

**TEXAS LOTTERY COMMISSION**  
**Scratch Ticket Game Closing Analysis**  
**SUMMARY REPORT**

**Instant Ticket Information**

Date Completed

5/10/2023

Game #	2422	Confirmed Packs	4,691
Game Name	7	Active Packs	2,522
Quantity Printed	8,199,450	Warehouse Packs	10,319
Price Point	\$10	Returned Packs	91
Start Date	10/3/2022	Printed Payout Percentage	70.02%
Top Prize	\$ 250,000	Percent Sold	88.03%
Number of Top Prizes Remaining	0	Number of Weeks Out	31

**Current Game Sales Analysis**

**TANGIBLE COSTS**

**Expenditure Impact:**

Cost to print tickets	\$ 1,099,311	Actual ticket production costs
Non-cash Prize Allocation	\$ 947,116	From EOPPS (non-cash prizes plus withholdings)
Prize payout expense	\$ 49,223,060	Data from Instant Ticket Tier Liability screen in ES

**Estimated Direct Costs** \$ 51,269,487

**TANGIBLE BENEFITS**

**Revenue Impact:**

Estimated sales	\$ 72,179,758	Based on # of tkts printed, times % sold from DaVinci report, times the price point
<b>Total Estimated Benefits</b>	<u>\$ 72,179,758</u>	

**Excess of Revenue over Expended** \$ 20,910,271

**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**

Previous 3 Weeks Sales from DaVinci		
Most recent week sales	\$	673,980
Next week	\$	744,210
Next week	\$	782,540
Avg Weekly Sales Current Game	\$	733,577
Avg Weekly Sales \$10; 5M-9.99M Qty	\$	2,418,561
<b>Percentage Of Variance In Sales</b>		<b>70%</b>

**Scratch Ticket Game Closing Analysis**  
**RECOMMENDATION AND APPROVALS**

**Instant Ticket Information**

Game #	<div>2422</div>	Printed Payout Percentage	<div>70.02%</div>
Game Name	<div>7</div>	Actual Payout Percentage	<div>69.51%</div>
Percent Sold	<div>88.03%</div>	Number of Weeks Out	<div>31</div>
Average # of Weeks for 85% Sell-through for Same Price Point Game With Similar Print Run.			<div>30</div>

**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):

*Not Required - All Top Prizes Claimed*

Scratch Ticket Strategy Coordinator

Date

*Not Required - All Top Prizes Claimed*

Products Manager

Date

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

*Not Required - All Top Prizes Claimed*

Lottery Operations Division Director

Date

*Not Required - All Top Prizes Claimed*

Controller

Date

*Not Required - All Top Prizes Claimed*

Deputy Executive Director

Date

*Not Required - All Top Prizes Claimed*

Executive Director

Date

## Bowersock, Dale

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**From:** WebsiteSupport@lottery.state.tx.us  
**Sent:** Wednesday, May 10, 2023 5:16 AM  
**To:** WEBSITE\_SCRATCH\_ZTP  
**Subject:** ZTP Occurrence: Date 05/09/2023

All top prizes for the following game(s) have been claimed as of 05/09/2023.

Game Number	Game Name	Price	Prize Amount	Prizes Printed	Prizes Claimed	Pending Top Claims	Pending Top Claims Count	Prizes Remaining	Sales Begin Date	Pre-Call Date	Call Date	Sales End Date
2422	7	\$10	\$250,000	5	5		0	0	10/03/2022	05/05/2023	06/04/2023	07/19/2023

The Last Top Prize Claimed Date only reflects prizes claimed at a Texas Lottery® claim center. If the final top prize was validated at a retail location that validation date will not be reflected on this report.



