

TEXAS LOTTERY COMMISSION
Scratch Ticket Game Closing Analysis
SUMMARY REPORT

Instant Ticket Information

Date Completed

8/29/2022

Game #	2396	Confirmed Packs	17,310
Game Name	\$500,000 Frenzy	Active Packs	8,200
Quantity Printed	11,502,650	Warehouse Packs	102,588
Price Point	\$10	Returned Packs	7
Start Date	5/2/2022	Printed Payout Percentage	70.02%
Top Prize	\$ 500,000	Percent Sold	43.43%
Number of Top Prizes Remaining	2	Number of Weeks Out	17

Current Game Sales Analysis**TANGIBLE COSTS****Expenditure Impact:**

Cost to print tickets	\$ 497,865	Actual ticket production costs
Non-cash Prize Allocation	\$ 3,244,116	From EOPPS and WPs (non-cash prizes plus withholdings)
Prize payout expense	\$ 33,512,820	Data from Instant Ticket Tier Liability screen in ES

Estimated Direct Costs	\$ 37,254,801
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TANGIBLE BENEFITS**Revenue Impact:**

Estimated sales	\$ 49,956,009	Based on # of tkts printed, times % sold from DaVinci report, times the price point
Total Estimated Benefits	\$ 49,956,009	

Excess of Revenue over Expended	\$ 12,701,208
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INTANGIBLE POSITIVE BENEFITS:

- Allows for open bin space for new games at same price point with higher average weekly sales.
- Allows retailers to return inventory to TLC that is not selling thus releasing their financial burden

INTANGIBLE NEGATIVE BENEFITS:

- There are still valuable prizes remaining in this game.

Assumptions:

- Estimated sales revenue is calculated based on the number of tickets printed times the percent sold from the DaVinci report. The percent sold amount is based on pack settlements. Some partial packs could be returned thus slightly reducing the sales revenue amount reported above.

Weekly Sales Comparison Information

<u>Previous 3 Weeks Sales from DaVinci</u>		
Most recent week sales	\$	1,782,800
Next week	\$	1,870,840
Next week	\$	1,843,220
Avg Weekly Sales Current Game	\$	1,832,287
Avg Weekly Sales \$10; 10M-14.99M Qty	\$	3,255,577
Percentage Of Variance In Sales		44%

TEXAS LOTTERY COMMISSION
Scratch Ticket Game Closing Analysis
RECOMMENDATION AND APPROVALS

Instant Ticket Information

Game #	2396	Printed Payout Percentage	70.02%
Game Name	\$500,000 Frenzy	Actual Payout Percentage	73.58%
Percent Sold	43.43%	Number of Weeks Out	17
Average # of Weeks for 85% Sell-through for Same Price Point Game With Similar Print Run.			33

Recommendation

☐ Based on the findings in this Summary Report, I am recommending closing the above game.

☒ I am recommending closing the above game based on the below business reason(s):

This game needs to be pre-called in September to permit the game to be closed and the final drawing
conducted prior to the CMT Awards event tentatively scheduled to launch in late March 2023. This should ensure
the winners of the trip prizes from the final drawing will all be processed/claimed in time to schedule the trips.



8/29/2022

Scratch Ticket Strategy Coordinator Date



8/30/2022

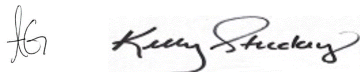
Products Manager Date

By signing below, I agree with the recommendation of the Products Department Staff to close the above game.



9/2/2022

Lottery Operations Division Director Date



9/5/2022

Controller Date



9/5/2022

Executive Director Date



Play the Games of Texas!

