AN ACT
ENABLING THE STATE LOTTERY DIVISION OF THE DEPARTMENT OF REVENUE TO CONTRACT WITH IGT GLOBAL SOLUTIONS CORPORATION AND TWIN RIVER

Introduced By: Senators Ruggerio, Goodwin, McCaffrey, Conley, and Lynch Prata

Date Introduced: February 11, 2020

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

SECTION 1. Purpose. The purpose of this act is, among other things: (a) To authorize the State Lottery Division of the Department of Revenue (the "Division") to agree to an extension of the Division's partnership with IGT Global Solutions Corporation, a Delaware corporation ("IGT"), including maintaining a regional headquarters in the City of Providence, Rhode Island; and (b) To authorize the Division to agree to an extension of the Division's partnership with the Rhode Island Affiliates of Twin River Worldwide Holdings, Inc., a Delaware corporation ("TRWH"), including an expansion of the Lincoln Gaming Facility. This act shall be liberally construed to effectuate its purposes.

SECTION 2. Definitions.

(a) In this act, capitalized terms not otherwise defined shall have the meanings given them in Section 42-61.2-1 of the General Laws as of the effective date of this act after giving effect to the amendments thereto pursuant to Section 5 of this act.

(b) In this act:

(1) "Affiliate" means a Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with a Person;

(2) "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise;
"Eligible Third Party" means any Person which (acting jointly with IGT or TRWH or at the direction of IGT or TRWH (as applicable)) owns, leases or finances any of the IGT Investment Obligation Assets (as defined in Section 3(a)(ix)(A) of this act) or the assets associated with the Twin River Investment Obligation (as defined in Section 10 of this act);

(4) "FTE" means a full time equivalent employee, which, for the purposes of this Agreement, shall mean 2,080 hours of employment of one or more individuals in a year by IGT or an Affiliate employed in the State, which hours of employment shall include vacation time, sick time, disability time, personal time or other time for which an employer in the State must pay the employee. For purposes of this Agreement, "FTE" shall include, without limitation, employees of outsourcing and consulting service providers and temporary employees retained through an employment agency in the State. For employees who are not paid on an hourly basis, each full-time salaried employee employed for a full year shall be deemed to work 2,080 hours per year, and each salaried part-time employee shall be deemed to work a proportionate share of the 2,080 hours based on the hourly commitment set forth in such employee's job description. The hours attributed to salaried employees shall be prorated for any employees who are employed for less than a full year.

(5) "IGT Master Contract" means the Master Contract dated as of May 12, 2003 by and between the Division and IGT, as amended (authorized pursuant to Chapter 33 of the 2003 Public Laws);

(6) "Joint Venture" means a Delaware limited liability company to be owned by IGT or Affiliates of IGT and TRWH or Affiliates of TRWH and controlled by IGT or an Affiliate of IGT, which Joint Venture shall be regulated by the Division as a Technology Provider; and

(7) "Person" means a natural person, corporation, limited liability company, partnership (general or limited), joint venture, estate, trust or unincorporated association, any federal, state, county, or municipal government or any bureau, department or agency thereof, any fiduciary acting in such capacity, on behalf of any of the foregoing, or any other legal or business entity or organization.

SECTION 3. Authorization and empowerment of State Lottery Division with respect to IGT. Notwithstanding any provisions of the General Laws of the state or regulations adopted thereunder to the contrary, including, without limitation, the provisions of Chapter 2 of Title 37, Chapter 61 of Title 42, and Chapter 64 of Title 42, the Division is hereby authorized and empowered:

(a) To enter into an amendment (the "IGT Master Contract Amendment") to the IGT Master Contract, which shall extend the term of the IGT Master Contract under the terms and conditions set forth therein, as amended pursuant to Section 3 and Section 4 of this act and as may be otherwise
amended in accordance with its terms, through June 30, 2043 (the "Extended Expiration Date"),
and shall, among other matters:

(i) Extend the term of the On-Line Gaming Agreement dated as of January 29, 1997 by and
between IGT and the Division, as amended (including, without limitation, by Section 11 of the IGT
Master Contract) (the "On-Line Lottery Agreement"), under the terms and conditions set forth
therein, as amended pursuant to Section 3 and Section 4 of this act and as may be otherwise
amended in accordance with its terms, through the Extended Expiration Date;

(ii) Extend the term of the Video Lottery Central Computer System Agreement dated as of
December 20, 2001 by and between IGT and the Division, as amended (including, without
limitation, by Section 12 of the IGT Master Contract) (the "Video Lottery Agreement"), under the
terms and conditions set forth therein, as amended pursuant to Section 4 of this act and as may be
otherwise amended in accordance with its terms, through the Extended Expiration Date;

(iii) Extend the term of the Video Lottery Terminal Technology Provider License Agreement dated as of September 28, 2000 by and between IGT and the Division, as amended
(including, without limitation, by Section 13 of the IGT Master Contract) (the "VLT Agreement"),
under the terms and conditions set forth therein, as amended pursuant to Section 4 of this act and
as may be otherwise amended in accordance with its terms, through the Extended Expiration Date;

(iv) Extend the term of the Instant Ticket Vending Machine Agreement dated October 21, 1999 between IGT and the Division (the "Instant Ticket Vending Machine Agreement"), as
amended (including, without limitation, pursuant to Section 8.2 of the IGT Master Contract), under
the terms and conditions set forth therein, as may be otherwise amended in accordance with its
terms, through the Extended Expiration Date;

(v) Extend the term of the Instant Ticket Agreement dated as of June 30, 2016 by and
between the Division and IGT (the "Instant Ticket Agreement"), as amended, under the terms and
conditions set forth therein, as may be otherwise amended in accordance with its terms, through
the Extended Expiration Date;

(vi) Extend the term of the Website Services Agreement dated as of January 9, 2019 by
and between the Division and IGT (the "Website Services Agreement") under the terms and
conditions set forth therein, as may be otherwise amended in accordance with its terms, through
the Extended Expiration Date;

(vii) Provide for the purchase by IGT from the Division for the price of twenty-five million
dollars ($25,000,000) (the "Second Intangible Asset Purchase Price"), twelve million five hundred
thousand dollars ($12,500,000) of which shall be paid on or before June 30, 2022 and twelve
million five hundred thousand dollars ($12,500,000) of which shall be paid on or before June 30,
2023, of the right of IGT to be the exclusive provider to the Division of products and services
(except with respect to Online sports wagering as otherwise provided by the First Amendment to
the Sports Betting Agreement effective on or about July 5, 2019 between the Division and IGT, a
Nevada corporation, as amended from time to time) pertaining to:

(A) Online lottery systems, online lottery terminals and related equipment;
(B) Central communication systems;
(C) Video Lottery Terminals for the period commencing on January 1, 2022 (the “JV
Effective Date”) and expiring on the Extended Expiration Date (with such exclusive rights to be
exercised solely through the Joint Venture pursuant to the assignment effected by the Assignment
and Assumption Agreement (as defined in Section 3(b)(ii) of this act) for the period commencing
on the JV Effective Date and expiring on the Extended Expiration Date);
(D) Instant ticket vending machines;
(E) Instant tickets;
(F) The processing of on line, instant ticket and video lottery transactions;
(G) “iLottery” games (traditional online lottery and instant ticket lottery games made
available to players through the use of the internet through computers, mobile applications on
mobile devices or other interactive devices approved by the Division);

Notwithstanding subparagraphs (A) through (G) above, the payment of the Second
Intangible Asset Purchase Price shall not entitle IGT to the right to be the exclusive provider of
games (other than traditional online lottery and instant ticket lottery games) through the use of the
internet through computers, mobile applications on mobile devices or other interactive devices
approved by the Division;

