

**SOLE SOURCE AGREEMENT WITH MDI ENTERTAINMENT, LLC
WILLY WONKA & THE CHOCOLATE FACTORY™ /
BILLION DOLLAR CHALLENGE™ LICENSING CONTRACT and
CONTRACT FOR RELATED SERVICES
#2018-04**

This Sole Source Agreement for the *WILLY WONKA & THE CHOCOLATE FACTORY™* and *BILLION DOLLAR CHALLENGE™* Licensing Contract and Contract for Related Services (“Agreement”) made effective this ____ day of January, 2018 by and between the MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY, an agency of the State of Maryland having an office at Montgomery Park Business Center, Suite 330, 1800 Washington Boulevard, Baltimore, Maryland 21230 (“Lottery” or “Agency”), and MDI ENTERTAINMENT, LLC (“Contractor”), a wholly owned subsidiary of Scientific Games International, Inc. (“SGI”), both with offices at 1500 Bluegrass Lakes Parkway, Alpharetta, Georgia 30004, and registered to do business in the State of Maryland (“State”).

RECITALS

WHEREAS, Contractor, SGI, and Scientific Games Corporation (“SGC”) (collectively, “Licensee Companies”) are the exclusive licensors or sub-licensors to lotteries of the marks *WILLY WONKA & THE CHOCOLATE FACTORY™*, *WILLY WONKA GOLDEN TICKET™*, and *BILLION DOLLAR CHALLENGE™*, as described in Paragraph 2.B below as Marks, Property, or Word Mark, and wishes to grant a non-exclusive, non-transferable, non-assignable license to Agency to use the Marks, Property and Word Mark;

WHEREAS, Contractor has an existing contractual relationship with the Lottery under MDI ENTERTAINMENT, LLC - LICENSING, RELATED MERCHANDISE, SERVICES, AND FULFILLMENT CONTRACT #2005-11 dated November 20, 2013, as modified by the parties (“MDI/Lottery Licensing Contract”) (Attachment 1).

WHEREAS, Agency desires a license to use the Property and Word Mark, as described herein, on or with an Agency game in which lottery tickets have a concealed prize structure and playing area which the player removes in accordance with the game instructions, including any game wherein the player receives an immediate result without waiting for a drawing (“Instant Game”), as authorized in Code of Maryland Regulations “COMAR” 14.01.03.01.B, and on or with second chance games including the *BILLION DOLLAR CHALLENGE™*, promotions and related activities; and

WHEREAS, this licensing contract is necessary in order to obtain the rights to conduct a lottery game associated with the Property and Word Mark.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and undertakings hereinafter set forth, the parties agree as follows:

1. INCORPORATION BY REFERENCE:

All terms, provisions and agreements from the MDI/Lottery Licensing Contract (Attachment 1) are adopted in this Agreement except for the Term and unless specifically modified herein or contrary terms are set forth in this Agreement or in an applicable Underlying Contract. Contractor hereby grants to Agency a non-exclusive, non-transferable, non-assignable license to the Marks and Properties without the right to further sublicense, pursuant to the provisions in the MDI/Lottery Licensing Contract and in this Agreement. All definitions in the MDI/Lottery Licensing Contract apply in this Agreement.

2. PROPERTY(IES) and LICENSE and UTILIZATION:

- A. Owners: Warner Bros. Consumer Products Inc. ("WB Owner") and Scientific Games Corporation ("SGC"), the parent corporation of Contractor, (collectively "Owners").
- B. Marks: *WILLY WONKA & THE CHOCOLATE FACTORY*TM and *WILLY WONKA GOLDEN TICKET*TM "Marks" or "Property" and *BILLION DOLLAR CHALLENGE*TM ("Word Mark").
- C. Notwithstanding anything in the MDI/Lottery Licensing Contract, the Property shall only include the approved character names, costumes, environmental settings, plot elements, symbols, emblems, names, titles, logos, artwork, character depictions, illustrations, visual representations and designs and approved sound effects contained in or derived from the theatrical motion picture *WILLY WONKA & THE CHOCOLATE FACTORY*TM, including copyrights and trademarks relating thereto, licensed by the WB Owner. The term "Word Mark" shall also refer to the word mark *BILLION DOLLAR CHALLENGE*TM licensed by SGC to Contractor.
- D. Notwithstanding anything to the contrary in the MDI/Lottery Licensing Contract, Contractor represents and warrants the following: That the rights to the Property and Word Mark, are owned and licensed by Owners to Contractor who in turn sublicenses the same to Agency. Contractor represents and warrants that Owners have appointed and licensed Contractor as its exclusive lottery ticket representative to negotiate license agreements authorizing the use of the Property and Word Mark in conjunction with state lottery games and related marketing including second chance games.
- E. The Agency agrees that all right, title and interest in and to the Property, including, without limitation, all intellectual property rights with respect thereto, and all such rights with respect to materials solely to the extent incorporating, reproducing or otherwise using intellectual property derived from or based upon the Marks and/or Property (such items, collectively referred to as "Work Product"), shall be the sole and exclusive property of Contractor and/or Owners.

All Work Product is and shall be "works made for hire" for Contractor and/or Owners under the copyright laws of the United States. Notwithstanding anything to the contrary, to the extent that any Work Product is not or cannot legally be deemed a work made for hire under applicable law, Agency hereby unconditionally and irrevocably assigns any rights, title and interest it may have in or to the Work Product to Contractor and/or Owners, including but not limited to copyright, trademark and trade dress rights. The Agency has obtained from any entities or persons, whether its employees or others, that it engages to create Work Product a comparable full assignment of all rights to Agency so that the foregoing assignment by Agency vests in Contractor and/or Owners full rights in the Work Product, free of any claims, interests, or rights of other parties. The Agency shall not permit any such entities or persons to obtain or reserve by oral or written agreements any rights as "authors" of such Work Product. At Contractor's request, Agency agrees to furnish Contractor and/or Owners with full information concerning the creation of Work Product and with copies of assignments of rights obtained from other individuals and entities (provided that the Agency may redact provisions of such contracts that are not relevant to such assignment of rights). The Agency further hereby assigns to Contractor and/or Owners or waives all moral rights worldwide in and to the Work Product to the maximum extent permitted by law. Notwithstanding any provision in this Agreement to the contrary, to the extent not incorporating, derived from or based upon the Property or a derivative work of the Property, the Agency shall be entitled to ownership of all intellectual property and proprietary rights, including, but not limited to copyrights, in and to the lottery tickets and marketing and promotional materials that it creates. To avoid any interpretation to the contrary, only those elements within the instant ticket, advertising, marketing, and promotional materials containing the Work Product are works made for hire or otherwise to be assigned as set forth above. The Owners and Contractor agree and acknowledge the entirety of the instant ticket, advertising, marketing, and promotional materials are not derivative works under the copyright laws of the United States based on a portion of the foregoing containing such derivative works.

- F. Agency recognizes the great value of the goodwill associated with the Property and the Word Mark and acknowledges that the Property and Word Mark and all rights therein and the goodwill pertaining thereto belong exclusively to the Owners and that, upon expiration or termination of this Agreement, the Lottery shall discontinue any and all use of the Property and Word Mark and sale or distribution of any articles bearing the Property or Word Mark, except for such sell-off permitted as described in Paragraph 2.K and winner messaging as described in Paragraph 2.L. All uses of the Property and Word Mark shall inure to the Owners' benefit. Agency acknowledges WB Owner as a third party beneficiary under this Agreement with respect solely to the instant lottery game (the "Game").
- G. Contractor reiterates herein all representations and warranties in the MDI/Lottery Licensing Contract.

H. A copy of the Authorization Letter for the Property is requested by Agency and is attached hereto by Contractor (Attachment 2). WB Owner, by and through its instant lottery ticket licensing representative, Contractor, hereby grants only to Agency, a non-sublicensable, non-transferable license to use the Marks and/or Property to print, sell, and distribute Instant Tickets and related marketing and/or promotional materials using the Property, as provided in the MDI/Lottery Licensing Contract and as may be further provided in this Agreement.

I. Second Chance Games authorized: How many: One (1), which may include numerous drawings with various tiers of prizes.

Entries not received by the drawing deadline date for the 6th Prize drawing will not be eligible for any Trip Prize.

Website: Yes X No _____

Database: Yes X No _____

J. Other Promotional Activities. The Agency shall be entitled to conduct other licensor approved promotional activities that use the Marks, Property and Word Mark, including, but not limited to social media promotions and on-site events promoting the Game. These other promotional activities may award items redeemed through the "Wonka Bucks" provided under this Agreement.

K. Date Contractor's agreement with WB Owner terminates: December 31, 2019; however, further "sell-off" is permitted by the Contractor and its affiliates (including the Agency) through December 31, 2022. Sell-off means the continued selling of the Game by retailers and includes the claim period for the Game (182 days past the end of Game). Sell-off does not include or permit the activation and sale of new packs of the Game if the pack was not activated as of December 31, 2019.