*Play the Games of Texas!*

Da Vinci Report

5/10/23

Week End Date:5/6/23

Product Line	Game	\$	Tix Run	Name	Start	Call	Close	Wks	% Sold	Confirmed	Active	Ware	Return	Net Sales			
														5/6/23	4/29/23	4/22/23	4/15/23
Sold/Closing	2456	\$5	7,191,150	LUCKY 7	12/19/22	6/4/23	7/19/23	20	87.44%	3,693	2,382	2,347	905	\$399,765.00	\$435,360.00	\$495,005.00	\$547,865.00
	2374	\$5	27,786,375	POWER 50X	1/3/22	5/7/23	6/21/23	70	74.17%	1,183	1,501	88,363	639	\$324,510.00	\$417,135.00	\$438,490.00	\$485,765.00
	2369	\$10	12,077,250	\$50, \$100 OR \$500!	8/1/22	6/4/23	7/19/23	40	98.08%	1,804	606	79	569	\$257,280.00	\$330,700.00	\$449,880.00	\$585,470.00
	2422	\$10	8,199,450	7	10/3/22	6/4/23	7/19/23	31	88.03%	4,691	2,522	10,319	91	\$673,980.00	\$744,210.00	\$782,540.00	\$831,230.00
	2433	\$10	49,110,750	MEGA LOTERIA	2/7/22			65	98.43%	5,510	1,800	36	2,858	\$1,147,490.00	\$1,703,870.00	\$2,535,710.00	\$3,335,260.00
	2452	\$10	5,882,300	PEPPERMINT PAYOUT DELUXE	11/7/22	5/7/23	6/21/23	26	87.10%	428	269	3,222	9,089	\$71,500.00	\$100,870.00	\$128,100.00	\$180,490.00
	2311	\$10	8,067,400	TRIPLE RED 777 SUPER TICKET	7/11/22	6/4/23	7/19/23	43	92.01%	5,624	4,187	238	147	\$1,155,490.00	\$1,308,290.00	\$1,358,910.00	\$1,413,490.00
	2349	\$20	8,200,000	500X	7/18/22	5/7/23	6/21/23	42	89.50%	1,453	1,004	26,371	902	\$586,880.00	\$880,640.00	\$1,181,780.00	\$1,333,940.00
	2402	\$20	8,199,050	MONEY	6/20/22	5/7/23	6/21/23	46	53.68%	1,095	878	145,722	794	\$317,480.00	\$459,200.00	\$546,600.00	\$625,760.00
	2358	\$50	5,984,660	\$1,000,000 ULTIMATE	12/20/21			72	91.49%	10,940	4,211	6,906	87	\$1,969,350.00	\$1,934,800.00	\$1,859,650.00	\$1,775,000.00
	2378	\$50	6,116,960	\$200,000,000 CASH BLOWOUT!	3/7/22	4/4/23	5/19/23	61	86.42%	621	129	26,468	2,280	\$117,550.00	\$268,350.00	\$706,900.00	\$1,218,400.00

**Liability for 2422 / for Life to Date**Product Status:  
ActiveSmartCash Enabled:  
N/A

Validation Range: 09/08/2022 - 01/16/2024

**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	155037	\$1,550,370.00	910549	\$9,105,490.00	85.45%	7006474
2	2	N/A	\$20.00	27966	\$559,320.00	190638	\$3,812,760.00	87.21%	7150494
3	3	N/A	\$20.00	38077	\$761,540.00	235341	\$4,706,820.00	86.07%	7057570
4	0	N/A	\$30.00	33341	\$1,000,230.00	240013	\$7,200,390.00	87.80%	7199362
5	0	N/A	\$30.00	7425	\$222,750.00	47270	\$1,418,100.00	86.42%	7086351
6	0	N/A	\$50.00	29568	\$1,478,400.00	216380	\$10,819,000.00	87.98%	7213707
7	0	N/A	\$50.00	7320	\$366,000.00	47375	\$2,368,750.00	86.62%	7102092
8	0	N/A	\$50.00	3266	\$163,300.00	24069	\$1,203,450.00	88.05%	7219775
9	0	N/A	\$100.00	364	\$36,400.00	2042	\$204,200.00	84.87%	6958967
10	0	N/A	\$100.00	788	\$78,800.00	5392	\$539,200.00	87.25%	7153953
11	0	N/A	\$100.00	712	\$71,200.00	4766	\$476,600.00	87.00%	7133731
12	0	N/A	\$300.00	2279	\$683,700.00	15508	\$4,652,400.00	87.19%	7148876
13	0	N/A	\$300.00	31	\$9,300.00	308	\$92,400.00	90.86%	7449647
14	0	N/A	\$300.00	95	\$28,500.00	659	\$197,700.00	87.40%	7166362
15	0	N/A	\$300.00	47	\$14,100.00	296	\$88,800.00	86.30%	7075910
16	0	N/A	\$600.00	166	\$99,600.00	805	\$483,000.00	82.90%	6797690
17	0	N/A	\$1,500.00	12	\$18,000.00	92	\$138,000.00	88.46%	7253359
18	0	N/A	\$3,000.00	24	\$72,000.00	132	\$396,000.00	84.62%	6937996
19	0	N/A	\$10,000.00	3	\$30,000.00	7	\$70,000.00	70.00%	5739614
20	0	N/A	\$250,000.00	0	\$0.00	5	\$1,250,000.00	100.00%	8199449
Totals:				306521	\$7,243,510.00	1,941,647	\$49,223,060.00		