(viii) Provide that:
(A) The rates pursuant to which the Division is obligated to compensate IGT pursuant to
the On-Line Lottery Agreement shall be as follows:

<table>
<thead>
<tr>
<th>Annual Sales</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales to $275 million</td>
<td>5.00%</td>
</tr>
<tr>
<td>Sales from above $275 million</td>
<td>4.00%</td>
</tr>
<tr>
<td>Sales above $400 million</td>
<td>5.00%</td>
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</tbody>
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(B) The rates pursuant to which the Division is obligated to compensate IGT pursuant to
the Video Lottery Agreement, the Instant Ticket Vending Machine Agreement, the Instant Ticket
Agreement and the Website Services Agreement shall remain unchanged;

(C) The rates pursuant to which the Division is obligated to compensate IGT prior to the
JV Effective Date and the Joint Venture from and after the JV Effective Date pursuant to the VLT
Agreement shall remain unchanged;

(ix) Obligate IGT to, among other matters:

(A) Invest or cause to be invested by an Affiliate or an Eligible Third Party in the aggregate at least one hundred fifty million dollars ($150,000,000) in the state (the "Second IGT Investment Obligation") in connection with acquiring interests in real property, leasehold improvements of real property and assets acquired in connection with the performance of obligations under the IGT Master Contract, as amended by the IGT Master Contract Amendment (the "IGT Amended Master Contract"), including, without limitation: (1) The second intangible asset purchase price; (2) Video Lottery Terminals purchased by IGT and Affiliates of IGT during the period commencing on July 1, 2019 and expiring on December 31, 2021; (3) Video Lottery Terminals purchased by the Joint Venture during the period commencing on the JV Effective Date and expiring on the Extended Expiration Date (including, without limitation, Video Lottery Terminals sold by IGT and other Affiliates of IGT); and (4) Goods acquired in connection with the business operations of IGT or any Affiliate of IGT in the state (the "IGT Investment Obligation Assets"); provided, however, in no event shall IGT receive credit toward performance of the Second IGT Investment Obligation more than once in connection with any acquisition;

(B) Employ, cause to be employed by an Affiliate or a Person providing outsourcing, technology consulting or temporary employment services to IGT or an Affiliate, or cause to be self-employed in the state during each calendar year commencing with 2021 at least one thousand one hundred (1,100) full-time equivalent employees (the "Minimum Number of FTEs") calculated in accordance with the methodology as defined in Section 2(b)(4) of this act established for the purposes of the Development Agreement between IGT and the Rhode Island Commerce Corporation in effect as of June 1, 2020, at compensation rates not less than one hundred fifty percent (150%) of the minimum wage in effect from time to time pursuant to Section 28-12-3 of the General Laws (the "Employment Obligation");

(C) Pay, or cause to be paid by Affiliates or Persons providing outsourcing, technology consulting or temporary employment services to IGT or an Affiliate, to employees and independent contractors employed or caused to be self-employed in the state during each calendar year commencing with 2021 aggregate compensation (which shall include pre-tax deductions made on behalf of employees) (the "Annual Actual Compensation") not less than the product of: (1) One thousand one hundred (1,100); (2) Two thousand eighty (2,080); and (3) Two hundred fifty percent (250%) of the minimum wage in effect from time to time pursuant to Section 28-12-3 of the General Laws (the "Annual Compensation Obligation");

(D) Provide to the Division an annual certification on or before May 1 of each year
certifying that IGT is in compliance with its Employment Obligation for the prior calendar year.

In addition, IGT shall provide to the Division an annual certification on or before May 1 of each year certifying that IGT is in compliance with its Annual Compensation Obligation for the prior calendar year; and

(E) Not fewer than ninety (90) days prior, inform the Division each time IGT plans to locate in another state, or relocate from one state to another state thirty (30) or more full-time existing or new employees that IGT or an Affiliate is not contractually obligated to locate in or relocate to another state to give the Division the opportunity to make a proposal to IGT that IGT locate in or relocate to the state such employees (the "Employee Location Obligation");

(x) Grant the Division the right to terminate the IGT Amended Master Contract if IGT fails to perform: the Second IGT Investment Obligation; the Employment Obligation; the Annual Compensation Obligation; or the Employee Location Obligation in addition to any rights the Division has to terminate the On-Line Lottery Agreement, the Video Lottery Agreement, the VLT Agreement, the Instant Ticket Vending Machine Agreement, the Instant Ticket Agreement and the Website Services Agreement;

(xi) Notwithstanding the remedies provided in section 3(a)(x), the Division shall have the right to:

(A) Grant the Division the right to assess liquidated damages against IGT if the average number of full-time equivalent employees (the "LD FTE Average") for each period of two consecutive calendar years commencing with the two-year period expiring on December 31, 2022, and tested annually thereafter, is less than the Minimum Number of FTEs. Said liquidated damages shall be equal to the product of: (1) the difference between the Minimum Number of FTEs and the LD FTE Average and (2) six thousand four hundred dollars ($6,400); and

(B) Grant the Division the right to assess liquidated damages against IGT if, for each period of two consecutive calendar years commencing with the two-year period expiring on December 31, 2022, and tested annually thereafter, the average of the Annual Actual Compensation for such period (the "LD Compensation Average") is less than the average of the Annual Compensation Obligation for such period (the "LD Obligation Average"). Said liquidated damages shall be in an amount equal to the product of: (1) twenty percent (20%) and (2) the difference between the LD Obligation Average for such period and the LD Compensation Average for such period;

(xii) Provide that the provisions regarding the Video Lottery Terminal efficiency process would be of no further force and effect for the period commencing on the JV Effective Date and expiring on the Extended Expiration Date, subject to the provisions of Section 4 of this act; and

(xii) Contain such other terms and conditions as the Division and IGT may agree; and
(b) To consent to:

(i) The irrevocable assignment by IGT to the Joint Venture of:

(A) The right to be the exclusive Technology Provider for the period commencing on the JV Effective Date and expiring on the Extended Expiration Date; and

(B) The VLT Agreement, as modified solely by the IGT Master Contract Amendment (the "Amended VLT Agreement"); and

(ii) The assumption by the Joint Venture of the obligations of IGT under the Amended VLT Agreement pursuant to an assignment and assumption agreement between IGT and the Joint Venture (the "Assignment and Assumption Agreement"), the terms of which shall be subject to the review and approval of the Division.

(c) Nothing in this act shall be deemed to affect the authority of the Division to regulate the Joint Venture as a Technology Provider.

SECTION 4. Additional provisions regarding the IGT Master Contract Amendment. The IGT Master Contract Amendment shall also include, but not be limited to, provisions that require IGT or the Joint Venture (as applicable) to:

(a) With respect to Video Lottery Terminals:

(1) Regularly update or replace hardware and software; (2) Annually replace a minimum of six percent (6%) of the Video Lottery Terminals; (3) Provide a minimum of five percent (5%) of the Video Lottery Terminals with premium or royalty games with such Video Lottery Terminals performing at less than one hundred fifty percent (150%) of floor average for any calendar year subject to review by the Division for replacement or modification; (4) For the period commencing on the JV Effective Date and expiring on the Extended Expiration Date, (a) cause the Joint Venture to remove five percent (5%) of the Video Lottery Terminals provided as of December 31 of the preceding year supplied by each supplier to the Joint Venture whose ratio of: (i) The ratio of: (A) The aggregate Net Terminal Income generated by the Video Lottery Terminals supplied by such supplier and provided by the Joint Venture during the first thirteen (13) weeks of each calendar year to (B) The aggregate Net Terminal Income generated by the Video Lottery Terminals provided by the Joint Venture during such period to; (ii) The ratio of: (A) The number of Video Lottery Terminals supplied by such supplier and provided by the Joint Venture to (B) The total number of Video Lottery Terminals provided by the Joint Venture is less than ninety seven percent (97%); provided, however, that (x) no more than 40% of the Video Lottery Terminals installed at the Lincoln Gaming Facility and no more than 40% of the Video Lottery Terminals installed at the Tiverton Gaming Facility on the JV Effective Date shall be Video Lottery Terminals manufactured by IGT or an Affiliate of IGT and (y) Video Lottery Terminals manufactured by IGT or an Affiliate
of IGT shall not be subject to removal for calendar years 2022, 2023 and 2024 and (b) nothing in
this act shall limit the authority of the Division to approve the Video Lottery Terminals and Video
Lottery Games provided by the Joint Venture and which Video Lottery Terminals provided by the
Joint Venture are installed at which locations in the Lincoln Gaming Facility and the Tiverton
Gaming Facility; and (5) For each Marketing Year occurring during the period commencing on
July 1, 2020 and expiring on the Extended Expiration Date, waive its claims against the Division
arising from or in connection with the Consolidated Promotional Points Program, provided that the
aggregate amount of Promotional Points issued in such Marketing Year does not exceed the sum
of: (a) twenty percent (20%) of the aggregate Net Terminal Income for the Lincoln Gaming Facility
and the Tiverton Gaming Facility for the Prior Marketing Year and (b) one million five hundred
thousand dollars ($1,500,000); and

(b) With respect to IGT’s online lottery systems and central communication systems,
update and replace hardware and software on schedules agreed to by the Division and IGT in the
IGT Master Contract Amendment, as amended from time to time.

SECTION 5.

(a) Section 42-61.2-1 of the General Laws in Chapter 42-61.2 entitled “Video-Lottery
Games, Table Games and Sports Wagering” is hereby amended to read as follows:

42-61.2-1. Definitions.

For the purpose of this chapter, the following words shall mean:

(1) "2017 Budget Act" means 2017 – H 5175 Substitute A, as amended, entitled "An Act
Relating to Making Appropriations for the Support of the State for the Fiscal Year ending June 30,
2018," which Act was signed into law by the Governor of Rhode Island on August 3, 2017.

(2) "Casino gaming" means any and all table and casino-style games played with cards,
dice, or equipment, for money, credit, or any representative of value; including, but not limited to,
roulette, blackjack, big six, craps, poker, baccarat, pai-gow, any banking or percentage game, or any
other game of device included within the definition of Class III gaming as that term is defined
in Section 2703(8) of Title 25 of the United States Code and that is approved by the state through
the division of state lottery.

(3) "Central communication system" means a system approved by the lottery division
Division, linking all video-lottery machines Video Lottery Terminals at a licensee licensed video
lottery retailer location to provide auditing program information and any other information
determined by the lottery Division. In addition, the central communications system must provide
all computer hardware and related software necessary for the establishment and implementation of
a comprehensive system as required by the division Division. The central communications licensee
may provide a maximum of fifty percent (50%) of the video lottery terminals.

(4) Collegiate sports or athletic event” shall not include a collegiate sports contest or collegiate athletic event that takes place in Rhode Island or a sports contest or athletic event in which any Rhode Island college team participates regardless of where the event takes place.

(5) “Consolidated promotional points program” means, collectively, the “Initial Promotional Points Program” and the “Supplementary Promotional Points Program” applicable to the Lincoln gaming facility and the “Initial Promotional Points Program” and the “Supplementary Promotional Points Program” applicable to the Tiverton gaming facility, with each of the terms “Initial Promotional Points Program” and “Supplementary Promotional Points Program” having the meanings given such terms in the 2017 Budget Act.

(6) “Credit facilitator” means any employee of a licensed video lottery retailer approved in writing by the division Division whose responsibility is to, among other things, review applications for credit by players, verify information on credit applications, grant, deny, and suspend credit, establish credit limits, increase and decrease credit limits, and maintain credit files, all in accordance with this chapter and rules and regulations approved by the division Division.

(7) “DBR” means the department of business regulation, division of gaming and athletics licensing, and/or any successor in interest thereto.

(8) “Director” means the director of the division Division.

(9) “Division,” “division of lottery,” “division of lotteries,” or “lottery division” means the division of lotteries within the state lottery division of the department of revenue and/or any successor in interest thereto.

(10) “Hosting facility” refers to Twin River the Lincoln gaming facility and the Tiverton gaming facility.

(11) “IGT” means IGT Global Solutions Corporation, a Delaware corporation.

(12) “Licensed video lottery retailer” means a pari-mutuel licensee specifically licensed by the director Director subject to the approval of the division Division to become a licensed video lottery retailer.

(13) “Lincoln gaming facility” means the gaming and entertainment facility located at 100 Twin River Road in the town of Lincoln, Rhode Island (sometimes referred to as “Twin River” or the “Twin River gaming facility”).

(14) “Marketing Year” means the fiscal year of the state.

(15) “Net table-game revenue” means win from table games minus counterfeit currency.

(16) “Net terminal income” means currency placed into a video lottery terminal Video-
Lottery Terminal less credits redeemed for cash by players.

(12) "Newport Grand" means Newport Grand, LLC, a Rhode Island limited-liability company, successor to Newport Grand Jai Alai, LLC, and each permitted successor to and assignee of Newport Grand, LLC under the Newport Grand Master Contract, including, but not limited to without limitation, Premier Entertainment II, LLC (as defined in subsection (25) of this section) and/or Twin River-Tiverton, LLC, (as defined in subsection (40) of this section) provided it is a pari-mutuel licensee (as defined in & Section 42-61.2-1 et seq.); provided, further, however, where the context indicates that the term is referring to the physical facility, then it shall mean the gaming and entertainment facility located at 150 Admiral Kalbfus Road, Newport, Rhode Island.

(13) "Newport Grand Marketing Year" means each fiscal year of the state or a portion thereof between November 23, 2010, and the termination date of the Newport Grand Master Contract.

(14) "Newport Grand Master Contract" means that certain master video lottery terminal contract made as of November 23, 2005, by and between the division of lotteries of the Rhode Island department of administration and Newport Grand, as amended and extended from time to time as authorized therein and/or as such Newport Grand Master Contract may be assigned as permitted therein.

(15) "Online gaming account" means an account established at a hosting facility and opened by a patron in person on the premises of a hosting facility that a patron shall use for the deposit and withdrawal of funds used for online sports wagering.

(16) "Online sports wagering" means engaging in the act of sports wagering by the placing of wagers on sporting events or a combination of sporting events, or on the individual performance statistics of athletes in a sporting event or a combination of sporting events, over the internet through computers, mobile applications on mobile devices or other interactive devices approved by the division, which wagers are accepted by a server-based gaming system located at the premises of a hosting facility authorized to accept sports wagers and administer payoffs of winning sports wagers; all such wagers shall be deemed to be placed and accepted at the premises of a hosting facility.

(17) "Online sports-wagering revenue" means:

(i) The total of cash or cash equivalents received from online sports wagering minus the total of:

(I) Cash or cash equivalents paid to players as a result of online sports wagering;

(II) Marketing expenses related to online sports wagering as agreed to by the Division, the sports-wagering vendor, and the host facilities, as approved by the division of the
lottery Division; and

(III) Any federal excise taxes (if applicable).

(ii) The term does not include any of the following:

(I) Counterfeit cash.

(II) Coins or currency of other countries received as a result of online sports wagering, except to the extent that the coins or currency are readily convertible to cash.

(III) Cash taken in a fraudulent act perpetrated against a hosting facility or sports-wagering vendor for which the hosting facility or sports-wagering vendor is not reimbursed.

(IV) Free play provided by the hosting facility or sports-wagering vendor as authorized by

the division of the lottery Division to a player and subsequently “won back” by the hosting facility or sports-wagering vendor, for which the hosting facility or sports-wagering vendor can demonstrate that it or its affiliate has not been reimbursed in cash.