Da Vinci Report

8/29/22

Week End Date:8/27/22

Product Line	Game	\$	Tix Run	Name	Start	Call	Close	Wks	% Sold	Confirmed	Active	Ware	Return	Net Sales			
														8/27/22	8/20/22	8/13/22	8/6/22
Mature	2357	\$5	10,248,900	\$50,000 POKER	2/7/22			29	64.19%	1,625	1,005	42,241	2,960	\$185,980.00	\$219,985.00	\$229,355.00	\$255,245.00
	2391	\$5	7,341,975	30TH ANNIVERSARY	4/4/22			21	67.59%	2,090	1,336	22,692	3,171	\$194,105.00	\$230,265.00	\$256,235.00	\$336,435.00
	2409	\$5	5,930,400	50X SPEEDWAY RICHES	4/18/22			19	58.38%	2,766	1,764	19,116	5,528	\$220,000.00	\$281,530.00	\$327,690.00	\$422,645.00
	2428	\$5	23,203,950	BINGO TIMES 20	4/11/22			20	22.46%	14,024	8,196	215,588	25	\$1,351,750.00	\$1,389,205.00	\$1,359,895.00	\$1,437,695.00
	2247	\$5	18,355,500	BONUS BREAK THE BANK	12/28/20			87	88.82%	5,121	2,919	18,071	24	\$367,865.00	\$358,565.00	\$378,220.00	\$403,940.00
	2374	\$5	27,786,375	POWER 50X	1/3/22			34	53.09%	11,235	6,209	153,402	96	\$954,665.00	\$920,780.00	\$979,550.00	\$1,052,930.00
	2425	\$5	32,632,050	SUPER CROSSWORD	2/24/22			26	37.92%	16,011	8,472	242,743	29	\$2,059,270.00	\$2,064,410.00	\$2,063,215.00	\$2,089,605.00
	2342	\$5	59,686,425	SUPER LOTERIA	10/18/21			45	69.25%	25,144	13,294	200,711	23	\$4,665,370.00	\$4,544,135.00	\$4,467,900.00	\$4,605,275.00
	2366	\$5	7,333,350	TEXAS EDITION BUCKS & TRUCKS	3/7/22			25	83.60%	1,600	1,073	10,134	1,517	\$152,520.00	\$183,365.00	\$213,645.00	\$244,530.00
	2333	\$10	28,628,600	\$250,000 50X CASHWORD	12/20/21			36	44.46%	20,524	8,368	285,925	52	\$3,307,420.00	\$3,205,380.00	\$3,229,720.00	\$3,280,460.00
	2396	\$10	11,502,650	\$500,000 FRENZY	5/2/22			17	43.43%	17,310	8,200	102,588	7	\$1,782,800.00	\$1,870,840.00	\$1,843,220.00	\$2,057,660.00
	2348	\$10	11,152,000	\$50 OR \$100	12/6/21			38	78.74%	11,122	4,666	28,640	49	\$1,083,330.00	\$1,183,590.00	\$1,239,720.00	\$1,441,460.00
	2393	\$10	11,938,450	BIG CASH	4/4/22			21	54.56%	11,182	5,754	89,578	43	\$1,398,990.00	\$1,482,900.00	\$1,521,070.00	\$1,659,130.00
	2380	\$10	12,227,050	CASH CELEBRATION	2/7/22			29	47.00%	7,100	3,315	117,627	53	\$620,920.00	\$668,390.00	\$706,350.00	\$747,410.00
	2433	\$10	49,110,750	MEGA LOTERIA	2/7/22			29	50.33%	37,548	12,724	430,898	15	\$8,034,530.00	\$7,899,780.00	\$7,624,520.00	\$7,919,540.00
	2375	\$10	22,860,600	POWER 100X	1/3/22			34	44.05%	14,827	7,076	231,625	35	\$1,545,730.00	\$1,505,460.00	\$1,562,540.00	\$1,712,020.00
	2397	\$20	6,721,025	\$1,000,000 FRENZY	5/2/22			17	36.54%	18,983	8,078	141,229	22	\$1,877,400.00	\$1,889,180.00	\$1,726,600.00	\$1,947,400.00
	2367	\$20	16,392,750	CASH SPECTACULAR	11/15/21			41	35.50%	15,436	5,762	399,311	78	\$1,677,020.00	\$1,533,460.00	\$1,374,340.00	\$1,393,400.00
	2376	\$20	10,149,100	POWER 200X	1/3/22			34	56.10%	16,265	6,920	152,382	44	\$1,665,840.00	\$1,707,280.00	\$1,615,320.00	\$1,724,180.00
	2411	\$20	7,928,475	ULTIMATE 7S	2/21/22			27	65.79%	12,275	4,968	89,054	42	\$1,768,600.00	\$1,758,980.00	\$1,695,880.00	\$1,795,600.00
	2053	\$30	34,080,725	\$750 MILLION WINNER'S CIRCLE	3/19/18			232	67.98%	10,875	5,475	416,737	67	\$2,197,770.00	\$2,248,920.00	\$2,070,030.00	\$2,170,350.00
	2387	\$30	9,009,725	PREMIER CASH	4/4/22			21	31.81%	15,534	7,607	220,336	31	\$2,969,640.00	\$2,931,750.00	\$2,801,430.00	\$2,928,030.00
	2358	\$50	5,984,660	\$1,000,000 ULTIMATE	12/20/21			36	61.90%	17,157	5,157	89,570	45	\$2,582,350.00	\$2,647,050.00	\$2,641,500.00	\$2,947,400.00
	2378	\$50	6,116,960	\$200,000,000 CASH BLOWOUT!	3/7/22			25	50.22%	18,567	5,791	125,696	53	\$3,492,600.00	\$3,506,650.00	\$3,550,750.00	\$3,775,550.00
	2344	\$50	10,279,600	500X LOTERIA SPECTACULAR	10/18/21			45	55.15%	20,332	5,951	201,479	55	\$4,939,850.00	\$4,732,950.00	\$4,631,150.00	\$5,009,900.00
	2340	\$50	6,606,400	CASINO MILLIONS	9/20/21			49	87.29%	14,130	4,566	20,910	87	\$2,403,000.00	\$2,359,850.00	\$2,313,650.00	\$2,607,000.00
	2400	\$100	10,379,010	\$20 MILLION SUPREME	5/16/22			15	19.81%	25,145	9,940	516,354	54	\$10,447,400.00	#####	#####	#####
Sold/Closing	2384	\$1	16,942,500	EZ LOTERIA	3/7/22			25	91.27%	4,398	3,562	117	394	\$159,009.00	\$229,749.00	\$256,963.00	\$315,982.00
	2310	\$2	9,234,500	\$30,000 JACKPOT	3/21/22	9/4/22	10/19/22	23	56.34%	1,445	1,340	25,069	1,274	\$107,390.00	\$102,508.00	\$117,088.00	\$155,818.00
	2419	\$2	9,054,500	TRIPLE PLAY!	1/17/22	8/14/22	9/28/22	32	84.24%	291	317	6,812	656	\$23,796.00	\$49,090.00	\$77,918.00	\$102,606.00
	2352	\$5	18,177,675	\$200,000 JACKPOT	9/7/21	9/4/22	10/19/22	51	88.03%	2,507	2,934	17,164	537	\$571,165.00	\$651,945.00	\$722,495.00	\$749,420.00
	2382	\$5	7,334,550	LUCKY	2/21/22	8/26/22	10/10/22	27	76.49%	773	749	14,317	4,904	\$103,850.00	\$141,790.00	\$130,230.00	\$177,880.00