L. Contractor recognizes the benefit and purpose of the Game and the BILLION DOLLAR CHALLENGE™ offered as a second chance promotion of the Game is to promote the Agency including the winners of the respective Game and challenge. The Agency is, subject to such mutually agreed-upon restrictions, requirements or limitations contained herein, permitted to make reference to the Game and the BILLION DOLLAR CHALLENGE™ through means such as press releases, pictures, and news on its website for purposes of promoting winners. These rights may survive this Agreement.

3. SCOPE OF CONTRACT:

A. Agency hereby engages the Contractor as a sole source provider of the Property, Word Mark and licensed Properties and of the services, including providing an

Internet platform microsite for the Game, all as defined herein. Contractor agrees to provide licenses to the Property, Word Mark and services specified in connection with this Agreement upon the terms and conditions as stated in this Agreement.

- B. Agency has the unilateral right to order, in writing, changes in the work within the scope of the Agreement provided that no changes occur to any Instant Ticket design and advertising/marketing materials once the relevant materials are provided. Instant Ticket design artwork and other advertising/marketing materials artwork changes shall be subject to the normal approval process described herein.
- C. All fees paid under this Agreement shall not exceed Six Hundred Eighty-One Thousand Eight Hundred Dollars and No Cents (\$681,800.00).

4. TRADEMARK SYMBOLS:

- A. The Agency agrees to place a registered trademark ("®") or trademark ("™") designation with each use of the Property on the materials and Artwork as specified by Contractor. Contractor is responsible for ensuring that all uses of the Property have the appropriate patent, trademark or copyright designations thereon, and Agency shall require its Instant Ticket Contractor and its Advertising Agency Contractor to print or have printed any and all such required notations as provided by Contractor on all Instant Tickets, Artwork and materials for the Game, as appropriate to the Game. Contractor is responsible for obtaining any required approval from the Owners, but Agency acknowledges that the Owners may grant or withhold approval in its sole discretion, The Agency and all other Indemnified Parties (as defined in the MDI/Lottery Licensing Contract) may rely on any approval by Contractor of any copyright, patent, and trademark designations appearing in connection with the Marks and Property within each unit of Artwork. Contractor shall indemnify, defend, and hold harmless the Indemnified Parties from and against any and all claims or suits that may arise regarding said copyright, patent, and trademark designations when the Marks and/or the Property and Word Mark are used by any Indemnified Party in Contractor approved materials as specified by the Contractor.
- B. The Agency further agrees to include the following notice on the Ticket back and related print marketing materials:

WILLY WONKA & THE CHOCOLATE FACTORY and all related characters and elements © & ™ Warner Bros. Entertainment Inc. (s18)

(Abbreviated legal notice when space is at a premium; use subject to WB Owner approval).

TM & © Warner Bros. Entertainment Inc. (s18)

- C. Contractor reserves the right to modify trademark requirements prior to final approval of all creative elements.
- D. The Agency shall indicate that the licensing rights for the Property have been obtained from Contractor in all press releases issued by the Agency for the Instant Game.
- E. The Agency shall provide Contractor with at least the following number of samples for the Instant Game, as appropriate:
 - i. Two (2) books of voided lottery tickets for each Game;
 - ii. One (1) digital sample of all point-of-sale and printed advertising pieces not supplied by Contractor;
 - iii. Two (2) dubs of all TV and/or radio advertising not supplied by Contractor; and
 - iv. One (1) digital sample of all retailer sell-in and related communications materials not supplied by Contractor.

Contractor reserves the right to request additional samples.

- F. Contractor shall deliver to Agency the documents required in Paragraph A.3 of the MDI/Lottery Licensing Contract no later than February 22, 2018.

5. TICKET QUANTITY:

- A. Agency is authorized to print approximately:
Two Million Eight Hundred Eighty Thousand (2,880,000) \$10 instant tickets, plus or minus 100,000, using the Property (such tickets, the "Tickets") at the fees set forth in Paragraph 8 below. Agency is also authorized to use the Property in the Agency's Marketing Campaign for the Game, including but not limited to, on broadcast material, except as limited by Paragraph 2.C. hereof. Contractor agrees that Contractor shall review all Artwork submitted to ensure it is in compliance with this requirement. Indemnified Parties may rely upon Contractor's review and approval of Artwork. Further, approval by Contractor shall cause the Indemnified Parties to be defended, indemnified, and held harmless for any and all claims or suits that may arise to or related to the copyright, patent, and trademark holders and Owners as a result of any violation of use. Additional quantities of Tickets may be ordered by Agency within the Term of this Agreement at the same licensing fee and prize fee and subject to the terms and conditions set forth herein.
- B. Contractor acknowledges that Agency has requested examples of approved promotional materials.

6. PRICE POINT:

Game # 366 - The Tickets shall be priced at Ten dollars (\$10.00) each.

7. TERM/START DATE:

The term of this Agreement shall commence upon approval by the Maryland Board of Public Works, Maryland Department of Budget and Management and any other necessary State officials, with public sale of the Instant Tickets estimated to begin on or about: April 23, 2018 ("Start Date"). The term shall expire on the last day for claiming prizes for the Instant Game as established by the Agency; provided that the right to use the Property for the printing of instant tickets and promotional material under this Agreement shall expire on December 31, 2019. Licensed products that have been manufactured and distributed during the term of this Agreement may remain in circulation beyond the term of the license. Agency is permitted to continue to promote winners as described in Paragraph 2.L. Contractor warrants Agency will have valid rights to use the Property through the entire Term of this Agreement. In the event Agency does not retain the right to use the Property as provided, MDI/Lottery Licensing Contract Section A.6 shall apply. For clarity, use of the Property for Instant Game-related informational Internet activity, claims may extend beyond December 31, 2019.

8. COST:

License Fee for Tickets: The fee for the use of Property ("Licensing Fee") shall be equivalent to one-half of a percent (.5%) of the face value of tickets printed for the Game based on the final print quantity as provided and verified by Agency. Verification of the final number of tickets printed shall be sent to Contractor via e-mail upon Agency's receipt of the printed tickets.

Prize Fee for Trip Prizes: The Lottery shall allocate Five Hundred Thirty-Two Thousand Eight Hundred Dollars (\$532,800.00) (the "Prize Fee") for six (6) trip prizes (the "Trip Prizes"), as described in Section 11 below, including federal and state tax withholdings and cash prizes for the BILLION DOLLAR CHALLENGE™.

NOT TO EXCEED AMOUNT: All fees paid under this License Agreement shall not exceed Six Hundred Eighty-One Thousand Eight Hundred Dollars and No Cents (\$681,800.00).

9. APPROVALS AND TIMING:

Contractor shall submit to Owners as soon as possible any Artwork submitted by Agency, and shall endeavor to approve or obtain Owners' approval of said Artwork within fifteen (15) business days, and to advise Agency of approval, or to return Artwork to Agency for revision. Agency shall submit all such revised Artwork to Contractor, and Contractor (who shall submit such revised Artwork to Owner(s) as soon as possible) shall endeavor to approve or disapprove all such revised Artwork or return same to Agency for further revision. In the event of affirmative disapproval, written reasons for the disapproval, along with suggestions for obtaining approval shall be provided, accompanying the disapproval within the above-specified time

periods. A failure to respond or give affirmative approval shall be deemed disapproval. Approvals and requests for revision shall be communicated via email, fax or other written documentation. Agency may submit Artwork via email, upload to Contractor's authorized approval website, fax, or other written documentation.

10. MARKETING SUPPORT:

Contractor shall provide the following marketing support at no additional cost to Agency:

- A. Ticket and Point-of-Sale Design Assistance: Contractor shall provide the Agency with assistance in designing the Artwork, Ticket and related materials, including point-of-sale materials and, if desired and requested by Agency, prize structure development.
- B. SGI shall provide marketing support to the Lottery in the form of an Internet platform microsite for the Game. The microsite will provide players of the Game with the option to enter into second chance drawings for the Game and which may also include other promotional and informational elements related to the PROPERTY, the Game, the second chance promotion and the Lottery's promotion therefor. The microsite shall provide a link to a website with an online second-chance WILLY WONKA™ CHOCOLATE TOWER interactive lottery promotional game (the "Promotional Game") for players. The Promotional Game may not be promoted via social media. Social media includes Facebook, Twitter and similar social platforms and does not include websites, email blasts or similar general online platforms. The prohibition on promoting the Promotional Game via social media does not otherwise limit the Agency's ability to promote the BILLION DOLLAR CHALLENGE™ and how a person may enter the Game's second chance promotion. As described in greater detail in Section 12 below, entries will be awarded from playing the Promotional Game to enter the drawings for the BILLION DOLLAR CHALLENGE™ Trip Prize and possibly other tiers of prizes. The Lottery represents and warrants that the microsite for the Promotional Game will feature age verification, which, at a minimum will require players to enter their birthdates and self-verify they are eighteen (18) years of age or older. The Lottery agrees that the second chance promotion's rules, microsite, drawing procedures and ticket back for the Game will include the phrase "Void where prohibited by law." SGI shall provide the Lottery with a complete review of all microsite information for approval no later than twenty (20) business days prior to the on-sale date of the Game. SGI shall provide hosting services for the microsite for the Game for a period not to exceed ninety (90) days after the final drawing for the BILLION DOLLAR CHALLENGE™ promotional second-chance promotion for Trip Prizes and possibly other tiers of prizes have been fulfilled for the Game.
- C. The Agency is entitled access to turn-key marketing support including the pre-produced thirty second (:30) television ads of Oompa Loompa and Newsreel, and

a pre-produced fifteen second (:15) television ad of Newsreel, all customized for the Agency. Additionally, Contractor shall provide a pre-produced thirty second (:30) radio spot selected by the Agency from two radio spot options supplied by Contractor.