(23) “Pari-mutuel licensee” means:

(i) An entity licensed pursuant to § Section 41-3.1-3; and/or

(ii) An entity licensed pursuant to § Section 41-7-3.

(24) “Payoff,” when used in connection with sports wagering, means cash or cash equivalents paid to a player as a result of the player's winning a sports wager. A "payoff" is a type of "prize," as the term "prize" is used in chapters 61, 61.2, and 61.3 of this title.

(25) "Premier" means Premier Entertainment II, LLC and/or its successor in interest by reason of the acquisition of the stock, membership interests, or substantially all of the assets of such entity.

(26) “Prior marketing year,” means, with respect to a marketing year, the most recent previous marketing year during which the Division operated a majority of the authorized video lottery games at each of the Lincoln gaming facility and the Tiverton gaming facility for at least 360 days (or 361 days in the case there are 366 days in such marketing year). For the avoidance of doubt, because the Division will not have operated a majority of the authorized video lottery games at the Lincoln gaming facility and at the Tiverton gaming facility for at least 361 days during the marketing year expiring on June 30, 2020, the prior marketing year with respect to the marketing year expiring on June 30, 2021 shall be the marketing year expiring on June 30, 2019.

(27) “Promotional points” has the meaning given such term in the 2017 Budget Act.

(28) "Rake" means a set fee or percentage of cash and chips representing cash wagered in the playing of a nonbanking table game assessed by a table games retailer for providing the services of a dealer, gaming table, or location, to allow the play of any nonbanking table game.

(29) "Server-based gaming system” means all hardware, software, and
communications devices that comprise a system utilized for the purpose of offering an electronic
platform used in connection with the process of placing and accepting sports wagers.

(23)(30) "Sporting event" means any professional sport or athletic event, any Olympic or
international sports competition event, and any collegiate sport or athletic event, or any portion
thereof, including, but not limited to, the individual performance statistics of athletes in a sports
ever or combination of sports events, except "sports event" shall not include a prohibited sports
evend.

(24)(31) "Sports wagering" means the business of accepting wagers on sporting events or
a combination of sporting events, or on the individual performance statistics of athletes in a sporting
ever or combination of sporting events, by any system or method of wagering. The term includes,
but is not limited to, exchange wagering, parlays, over-under, moneyline, pools, and straight bets,
and the term includes the placement of such bets and wagers. However, the term does not include,
without limitation, the following:

(i) Lotteries, including video lottery video lottery games and other types of casino gaming
operated by the state, through the division Division, on the date this act is enacted as of June 22,
2018.

(ii) Pari-mutuel betting on the outcome of thoroughbred or harness horse racing, or
greyhound dog racing, including but not limited to, pari-mutuel wagering on a race that is
"simulcast" (as defined in § Section 41-11-1), as regulated elsewhere pursuant to the general laws
General Laws, including in chapters 3, 3.1, 4, and 11 of title 41.

(iii) Off-track betting on racing events, as regulated elsewhere pursuant to the general laws
General Laws, including in chapter 10 of title 41.

(iv) Wagering on the respective scores or points of the game of jai alai or pelota and the
sale of pari-mutuel pools related to such games, as regulated elsewhere pursuant to the general laws
General Laws, including in chapter 7 of title 41.

(v) Lotteries, charitable gaming, games of chance, bingo games, raffles, and pull-tab lottery
tickets, to the extent permitted and regulated pursuant to chapter 19 of title 11.

(25)(32) "Sports-wagering device" means any mechanical, electrical, or computerized
contrivance, terminal, machine, or other device, apparatus, equipment, or supplies approved by the
division Division and used to conduct sports wagering.

(26)(33) "Sports-wagering revenue" means:

(i) The total of cash or cash equivalents received from sports wagering minus the total of:
(I) Cash or cash equivalents paid to players as a result of sports wagering;
(II) The annual flat fee to the host communities as defined by § Section 42-61.2-5(c);
(III) Marketing expenses related to sports wagering as agreed to by the division of lottery Division; and

(IV) Any federal excise taxes (if applicable).

(ii) The term does not include any of the following:

(I) Counterfeit cash.

(II) Coins or currency of other countries received as a result of sports wagering, except to the extent that the coins or currency are readily convertible to cash.

(III) Cash taken in a fraudulent act perpetrated against a hosting facility or sports-wagering vendor for which the hosting facility or sports-wagering vendor is not reimbursed.

(IV) Free play provided by the hosting facility or sports-wagering vendor as authorized by the division of lottery Division to a patron and subsequently “won back” by the hosting facility or sports-wagering vendor, for which the hosting facility or sports-wagering vendor can demonstrate that it or its affiliate has not been reimbursed in cash.

(27) (34) “Sports-wagering vendor” means any entity authorized by the division of lottery Division to operate sports betting on the division’s Division’s behalf in accordance with this chapter.

(28) (35) “Table game” or “Table gaming” means that type of casino gaming in which table games are played for cash or chips representing cash, or any other representation of value that has been approved by the division of lotteries Division, using cards, dice, or equipment and conducted by one or more live persons.

(29) (36) “Table-game retailer” means a retailer authorized to conduct table gaming pursuant to § Section 42-61.2-2.1 or § Section 42-61.2-2.3.

(30) (37) “Technology provider” means any individual, partnership, corporation, or association that designs, manufactures, installs, maintains, distributes, or supplies video-lottery Video-Lottery Terminals or associated equipment for the sale or use in this state.

(31) (38) “Tiverton gaming facility” (sometimes referred to as “Twin River-Tiverton”) means the gaming and entertainment facility located in the town of Tiverton at the intersection of William S. Canning Boulevard and Stafford Road in the town of Tiverton, Rhode Island (sometimes referred to as “Twin River-Tiverton”).

(32) (39) “Twin River” (sometimes referred to as “UTGR”) means UTGR, Inc., a Delaware corporation, and each permitted successor to and assignee of UTGR, Inc.; provided further, however, where the context indicates that the term is referring to a physical facility, then “Twin River” or “Twin River gaming facility” shall mean the gaming and entertainment facility located at 100 Twin River Road in Lincoln, Rhode Island Lincoln gaming facility.
"Twin River-Tiverton" means Twin River-Tiverton, LLC and/or its successor in interest by reason of the acquisition of the stock, membership interests, or substantially all of the assets of such entity; provided, however, where the context indicates that the term is referring to a physical facility, then "Twin River-Tiverton" shall mean the Tiverton gaming facility.

"Twin River-Tiverton Marketing Year" has the same meaning as Marketing Year (as defined in subsection (14) of this section).

"Twin River-Tiverton Master Contract" has the same meaning as Newport Grand Master Contract (as defined in subsection (19) of this section).

"UTGR Master Contract" means that certain master video lottery terminal contract made as of July 1, 2005, by and between the division of lotteries of the Rhode Island department of administration (now the division of lotteries of the Rhode Island department of revenue) and Twin River, as amended and extended from time to time as authorized therein and/or as such UTGR Master Contract may be assigned as permitted therein.

"Video Lottery Agreement" means that certain Video Lottery Central Computer System Agreement dated as of December 20, 2001 by and between IGT and the Division, as amended, extended, assigned and assumed from time to time.

"Video-lottery games" means lottery games played on video lottery terminals Video Lottery Terminals controlled by the lottery division Division.

"Video-lottery terminal" means any electronic computerized video game machine that, upon the insertion of cash or any other representation of value that has been approved by the division of lotteries Division, is available to play a video game authorized by the lottery division Division, and that uses a video display and microprocessors in which, by chance, the player may receive free games or credits that can be redeemed for cash. The term does not include a machine that directly dispenses coins, cash, or tokens.