Liability for 2396 / for Life to Date**Product Status:**
Active**SmartCash Enabled:**
N/A**Validation Range:** 04/03/2022 - 12/31/2037**Outstanding Prizes**

Tier	Ref	SmartCash	Tier Value	Count	Amount	Tickets Paid Life to Date	Amount Paid Life to Date	% paid	Est. Tickets Sold
1	1	N/A	\$10.00	845548	\$8,455,480.00	611674	\$6,116,740.00	41.98%	4828277
2	2	N/A	\$20.00	109226	\$2,184,520.00	82415	\$1,648,300.00	43.00%	4946701
3	3	N/A	\$20.00	287095	\$5,741,900.00	211414	\$4,228,280.00	42.41%	4878189
4	0	N/A	\$30.00	217281	\$6,518,430.00	166103	\$4,983,090.00	43.33%	4983579
5	0	N/A	\$30.00	43903	\$1,317,090.00	32737	\$982,110.00	42.72%	4913390
6	0	N/A	\$50.00	195791	\$9,789,550.00	149295	\$7,464,750.00	43.26%	4976406
7	0	N/A	\$50.00	43799	\$2,189,950.00	32841	\$1,642,050.00	42.85%	4928999
8	0	N/A	\$50.00	21754	\$1,087,700.00	16626	\$831,300.00	43.32%	4982883
9	0	N/A	\$100.00	2714	\$271,400.00	2060	\$206,000.00	43.15%	4963439
10	0	N/A	\$100.00	13642	\$1,364,200.00	10373	\$1,037,300.00	43.19%	4968435
11	0	N/A	\$100.00	19988	\$1,998,800.00	15003	\$1,500,300.00	42.88%	4931961
12	0	N/A	\$100.00	2723	\$272,300.00	2076	\$207,600.00	43.26%	4975932
13	0	N/A	\$200.00	2776	\$555,200.00	2070	\$414,000.00	42.72%	4913430
14	0	N/A	\$200.00	2779	\$555,800.00	2044	\$408,800.00	42.38%	4874853
15	0	N/A	\$200.00	814	\$162,800.00	631	\$126,200.00	43.67%	5022956
16	0	N/A	\$2,000.00	6	\$12,000.00	4	\$8,000.00	40.00%	4601059
17	0	N/A	\$2,000.00	74	\$148,000.00	54	\$108,000.00	42.19%	4852680
18	0	N/A	\$20,000.00	8	\$160,000.00	5	\$100,000.00	38.46%	4424095
19	0	N/A	\$500,000.00	2	\$1,000,000.00	3	\$1,500,000.00	60.00%	6901590
Totals:				1809923	\$43,785,120.00	1,337,428	\$33,512,820.00		



INTEROFFICE MEMO

Gary Grief, Executive Director LaDonna Castañuela, Charitable Bingo Operations Director

Payment Approval

April 5, 2022

The attached invoice(s) for service is being submitted for approval.

Vendor Name	Pollard
P.O. Number (if applicable)	362-22-9010RL011RV1
Tx Game Name	Game #2396 \$500,000 Frenzy
Invoice Number	8526690
Invoice Amount	\$497,864.87

The above referenced invoice(s) have been reviewed and certified as proper, accurate and should be paid by the Texas Lottery Commission.

The above referenced invoices have been reviewed and certified as proper, accurate and should be paid by the Texas Lottery Commission.