NO. OF TICKETS: 8,199,450  
NO. POOLS: 68.33  
PACK SIZE: 50  
PACKS/POOL: 2,400  
PACKS/GAME: 163,989

Minimum: 7,879,200  
Maximum: 8,200,800

TEXAS LOTTERY COMMISSION  
7 GAME NO. 2422  
END OF PRODUCTION PRIZE STRUCTURE  
30-Aug-22

8,199,450				\$10 TICKETS		\$81,994,500	REVENUE	INSTANT FUND PRIZE FUND	\$56,466,570 \$57,413,686	INSTANT PAYOUT TOTAL PAYOUT %	68.87% 70.02%	
PRIZE LEVEL	PRIZE CODE	TIER CODE	GET:	# OF WAYS TO WIN:	WIN:	ODDS OF 1 IN:	WINNERS IN 68.33 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	7.69	1,065,586	6.500	15600.00	\$10,655,860	18.56%	LOW-TIER
2	2	L	\$10 "2X"	1	\$20	37.51	218,604	1.333	3200.00	\$4,372,080	7.62%	
3	3	L	\$20	1	\$20	29.99	273,418	1.667	4000.00	\$5,468,360	9.52%	
4	0	M	\$10 + \$10"2X"	2	\$30	30.00	273,354	1.667	4000.00	\$8,200,620	14.28%	****
5	0	M	\$30	1	\$30	149.91	54,695	0.333	800.00	\$1,640,850	2.86%	****
6	0	M	\$10 x 5	5	\$50	33.34	245,948	1.500	3600.00	\$12,297,400	21.42%	****
7	0	M	\$50	1	\$50	149.91	54,695	0.333	800.00	\$2,734,750	4.76%	****
8	0	M	\$10"2X" + \$30	2	\$50	299.96	27,335	0.167	400.00	\$1,366,750	2.38%	****
9	0	M	\$100	1	\$100	3,407.92	2,406	0.015	35.00	\$240,600	0.42%	MID-TIER
10	0	M	\$10 x 10	10	\$100	1,326.77	6,180	0.038	90.00	\$618,000	1.08%	
11	0	M	\$50"2X"	1	\$100	1,496.80	5,478	0.033	80.00	\$547,800	0.95%	
12	0	M	\$10 x 30"7"	1	\$300	460.98	17,787	0.108	260.00	\$5,336,100	9.29%	
13	0	M	\$20 x 2 + \$30 x 2 + \$100"2X"	5	\$300	24,187.17	339	0.002	5.00	\$101,700	0.18%	
14	0	M	\$10 x 30	30	\$300	10,874.60	754	0.005	11.00	\$226,200	0.39%	HIGH-TIER
15	0	M	\$300	1	\$300	23,905.10	343	0.002	5.00	\$102,900	0.18%	
16	0	H	\$20 x 30"7"	1	\$600	8,444.34	971	0.006	14.00	\$582,600	1.01%	
17	0	H	\$50 x 30"7"	1	\$1,500	78,840.87	104	0.001	1.52	\$156,000	0.27%	HIGH-TIER
18	0	H	\$100 x 30"7"	1	\$3,000	52,560.58	156	0.001	2.28	\$468,000	0.82%	
19	0	H	\$10,000	1	\$10,000	819,945.00	10	0.000	0.15	\$100,000	0.17%	
20	0	H	\$250,000	1	\$250,000	1,639,890.00	5 ***	0.000	0.07	\$1,250,000	2.18%	
						3.65	2,248,168	13.71	32,904.025	\$ 56,466,570	98.35%	98.35%
						3.6472						