"VLT Agreement" means that certain Video Lottery Terminal Technology Provider License Agreement dated as of September 28, 2000 by and between IGT and the Division, as amended, extended, assigned and assumed from time to time.

(b) Section 42-61.2-7 of the General Laws in Chapter 42-61.2 entitled “Video-Lottery Games, Table Games and Sports Wagering” is hereby amended to read as follows:

**(42-61.2-7. Division of revenue.**

(a) Notwithstanding the provisions of § Section 42-61-15, the allocation of net, terminal income derived from video lottery video lottery games is as follows:

(1) For deposit in the general fund and to the state lottery division Division fund for administrative purposes: Net, terminal income not otherwise disbursed in accordance with...
subdivisions (a)(2) -- (a)(6) inclusive, or otherwise disbursed in accordance with subsections (g)(2) and (h)(2);

(i) Except for the fiscal year ending June 30, 2008, nineteen one hundredths of one percent (0.19%), up to a maximum of twenty million dollars ($20,000,000), shall be equally allocated to the distressed communities (as defined in § Section 45-13-12) provided that no eligible community shall receive more than twenty-five percent (25%) of that community's currently enacted municipal budget as its share under this specific subsection. Distributions made under this specific subsection are supplemental to all other distributions made under any portion of General Laws § General Laws Section 45-13-12. For the fiscal year ending June 30, 2008, distributions by community shall be identical to the distributions made in the fiscal year ending June 30, 2007, and shall be made from general appropriations. For the fiscal year ending June 30, 2009, the total state distribution shall be the same total amount distributed in the fiscal year ending June 30, 2008, and shall be made from general appropriations. For the fiscal year ending June 30, 2010, the total state distribution shall be the same total amount distributed in the fiscal year ending June 30, 2009, and shall be made from general appropriations, provided, however, that seven hundred eighty-four thousand four hundred fifty-eight dollars ($784,458) of the total appropriation shall be distributed equally to each qualifying distressed community. For each of the fiscal years ending June 30, 2011, June 30, 2012, and June 30, 2013, seven hundred eighty-four thousand four hundred fifty-eight dollars ($784,458) of the total appropriation shall be distributed equally to each qualifying distressed community.

(ii) Five one hundredths of one percent (0.05%), up to a maximum of five million dollars ($5,000,000), shall be appropriated to property tax relief to fully fund the provisions of § Section 44-33-2.1 [repealed]. The maximum credit defined in subdivision 44-33-9(2) shall increase to the maximum amount to the nearest five dollar ($5.00) increment within the allocation until a maximum credit of five hundred dollars ($500) is obtained. In no event shall the exemption in any fiscal year be less than the prior fiscal year.

(iii) One and twenty-two one hundredths of one percent (1.22%) to fund § Section 44-34-1, entitled “Motor Vehicle and Trailer Excise Tax Elimination Act of 1998”, to the maximum amount to the nearest two hundred fifty dollar ($250) increment within the allocation. In no event shall the exemption in any fiscal year be less than the prior fiscal year.

(iv) Except for the fiscal year ending June 30, 2008, ten one hundredths of one percent (0.10%), to a maximum of ten million dollars ($10,000,000), for supplemental distribution to communities not included in subsection (a)(1)(i) distributed proportionately on the basis of general revenue sharing distributed for that fiscal year. For the fiscal year ending June 30, 2008, distributions by community shall be identical to the distributions made in the fiscal year ending
June 30, 2007, and shall be made from general appropriations. For the fiscal year ending June 30, 2009, no funding shall be disbursed. For the fiscal year ending June 30, 2010, and thereafter, funding shall be determined by appropriation.

(2) To the licensed, video lottery retailer:

(a)(i) Prior to the effective date of the Newport Grand Master Contract, Newport Grand twenty-six percent (26%), minus three hundred eighty-four thousand nine hundred ninety-six dollars ($384,996);

(ii) On and after the effective date of the Newport Grand Master Contract, to the licensed, video lottery retailer who is a party to the Newport Grand Master Contract, all sums due and payable under said Master Contract, minus three hundred eighty-four thousand nine hundred ninety-six dollars ($384,996).

(iii) Effective July 1, 2013, the rate of net, terminal income payable to the licensed, video lottery retailer who is a party to the Newport Grand Master Contract shall increase by two and one quarter percent (2.25%) points. The increase herein shall sunset and expire on June 30, 2015, and the rate in effect as of June 30, 2013, shall be reinstated.

(iv)(A) Effective July 1, 2015, the rate of net terminal income payable to the licensed video lottery retailer who is a party to the Newport Grand Master Contract shall increase over the rate in effect as of June 30, 2013, by one and nine-tenths (1.9) percentage points. (i.e., x% plus 1.9 percentage points equals (x + 1.9)% where "x%" is the current rate of net terminal income payable to the licensed, video lottery retailer who is a party to the Newport Grand Master Contract). The dollar amount of additional net terminal income paid to the licensed video lottery retailer who is a party to the Newport Grand Master Contract with respect to any Newport Grand Marketing Year as a result of such increase in rate shall be referred to as "Additional Newport Grand Marketing NTI."

(B) The excess, if any, of marketing expenditures incurred by the licensed, video lottery retailer who is a party to the Newport Grand Master Contract with respect to a Newport Grand Marketing Year over one million four hundred thousand dollars ($1,400,000) shall be referred to as the "Newport Grand Marketing Incremental Spend." Beginning with the Newport Grand Marketing Year that starts on July 1, 2015, after the end of each Newport Grand Marketing Year, the licensed, video lottery retailer who is a party to the Newport Grand Master Contract shall pay to the Division the amount, if any, by which the Additional Newport Grand Marketing NTI for such Newport Grand Marketing Year exceeds the Newport Grand Marketing Incremental Spend for such Newport Grand Marketing Year; provided however, that such video lottery retailer's liability to the Division hereunder with respect to any Newport Grand Marketing Year shall be limited to three million dollars ($3,000,000).
Marketing Year shall never exceed the Additional Newport Grand Marketing NTI paid to such video lottery retailer with respect to such Newport Grand Marketing Year.

The increase in subsection 2(a)(iv) shall sunset and expire upon the commencement of the operation of casino gaming at Twin River-Tiverton's facility located in the town of Tiverton, and the rate in effect as of June 30, 2013, shall be reinstated.

(b)(i) Prior to the effective date of the UTGR master contract, to the present, licensed, video lottery retailer at Lincoln Park, which is not a party to the UTGR master contract, twenty-eight and eighty-five one hundredths percent (28.85%), minus seven hundred sixty-seven thousand six hundred eighty-seven dollars ($767,687);

(ii) On and after the effective date of the UTGR master contract, to the licensed, video lottery retailer that is a party to the UTGR master contract, all sums due and payable under said master contract minus seven hundred sixty-seven thousand six hundred eighty-seven dollars ($767,687).

(3) Except for the period commencing on January 1, 2022 and expiring on June 30, 2043,

(i) To the technology providers that are not a party to the GTECH Master Contract as set forth and referenced in P.L. 2003, ch. 32, seven percent (7%) of the net, terminal income of the provider's terminals; in addition thereto, technology providers that provide premium or licensed proprietary content or those games that have unique characteristics, such as 3D graphics; unique math/game play features; or merchandising elements to video lottery terminals may receive incremental compensation, either in the form of a daily fee or as an increased percentage, if all of the following criteria are met:

(A) A licensed, video lottery retailer has requested the placement of premium or licensed proprietary content at its licensed, video lottery facility;

(B) The division of lottery has determined in its sole discretion that the request is likely to increase net, terminal income or is otherwise important to preserve or enhance the competitiveness of the licensed, video lottery retailer;

(C) After approval of the request by the division of lottery, the total number of premium or licensed, proprietary-content video lottery terminals does not exceed ten percent (10%) of the total number of video lottery terminals authorized at the respective licensed, video lottery retailer; and

(D) All incremental costs are shared between the division and the respective licensed, video lottery retailer based upon their proportionate allocation of net terminal income.