JB

4/5/2022



Dale Bowersock

4/5/2022

Dale Bowersock (Scratch Ticket Strategy Coordinator)

Date

Please forward to the next person for approval

Robert Tirloni

4/5/2022

Robert Tirloni (Products Manager)

Date

Please forward to the next person for approval

Ryan Mindell

4/7/2022

Ryan Mindell (Lottery Operations Division Director)

Date

Please return to Maria Perez in the Office of the Controller by

April 15, 2022



140 Otter Street
Winnipeg, Manitoba
Canada R3T 0M8
Phone: (204) 474-2323
Fax: (204) 453-1375

INVOICE NO.: 8526690

Sold To: Texas Lottery Commission P.O. Box 16630 Austin, TX 78761-6630 United States	Ship To: IGT Texas Distribution Center 8520 Tuscany Way Building #6, Suite 100 Attn: Texas Lottery Warehouse Rep Austin, Texas 78754 United States
Terms: Net 30 days after date of invoice	Due Date: April 28, 2022

Invoice Date	Order No.	Your Order	Customer No.
March 29, 2022	1124429		5008

Order name: \$500,000 FRENZY #2396

PO Number:

Product Description	Quantity	Unit Price	Amount
Ticket Size 10 x 4	11,502,650	28.44 /M	327,135.37
Fluorescent / Neon Ink Base	11,502,650	2.66 /M	30,597.05
Four colour process / Spectrum base graphics	11,502,650	10.00 /M	115,026.50
Inserts	1	25,105.95 Ea	25,105.95

Under unit price '/M' = price per thousand.

Before Taxes:	497,864.87 USD
Freight:	0.00
Deposit:	0.00
Amount Due:	497,864.87 USD

Banking Instructions:

TD Bank, NA
2035 Limestone Rd.
Wilmington, DE 19808
ABA# 026013673
Bank Account # 3248176206

Delivery: Prepaid
Tax ID/Contract Number: NA
GST Registration Number: 819251463

NO. OF TICKETS:11,502,650

NO. POOLS:95.86

PACK SIZE:50

PACKS/POOL:2,400

PACKS/GAME:230,053

Minimum:11,054,400

Maximum:11,505,600

TEXAS LOTTERY COMMISSION

"\$500,000 FRENZY" GAME NO. 2396

END OF PRODUCTION PRIZE STRUCTURE

25-Mar-22

11,502,650				\$10 TICKETS		\$115,026,500	REVENUE	INSTANT FUND PRIZE FUND	\$77,297,940 \$80,542,056	INSTANT PAYOUT TOTAL PAYOUT %	67.20% 70.02%	
PRIZE LEVEL	PRIZE CODE	TIER CODE	GET:	# OF WAYS TO WIN:	WIN:	ODDS OF 1 IN:	WINNERS IN 95.86 POOLS	WINNERS IN 50 (PER PACK*)	WINNERS IN 120,000 (Per Pool)	PRIZE COST	PERCENT OF PRIZE FUND **	VALIDATION TIER LEVELS
1	1	L	\$10	1	\$10	7.89	1,457,222	6.333	15200.00	\$14,572,220	18.09%	LOW-TIER
2	2	L	\$10 "2X"	1	\$20	60.02	191,641	0.833	2000.00	\$3,832,820	4.76%	
3	3	L	\$20	1	\$20	23.07	498,509	2.167	5200.00	\$9,970,180	12.38%	
4	0	M	\$10 + \$10 "2X"	2	\$30	30.00	383,384	1.667	4000.00	\$11,501,520	14.28%	****
5	0	M	\$30	1	\$30	150.09	76,640	0.333	800.00	\$2,299,200	2.85%	****
6	0	M	\$10 "5X"	1	\$50	33.33	345,086	1.500	3600.00	\$17,254,300	21.42%	****
7	0	M	\$50	1	\$50	150.09	76,640	0.333	800.00	\$3,832,000	4.76%	****
8	0	M	\$10 "2X" + \$30	2	\$50	299.70	38,380	0.167	400.00	\$1,919,000	2.38%	****
9	0	M	\$100	1	\$100	2,409.44	4,774	0.021	50.00	\$477,400	0.59%	MID-TIER
10	0	M	\$10 "5X" + \$50	2	\$100	478.98	24,015	0.104	250.00	\$2,401,500	2.98%	
11	0	M	\$10 "10X"	1	\$100	328.73	34,991	0.152	365.00	\$3,499,100	4.34%	
12	0	M	\$50 "2X"	1	\$100	2,396.88	4,799	0.021	50.00	\$479,900	0.60%	
13	0	M	\$20 "10X"	1	\$200	2,373.64	4,846	0.021	50.00	\$969,200	1.20%	
14	0	M	\$20 "5X" + \$50 "2X"	2	\$200	2,384.96	4,823	0.021	50.00	\$964,600	1.20%	
15	0	M	\$200	1	\$200	7,960.31	1,445	0.006	15.00	\$289,000	0.36%	
16	0	H	\$2,000	1	\$2,000	1,150,265.00	10	0.000	0.10	\$20,000	0.02%	HIGH-TIER
17	0	H	\$10 x 5 + \$20 x 10 + \$50 x 13 + \$100 + \$100 "10X"	30	\$2,000	89,864.45	128	0.001	1.34	\$256,000	0.32%	
18	0	H	\$20,000	1	\$20,000	884,819.23	13	0.000	0.14	\$260,000	0.32%	
19	0	H	\$500,000	1	\$500,000	2,300,530.00	5 ***	0.000	0.05	\$2,500,000	3.10%	
						3.65	3,147,351	13.68	32,831.627	\$ 77,297,940	95.97%	95.97%
						3.6547						

DRAWINGS	CMT Music Awards® Weekend Promotion	\$14,945.00	165	\$ 2,465,925.00	3.06%
	CMT Music Awards® Weekend Promotion Federal Withholding	\$4,716.31	165	\$ 778,191.15	0.97%
Subtotal: Drawings			330	\$ 3,244,116.15	4.03%

TOTAL:

3,147,681

\$ 80,542,056

100.00%

NOTE:

"2X" = Win DOUBLE the prize by revealing one (1) "2X" Play Symbol.