DRAWINGS	LIVING LUCKY WITH LUKE COMBS Promotion	\$9,000.00	80	\$ 720,000.00	1.25%
	LIVING LUCKY WITH LUKE COMBS Promotion Federal Withholding	\$2,838.95	80	\$ 227,116.00	0.40%
	Subtotal: Drawings		160	\$ 947,116.00	1.65%

TOTAL: 2,248,328 \$ 57,413,686 100.00%

NOTE:

"2X" = Win DOUBLE the prize by revealing one (1) "2X" Play Symbol.  
"7" = WIN ALL 30 PRIZES INSTANTLY by revealing one (1) "7" Play Symbol.

Consolidated odds are 1 in:		
\$10	7.69	1,065,586
\$20	16.66	492,022
\$30	24.99	328,049
\$50	25.00	327,978
\$100	583.01	14,064
\$300	426.54	19,223
\$600	8,444.34	971
\$1,500	78,840.87	104
\$3,000	52,560.58	156
\$10,000	819,945.00	10
\$250,000	1,639,890.00	5
		2,248,168

\* 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.



# INTEROFFICE MEMO

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

## Payment Approval

September 21, 2022

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

<b>Vendor Name</b>	<u>Pollard Banknote Limited</u>
<b>P.O. Number (if applicable)</b>	<u>362-22-9010 RL020RV1</u>
<b>Tx Game Name</b>	<u>Game #2422</u>

Invoice Number:

8529423

Invoice Amount:

\$1,099,611.17

sanction letter dated 9/20/22

-\$300.00

**Total Amount**

**\$1,099,311.17**

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



Dale Bowersock  
 Dale Bowersock (Scratch Ticket Strategy Coordinator)  
 Please forward to the next person for approval

9/21/2022

Date

JB

9/21/2022

Will Russ  
 Will Russ (Products Manager)  
 Please forward to the next person for approval

9/22/2022

Date

Robert Tirloni  
 Robert Tirloni (Lottery Operations Division Director)

9/22/2022

Date

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

**In an effort to close out FY 22 please forward ASAP, thank you for your help.**



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

## INVOICE NO.: 8529423

<b>Sold To:</b> Texas Lottery Commission P.O. Box 16630 Austin, TX 78761-6630 United States	<b>Ship To:</b> IGT Texas Distribution Center 8520 Tuscany Way Building #6, Suite 100 Attn: Texas Lottery Warehouse Rep Austin, Texas 78754 United States
<b>Terms:</b> Net 30 days after date of invoice	<b>Due Date:</b> October 13, 2022

<b>Invoice Date</b>	<b>Order No.</b>	<b>Your Order</b>	<b>Customer No.</b>
September 13, 2022	1138943		5008

**Order name:** 7 #2422

**PO Number:**

Product Description	Quantity	Unit Price	Amount
Ticket Size 10 x 4	8,199,450	30.74 /M	252,051.09
Spectrum Scratch FXtra™	8,199,450	90.00 /M	737,950.50
Four colour process / Spectrum base graphics	8,199,450	10.00 /M	81,994.50
Spectrum Scratch FXtra®	1	7,500.00 Ea	7,500.00
Inserts	1	20,115.08 Ea	20,115.08

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

<b>Before Taxes:</b>	<b>1,099,611.17 USD</b>
<b>Freight:</b>	0.00
<b>Deposit:</b>	0.00
<b>Amount Due:</b>	<b>1,099,611.17 USD</b>

### Banking Instructions:

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

**Delivery:** Prepaid  
**Tax ID/Contract Number:** # 998-6006283  
**GST Registration Number:** 819251463



### 6.1.1 LICENSED AGREEMENT

#### LIVING LUCKY WITH LUKE COMBS PROMOTION DETAILED REQUIREMENTS

These detailed requirements apply to the Living Lucky with Luke Combs Promotion (the **"Promotion"**), a second-chance drawing promotion for the scratch ticket game identified in Section 1 below (the **"Eligible Game"**). These requirements shall be part of the working papers for the Eligible Game.