- D. With the exception of the Licensing and Prize Fees referenced in Section 8, above, Contractor shall cover all costs associated with the production of the BILLION DOLLAR CHALLENGE™ including applicable talent fees for the emcees, hosts and announcer, venue rental and time, production staff fees, including set-up and dismantle, and royalties to Owner.
- E. Contractor shall provide various point of sale ("POS") packages designed with Property elements that shall include:
- i. Poster (size: 8.5" x 11") - Quantity 5,000 with double stick tape across the top and bottom of the back side;
 - ii. Terminal Topper - Quantity 4,000;
 - iii. Wobbler - Quantity 2,500 with D-tape on the front side of the top of the "T"; and
 - iv. Standee - Quantity 400 (size: 60" x 36").
- All POS packages shall be delivered to Oscar Miles, 980 S. Monroe Street, Baltimore, Maryland 21230 at the Lottery per the Lottery's instructions on the order form provided to Contractor and sent to the attention of Jeanna King via email.
- F. Contractor shall provide the Lottery with ten thousand dollars (\$10,000) (retail value) in "Wonka Bucks" to be used for promotional items including, but not limited to, items on a list consisting of "MDI Store" items and/or "WILLY WONKA BILLION DOLLAR CHALLENGE T-Shirts".
- G. Contractor shall withhold and deposit the minimum required federal tax withholdings and any applicable state tax withholdings on behalf of the Prizewinner for applicable cash prizes won during the BILLION DOLLAR CHALLENGE™. Contractor shall provide an IRS Tax Form W-2G to the Prizewinner and shall provide a copy to the Lottery. All prizes won by the Prizewinner will be subject to the Lottery's debt setoff procedures.
- H. Customer Service: Contractor shall provide the Lottery with a customer service hotline number with staff available to answer any questions pertaining to the Trip Prize and the BILLION DOLLAR CHALLENGE™ Monday through Friday from 7:00 a.m. to 7:00 p.m. EST with messaging options outside of those hours.
- I. Unless otherwise specified herein, all marketing support and other services provided by Contractor pursuant to this Agreement are provided at no additional cost to Agency.

- J. Instant Game players shall have the option to register non-winning Instant Game tickets to enter points in coordination with Agency's My Lottery Rewards program.

11. TRIP PRIZE DESCRIPTION:

Trip Prize: Contractor shall provide six (6) BILLION DOLLAR CHALLENGE™ Trip Prizes as described more fully in Section 14.

The Trip Prize is a four-day, three-night trip for the prizewinner ("Prizewinner") and one (1) guest to Las Vegas, Nevada to occur on or about spring of 2019. The Trip Prize includes:

- (i) Roundtrip coach airfare for up to two (2) people from any U.S. International airport to McCarran International Airport in Las Vegas (inclusive of all associated security fees, taxes and surcharges);
- (ii) Ground transfers between McCarran International Airport and the destination hotel and between Contractor hosted events;
- (iii) Accommodations of one (1) deluxe hotel room for three (3) nights (double occupancy, room and room tax only);
- (iv) One thousand dollars (\$1,000) spending money for the Prizewinner to be provided two (2) weeks prior to the scheduled trip departure date.
- (v) Admission to the BILLION DOLLAR CHALLENGE™ theater/venue for the Prizewinner and guest, and the Prizewinner shall have one (1) chance to participate in the BILLION DOLLAR CHALLENGE™ to win a cash prize from one thousand dollars (\$1,000) up to one billion dollars (\$1,000,000,000) as described below.

BILLION DOLLAR CHALLENGE™

Overview: The BILLION DOLLAR CHALLENGE™ will be conducted according to event and security procedures generated by Contractor and its third party underwriters. Final contest details (the "Contest Details") explaining how the BILLION DOLLAR CHALLENGE™ will be conducted will be provided to the Lottery no later than 120 days prior to the date of the BILLION DOLLAR CHALLENGE™ event.

The Maryland Lottery's Prizewinners (or an assigned proxy) shall participate as a Grand Prize Finalist ("Finalist") in Contractor's BILLION DOLLAR CHALLENGE™ together with Finalists from other participating lottery jurisdictions. There are three (3) rounds (each a "ROUND"). ROUNDS 1 and 2 are elimination ROUNDS. ROUND 1 reduces the Finalists down to five (5) million dollar spin finalists (each a "Million Dollar Spin Finalist"). The overall odds of becoming a Million Dollar Spin Finalist are dependent upon the number of Finalists in the BILLION DOLLAR CHALLENGE™. ROUND 2 reduces the five (5) Million Dollar Spin Finalists down to one (1) billion dollar finalist (the "Billion Dollar Finalist"). ROUND 3 is the one

billion dollar (\$1,000,000,000) opportunity. Each ROUND will be played separately.

Additional Conditions:

-Prizewinner's guest may sit with the Prizewinner but will not be eligible to be a participant in the BILLION DOLLAR CHALLENGE™ unless they have been designated as the Prizewinner's proxy.

-Prizewinner will be mailed the official event details (the "Event Details") concerning the BILLION DOLLAR CHALLENGE™ prior to their trip departure.

-All BILLION DOLLAR CHALLENGE™ ROUNDS will be audited by an independent auditor.

-All cash prizes in the BILLION DOLLAR CHALLENGE™ are underwritten either by SGI or third parties and cash prizes of \$1,000,000 and above are annuitized prizes with lump sum options available to the Prizewinners.

-Contractor will issue an IRS Tax Form W-2G for the prize amounts won during the BILLION DOLLAR CHALLENGE™ and provide a copy thereof to the Lottery.

-All prize awards during the BILLION DOLLAR CHALLENGE™ are the sole responsibility of SGI and are underwritten by SGI and/or third parties. Prize awards are not considered won by a Finalist, and are not payable unless and until the third party underwriter (the "Risk Counterparty Representative") of such prize payouts, SGI's Drawing Manager and the independent auditor certify that the BILLION DOLLAR CHALLENGE™ has been conducted appropriately and in accordance with the official BILLION DOLLAR CHALLENGE™ event and security procedures, that a Billion Dollar Finalist or Million Dollar Spin Finalist has validly won the prize award pursuant to the BILLION DOLLAR CHALLENGE™ event and security procedures and is entitled to receive the prize award, and the Risk Counterparty Representative has accepted the obligation to pay the prize award to the winning Billion Dollar Finalist or Million Dollar Spin Finalist. Participating Lotteries shall have no liability for any cash prize amounts awarded in the BILLION DOLLAR CHALLENGE™ or related taxes.

-All prizes won by the Prizewinner will be subject to the Agency's debt setoff procedures.

12. METHOD OF WINNING TRIP PRIZE:

Players holding a non-winning ticket WILLY WONKA GOLDEN TICKET™ lottery ticket may access the Lottery's website to log into their player's account, and enter their non-winning ticket number to play a second-chance promotional game to win entries into the second-chance drawings (the "Drawings") for cash prizes and the Trip Prize. The number of entries into the second chance promotion that a player receives from a particular instant ticket is pre-determined at the time of the printing of

the tickets. A player is not required to play the Promotional Game. Players will be given the opportunity to bypass the Promotional Game to directly reveal the number of entries received. The Lottery agrees that the website for the second-chance Promotional Game will feature age verification, which, at a minimum will require the players to enter their birthdates and self-verify that they are 18 or over.

13. DRAWING SERVICES:

- A. SGI shall receive and securely store electronic Internet entries through its proprietary Easy Entry™ program for up to six (6) second chance Drawings to be conducted during the sales period of the Game by SGI's Drawing Services to award various cash prizes and six (6) Trip Prizes.
- B. SGI Drawing Services shall conduct the Drawings at a time to be mutually agreed upon by the parties at SGI's Drawing Services facility in Alpharetta, Georgia. The Drawings shall be conducted by SGI Drawing Services in accordance with the second chance drawing procedures approved by the Lottery (the "Drawing Procedures"). The Lottery shall have the right to observe the Drawings. SGI will video record the Drawings, and will provide, at no additional cost to the Lottery, an independent auditor to observe and certify the Drawings.
- C. An entry that is received on or prior to the deadline for the next scheduled Drawing is valid and eligible for such Drawing, and if such entry is not a winning entry of such Drawing, the entry is no longer valid and is ineligible for subsequent Drawings. Subject to the foregoing, a person may not win more than one (1) Trip Prize and one (1) cash prize throughout all of the Drawings of the second chance promotion for the Game and a person may not win more than one (1) prize in a single Drawing based on such person's timely submission of multiple, separate entries. Entries received after the deadline for the final Drawing will not be eligible for any second chance Drawing prize.
- D. After a Prizewinner is drawn by SGI Drawing Services and validated by the Lottery, title to such Trip Prize shall pass to the Prizewinner.