"5X" = Win 5 TIMES the prize by revealing one (1) "5X" Play Symbol.

"10X" = Win 10 TIMES the prize by revealing one (1) "10X" Play Symbol.

Consolidated odds are 1 in:

\$10	7.89	1,457,222
\$20	16.67	690,150
\$30	25.00	460,024
\$50	25.00	460,106
\$100	167.73	68,579
\$200	1,034.97	11,114
\$2,000	83,352.54	138
\$20,000	884,819.23	13
\$500,000	2,300,530.00	5
		3,147,351

* Each of the following GLEPS will be used in approximately 16.67% of each pack of 50 tickets.

** Numbers are rounded.

*** This Number of prizes is guaranteed delivery to the Lottery.

**** The \$30 and \$50 prize levels are included in the GLEPS but should be programmed as Mid-Tier prizes and not part of the Low-Tier file.

6.1.1 CMT AWARDS WEEKEND PROMOTION DETAILED REQUIREMENTS

CMT AWARDS WEEKEND PROMOTION DETAILED REQUIREMENTS

These detailed requirements apply to the CMT Awards Weekend Promotion (the **“Promotion”**), a second-chance drawing promotion common to each game in the family of four (4) scratch ticket games identified in Section 1 below (the **“Eligible Games”**). These requirements shall be part of the working papers for each Eligible Game.

1. PROMOTION DESCRIPTION

The Texas Lottery Commission (**“TLC”**) shall produce a family of scratch ticket games which will feature the patented Scratch FX[®] holographic material application, to be printed by Pollard Banknote Limited (**“PBL”**), with the following names and prize points:

- (a) \$1.00 **“\$5,000 Frenzy”** (Game Number 2394);
- (b) \$5.00 **“\$200,000 Frenzy”** (Game Number 2395);
- (c) \$10.00 **“\$500,000 Frenzy”** (Game Number 2396); and
- (d) \$20.00 **“\$1,000,000 Frenzy”** (Game Number 2397).

PBL will host the Promotion microsite. Players may use the Texas Lottery[®] website/Luck Zone (accessible through the microsite) or the Luck Zone feature of the Texas Lottery App to enter any non-winning tickets from the Eligible Games in one (1) of five (5) promotional second-chance drawings described in Section 3 below (**“Drawings”**) for a chance to win one (1) of five hundred (500) vacation package trip prizes (**“Trip Prizes”**).

2. ALLOCATION FOR PRIZE FULFILLMENT AND MANUFACTURING AND MARKETING SUPPORT

The TLC shall allocate a total of nine million eight hundred thirty thousand two hundred sixty-three dollars and seventy cents (\$9,830,263.70), as indicated below, for PBL to fulfill all Trip Prizes and to provide other Promotion services as well as manufacturing and marketing support. PBL will also provide the following items:

- (a) Manufacturing and marketing support (including a Promotion microsite).

The Trip Prizes and allocated amounts detailed in the table below totaling seven million four hundred seventy-two thousand five hundred dollars (\$7,472,500) shall be invoiced to the TLC and paid as provided in Section 8 below, and distributed across the Eligible Games as follows:

Game Name	Trip Prize	Total Trip Prize (including withholding taxes)	# Second-Chance Drawings	Winners Per Drawing (draws 1-4)	Winners Per Drawing (draw 5)
\$5,000 Frenzy (\$1.00)	Twenty (20) @ \$14,945 each	Twenty (20) @ \$19,664.16 each	5	4	4
\$200,000 Frenzy (\$5.00)	One hundred fifteen (115) @ \$14,945 each	One hundred fifteen (115) @ \$19,662.89 each	5	28	3
\$500,000 Frenzy (\$10.00)	One hundred sixty-five (165) @ \$14,945 each	One hundred sixty-five (165) @ \$19,661.31 each	5	40	5
\$1,000,000 Frenzy (\$20.00)	Two hundred (200) @ \$14,945 each	Two hundred (200) @ \$19,658.16 each	5	48	8

Total Allocation of nine million eight hundred thirty thousand two hundred sixty-three dollars and seventy cents (\$9,830,263.70) (includes two million three hundred fifty-seven thousand seven hundred sixty-three dollars and seventy cents (\$2,357,763.70) that will be used by the TLC for payment of withholding taxes).