#### 1. PROMOTION DESCRIPTION

The Texas Lottery Commission (**"TLC"**) shall produce the "7" scratch ticket, to be printed by Pollard Banknote Limited (**"PBL"**), with the following name and price point:

(a) \$10.00 "7" (Game Number 2422)

PBL has contracted with Atlas Experiences (**"ATLAS"**) to perform certain tasks associated with the Promotion. For avoidance of doubt, in all instances it shall be PBL's responsibility to fulfill any obligations regarding the Promotion that may be assigned to ATLAS herein or otherwise.

PBL, through ATLAS, 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 Game in one (1) of four (4) promotional second-chance drawings described in Section 3 below (**"Drawings"**) for a chance to win one (1) of eighty (80) Living Lucky with Luke Combs trip prizes (**"Trip Prizes"**). In each of the first three (3) Drawings, the TLC will select twenty-three (23) Trip Prize winners. In the fourth (4<sup>th</sup>) Drawing, the TLC will select eleven (11) Trip Prize winners.

#### 2. ALLOCATION FOR TRIP PRIZE FULFILLMENT AND MARKETING SUPPORT

The TLC shall allocate a total of one million two hundred thousand dollars (\$1,200,000.00) as a program fee, plus 1.20% of the actual sales proceeds from the Eligible Game as set forth in section 8(b) below (the **"License Fee"**), for PBL to fulfill all Trip Prizes and to provide other Promotion services and marketing support. PBL will also provide the following item:

(a) Marketing support (including a Promotion microsite) as set forth in Section 5 below.

The Trip Prizes and allocated amounts detailed in the table below totaling nine hundred forty-seven thousand one hundred sixteen dollars (\$947,116.00) shall be invoiced to the TLC and paid as provided in Section 8 below.

Game Name	Trip Prize	Total Trip Prize (including withholding taxes)	# Second-Chance Drawings	Winners Per Drawing
7, game #2422 (\$10.00)	80 (eighty) @ \$9,000.00	80 (eighty) @ \$11,838.95	Drawings 1 – 3	23
			Drawing 4	11

**Two thousand eight hundred thirty-eight dollars and ninety-five cents (\$2,838.95) per Total Trip Prize Allocation will be used by the TLC for payment of withholding taxes.**

### **3. TRIP PRIZE DRAWINGS**

- (a) The TLC shall conduct a total of four (4) promotional second-chance Drawings. The number of Trip Prize winners for each Drawing is shown in the chart in Section 2 above. The TLC shall determine the dates and times for each Drawing 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 one (1) entry. 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/ATLAS and title to the awarded Trip Prize shall immediately pass to the Trip Prize winner. PBL, through ATLAS, 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 four (4) Drawings. Any Trip Prize winner who wins more than one Trip Prize may either claim one 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 both 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 February 4 – 7, 2024 in Nashville, Tennessee and shall include all Trip Prize specifications outlined below:

- (a) Trip Prizes include round-trip economy airfare from a Texas international airport in Dallas, Houston, San Antonio, Austin or El Paso to Nashville, TN, for the Trip Prize winner and one (1) guest for three (3) nights in a standard room at Sheraton Grand Nashville Downtown. Meals include: a daily breakfast buffet, a private welcome reception at the Country Music Hall of Fame and Museum and self-guided tour passes for the Trip Prize winner and guest, a private lunch buffet at Martins Bar-B-Que Joint, a Taste of Nashville Dinner at the Skye Lounge Sheraton Grand Nashville Downtown, and a private VIP concert to be performed by Luke Combs at the Ryman Auditorium. Also included for each Trip Prize winner is a welcome gift valued at fifty dollars (\$50) and five hundred dollars (\$500) in spending money. All Trip Prize winners will have a chance to win cash prize giveaways totaling five hundred thousand dollars (\$500,000); plus, chances to win a VIP meet and greet with Luke Combs and VIP front row seating for the private VIP concert.



- (b) PBL/Atlas shall secure the services of Luke Combs or an A-list music artist talent or group of similar quality to perform a private concert at the Trip Prize event; provided that, any change to a music artist other than Luke Combs shall require the TLC's prior written approval.