14. FULFILLMENT SERVICES:

- A. Contractor shall provide complete fulfillment of the six (6) Trip Prizes offered under this Agreement. The Lottery authorizes Contractor to fulfill prizes in all states except as prohibited by law. There shall be no additional charge for any aspect of such order fulfillment other than those charges set out in the "COST" Section, above.
- B. Trip Prize Fulfillment: Complete, approved, and verified contact information for the Prizewinners must be provided to Contractor by the Lottery no later than six (6) weeks prior to the contemplated Trip Prize date in 2019. Trip Prize

fulfillment will include the scheduling and coordination of all travel, hotel accommodations, and ground transfers as provided below:

- i. If air travel is required for the Prizewinner and guest, roundtrip airfare for up to two (2) coach class tickets shall be booked on a major airline, as defined by the Federal Aviation Administration, from a U.S. international airport to McCarran International Airport in Las Vegas. It is the responsibility of the Prizewinner to comply with the REAL ID Act to the extent such Act is applicable to Prizewinner's air travel;
- ii. The Trip Prize includes one (1) double occupancy deluxe room (room and room tax only) at a deluxe accommodations hotel in Las Vegas, Nevada for three (3) nights;
- iii. All ground transfers between McCarran International Airport and the assigned hotel in Las Vegas and, if necessary, to/from Contractor sponsored events;
- iv. A check for the one thousand dollars (\$1,000) cash portion of the Trip Prize will be mailed to the Prizewinner from Contractor two (2) weeks prior to the commencement of his or her trip;
- v. For tax withholding valuation purposes, the Trip Prize is valued at seven thousand five hundred dollars (\$7,500.00). The Trip Prize does not include: mileage, insurance, gratuities, meals, parking fees, baggage fees, alcoholic beverages (other than those served without charge at any reception and/or party), personal expenses such as telephone calls, valet service, laundry, incidentals and the like, revision or cancellation fees which may be charged by the hotel or other suppliers, or any other items not expressly specified herein;
- vi. If the Prizewinner is traveling via air and fails to appear at the designated time and place of departure (excluding flight delays) Contractor will use reasonable efforts to reschedule the flight at the expense of the Prizewinner. If Contractor is not able to reschedule the flight, then the Prizewinner will not participate in the trip portion of the Trip Prize (air travel, lodging and ground transfers); however, the Lottery or Contractor will appoint a proxy to play the BILLION DOLLAR CHALLENGE™ for the Prizewinner, and the Prizewinner shall receive any prizes won by the proxy; (less applicable tax withholdings);
- vii. If the Prizewinner fails to check in to the hotel when he or she arrives in Las Vegas, Contractor will use reasonable efforts to reschedule the reservation. If Contractor is unable to reschedule the reservation, the balance of the trip portion of the Trip Prize shall be forfeited with the exception of the return air travel and one thousand dollars (\$1,000) cash

portion of the Trip Prize, less any tax withholdings; however, the Lottery or Contractor will appoint a proxy to play the BILLION DOLLAR CHALLENGE™ for the Prizewinner, and the Prizewinner shall receive any prizes won by the proxy; (less applicable tax withholdings);

- viii. If the Prizewinner fails to arrive for his or her scheduled participation in the BILLION DOLLAR CHALLENGE™, the Prizewinner forfeits the right to personally participate in the BILLION DOLLAR CHALLENGE™ as a Finalist; however, the Lottery or Contractor will appoint a proxy to play the BILLION DOLLAR CHALLENGE™ for the Prizewinner, and the Prizewinner shall receive any prizes won by the proxy; (less applicable tax withholdings);
- ix. In the event that a Prizewinner is determined to be unable to attend the trip after the trip has been booked, the balance of the Trip Prize shall be forfeited with the exception of the one thousand dollars (\$1,000) spending money portion of the Trip Prize, less any tax withholdings; however, the Lottery or Contractor will appoint a proxy to play the BILLION DOLLAR CHALLENGE™ for the Prizewinner, and the Prizewinner shall receive any prizes won by the proxy (less applicable tax withholdings).
- x. Notwithstanding the fact that Prizewinner may end his or her participation in the Trip Prize under subsections vi, vii, viii and ix of Paragraph 14.B. of this Agreement, at the time that a Prizewinner claims the Trip Prize, such Prizewinner shall be deemed to have taken ownership of the entire Trip Prize, and the full claimed value of the entire Trip Prize (including the value of the travel portion) shall be reported to the IRS. Accordingly, the Prizewinner may be responsible for any additional state or federal taxes resulting from the claimed Trip Prize, above and beyond those taxes withheld, reported and paid on the Prizewinner's behalf by Contractor to the appropriate agencies;
- xi. Age and other eligibility requirements to win the Trip Prize shall be determined by the Lottery; however, the minimum age requirement to play the BILLION DOLLAR CHALLENGE™ is twenty-one (21) years per Nevada State Law. The Prizewinner or their proxy must be 21 years of age to be eligible to play the BILLION DOLLAR CHALLENGE™;
- xii. If the Prizewinner is under the age of twenty-one (21) years old, he or she may pre-designate a proxy, or one will be chosen by the Lottery or Contractor, to play the BILLION DOLLAR CHALLENGE™ on his or her behalf. The Prizewinner shall receive any cash prize(s) won by the proxy on the BILLION DOLLAR CHALLENGE™ (less applicable tax withholdings);

- xiii. The Prizewinner, designee, or guest must have a valid credit card or shall be required to post cash deposit for incidentals to check into the hotel;
- xiv. The total amount of cash won, less tax withholdings, during the BILLION DOLLAR CHALLENGE™ by the Prizewinner will be mailed to the Prizewinner by Contractor within twenty-one (21) business days after the Prizewinner's departure from Las Vegas. The \$20,000,000 or \$1,000,000,000 prize amounts require additional prize processing requirements, and therefore, may exceed the twenty-one (21) business day timeframe. Contractor shall withhold from such cash prizes the minimum required federal tax withholdings and any applicable state tax withholdings and shall deposit said withholdings on behalf of the Prizewinner to the appropriate agencies. The Prizewinner shall receive an IRS Tax Form W-2G from Contractor and a copy shall be provided to the Lottery, upon request. The Prizewinner may be responsible for any additional state or federal taxes resulting from such cash prize(s), above and beyond those taxes withheld, reported and paid on the Prizewinner's behalf by Contractor to the appropriate agencies;
- xv. The Prizewinner may not choose to receive the cash equivalent of the trip portion of the Trip Prize;
- xvi. Upon the Prizewinner being validated by the Lottery, title to the Trip Prize shall immediately pass to the Prizewinner. The Trip Prize is not transferable or assignable by the Prizewinner, but may be assigned by the Lottery, as provided in Paragraph 14.B.(xvii), below;
- xvii. If a Trip Prize is refused by the Prizewinner or is not claimed within the timeframe determined by the Lottery, the Lottery will assign the Trip Prize to an alternate Prizewinner, and Contractor shall fulfill that Trip Prize under the same terms and conditions as specified herein, provided that the Trip Prize is still available and time requirements have not elapsed;
- xviii. Contractor may substitute a prize of equal or better quality upon the written approval of the Lottery;
- xix. The Lottery acknowledges and agrees that the Prizewinner and their guest are subject to a background investigation and eligibility verification prior to Contractor's fulfillment of the Trip Prize; and
- xx. The Prizewinner is solely responsible for the actions of the guest who accompanies the Prizewinner on the Trip Prize trip. If the Prizewinner's guest is a minor, the Prizewinner must (A) be the parent or legal guardian of such guest, or (B) must present a notarized, written consent from the minor's parent or legal guardian for the minor guest to accompany the Prizewinner on the Trip Prize trip.

15. PAYMENT:

- A. The Licensing Fee as set forth in Section 8 of this agreement shall be invoiced by Contractor to Lottery within thirty (30) days after Contractor receives from Lottery notice of the final, cumulative quantity of tickets printed by Lottery's instant ticket printer for the Game;
- B. Contractor shall invoice Lottery for the Prize Fee as set forth in Section 8 after the final Drawing is complete;
- C. All payments are due from Lottery to Contractor within thirty (30) days of Lottery's receipt of a proper invoice.

16. ASSIGNMENT:

Agency shall not have any right to assign or sublicense its use of the Property.

17. LIMITATION OF LIABILITY:

Agency acknowledges that the WB Owner shall have no liability whatsoever to the Agency, including, without limitation, special, incidental, tort, or consequential damages arising out of, or in connection with, the use of the Marks or Properties or the use or performance of the authorized lottery products, the Instant Game or other Materials.