3. TRIP PRIZE DRAWINGS

- a) The TLC shall conduct a total of five (5) promotional second-chance Drawings. The number of Trip Prize winners for each Drawing by game price point is shown in the chart in Section 2 above. The TLC shall determine the dates and times for each set of Drawings and PBL shall publicize the dates and times on the Promotion microsite.
- b) The Texas Lottery website/Luck Zone and the Luck Zone feature of the Texas Lottery App are the only permissible methods of entry into the Drawings. Entries sent via any other method will not be eligible to enter any Drawings. The number of entries the player receives per non-winning Eligible Game ticket entered is determined by the price point. A \$1 non-winning Eligible Game ticket receives one (1) entry, a \$5 non-winning Eligible Game ticket receives five (5) entries, a \$10 non-winning Eligible Game ticket receives ten (10) entries, and a \$20 non-winning Eligible Game ticket receives twenty (20) entries. All entries must be submitted from a location within the state of Texas. Entrants must provide a valid Texas address. Entrants must be 18 years of age or older to enter the Drawings. Entries received after the deadline for the final Drawing will not be eligible for any Drawing prize.
- c) After a winning entry is drawn and all related validation procedures by the TLC are complete, the TLC will notify PBL and title to the awarded Trip Prize shall immediately pass to the Trip Prize winner. PBL shall fulfill the Trip Prizes as provided in Section 6 below.
- d) A player may not win more than one (1) Trip Prize per Drawing, but a player is eligible to win a Trip Prize in each of the five (5) Drawings. Any Trip Prize winner who wins more than one (1) Trip Prize may either claim one (1) or more of the additional Trip Prize(s) won (and thereby be responsible for all taxes on all Trip Prizes claimed) or decline to claim any of the additional Trip Prizes. Each Trip Prize the Trip Prize winner does not claim shall be awarded to an alternate, and the alternate shall be responsible for all taxes on that Trip Prize. If a Trip Prize winner claims more than one Trip Prize, the Trip Prize winner

shall assign a proxy and guest to participate in each additional Trip Prize claimed. A proxy and guest must be 18 years of age or older. All prizes that may be won by a proxy as a participant in a Trip Prize shall be awarded to the Trip Prize winner (less applicable tax withholdings).

4. TRIP PRIZE SPECIFICATIONS

The Trip Prize event shall take place from March 31 – April 2, 2023, in Nashville, Tennessee (“**Nashville**”). If the Trip Prize event cannot take place on these dates, the event shall be rescheduled to take place in 2024 on dates to be determined and shall include all Trip Prize specifications outlined below:

- (a) Trip Prizes include round-trip coach airfare from a Texas International Airport in Dallas, Houston, San Antonio, Austin or El Paso to Nashville for the Trip Prize winner and one (1) guest for three (3) nights in a standard room at a 4.5-star hotel in downtown Nashville. Trip Prize winners can select to receive an eight hundred-dollar (\$800) travel allowance instead of round-trip coach airfare which will be sent in the form of a check at least thirty (30) days prior to the event date. Meals include: a daily continental breakfast included in the hotel stay, VIP catered supper club dinner party at an iconic Nashville venue with a live performance by a CMT-selected emerging country music artist-Nominee or Presenter level artist to be determined three (3) months prior to the event. In addition, each Trip Prize winner will participate in the CMT Block Party all day outdoor festival on April 1 and April 2 which includes prime viewing area for Trip Prize winner and guest and catered food and beverage. Trip Prize winner and guest will attend the CMT Crossroads Concert & Live taping night on April 1 in a notable historic downtown Nashville venue. Also included for each Trip Prize winner and guest is attendance at the CMT Music Awards show the evening of April 2. Trip Prize winners will receive a CMT welcome gift upon check in at the event along with a five-hundred-dollar (\$500) spending allowance and a three hundred-dollar (\$300) meal allowance in the form of a gift card.

5. MANUFACTURING AND MARKETING SUPPORT

PBL shall provide the following manufacturing and marketing support services for the Eligible Games and Promotion:

- (a) PBL shall provide the Scratch FX[®], at no cost to the TLC, for the (\$5) \$200,000 Frenzy and (\$10) \$500,000 Frenzy games.
- (b) PBL shall provide the TLC assistance in designing the artwork for each of the Eligible Games.
- (b) PBL shall provide the TLC with PBL’s customer service hotline number with staff available to answer any questions pertaining to the Eligible Games, the Promotion, and/or the Trip Prizes, Monday through Friday from 10:00 a.m. to 6:00 p.m. Eastern Time (9:00 a.m. to 5:00 p.m. Central Time) with messaging options outside of those hours.
- (c) PBL shall construct a mobile-optimized microsite for the Eligible Games and Promotion, as mutually agreed by the parties. The microsite will provide Eligible Games players with a link to register on-line and to enter the Drawings. The microsite may also display other promotional and informational elements related to the Promotion, the Eligible Games and the TLC’s promotion of the Eligible Games. Specifications include:

Luck Zone (Mobile & Website) image requirements:

- 380x215 Enter Button
- 380x215 Game Information Button
- 380x215 Winners Button
- 420x240 Luck Zone Promotion Banner
- 1071x408 Luck Zone Promotion Banner
- 1536x456 Website and Mobile App marketing banner.