## 5. MARKETING SUPPORT

- (a) PBL shall provide the TLC with PBL's/ATLAS's customer service hotline number with staff available to answer any questions pertaining to the Eligible Game, 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.
- (b) PBL/ATLAS shall provide the follow list of additional marketing support items. Final design elements are to be agreed upon by PBL and the TLC.
- Promotion microsite that will be designed, produced and hosted for the TLC.
  - Augmented Reality creative and video assets including three (3) 3D creative designs and video message recordings to be provided for the TLC's use.
  - Luck Zone (Mobile & Website) image requirements:
    - 380x215 and 440x130 Enter Buttons
    - 380x215 and 440x130 Game Information Buttons
    - 380x215 and 440x130 Winners Buttons
    - 420x240 Luck Zone Promotion Banner
    - 1071x408 Luck Zone Promotion Banner
    - 1536x456 Website and Mobile App marketing banner.
  - 1200x1200 Retailer Social Media banner.
  - One (1) :30 Social Media video to be used on each platform. The video will be designed, produced, and provided to the TLC for use.
    - YouTube: 1920 x 1080
    - Facebook: 1280 x 720
    - Instagram: 1080 x 1080
    - Twitter: 960 x 540
  - ESMM animations –
    - Altura specs: 848 x 415 pixels
    - Gemini specs: 640 x 415pixels

- (c) PBL, through ATLAS, shall provide Trip Prize fulfillment services as described herein.

## 6. TRIP PRIZE FULFILLMENT SERVICES

Once authorized by the TLC, PBL, through ATLAS, 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 Section 2 and invoiced under Section 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 Prizes 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 private concert with Luke Combs) in the event that, for any reason out of PBL's control,

the original proposed Trip Prize becomes unavailable. 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/ATLAS a list of approved Trip Prize winners.
- (c) Except as provided in section 6(d) below, 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/ATLAS shall be responsible for payment of any withholding taxes required with respect to the cash prizes awarded during the Trip Prize event cash prize giveaways. PBL/ATLAS shall provide an IRS Tax Form W-2G to the cash prize winners.
- (e) PBL/ATLAS shall contact each Trip Prize winner within fourteen (14) business days following the date the TLC notifies PBL/ATLAS of the name and contact information of the approved Trip Prize winner to begin making arrangements for Trip Prize fulfillment.
- (f) A Trip Prize winner must use all components of the Trip Prize on the trip booked hereunder to attend the Living Lucky with Luke Combs Promotion Trip Prize event in Nashville, TN, on February 4 – 7, 2024 (or on any rescheduled Trip Prize event dates, if applicable).
- (g) A Trip Prize winner who does not take the scheduled trip and does not otherwise travel to Nashville, TN, at their own expense during the Trip Prize event dates will receive the \$500 spending money portion of the Trip Prize and any cash prize giveaways awarded during the promotion. 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, TN, at 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 prize giveaways or cash equivalent payment for any non-cash portion of the Trip Prize occurring prior to their arrival in Nashville, TN, 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.
- (h) 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.



- (i) PBL/ATLAS shall include a check for the five hundred dollars (\$500) cash portion of the Trip Prize in the Trip Prize winner's final travel packet mailed to the Trip Prize winner two (2) weeks prior to the commencement of the Trip Prize.
- (j) A Trip Prize winner's travel to Nashville, TN, must be via round-trip economy airfare from a Texas international airport listed in Section 4(a) above to Nashville, TN.
- (k) 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.
- (l) Each Trip Prize includes all ground transfers between Nashville International Airport and the Sheraton Grand Nashville Downtown and, if necessary, to/from PBL/ATLAS-sponsored events.
- (m) A Trip Prize winner is responsible to pay for any items or expenses NOT included in the Trip Prize.
- (n) If a Trip Prize winner fails to check into the Sheraton Grand Nashville Downtown the day of their arrival without previously communicating alternate check-in plans to PBL/ATLAS, the Sheraton Grand Nashville Downtown room availability will be forfeited, and the Trip Prize winner shall not be compensated in any way for the value of the room.
- (o) 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 Sheraton Grand Nashville Downtown.
- (p) Airlines retain the right to charge for additional baggage. If applicable, the Trip Prize winner and guest(s) will be responsible for these charges.
- (q) Except as provided in Section 3(d) above, a Trip Prize is not transferable or assignable without the written consent of the TLC and required proxy authorization forms that are completed and forwarded to PBL/ATLAS.
- (r) 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.
- (s) The Trip Prize winner is solely responsible for the actions of the guest who accompanies the Trip Prize winner to any PBL/ATLAS-sponsored event. Both the Trip Prize winner and the guest must be 18 years of age or older.
- (t) The TLC has the right to monitor the Trip Prize fulfillment process and contact PBL/ATLAS to discuss any reported problems with fulfillment and request possible solutions. PBL/ATLAS shall provide possible solutions to the TLC in writing within ten (10) business days of any request.
- (u) 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 working papers for the Eligible Game are executed by both parties and shall expire on the latter of the last day for claiming prizes for the Eligible Game or when the Promotion concludes on the last day of the Trip Prize event.