18. FORCE MAJEURE:

Should any of the dates of the BILLION DOLLAR CHALLENGE™ Trip Prize change due to a Force Majeure event, Contractor shall work with the Prizewinners and the Lottery and use its best efforts to reschedule the fulfillment of the Trip Prize described above in accordance with the new BILLION DOLLAR CHALLENGE™ schedule. The Lottery acknowledges that the Trip Prize dates for the BILLION DOLLAR CHALLENGE™ would be outside the control of Contractor, and therefore Contractor and Owner shall not be subject to any penalties or damages, nor shall Contractor be considered in breach of this Agreement, as a result of its inability to fulfill the prizes in accordance with this agreement in the event of a Force Majeure occurrence that causes any of the dates for the BILLION DOLLAR CHALLENGE™ to change so long as Contractor uses its best efforts to fulfill the Trip Prize or offer a comparable prize.

19. NON-BROADCAST:

The BILLION DOLLAR CHALLENGE™ is not scheduled for television broadcast or any form of public exhibition.

20. MISCELLANEOUS:

- A. All provisions of the MDI/Lottery Licensing Contract (Attachment 1) are included herein, including that headings are for convenience only and are not a part of the Agreement and that terms and provisions of the On-Line Gaming Contract apply.
- B. Minority Business Enterprise Subcontract Participation Goal
Deliberately left blank as not applicable to this Agreement.
- C. Nondiscrimination in Employment. The Contractor agrees:
 - i. Not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, sexual orientation, gender identification, marital status, national origin, ancestry genetic information or any otherwise unlawful use of characteristics, or disability of a qualified individual with a disability unrelated in nature and extent so as to reasonably preclude the performance of the employment, or the individual's refusal to submit to a genetic test or make available the results of a genetic test;
 - ii. To include a provision similar to that contained in subsection i., above, in any underlying subcontract except a subcontract for standard commercial supplies or raw materials; and
 - iii. To post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause.
- D. Contract Affidavit. All terms and conditions of the Contract Affidavit, attached as Attachment 3, are made a part of this Agreement.
- E. Payment of State Obligations.
 - i. Unless a payment is unauthorized, deferred, delayed, or set-off under COMAR 21.02.07, Payments to the Contractor pursuant to this Agreement shall be made no later than 30 days after the State's receipt of a proper invoice from the Contractor. The Contractor may be eligible to receive late payment interest at the rate of 9% per annum if:
 - a. The Contractor submits an invoice for the late payment interest within thirty days after the date of the State's payment of the amount on which the interest accrued; and
 - b. A contract claim has not been filed under State Finance and Procurement Article, Title 15, Subtitle 2, Annotated Code of Maryland.
 - ii. The State is not liable for interest:
 - a. Accruing more than one year after the 31st day after the Agency receives the proper invoice; or
 - b. On any amount representing unpaid interest. Charges for late payment of invoices are authorized only as prescribed by Title 15,

Subtitle 1, of the State Finance and Procurement Article,
Annotated Code of Maryland.

F. Political Contribution Disclosure.

- i. The Contractor shall comply with Election Law Article, Title 14, Annotated Code of Maryland, which requires that every person that enters into a procurement contract with the State, a county, or a municipal corporation, or other political subdivision of the State, during a calendar year in which the person receives a contract with a governmental entity in the amount of \$200,000 or more, shall file with the State Board of Elections statements disclosing:
 - a. Any contributions made during the reporting period to a candidate for elective office in any primary or general election; and
 - b. The name of each candidate to whom one or more contribution in a cumulative amount of \$500 or more were made during the reporting period.
- ii. The statement shall be filed with the State Board of Elections:
 - a. Before execution of a contract by the State, a county, a municipal corporation, or other political subdivision of the State, and shall cover the 24 months prior to when a contract was awarded; and
 - b. If the contribution is made after the execution of a contract, then twice a year, throughout the contract term, on or before:
 1. May 31, to cover the six (6) month period ending April 30; and
 2. November 30, to cover the six (6) month period ending October 31. Additional information is available on the State Board of Election website:
http://www.elections.state.md.us/campaign_finance/index.html.

G. Commercial Nondiscrimination Clause.

- i. As a condition of entering into this Agreement, Contractor represents and warrants that it will comply with the State's Commercial Nondiscrimination Policy, as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland. As part of such compliance, Contractor may not discriminate on the basis of race, color, religion, ancestry, national origin, sex, age, marital status, sexual orientation, sexual identity, genetic information or an individual's refusal to submit to a genetic test or make available the results of a genetic test or on the basis of disability, or other unlawful forms of discrimination in the solicitation, selection, hiring, or commercial treatment of subcontractors, vendors, suppliers, or commercial customers, nor shall Contractor retaliate against any person for reporting instances of such discrimination. Contractor shall provide equal opportunity for subcontractors, vendors, and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that this clause does not

prohibit or limit lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the marketplace. Contractor understands that a material violation of this clause shall be considered a material breach of this Agreement and may result in termination of this Agreement, disqualification of Contractor from participating in State contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.

- ii. As a condition of entering into this Agreement, upon the request of the Commission on Civil Rights, and only after the filing of a complaint against Contractor under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, as amended from time to time, Contractor agrees to provide within 60 days after the request a complete list of the names of all subcontractors, vendors, and suppliers that Contractor has used in the past 4 years on any of its contracts that were undertaken within the State of Maryland, including the total dollar amount paid by Contractor on each subcontract or supply contract. Contractor further agrees to cooperate in any investigation conducted by the State pursuant to the State's Commercial Nondiscrimination Policy as set forth under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, and to provide any documents relevant to any investigation that are requested by the State. Contractor understands that violation of this clause is a material breach of this Agreement and may result in contract termination, disqualification by the State from participating in State contracts, and other sanctions.

21. ENTIRE AGREEMENT:

This Agreement, Attachment 1 (MDI/Lottery Licensing Contract), Attachment 2 (Authorization Letter), Attachment 3 (Contract Affidavit), and Attachment 4 (Living Wage Requirements for Service Contracts) represent the complete, total, and final understanding of the parties regarding the subject of this Agreement and no other understanding, communication or representations, agreements, statements or understandings, oral or written, regarding the subject matter of this Agreement shall be deemed to exist or to bind the parties hereto at the time of execution. In the event of a conflict in language between this Agreement and any other document, the provisions set forth in this Agreement shall govern.

IN WITNESS WHEREOF, the parties hereto have caused this Sole Source Agreement #2018-04 to be executed as of the day and year first above written. The persons executing this Agreement expressly represent that they are authorized to sign this Agreement on behalf of the respective parties.

Witness:

Glenda Brown

Print Name: Glenda Brown

Title: Executive Assistant

MD ENTERTAINMENT, LLC

By: [Signature] *etc*

Date: 1/3/18

Print Name: John Schulz

Title: Senior Vice President, Instant Products

Witness:

Print Name: _____

Title: _____

MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY

By: _____

Date: _____

Name: Gordon Medenica

Title: Director

Approved as to Form and Legal Sufficiency
this 8th day of January, 2018

[Signature]
Jennifer L. Tosky
Assistant Attorney General



WARNER BROS.
CONSUMER PRODUCTS INC.

Steven M. Fogelson
Vice President
Business & Legal Affairs

December 5, 2017

MDI Entertainment, LLC
1500 Bluegrass Lakes Pkwy.
Alpharetta, GA 30001
USA

RE: WARNER BROS. LICENSE AGREEMENT #19257-MULTI AUTHORIZATION LETTER

To Whom it May Concern:

This letter will confirm that Scientific Games Corporation (SGC) is a duly authorized Licensee for the Licensed Property **WILLY WONKA AND THE CHOCOLATE FACTORY** (as defined below).

MDI Entertainment, LLC and Scientific Games International, Inc. (collectively, "Licensee Companies"), as wholly owned subsidiaries of SGC, are exclusively authorized to promote, sell and distribute the Licensed Products through governmentally operated or authorized lotteries (collectively, "Lotteries"), in the United States, Puerto Rico, and Canada, utilizing the Licensed Property pursuant to the above referenced License Agreement, which for this purpose has a Term date of October 1, 2016 through December 31, 2019, with further sell-off by SGC and its affiliates (including the Licensee Companies) permitted through December 31, 2022. Licensor hereby expressly confirms that it has granted to SGC (and through SGC, the Licensee Companies) the necessary rights and permissions to permit Lotteries to advertise, market, promote, use, perform, distribute, and publicly display Licensor approved materials for Licensor approved scratch-off instant win lottery ticket games and Licensor approved interactive lottery promotional games, including but not limited to via television, radio, print, social media, Internet, and mobile apps; provided, however, that the interactive lottery promotional games may not be promoted via social media.