The division of lottery is hereby authorized to amend agreements with the licensed, video lottery retailers, or the technology providers, as applicable, to effect the intent herein.
(ii) To contractors that are a party to the master contract as set forth and referenced in P.L. 2003, ch. 32, all sums due and payable under said master contract; and

(iii) Notwithstanding paragraphs (i) and (ii), there shall be subtracted proportionately from the payments to technology providers the sum of six hundred twenty-eight thousand seven hundred thirty-seven dollars ($628,737) which shall be distributed pursuant to Section 42-61.2-7(b)(3)(iii). With respect to the period commencing on January 1, 2022 and expiring on June 30, 2043,

(i) To the exclusive technology provider, all sums due and payable under the VLT Agreement;

(ii) Notwithstanding paragraph (i), there shall be subtracted from the payments to the exclusive technology provider the sum of six hundred twenty-eight thousand seven hundred thirty-seven dollars ($628,737) which shall be distributed pursuant to Section 42-61.2-7(b)(3)(iii); and

(iii) To IGT, all sums due and payable under the Video Lottery Agreement.

(4)(A) Until video lottery games are no longer operated at the Newport Grand gaming facility located in Newport, to the city of Newport one and one hundredth percent (1.01%) of net terminal income of authorized machines Video Lottery Terminals at Newport Grand, except that effective November 9, 2009, until June 30, 2013, the allocation shall be one and two tenths percent (1.2%) of net terminal income of authorized machines Video Lottery Terminals at Newport Grand for each week the facility operates video lottery games on a twenty-four-hour (24) basis for all eligible hours authorized; and

(B) Upon commencement of the operation of video lottery games at Twin River-Tiverton’s facility the Tiverton gaming facility, located in the town of Tiverton, to the town of Tiverton one and forty-five hundredths percent (1.45%) of net terminal income of authorized machines Video Lottery Terminals at the licensed, video lottery retailer’s facility located in the town of Tiverton Tiverton gaming facility, subject to subsection (g)(2); and

(C) To the town of Lincoln, one and twenty-six hundredths percent (1.26%) of net terminal income of authorized machines Video Lottery Terminals at Twin River the Lincoln gaming facility except that:

(i) Effective November 9, 2009, until June 30, 2013, the allocation shall be one and forty-five hundredths percent (1.45%) of net terminal income of authorized machines Video Lottery Terminals at Twin River the Lincoln gaming facility for each week video lottery games are offered on a twenty-four-hour (24) basis for all eligible hours authorized; and

(ii) Effective July 1, 2013, provided that the referendum measure authorized by P.L. 2011, ch. 151, article 25 as amended, section 4, is approved statewide and in the Town of Lincoln, the allocation shall be one and forty-five hundredths percent (1.45%) of net terminal income of...
authorized Video Lottery Terminals at Twin River the Lincoln gaming facility, subject to subsection (h)(2); and

(5) To the Narragansett Indian Tribe, seventeen hundredths of one percent (0.17%) of net terminal income of authorized machines Video Lottery Terminals at the Lincoln gaming facility Park, up to a maximum of ten million dollars ($10,000,000) per year, that shall be paid to the Narragansett Indian Tribe for the account of a Tribal Development Fund to be used for the purpose of encouraging and promoting: home ownership and improvement; elderly housing; adult vocational training; health and social services; childcare; natural resource protection; and economic development consistent with state law. Provided, however, such distribution shall terminate upon the opening of any gaming facility in which the Narragansett Indians are entitled to any payments or other incentives; and provided, further, any monies distributed hereunder shall not be used for, or spent on, previously contracted debts; and

(6) Unclaimed prizes and credits shall remit to the general fund of the state; and

(7) Payments into the state's general fund specified in subsections (a)(1) and (a)(6) shall be made on an estimated monthly basis. Payment shall be made on the tenth day following the close of the month except for the last month when payment shall be on the last business day.

(b) Notwithstanding the above, the amounts payable by the Division to UTGR related to the marketing program described in the UTGR master contract (as such may be amended from time to time) shall be paid on a frequency agreed by the Division, but no less frequently than annually.

(c) Notwithstanding anything in this chapter 61.2 of this title to the contrary, the director is authorized to fund the marketing program as described in the UTGR master contract.

(d) Notwithstanding the above, the amounts payable by the Division to the licensed, video lottery retailer who is a party to the Newport Grand Master Contract related to the marketing program described in the Newport Grand Master Contract (as such may be amended from time to time) shall be paid on a frequency agreed by the Division, but no less frequently than annually.

(e) Notwithstanding anything in this chapter 61.2 of this title to the contrary, the director is authorized to fund the marketing program as described in the Newport Grand Master Contract.

(f) Notwithstanding the provisions of § Section 42-61-15, but subject to § Section 42-61.2-7(h), the allocation of net, table-game revenue derived from table games at Twin River the Lincoln gaming facility is as follows:

(1) For deposit into the state lottery fund for administrative purposes and then the balance remaining into the general fund:
(i) Sixteen percent (16%) of net, table-game revenue, except as provided in § Section 42-61.2-7(f)(1)(ii);

(ii) An additional two percent (2%) of net, table-game revenue generated at Twin River Lincoln gaming facility shall be allocated starting from the commencement of table games activities by such table-game retailer and ending, with respect to such table-game retailer, on the first date that such table-game retailer's net terminal income for a full state fiscal year is less than such table-game retailer's net terminal income for the prior state fiscal year, at which point this additional allocation to the state shall no longer apply to such table-game retailer.

(2) To UTGR, net, table-game revenue not otherwise disbursed pursuant to subsection (f)(1); provided, however, on the first date that such table-game retailer's net terminal income for a full state fiscal year is less than such table-game retailer's net terminal income for the prior state fiscal year, as set forth in subsection (f)(1)(ii), one percent (1%) of this net, table-game revenue shall be allocated to the town of Lincoln for four (4), consecutive state fiscal years.

(g) Notwithstanding the provisions of § Section 42-61-15, the allocation of net, table-game revenue derived from table games at the Tiverton gaming facility owned by Twin River-Tiverton is as follows:

(1) Subject to subsection (g)(2) of this section, one percent (1%) of net, table-game revenue shall be allocated to the town of Tiverton;

(2) Fifteen and one-half percent (15.5%) of net, table-game revenue shall be allocated to the state first for deposit into the state lottery fund for administrative purposes and then the balance remaining into the general fund; provided however, that beginning with the first state fiscal year that a facility in the town of Tiverton gaming facility owned by Twin River-Tiverton offers patrons video lottery games and table games for all of such state fiscal year, for that state fiscal year and each subsequent state fiscal year that such Tiverton gaming facility offers patrons video lottery games and table games for all of such state fiscal year, if the town of Tiverton has not received an aggregate of three million dollars ($3,000,000) in the state fiscal year from net, table-game revenues and net terminal income, combined, generated by such the Tiverton gaming facility, then the state shall make up such shortfall to the town of Tiverton out of the state's percentage of net, table-game revenue set forth in this subsection (g)(2) and net terminal income set forth in subsections (a)(1) and (a)(6); provided further however, if in any state fiscal year either video lottery games or table games are no longer offered at a facility in the town of Tiverton gaming facility, owned by Twin River-Tiverton, LLC, then the state shall not be obligated to make up the shortfall referenced in this subsection (g)(2); and

(3) Net, table-game revenue not otherwise disbursed pursuant to subsections (g)(1) and
(g)(2) of this section shall be allocated to Twin River-Tiverton.