## 8. PAYMENT

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

- (a) PBL shall invoice the TLC for the program fee amount of one million two hundred thousand dollars (\$1,200,000.00) upon delivery of the Eligible Game scratch tickets to the TLC.
- (b) PBL shall invoice the TLC monthly for the License Fee based on game sales reports received from the TLC on the first state business day of each month. "Sales" refers to the proceeds of Eligible Game tickets sold and processed by the TLC's Lottery Gaming System, less (i) any Eligible Game tickets that have been canceled, returned or stolen, (ii) any promotional tickets or promotional coupons, and (iii) any retailer adjustments. The amount of each invoice from PBL shall be calculated at one and two-tenth percent (1.2%) of Sales during the period covered by the invoice. The total License Fee shall not exceed nine hundred sixty thousand dollars (\$960,000.00).
- (c) PBL shall provide an invoice to the TLC for amounts allocated for a Trip Prize as set forth in the ALLOCATION FOR TRIP PRIZE FULFILLMENT AND MARKETING SUPPORT (Section 2 above) once the signed Texas Lottery Promotional 2nd Chance Claim Form has been received by PBL. The amount of each invoice shall be calculated as nine thousand dollars (\$9,000.00) multiplied by the number of signed Texas Lottery Promotional 2nd Chance Claim Forms received during the month preceding the invoice.
  - i. If more than eighty (80) Trip Prizes are claimed, the TLC shall not be invoiced for an amount exceeding the cost of eighty (80) Trip Prizes.
  - ii. If a Trip Prize is not claimed, the TLC shall not be invoiced and shall not pay for the Trip Prize.
- (d) All payments by the TLC will be made in accordance with Tex. Gov't Code Section 2251.001 et seq. ("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.

## Scratch Ticket Game Closing Analysis

02/28/21 Thru 02/25/23

### Average Number of Weeks for 85% Average Sell Through

Print Quantities	Price Point				Price Point				
	\$1	\$2	\$3	\$5	\$10	\$20	\$30	\$50	\$100
< 5M	None	None	None	None	None	None	None	None	None
5M-9.99M	Week 13*	Week 21	Week 13	Week 17	Week 30	Week 41	Week 66*	Week 45	None
10M-14.99M	Week 17	None	None	Week 27	Week 43	None	None	None	None
15M-19.99M	Week 25	None	None	Week 47*	None	None	None	None	None
20M-24.99M	None	None	None	None	None	None	None	None	None
25M-29.99M	None	Week 59*	Week 54*	None	None	Week 59*	None	None	None
30M-34.99M	None	Week 55*	None	None	None	None	None	None	None
>=35M	None	None	None	Week 55*	Week 47	None	None	None	None

### Average Weekly Dollar Sales at 85% Average Sell Through

Print Quantities	Price Point				Price Point				
	\$1	\$2	\$3	\$5	\$10	\$20	\$30	\$50	\$100
< 5M	None	None	None	None	None	None	None	None	None
5M-9.99M	\$605,763	\$671,354	\$1,218,171	\$1,985,045	\$2,418,561	\$3,720,871	\$3,548,614	\$6,136,988	None
10M-14.99M	\$575,127	None	None	\$2,099,094	\$2,648,035	None	None	None	None
15M-19.99M	\$589,321	None	None	\$1,645,025	None	None	None	None	None
20M-24.99M	None	None	None	None	None	None	None	None	None
25M-29.99M	None	\$830,007	\$1,352,586	None	None	\$7,343,720	None	None	None
30M-34.99M	None	\$1,037,735	None	None	None	None	None	None	None
>=35M	None	None	None	\$4,608,748	\$8,066,364	None	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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