1200x1200 Retailer Social Media banner

3 Social Media videos:

- FB: 1280 x 720
- IG: 1080 x 1080
- TW: 960 x 540

ESMM animations –

- Altura specs: 848 x 415 pixels
- Gemini specs: 640 x 415 pixels

(d) PBL shall provide two hundred thousand dollars (\$200,000) of mutually agreed upon point-of-sale pieces.

<u>POS Element</u>	<u>Total Quantity</u>	<u>Specs</u>
English Coroplast	2865	23x32.625 / 4/0 Coroplast / Holes drill top corners / zip ties
Spanish Coroplast	335	23x32.625 / 4/0 Coroplast / Holes drill top corners / zip ties
Minibillboard (Eng/Span)	16985	8.5x11 / 4/4 / 16 pt c2s / Double-sided
Bintopper- Eng Front/Eng Back Double-sided	4980	8X4 / 4/4 / 16 pt c2s /Thicker Card Stock
Bintopper- Span Front/Span Back Double-sided	1255	8X4 / 4/4 / 16 pt c2s /Thicker Card Stock
Bintopper- Span Front/Eng Back Double-sided	1355	8X4 / 4/4 / 16 pt c2s /Thicker Card Stock
Standeers	270	32 ECT B Flute Kemi max 30" x 71.25" 4/0 Die Cut & attach Easel
Gemini Toppers	1381	33.5x23 / 4/0 / Corrugate / C1S / 3 - lugons / Diecut

Low Profile Mini BB	6775	9.5x24.25 / 24 pt double up to 48 c1s / 4/0 / Diecut / Double Sided
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(e) PBL shall provide Trip Prize fulfillment services as described herein.

6. TRIP PRIZE FULFILLMENT SERVICES:

Once authorized by the TLC, PBL shall provide complete fulfillment of the Trip Prizes, including all items specified in Section 4 above. There shall be no additional charges for any aspect of such prize fulfillment other than those charges set out in Sections 2 and 8 herein. Trip Prize fulfillment shall include the scheduling and coordination of all travel arrangements, as detailed below:

- (a) PBL reserves the right to substitute the Trip Prize elements specified herein, upon prior written approval from the TLC, with a unique prize package of equal or higher value incorporating similar one-of-a-kind experiential elements not available for purchase by the general public (including an experiential event comparable in quality to the CMT Awards) in the event that, for any reason out of PBL's control, the original proposed Trip Prize becomes unavailable; provided that, in any event, any substitute Trip Prize event shall take place in Nashville. Unless the TLC expressly agrees otherwise, PBL shall not substitute all or any portion of the Trip Prize with a cash equivalent prize amount.
- (b) The TLC will be responsible for validating and processing the Trip Prize winners. Trip Prize winners shall complete and submit a Texas Lottery Promotional 2nd Chance Claim Form which details the prize won and the value of the prize. Upon receipt of the Claim Form and the acceptance of the Trip Prize by the winner, the TLC shall provide PBL a list of approved winners.
- (c) The TLC shall be responsible for payment of any withholding taxes required with respect to the Trip Prizes. The TLC shall provide an IRS Tax Form W-2G to the Trip Prize winners for the value of the Trip Prize.
- (d) PBL shall contact each Trip Prize winner within ten (10) business days following the date the TLC notifies PBL of the name and contact information of the approved Trip Prize winner to begin arrangements for Trip Prize fulfillment.
- (e) A Trip Prize winner must use all components of the Trip Prize on the trip booked hereunder to attend the CMT Awards Weekend Trip Prize event in Nashville, March 31 – April 2, 2023.
- (f) A Trip Prize winner who does not take the scheduled trip and does not otherwise travel to Nashville at their own expense during the Trip Prize event dates will only receive the eight-hundred-dollar (\$800) travel allowance if the Trip Prize winner selected the travel allowance option. The Trip Prize winner shall not be compensated in any way for the value of the air travel and will not receive any cash equivalent payment for any non-cash portion of the Trip Prize.
 - i. A Trip Prize winner who fails to appear at the designated time and place of departure (excluding flight delays) but travels to Nashville on their own expense during the Trip Prize event dates shall

not be compensated in any way for the value of their air travel or receive any cash equivalent payment for any non-cash portion of the Trip Prize occurring prior to their arrival in Nashville but may participate in any portion of the Trip Prize that occurs after their arrival.