(h) Notwithstanding the foregoing § Section 42-61.2-7(f) and superseding that section effective upon the first date that a facility in the town of Tiverton gaming facility owned by Twin River-Tiverton offers patrons video lottery games and table games, the allocation of net, table-game revenue derived from table games at the Twin River in Lincoln gaming facility shall be as follows:

1. Subject to subsection (h)(2), one percent (1%) of net, table-game revenue shall be allocated to the town of Lincoln;
2. Fifteen and one-half percent (15.5%) of net, table-game revenue shall be allocated to the state first for deposit into the state lottery fund for administrative purposes and then the balance remaining into the general fund; provided however, that beginning with the first state fiscal year that a facility in the town of Tiverton owned by Twin River-Tiverton the Tiverton gaming facility offers patrons video lottery games and table games for all of such state fiscal year, for that state fiscal year and each subsequent state fiscal year that such the Tiverton gaming facility offers patrons video lottery games and table games for all of such state fiscal year, if the town of Lincoln has not received an aggregate of three million dollars ($3,000,000) in the state fiscal year from net, table-game revenues and net terminal income, combined, generated by the Twin River facility in Lincoln gaming facility, then the state shall make up such shortfall to the town of Lincoln out of the state’s percentage of net, table-game revenue set forth in this subsection (h)(2) and net terminal income set forth in subsections (a)(1) and (a)(6); provided further however, if in any state fiscal year either video lottery games or table games are no longer offered at a facility in the town of Tiverton gaming facility owned by Twin River-Tiverton, LLC, then the state shall not be obligated to make up the shortfall referenced in this subsection (h)(2);
3. Net, table-game revenue not otherwise disbursed pursuant to subsections (h)(1) and (h)(2) shall be allocated to UTGR.

SECTION 6. Authorization and Empowerment of State Lottery Division with respect to Twin River. Notwithstanding any provisions of the General Laws of the state or regulations adopted thereunder to the contrary, including, without limitation, the provisions of chapter 2 of title 37, chapter 61 of title 42, and chapter 64 of title 42, the Division is hereby authorized and empowered to enter into an amendment to the UTGR Master Contract, or an amended and restated UTGR Master Contract (the "UTGR Master Contract Amendment"), which shall:

1. Extend the term of the UTGR Master Contract through the Extended Expiration Date under the terms and conditions set forth therein, as amended pursuant to this Section 6 and as may
be otherwise amended in accordance with its terms;

(2) To obligate Twin River to build a fifty thousand (50,000) square foot expansion of the Lincoln Gaming Facility, which expansion shall be reviewed and approved by the Division;

(3) To obligate Twin River (directly or through another affiliate of TRWH) to lease at least twelve thousand (12,000) square feet of commercial space in Providence through at least the Extended Expiration Date (the “Twin River Providence Lease Obligation”);

(4) To grant the Division the right to terminate the UTGR Master Contract if:

(i) TRWH (directly or through another Affiliates of TRWH) fails to perform the Twin River Investment Obligation; or (ii) Twin River fails to perform the Twin River Providence Lease Obligation, in addition to any rights the Division has to terminate the UTGR Master Contract; and

(5) With the prior approval of the Division, consolidate the Initial Promotional Points Program and the Supplementary Promotional Points Program applicable to the Lincoln Gaming Facility and the Initial Promotional Points Program and the Supplementary Promotional Points Program applicable to the Tiverton Gaming Facility into the Consolidated Promotional Points Program, and further provide that Twin River and Twin River-Tiverton, collectively, and not each individually, may issue to customers and prospective customers of the Lincoln Gaming Facility and/or the Tiverton Gaming Facility Promotional Points in an aggregate amount up to the sum of

(a) twenty percent (20%) of the aggregate Net Terminal Income for the Lincoln Gaming Facility and the Tiverton Gaming Facility for the Prior Marketing Year and (b) one million five hundred thousand dollars ($1,500,000), the foregoing superseding and replacing any law applicable to the Lincoln Gaming Facility relating to Promotional Points that Twin River may issue to customers and prospective customers of the Lincoln Gaming Facility; and

(6) Contain such other or such revised terms and conditions as the Division and Twin River may agree.

SECTION 7. Authorization and Empowerment of State Lottery Division with respect to Twin River Tiverton. Notwithstanding any provisions of the General Laws of the state or regulations adopted thereunder to the contrary, including, without limitation, the provisions of chapter 2 of title 37, chapter 61 of title 42, and chapter 64 of title 42, the Division is hereby authorized and empowered to enter into an amendment to the Twin River-Tiverton Master Contract, or an amended and restated Twin River-Tiverton Master Contract (the “Twin River-Tiverton Master Contract Amendment”), which shall:

(1) Extend the term of the Twin River-Tiverton Master Contract through the Extended Expiration Date under the terms and conditions set forth therein, as amended pursuant to this Section 7 and as may be otherwise amended in accordance with its terms;
(2) With the prior approval of the Division, consolidate the Initial Promotional Points Program and the Supplementary Promotional Points Program applicable to the Lincoln Gaming Facility and the Initial Promotional Points Program and the Supplementary Promotional Points Program applicable to the Tiverton Gaming Facility into the Consolidated Promotional Points Program, and further provide that Twin River and Twin River-Tiverton, collectively, and not each individually, may issue to customers and prospective customers of the Lincoln Gaming Facility and/or the Tiverton Gaming Facility Promotional Points in an aggregate amount up to the sum of (a) twenty percent (20%) of the aggregate Net Terminal Income for the Lincoln Gaming Facility and the Tiverton Gaming Facility for the Prior Marketing Year and (b) one million five hundred thousand dollars ($1,500,000), the foregoing superseding and replacing any law applicable to the Tiverton Gaming Facility relating to Promotional Points that Twin River-Tiverton may issue to customers and prospective customers of the Tiverton Gaming Facility; and

(3) Contain such other or such revised terms and conditions as the Division and Twin River-Tiverton may agree.

SECTION 8. Further authorization and empowerment of State Lottery Division with respect to affiliates of TRWH. Notwithstanding any provisions of the General Laws of the state or regulations adopted thereunder to the contrary, including, without limitation, the provisions of chapter 2 of title 37, chapter 61 of title 42, and chapter 64 of title 42, the Division is hereby authorized and empowered to enter into a contract with Twin River, Twin River-Tiverton or another Affiliate of TRWH (the "TRWH Technology Provider License Agreement") whereunder such Affiliate of TRWH would be a Technology Provider on or before October 1, 2020 through December 31, 2021, and have the right to provide, and shall provide, all Video Lottery Terminals provided to the Division other than those that IGT and its Affiliates have a right to provide pursuant to applicable law and efficiency formulas existing as of the effective date of this act for the term of the TRWH Technology Provider License Agreement; provided, however, nothing in this act shall limit the authority of the Division to approve the Video Lottery Terminals and Video Lottery Games provided pursuant to the TRWH Technology Provider License Agreement. The TRWH Technology Provider License Agreement shall contain such other terms and conditions as the Division may require.

SECTION 9. Naming rights agreement. Notwithstanding any provisions of the General Laws of the state or regulations adopted thereunder to the contrary, the I-195 Redevelopment District Commission (the "195 Commission") is hereby authorized and empowered to enter into a contract with an Affiliate of TRWH whereunder such Affiliate of TRWH would agree to pay one hundred thousand dollars ($100,000) per year for the period from July 1, 2020 and expiring on the
Extended Expiration Date, or some portion thereof at the election of the 195 Commission, for the right during such period to name a park or a portion thereof within the I-195 Redevelopment District, the naming rights for which are controlled by the 195 Commission, and containing such other terms and conditions as the 195 Commission and the Affiliate of TRWH may agree (the "Naming Rights Agreement"). If the 195 Commission declines to enter into a Naming Rights Agreement with an Affiliate of TRWH, there shall be no adverse effect to TRWH or its Affiliates under this act or any of the agreements referenced in this act.