- (i) **"Licensed Products"**: Instant scratch-off tickets; interactive lottery promotional games that allow consumers who have purchased a qualifying instant scratch-off ticket to play an interactive game in the process of entering a drawing for second chance prizes; and licensed premiums used in connection with the lottery promotions, including, without limitation, merchandise that may be used in prize packages or in game promotions as giveaway items to the public;
- (ii) **"Licensed Property"**: The copyright (including the copyright in any film and audio clips and stills), title, character names, costumes, environmental settings, plot elements, artwork, logos, and other elements depicted in the 1971 release of the theatrical motion picture entitled **"WILLY WONKA AND THE CHOCOLATE FACTORY"** including copyrights and trademarks relating thereto; provided, however, that the above release date of the theatrical motion picture is for identification purposes only and shall not be included or referred to on or in connection with the Licensed Products or any of Licensee's activities pursuant to this Agreement.

The Licensee Companies are authorized to show this letter to anyone questioning the legitimacy of their usage of the Licensed Property.

Sincerely,


Steven M. Fogelson

A Warner Bros. Entertainment Company

4000 Warner Boulevard, Burbank, California 91522
(818) 977-5768 • Fax (818) 977-6340 • steven.fogelson@warnerbros.com

ATTACHMENT 3 – SOLE SOURCE CONTRACT AFFIDAVIT

A. AUTHORITY

I hereby affirm that I, John Schulz (name of affiant) am the Senior VP, Instant Products (title) and duly authorized representative of MDI Entertainment, LLC (name of business entity) and that I possess the legal authority to make this affidavit on behalf of the business for which I am acting.

B. CERTIFICATION REGARDING COMMERCIAL NONDISCRIMINATION

The undersigned Contractor hereby certifies and agrees that the following information is correct: In preparing its contract on this project, the Contractor has considered all Proposals submitted from qualified, potential subcontractors and suppliers, and has not engaged in "discrimination" as defined in § 19-103 of the State Finance and Procurement Article of the Annotated Code of Maryland. "Discrimination" means any disadvantage, difference, distinction, or preference in the solicitation, selection, hiring, or commercial treatment of a vendor, subcontractor, or commercial customer on the basis of race, color, religion, ancestry, or national origin, sex, age, marital status, sexual orientation, sexual identity, or on the basis of disability or any otherwise unlawful use of characteristics regarding the vendor's, supplier's, or commercial customer's employees or owners. "Discrimination" also includes retaliating against any person or other entity for reporting any incident of "discrimination". Without limiting any other provision of the solicitation on this project, it is understood that, if the certification is false, such false certification constitutes grounds for the State to reject the contract submitted by the Contractor on this project, and terminate any contract awarded. As part of its Affidavit, the Contractor herewith submits a list of all instances within the past 4 years where there has been a final adjudicated determination in a legal or administrative proceeding in the State of Maryland that the Contractor discriminated against subcontractors, vendors, suppliers, or commercial customers, and a description of the status or resolution of that determination, including any remedial action taken. Contractor agrees to comply in all respects with the State's Commercial Nondiscrimination Policy as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland.

B-1. CERTIFICATION REGARDING MINORITY BUSINESS ENTERPRISES.

The undersigned Contractor hereby certifies and agrees that it has fully complied with the State Minority Business Enterprise Law, State Finance and Procurement Article, § 14-308(a)(2), Annotated Code of Maryland, which provides that, except as otherwise provided by law, a contractor may not identify a certified minority business enterprise in a proposal and:

- (1) Fail to request, receive, or otherwise obtain authorization from the certified minority business enterprise to identify the certified minority Proposal;
- (2) Fail to notify the certified minority business enterprise before execution of the contract of its inclusion in the proposal;
- (3) Fail to use the certified minority business enterprise in the performance of the contract; or
- (4) Pay the certified minority business enterprise solely for the use of its name in the proposal.

Without limiting any other provision of the solicitation on this project, it is understood that if the certification is false, such false certification constitutes grounds for the State to reject the contract submitted by the Contractor on this project, and terminate any contract awarded based on this certification

B-2. CERTIFICATION REGARDING VETERAN-OWNED SMALL BUSINESS ENTERPRISES.

The undersigned Contractor hereby certifies and agrees that it has fully complied with the State veteran-owned small business enterprise law, State Finance and Procurement Article, § 14-605, Annotated Code of Maryland, which provides that a person may not:

- (1) Knowingly and with intent to defraud, fraudulently obtain, attempt to obtain, or aid another person in fraudulently obtaining or attempting to obtain public money, procurement contracts, or funds expended under a procurement contract to which the person is not entitled under this title;
- (2) Knowingly and with intent to defraud, fraudulently represent participation of a veteran-owned small business enterprise in order to obtain or retain a preference or a procurement contract;
- (3) Willfully and knowingly make or subscribe to any statement, declaration, or other document that is fraudulent or false as to any material matter, whether or not that falsity or fraud is committed with the knowledge or consent of the person authorized or required to present the declaration, statement, or document;
- (4) Willfully and knowingly aid, assist in, procure, counsel, or advise the preparation or presentation of a declaration, statement, or other document that is fraudulent or false as to any material matter, regardless of whether that falsity or fraud is committed with the knowledge or consent of the person authorized or required to present the declaration, statement, or document;
- (5) Willfully and knowingly fail to file any declaration or notice with the unit that is required by COMAR 21.11.12; or
- (6) Establish, knowingly aid in the establishment of, or exercise control over a business found to have violated a provision of § B-2(1)-(5) of this regulation.

C. AFFIRMATION REGARDING BRIBERY CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business (as is defined in Section 16-101(b) of the State Finance and Procurement Article of the Annotated Code of Maryland), or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities including obtaining or performing contracts with public bodies has been convicted of, or has had probation before judgment imposed pursuant to Criminal Procedure Article, § 6-220, Annotated Code of Maryland, or has pleaded nolo contendere to a charge of, bribery, attempted bribery, or conspiracy to bribe in violation of Maryland law, or of the law of any other state or federal law, except as follows (indicate the reasons why the affirmation cannot be given and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of person(s) involved, and their current positions and responsibilities with the business):

D. AFFIRMATION REGARDING OTHER CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities including obtaining or performing contracts with public bodies, has:

(1) Been convicted under state or federal statute of:

(a) A criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract; or

(b) Fraud, embezzlement, theft, forgery, falsification or destruction of records or receiving stolen property;

(2) Been convicted of any criminal violation of a state or federal antitrust statute;

(3) Been convicted under the provisions of Title 18 of the United States Code for violation of the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C. § 1961 et seq., or the Mail Fraud Act, 18 U.S.C. § 1341 et seq., for acts in connection with the submission of Bids/Proposals for a public or private contract;

(4) Been convicted of a violation of the State Minority Business Enterprise Law, § 14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland;

(5) Been convicted of a violation of § 11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland;

(6) Been convicted of conspiracy to commit any act or omission that would constitute grounds for conviction or liability under any law or statute described in subsections (1)—(5) above;

(7) Been found civilly liable under a state or federal antitrust statute for acts or omissions in connection with the submission of Bids/Proposals for a public or private contract;

(8) Been found in a final adjudicated decision to have violated the Commercial Nondiscrimination Policy under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland with regard to a public or private contract;

(9) Been convicted of a violation of one or more of the following provisions of the Internal Revenue Code:

(a) §7201, Attempt to Evade or Defeat Tax;

(b) §7203, Willful Failure to File Return, Supply Information, or Pay Tax,

(c) §7205, Fraudulent Withholding Exemption Certificate or Failure to Supply Information,

(d) §7205, Fraud and False Statements, or

(e) §7207, Fraudulent Returns, Statements, or Other Documents;

(10) Been convicted of a violation of 18 U.S.C. §286, Conspiracy to Defraud the Government with Respect to Claims, 18 U.S.C. §287, False, Fictitious, or Fraudulent Claims, or 18 U.S.C. §371, Conspiracy to Defraud the United States;

(11) Been convicted of a violation of the Tax-General Article, Title 13, Subtitle 7 or Subtitle 10, Annotated Code of Maryland;

(12) Been found to have willfully or knowingly violated State Prevailing Wage Laws as provided in the State Finance and Procurement Article, Title 17, Subtitle 2, Annotated Code of Maryland, if:

(a) A court:

(i) Made the finding; and

(ii) Decision became final; or

(b) The finding was:

(i) Made in a contested case under the Maryland Administrative Procedure Act; and

(ii) Not overturned on judicial review;

(13) Been found to have willfully or knowingly violated State Living Wage Laws as provided in the State Finance and Procurement Article, Title 18, Annotated Code of Maryland, if:

(a) A court:

(i) Made the finding; and

(ii) Decision became final; or

(b) The finding was:

(i) Made in a contested case under the Maryland Administrative Procedure Act; and

(ii) Not overturned on judicial review;

(14) Been found to have willfully or knowingly violated the Labor and Employment Article, Title 3, Subtitles 3, 4, or 5, or Title 5, Annotated Code of Maryland, if:

(a) A court:

(i) Made the finding; and

(ii) Decision became final; or

(b) The finding was:

(i) Made in a contested case under the Maryland Administrative Procedure Act; and

(ii) Not overturned on judicial review; or

(15) Admitted in writing or under oath, during the course of an official investigation or other proceedings, acts or omissions that would constitute grounds for conviction or liability under any law or statute described in §§ B and C and subsections D(1)—(14) above, except as follows (indicate reasons why the affirmations cannot be given, and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of the person(s) involved and their current positions and responsibilities with the business, and the status of any debarment):

E. AFFIRMATION REGARDING DEBARMENT

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities, including obtaining or performing contracts with public bodies, has ever been suspended or debarred (including being issued a limited denial of participation) by any public entity, except as follows (list each debarment or suspension providing the dates of the suspension or debarment, the name of the public entity and the status of the proceedings, the name(s) of the person(s) involved and their current positions and responsibilities with the business, the grounds of the debarment or suspension, and the details of each person's involvement in any activity that formed the grounds of the debarment or suspension).

