Lottery has an obligation to ensure that public funds are not used to subsidize private discrimination. Ainsworth recognizes that if they refuse to hire or do business with an individual or company due to reasons of race, color, gender, ethnicity, disability, national origin, age, or any other protected status, the Lottery may declare Ainsworth in breach of the Agreement, terminate the Agreement, and designate Ainsworth as non-responsible.

2.46.6 This Agreement was drafted with the joint participation of both parties and shall be construed neither against nor in favor of either, but rather in accordance with the fair meaning thereof.

3.0 Services

3.1 Delivery

3.1.1 The Units to be delivered to the Lottery are described in Ainsworth's proposal. The allocation as to locations of the units shall be determined by the Lottery. Ainsworth shall be responsible for the assembly and initial operation of the Units and all associated equipment in a manner to be approved by the Lottery. The Units are to be delivered and installed at the direction of the Lottery to the Premises of any one or more of the following video lottery agents in Delaware: Delaware Park in Wilmington, Dover Downs in Dover, Harrington Raceway in Harrington, or any other locations authorized by the Lottery.

3.1.2 Ainsworth also agrees to deliver up to two units of each terminal model to the offices of Scientific Games, located at 1575 McKee Road, Suite 101, Dover, DE for the purpose of acceptance testing as previously described in Section 2.28. Ainsworth also agrees to provide sufficient Unit parts and sufficient information as is required for performance of necessary testing by Gaming Laboratories International ("GLI"), 600 Airport Road, Lakewood, New Jersey.

3.1.3 Ainsworth agrees that the technical specifications detailed in the RFP and this Agreement must be met before the VLTs are approved for use in Delaware.

3.1.4 All game software must be approved and certified by an independent testing laboratory under contract with the Lottery (currently GLI). Ainsworth will be responsible for the costs of independent testing.

3.2 Gaming System Training Program

At the request of the Lottery, Ainsworth shall provide training for agent, subcontractor and/or Lottery staff in the operation of video lottery terminals. Ainsworth must provide the materials, equipment, and personnel for this training effort. Training must be conducted on-site at each of the three (3) Agent locations.

3.3 Gaming Systems Field Maintenance Program

Ainsworth shall maintain a maintenance center and depot in the state to fully support the terminal maintenance and repair program and provide spare parts and technical services to maintain the VLTs. (For purposes of this section, the term "video lottery terminal" or "VLT" shall include all attachments that are provided or serviced by Ainsworth.)

a. Video Lottery Terminal Maintenance Items

Ainsworth will be required during any service call to routinely check mechanical security, safety, electronic reader, and any other attachments provided by Ainsworth. Ainsworth shall be responsible for maintaining the video lottery terminals in the highest level of appearance including, but not limited to cleaning of equipment and a refurbishing of covers.

b. Response Requirements

Ainsworth shall be responsible to determine that all gaming terminals are operable and shall take positive action when hardware malfunction is indicated to ensure that the affected terminal is returned to an operational state within the required time as defined in this Agreement. In all cases, the Lottery reserves the right to make the determination as to whether a VLT is operable and whether Ainsworth responded within the time period specified.

c. Service Documentation

Operating and service manuals for all gaming terminals shall be kept updated and accessible to the Lottery.

d. Parts Supply

Ainsworth shall maintain an adequate supply of parts to sustain the service of terminals that it has supplied and/or is required to maintain.

e. Trouble Tracking and Reporting System

Ainsworth shall maintain and manage a data base and reporting system that fulfills the following criteria:

1. Tracking and various reporting of all video lottery terminals and other problems whether or not actual problems were found. Records on any particular terminal serial number must be maintained lifelong and must include VLTs in reserve or returned for maintenance.
2. Information for various reports is to be available in real time. The real time retrieval will not be limited to inquiries for the current day only but must include up to twelve (12) months of activity by date.
3. Various reports shall include, but are not limited to:
 - a) By licensed agent for a given period
 - b) By part or component
 - c) Others as defined by the Lottery
4. Data shall include, but not be limited to:
 - a) Terminal serial number.
 - b) Component, sub-component, part identifiers.
 - c) Time and date of reported problem.
 - d) Nature of problem reported.
 - e) Field service person identifier.
 - f) Problem resolution and date and time.
 - g) Elapsed time for notification to completed repair (down time).

3.4 Technical Support Services

3.4.1 Ainsworth shall identify at least one staff member to have priority for Delaware service relative to all related aspects of video lottery operations during the term of this Agreement. This responsibility includes the software and mechanical engineering of the products. When no Lottery project requests are outstanding, such an individual can then and only then conduct work for other clients and purposes of Ainsworth.

3.4.2 Ainsworth shall have at least one service technician present at each of the Video Lottery Agents' locations during all operational hours. Technicians must be authorized and capable of conducting all maintenance requirements for Ainsworth's terminals. The Lottery may require Ainsworth to provide minimum levels of on-site staffing based on the number of terminals an individual technician is responsible for, day of the week, time of day, etc. Any exceptions to this requirement must be approved in advance by the Lottery.

4.0 Compensation

The Lottery agrees to compensate Ainsworth by weekly payments for the leased VLTs according to the following schedule:

For the period from the commencement of this Agreement and through the subsequent five (5) year initial term of the Agreement, the Lottery agrees to compensate Ainsworth by weekly payments equal to the following;

Seven percent (7.00%) of the net proceeds of each VLT leased by Ainsworth to the Lottery.

Net proceeds are to be determined in accordance with the definition set forth in the RFP.

5.0 Amendments/Merger

This Agreement constitutes the entire Agreement between the Lottery and Ainsworth with respect to the subject matter hereof. The Agreement may be amended only by the signed, written agreement of both parties thereto.

6.0 Release of Bond

Pursuant to section 2.17.2 of the Agreement, the Lottery agrees to release the litigation bond after this Agreement is signed by both parties should Ainsworth complete a covenant not to sue.

7.0 Assignment of Antitrust Claims

As consideration for the award and execution of this agreement by the Lottery, Ainsworth hereby grants, conveys, sells, assigns, and transfers to the Lottery all of its right, title and interest in and to all known or unknown causes of action it presently has or may now or hereafter acquire under the antitrust laws of the United States and the State of Delaware, relating to the particular goods or services purchased or acquired by the Lottery pursuant to this agreement.

8.0 Benefit

This Agreement is solely for the benefit of the Lottery and Ainsworth.

9.0 Notice

The parties agree that all notices given pursuant to the terms of this Agreement shall be sufficient if in writing and sent by certified mail or overnight courier service with receipt acknowledged. All other communications shall be sufficient if in writing and mailed postage prepaid first class. Any such notice or communication shall be sent to the following address or such other address as may be designated from time to time by the parties in writing:

As to the Lottery:

Vernon A. Kirk, Director
Delaware State Lottery Office
McKee Business Park
Suite 102
1575 McKee Road
Dover, DE 19904-1903

As to Ainsworth:

John F. Glaser
Manager of Sales - North America
Ainsworth Game Technology
6975 South Decatur Blvd.
Las Vegas, NV 89118

IN WITNESS WHEREOF, the parties hereto have signed this Agreement on the dates indicated below, and the Agreement shall commence upon the later of the two signature dates listed below.

an Australian
Ainsworth, a ~~Nevada~~ corporation *Original on File*

By: *Original on File*

Mark Ludski

CFO, . . . 1

Original on File

Witness

13 February 2014
Date

13 February 2014
Date

DELAWARE STATE LOTTERY

By: *Original on File*

Vernon Kirk

Director

Original on File

Witness

27 FEB 2014
Date

27 Feb 2014
Date