- ii. In the event PBL determines a Trip Prize winner is unable to attend the trip after the trip has been booked, the balance of the Trip Prize shall be forfeited.
- (g) If a Trip Prize is not claimed by a Trip Prize winner, the TLC shall assign the Trip Prize to an alternate winner within a TLC-specified time period, and PBL shall fulfill that Trip Prize under the same terms and conditions as specified herein.
- (h) PBL will send any Trip Prize winner who selects to receive the travel allowance instead of booking a flight to Nashville a check for the amount of eight hundred dollars (\$800) thirty (30) days prior to the commencement of the Trip Prize.
- (i) A Trip Prize winner's travel to Nashville must be via round-trip coach airfare from a Texas International Airport listed in Section 4(a) above to Nashville.
- (j) Each Trip Prize booking will include the Trip Prize winner and one (1) guest. The winner and guest must travel together, and each be at least 18 years of age.
- (k) Each Trip Prize includes all ground transfers between the Nashville International Airport and the designated, downtown Nashville hotel and, if necessary, to/from CMT events included in the Trip Prize.
- (l) A Trip Prize winner is responsible to pay for any items or expenses not included in the Trip Prize.
- (m) If a Trip Prize winner fails to check into the designated Nashville hotel the day of their arrival without previously communicating alternate check-in plans to PBL, the room availability will be forfeited, and the Trip Prize winner shall not be compensated in any way for the value of the room.
- (n) The Trip Prize winner or guest will be required to have a valid credit card or post a cash deposit to cover incidentals in order for the Trip Prize winner to check into the designated Nashville hotel.
- (o) Airlines retain the right to charge for baggage. If applicable, the Trip Prize winner and guest(s) will be responsible for these charges.
- (p) Except as provided in Section 3(d) and Section 6(g) above, a Trip Prize is not transferable or assignable without the written consent of the TLC.
- (q) Each Trip Prize winner will receive a congratulatory note, in English and Spanish as approved by the TLC, containing a toll-free telephone hotline number.
- (r) The Trip Prize winner is solely responsible for the actions of the guest who accompanies the Trip Prize winner to any PBL-sponsored event. Both the Trip Prize winner and the guest must be 18 years of age or older.
- (s) The TLC has the right to monitor the Trip Prize fulfillment process and contact PBL to discuss any reported problems with fulfillment and request possible solutions. PBL shall provide possible solutions to the TLC in writing within ten (10) business days of any request.

- (t) The TLC shall not be responsible for additional federal or state taxes that may become due when a Trip Prize winner files a tax return as required by law.

7. TERM

The detailed requirements herein shall be effective as of the date the first set of working papers for any Eligible Game is executed by both parties and shall expire on the latter of the last day for claiming prizes for any Eligible Game or when the Promotion concludes on April 3, 2023.

8. PAYMENT

PBL shall invoice the TLC for the allocated amounts set forth in Section 2 above, as follows:

- (a) PBL shall provide an invoice to the TLC for the allocated amounts once the signed Texas Lottery Promotional 2nd Chance Claim Form has been received by PBL. PBL will invoice the TLC on a weekly basis for the number of signed Texas Lottery Promotional 2nd Chance Forms received each week.
- (b) All payments by TLC will be made in accordance with Tex. Gov't Code Chapter 2251("Payments for Goods and Services"). PBL agrees that, if the Texas Comptroller of Public Accounts is currently prohibited from issuing a warrant to PBL under Tex. Gov't Code Section 403.055, any payments owed to PBL will be applied towards the debt or delinquent taxes that PBL owes the State of Texas until the debt or delinquent taxes are paid in full.

Instant Ticket Game Analysis

03/01/20-02/26/22

Average Number of Weeks for 85% Average Sell Through

	A	B	C	D	E	F	G	H
	Price Point				Price Point			
Print Quantities	\$1	\$2	\$3	\$5	\$10	\$20	\$30	\$50
< 5M	None	None	Week 10*	None	None	None	None	None
5M-9.99M	Week 15	Week 16	None	Week 19	Week 17	Week 39	None	Week 34
10M-14.99M	Week 15	None	None	Week 23	Week 33	Week 32	None	None
15M-19.99M	Week 23	None	Week 27*	None	Week 34*	None	None	None
20M-24.99M	None	None	None	Week 39	Week 41*	None	None	None
25M-29.99M	Week 32*	None	None	None	Week 36*	None	None	None
30M-34.99M	None	None	None	None	None	None	None	None
>35M	None	Week 63	Week 70*	Week 48*	Week 43*	None	None	None

Average Weekly Dollar Sales at 85% Average Sell Through

	A	B	C	D	E	F	G	H
	Price Point				Price Point			
Print Quantities	\$1	\$2	\$3	\$5	\$10	\$20	\$30	\$50
< 5M	None	None	\$1,280,407	None	None	None	None	None
5M-9.99M	\$523,427	\$836,412	None	\$1,829,626	\$3,575,687	\$4,083,763	None	\$6,822,934
10M-14.99M	\$646,883	None	None	\$2,572,905	\$3,255,577	\$6,279,880	None	None
15M-19.99M	\$637,501	None	\$1,754,298	None	\$4,557,575	None	None	None
20M-24.99M	None	None	None	\$2,543,539	\$4,377,999	None	None	None
25M-29.99M	\$795,571	None	None	None	\$6,250,278	None	None	None
30M-34.99M	None	None	None	None	None	None	None	None
>35M	None	\$1,031,140	\$1,494,231	\$4,784,040	\$7,855,672	None	None	None

None = no games at this level with 85% sell through

* only one game at this level with 85% sell through

Excludes Promotional Tickets

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