F. AFFIRMATION REGARDING DEBARMENT OF RELATED ENTITIES

I FURTHER AFFIRM THAT:

(1) The business was not established and it does not operate in a manner designed to evade the application of or defeat the purpose of debarment pursuant to Sections 16-101, et seq., of the State Finance and Procurement Article of the Annotated Code of Maryland; and

(2) The business is not a successor, assignee, subsidiary, or affiliate of a suspended or debarred business, except as follows (you must indicate the reasons why the affirmations cannot be given without qualification):

G. SUBCONTRACT AFFIRMATION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, has knowingly entered into a contract with a public body under which a person debarred or suspended under Title 16 of the State Finance and Procurement Article of the Annotated Code of Maryland will provide, directly or indirectly, supplies, services, architectural services, construction related services, leases of real property, or construction.

H. AFFIRMATION REGARDING COLLUSION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business has:

(1) Agreed, conspired, connived, or colluded to produce a deceptive show of competition in the compilation of the accompanying contract that is being submitted;

(2) In any manner, directly or indirectly, entered into any agreement of any kind to fix the contract price of the Contractor or of any competitor, or otherwise taken any action in restraint of free competitive bidding in connection with the contract.

I. CERTIFICATION OF TAX PAYMENT

I FURTHER AFFIRM THAT:

Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with the Comptroller of the Treasury, the State Department of Assessments and Taxation, and the Department of Labor, Licensing, and Regulation, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

J. CONTINGENT FEES

I FURTHER AFFIRM THAT:

The business has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency working for the business, to solicit or secure the Contract, and that the business has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency, any fee or any other consideration contingent on the making of the Contract.

K. CERTIFICATION REGARDING INVESTMENTS IN IRAN

(1) The undersigned certifies that, in accordance with State Finance and Procurement Article, §17-705, Annotated Code of Maryland:

(a) It is not identified on the list created by the Board of Public Works as a person engaging in investment activities in Iran as described in State Finance and Procurement Article, §17-702, Annotated Code of Maryland; and

(b) It is not engaging in investment activities in Iran as described in State Finance and Procurement Article, §17-702, Annotated Code of Maryland.

(2) The undersigned is unable to make the above certification regarding its investment activities in Iran due to the following activities: _____

L. CONFLICT MINERALS ORIGINATED IN THE DEMOCRATIC REPUBLIC OF CONGO (FOR SUPPLIES AND SERVICES CONTRACTS)

I FURTHER AFFIRM THAT:

The business has complied with the provisions of State Finance and Procurement Article, §14-413, Annotated Code of Maryland governing proper disclosure of certain information regarding conflict minerals originating in the Democratic Republic of Congo or its neighboring countries as required by federal law.

M. I FURTHER AFFIRM THAT:

Any claims of environmental attributes made relating to a product or service included in the Bid or Proposal are consistent with the Federal Trade Commission's Guides for the Use of Environmental Marketing Claims as provided in 16 CFR §260, that apply to claims about the environmental attributes of a product, package, or service in connection with the marketing, offering for sale, or sale of such item or service.

N. PROHIBITING DISCRIMINATORY BOYCOTTS OF ISRAEL IN STATE PROCUREMENTS

The undersigned Contractor hereby certifies and agrees that the following information is correct: In preparing its contract on this project, the Contractor has considered all proposals submitted from qualified, potential subcontractors and suppliers, and has not, in the solicitation, selection, or commercial treatment of any subcontractor, vendor, or supplier, refused to transact or terminated business activities, or taken other actions intended to limit commercial relations, with a person or entity on the basis of Israeli national origin, or residence or incorporation in Israel and its territories. The Contractor also has not retaliated against any person or other entity for reporting such refusal, termination, or commercially limiting actions. Without limiting any other provision of the contract for this project, it is understood and agreed that, if this certification is false, such false certification will constitute grounds for the State to reject the contract submitted by the Contractor on this project, and terminate any contract awarded based on the proposal.

O. CERTIFICATION OF REGISTRATION OR QUALIFICATION WITH THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

I FURTHER AFFIRM THAT:

The business named above is a (check applicable box):

- (1) Corporation — domestic or foreign;
- (2) Limited Liability Company — domestic or foreign;
- (3) Partnership — domestic or foreign;
- (4) Statutory Trust — domestic or foreign;
- (5) Sole Proprietorship.

and is registered or qualified as required under Maryland Law. I further affirm that the above business is in good standing both in Maryland and (IF APPLICABLE) in the jurisdiction where it is presently organized, and has filed all of its annual reports, together with filing fees, with the Maryland State Department of

Assessments and Taxation. The name and address of its resident agent (IF APPLICABLE) filed with the State Department of Assessments and Taxation is:

Name and Department ID

Number: 207504616

Address:

CSC-Lawyers Incorporating Service Company
7 St. Paul Street

Suite 820

and that if it does business under a trade name, it has filed a certificate with the State Department of Assessments and Taxation that correctly identifies that true name and address of the principal or owner as:

MDI Entertainment, LLC

Baltimore, MD 21202

Name and Department ID

Number: _____

Address: _____

P. FINANCIAL DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, the provisions of State Finance and Procurement Article, §13-221, Annotated Code of Maryland, which require that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more shall, within 30 days of the time when the aggregate value of the contracts, leases, or other agreements reaches \$100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

Q. POLITICAL CONTRIBUTION DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, Election Law Article, Title 14, Annotated Code of Maryland, which requires that every person that enters into a contract for a procurement with the State, a county, or a municipal corporation, or other political subdivision of the State, during a calendar year in which the person receives a contract with a governmental entity in the amount of \$200,000 or more, shall file with the State Board of Elections statements disclosing: (a) any contributions made during the reporting period to a candidate for elective office in any primary or general election; and (b) the name of each candidate to whom one or more contributions in a cumulative amount of \$500 or more were made during the reporting period. The statement shall be filed with the State Board of Elections: (a) before execution of a contract by the State, a county, a municipal corporation, or other political subdivision of the State, and shall cover the 24 months prior to when a contract was awarded; and (b) if the contribution is made after the execution of a contract, then twice a year, throughout the contract term, on: (i) February 5, to cover the six (6) month period ending January 31; and (ii) August 5, to cover the six (6) month period ending July 31.

R. DRUG AND ALCOHOL FREE WORKPLACE

(Applicable to all contracts unless the contract is for a law enforcement agency and the agency head or the agency head's designee has determined that application of COMAR 21.11.08 and this certification would be inappropriate in connection with the law enforcement agency's undercover operations.)

I CERTIFY THAT:

- (1) Terms defined in COMAR 21.11.08 shall have the same meanings when used in this certification.
- (2) By submission of its Bid/Proposal, the business, if other than an individual, certifies and agrees that, with respect to its employees to be employed under a contract resulting from this solicitation, the business shall:

- (a) Maintain a workplace free of drug and alcohol abuse during the term of the contract;
 - (b) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of drugs, and the abuse of drugs or alcohol is prohibited in the business' workplace and specifying the actions that will be taken against employees for violation of these prohibitions;
 - (c) Prohibit its employees from working under the influence of drugs or alcohol;
 - (d) Not hire or assign to work on the contract anyone who the business knows, or in the exercise of due diligence should know, currently abuses drugs or alcohol and is not actively engaged in a bona fide drug or alcohol abuse assistance or rehabilitation program;
 - (e) Promptly inform the appropriate law enforcement agency of every drug-related crime that occurs in its workplace if the business has observed the violation or otherwise has reliable information that a violation has occurred;
 - (f) Establish drug and alcohol abuse awareness programs to inform its employees about:
 - (i) The dangers of drug and alcohol abuse in the workplace;
 - (ii) The business's policy of maintaining a drug and alcohol free workplace;
 - (iii) Any available drug and alcohol counseling, rehabilitation, and employee assistance programs; and
 - (iv) The penalties that may be imposed upon employees who abuse drugs and alcohol in the workplace;
 - (g) Provide all employees engaged in the performance of the contract with a copy of the statement required by §E(2)(b), above;
 - (h) Notify its employees in the statement required by §E(2)(b), above, that as a condition of continued employment on the contract, the employee shall:
 - (i) Abide by the terms of the statement; and
 - (ii) Notify the employer of any criminal drug or alcohol abuse conviction for an offense occurring in the workplace not later than 5 days after a conviction;
 - (i) Notify the procurement officer within 10 days after receiving notice under §E(2)(h)(ii), above, or otherwise receiving actual notice of a conviction;
 - (j) Within 30 days after receiving notice under §E(2)(h)(ii), above, or otherwise receiving actual notice of a conviction, impose either of the following sanctions or remedial measures on any employee who is convicted of a drug or alcohol abuse offense occurring in the workplace:
 - (i) Take appropriate personnel action against an employee, up to and including termination; or
 - (ii) Require an employee to satisfactorily participate in a bona fide drug or alcohol abuse assistance or rehabilitation program; and
 - (k) Make a good faith effort to maintain a drug and alcohol free workplace through implementation of §E(2)(a)—(j), above.
- (3) If the business is an individual, the individual shall certify and agree as set forth in §E(4), below, that the individual shall not engage in the unlawful manufacture, distribution, dispensing, possession, or use of drugs or the abuse of drugs or alcohol in the performance of the contract.

(4) I acknowledge and agree that:

(a) The award of the contract is conditional upon compliance with COMAR 21.11.08 and this certification;

(b) The violation of the provisions of COMAR 21.11.08 or this certification shall be cause to suspend payments under, or terminate the contract for default under COMAR 21.07.01.11 or 21.07.03.15, as applicable; and

(c) The violation of the provisions of COMAR 21.11.08 or this certification in connection with the contract may, in the exercise of the discretion of the Board of Public Works, result in suspension and debarment of the business under COMAR 21.08.03.

S. ACKNOWLEDGEMENT

I ACKNOWLEDGE THAT this Affidavit is to be furnished to the Procurement Officer and may be distributed to units of: (1) the State of Maryland; (2) counties or other subdivisions of the State of Maryland; (3) other states; and (4) the federal government. I further acknowledge that this Affidavit is subject to applicable laws of the United States and the State of Maryland, both criminal and civil, and that nothing in this Affidavit or the related contract shall be construed to supersede, amend, modify or waive, on behalf of the State of Maryland, or any unit of the State of Maryland having jurisdiction, the exercise of any statutory right or remedy conferred by the Constitution and the laws of Maryland with respect to any misrepresentation made or any violation of the obligations, terms and covenants undertaken by the above business with respect to (1) this Affidavit, (2) the contract, and (3) other Affidavits comprising part of the contract.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Date: January 5, 2018

By: John Schulz (print name of Authorized Representative and Affiant)

(Contractor)



(signature of Authorized Representative and Affiant)

(10/27/2015)

ATTACHMENT 4 – LIVING WAGE REQUIREMENTS FOR SERVICE CONTRACTS

Living Wage Requirements for Service Contracts

- A. This contract is subject to the Living Wage requirements under Md. Code Ann., State Finance and Procurement Article, Title 18, and the regulations proposed by the Commissioner of Labor and Industry (Commissioner). The Living Wage generally applies to a Contractor or Subcontractor who performs work on a State contract for services that is valued at \$100,000 or more. An employee is subject to the Living Wage if he/she is at least 18 years old or will turn 18 during the duration of the contract; works at least 13 consecutive weeks on the State Contract and spends at least one-half of the employee's time during any work week on the State Contract.
- B. The Living Wage Law does not apply to:
- (1) A Contractor who:
 - (a) Has a State contract for services valued at less than \$100,000, or
 - (b) Employs 10 or fewer employees and has a State contract for services valued at less than \$500,000.
 - (2) A Subcontractor who:
 - (a) Performs work on a State contract for services valued at less than \$100,000,
 - (b) Employs 10 or fewer employees and performs work on a State contract for services valued at less than \$500,000, or
 - (c) Performs work for a Contractor not covered by the Living Wage Law as defined in B(1)(b) above, or B(3) or C below.
 - (3) Service contracts for the following:
 - (a) Services with a Public Service Company;
 - (b) Services with a nonprofit organization;
 - (c) Services with an officer or other entity that is in the Executive Branch of the State government and is authorized by law to enter into a procurement ("Unit");
or
 - (d) Services between a Unit and a County or Baltimore City.
- C. If the Unit responsible for the State contract for services determines that application of the Living Wage would conflict with any applicable Federal program, the Living Wage does not apply to the contract or program.
- D. A Contractor must not split or subdivide a State contract for services, pay an employee through a third party, or treat an employee as an independent Contractor or assign work to employees to avoid the imposition of any of the requirements of Md. Code Ann., State Finance and Procurement Article, Title 18.
- E. Each Contractor/Subcontractor, subject to the Living Wage Law, shall post in a prominent and easily accessible place at the work site(s) of covered employees a notice of the Living

Wage Rates, employee rights under the law, and the name, address, and telephone number of the Commissioner.

- F. The Commissioner shall adjust the wage rates by the annual average increase or decrease, if any, in the Consumer Price Index for all urban consumers for the Washington/Baltimore metropolitan area, or any successor index, for the previous calendar year, not later than 90 days after the start of each fiscal year. The Commissioner shall publish any adjustments to the wage rates on the Division of Labor and Industry's website. An employer subject to the Living Wage Law must comply with the rate requirements during the initial term of the contract and all subsequent renewal periods, including any increases in the wage rate, required by the Commissioner, automatically upon the effective date of the revised wage rate.
- G. A Contractor/Subcontractor who reduces the wages paid to an employee based on the employer's share of the health insurance premium, as provided in Md. Code Ann., State Finance and Procurement Article, §18-103(c), shall not lower an employee's wage rate below the minimum wage as set in Md. Code Ann., Labor and Employment Article, §3-413. A Contractor/Subcontractor who reduces the wages paid to an employee based on the employer's share of health insurance premium shall comply with any record reporting requirements established by the Commissioner.
- H. A Contractor/Subcontractor may reduce the wage rates paid under Md. Code Ann., State Finance and Procurement Article, §18-103(a), by no more than 50 cents of the hourly cost of the employer's contribution to an employee's deferred compensation plan. A Contractor/Subcontractor who reduces the wages paid to an employee based on the employer's contribution to an employee's deferred compensation plan shall not lower the employee's wage rate below the minimum wage as set in Md. Code Ann., Labor and Employment Article, §3-413.
- I. Under Md. Code Ann., State Finance and Procurement Article, Title 18, if the Commissioner determines that the Contractor/Subcontractor violated a provision of this title or regulations of the Commissioner, the Contractor/Subcontractor shall pay restitution to each affected employee, and the State may assess liquidated damages of \$20 per day for each employee paid less than the Living Wage.
- J. Information pertaining to reporting obligations may be found by going to the Division of Labor and Industry website <http://www.dllr.state.md.us/labor/> and clicking on Living Wage for State Service Contracts.

**Affidavit of Agreement
Maryland Living Wage Requirements**

Contract No. 2018-04

Name of Contractor MDI Entertainment, LLC

Address 1500 Bluegrass Lakes Parkway

City Alpharetta State GA Zip Code 30004

If the Contract Is Exempt from the Living Wage Law

The Undersigned, being an authorized representative of the above named Contractor, hereby affirms that the Contract is exempt from Maryland's Living Wage Law for the following reasons (check all that apply):

- Bidder/Offeror is a nonprofit organization
- Bidder/Offeror is a public service company
- Bidder/Offeror employs 10 or fewer employees and the proposed contract value is less than \$500,000
- Bidder/Offeror employs more than 10 employees and the proposed contract value is less than \$100,000

If the Contract Is a Living Wage Contract

- A. The Undersigned, being an authorized representative of the above-named Contractor, hereby affirms its commitment to comply with Title 18, State Finance and Procurement Article, Annotated Code of Maryland and, if required, to submit all payroll reports to the Commissioner of Labor and Industry with regard to the above stated contract. The Bidder/Offeror agrees to pay covered employees who are subject to living wage at least the living wage rate in effect at the time service is provided for hours spent on State contract activities, and to ensure that its Subcontractors who are not exempt also pay the required living wage rate to their covered employees who are subject to the living wage for hours spent on a State contract for services. The Contractor agrees to comply with, and ensure its Subcontractors comply with, the rate requirements during the initial term of the contract and all subsequent renewal periods, including any increases in the wage rate established by the Commissioner of Labor and Industry, automatically upon the effective date of the revised wage rate.


- B. _____ (initial here if applicable) The Bidder/Offeror affirms it has no covered employees for the following reasons: (check all that apply):

- The employee(s) proposed to work on the contract will spend less than one-half of the employee's time during any work week on the contract

- The employee(s) proposed to work on the contract is 17 years of age or younger during the duration of the contract; or
- The employee(s) proposed to work on the contract will work less than 13 consecutive weeks on the State contract.

The Commissioner of Labor and Industry reserves the right to request payroll records and other data that the Commissioner deems sufficient to confirm these affirmations at any time.

Name of Authorized Representative: John Schulz


Signature of Authorized Representative _____ Date January 5, 2018

Senior Vice President, Instant Products
Title _____

Glenda Brown
Witness Name (Typed or Printed) _____


Witness Signature _____ Date January 5, 2018