SECTION 10. Amendments to regulatory agreement involving TRWH and affiliates of TRWH. Notwithstanding any provisions of the General Laws of the state or regulations adopted thereunder to the contrary, the Division and the state of Rhode Island department of business regulation (the "DBR") are hereby authorized and empowered to enter into an amendment to the Amended and Restated Regulatory Agreement dated November 13, 2019 among the Division, the DBR, TRWH, Twin River Management Group, Inc., UTGR, Inc. and Twin River-Tiverton, LLC (the "Amended and Restated Regulatory Agreement"), which amendment (the "Regulatory Agreement Amendment"), among other things, shall:

(1) Authorize and permit an Affiliate of TRWH to invest in the Joint Venture;
(2) Authorize and permit TRWH or an Affiliate of TRWH to pay six million five hundred thousand dollars ($6,500,000) to IGT or the Division (at IGT’s election) in connection with the payment of the Second Intangible Asset Purchase Price;
(3) Exclude from financial tests and other covenants in the Amended and Restated Regulatory Agreement sale-leaseback transactions relating to Rhode Island assets and permitting such transactions subject to the review and approval of the Division and the DBR subject to the requirement that the net proceeds received from the sale-leaseback transaction be used to repay debt unless otherwise approved or agreed by the Division or the DBR and that the buyer-lessee of the relevant Rhode Island assets be licensed by the Division to assure that the assets continue to meet all of the regulatory requirements imposed to protect the State's financial interests and the integrity of the gaming experience;
(4) Increase the "Maximum Leverage Ratio" to the lesser of 5.5:1 (or such greater ratio as the Division and the DBR decide is appropriate to adjust for periods the Lincoln Gaming Facility, the Tiverton Gaming Facility and other gaming facilities owned by Affiliates of TRWH are closed due to the COVID-19 pandemic) and the consolidated total net leverage ratio specified in the TRWH Credit Agreement (as amended from time to time), but using the methodology set forth in the Amended and Restated Regulatory Agreement (as amended from time to time) to calculate the "Leverage Ratio," through the Extended Expiration Date, and, for purposes of calculating the...
"Leverage Ratio," for the period beginning on the JV Effective Date and continuing through the Extended Expiration Date, modify the definition of (a) "Consolidated EBITDA" to include any income TRWH earns from the Joint Venture or records as income under generally accepted accounting principles as EBITDA and reduce the "VLT Addback" for TRWH's proportionate ownership share of the Joint Venture and (b) "Indebtedness" to exclude "Capital Lease Obligations" entered into in connection with a sale-leaseback transaction provided that both the transaction and the use of proceeds occur in accordance with the provisions of subsection (3) of this section (all terms in quotations in this subsection (4) are as defined in the Amended and Restated Regulatory Agreement);

(5) Authorize and permit an Affiliate of TRWH to make capital expenditures to design, develop and construct the fifty thousand (50,000) square foot expansion of the Lincoln Gaming Facility;

(6) Require TRWH and Twin River Management Group, Inc. ("TRMG") to use their best efforts to locate additional senior management level employees in the state; and further require that TRWH and/or TRMG add no fewer than thirty (30) members of the senior management employees of TRWH and/or TRMG in the state within twenty-four (24) months from the passage of this act (the "Senior Management Employee Location Obligation"). Said thirty employees shall be paid, in each calendar year, aggregate compensation (which shall include pre-tax deductions made on behalf of employees) not less than the product of: (1) Thirty (30); (2) Two thousand eighty (2,080); and (3) Two hundred fifty percent (250%) of the minimum wage in effect from time to time pursuant to Section 28-12-3 of the General Laws (the "Senior Management Compensation Obligation"). The Senior Management Employee Location Obligation and the Senior Management Compensation Obligation shall be in addition to any other employment requirements in the Amended and Restated Regulatory Agreement (as amended from time to time) and the General Laws of the state. The Division shall have the right to access liquidated damages against TRWH or TRMG if there is a failure to satisfy the Senior Management Compensation Obligation for any calendar year, commencing with the calendar year ending on December 31, 2023. Said liquidated damages shall be equal to the product of (A) the difference between the actual number of employees less than the thirty employees required under the Senior Management Employee Location Obligation and (B) six thousand four hundred dollars ($6,400). TRWH and/or TRMG shall provide to the Division an annual certification on or before May 1 of each year certifying that TRWH and/or TRMG is in compliance with the employment obligations under this subsection for the prior calendar year.

(7) In addition to TRWH's obligations under Section 7.5(d) of the Amended and Restated
Regulatory Agreement, authorize and obligate TRWH (directly or through Affiliates of TRWH) to invest or cause to be invested by TRWH, an Affiliate of TRWH or an Eligible Third Party in the state during the period between the effective date of the Regulatory Agreement Amendment and the Extended Expiration Date, in the aggregate at least one hundred million dollars ($100,000,000) (the "Twin River Investment Obligation"), which, with the Division's prior approval, shall be expended in connection with: (i) Expanding and improving the Lincoln Gaming Facility and the Tiverton Gaming Facility and developing or improving real property surrounding the facilities; (ii) Performing under the UTGR Master Contract, as amended by the UTGR Master Contract Amendment; (iii) Performing under the Twin River-Tiverton Master Contract, as amended by the Twin River-Tiverton Master Contract Amendment; (iv) Performing under the TRWH Technology Provider License Agreement (including, without limitation, all Video Lottery Terminals purchased by Affiliates of TRWH through December 31, 2021); (v) Performing under the Naming Rights Agreement; (vi) Performing under the Amended and Restated Regulatory Agreement, as amended by the Regulatory Agreement Amendment; and (vii) performing the Twin River Providence Lease Obligation; provided, however, in no event shall TRWH receive credit toward performance of the Twin River Investment Obligation more than once in connection with any expenditure; and (8) Authorize and permit TRWH and Affiliates of TRWH to take such other actions as are necessary to fulfill the purposes and intention of this act with the agreement or approval of the Division and the DBR.

SECTION 11. Effective dates of amendments and agreements contemplated by this act. Notwithstanding any provisions of this act or any provision of the General Laws of the state or regulations adopted thereunder to the contrary: (1) The IGT Master Contract Amendment (which, among other matters, will extend the term of the VLT Agreement through the Extended Expiration Date), the UTGR Master Contract Amendment, the Twin River-Tiverton Master Contract Amendment, and the Regulatory Agreement Amendment shall take effect on the same date; and (2) No such agreements shall take effect until all such agreements take effect.

SECTION 12. Credit for acquisitions and expenditures. With respect to the performance of the Second IGT Investment Obligation and the Twin River Investment Obligation under this act, no acquisition and/or expenditure shall be permitted to be credited to both IGT and TRWH. In the event of a disagreement between IGT and TRWH with respect to the allocation of a credit for an acquisition and/or expenditure, the determination of whether IGT or TRWH is allocated said credit shall be solely determined by the Division.

SECTION 13. Reporting and Compliance. (a) Amendments – The Division shall provide notice of any further amendment(s) or
letter(s) of agreement which alter any of the obligations of IGT, TRWH, or the Joint Venture as set forth in the IGT Master Contract, the IGT Master Contract Amendment, the UTGR Master Contract, the UTGR Master Contract Amendment, the Twin River-Tiverton Master Contract, or the Twin River-Tiverton Master Contract Amendment to the Permanent Joint Committee on State Lottery, the Speaker of the House, and the President of the Senate no later than ten days (10) from the effective date of such amendment or agreement, along with a summary explanation of what the amendment or agreement provides and both the fiscal and economic impact of those changes; provided, however, that no amendment or letter of agreement shall alter or modify, in any way, any provision of this authorizing legislation.

(b) Not less than every two years, the Division shall request the Commerce Corporation to perform audits to ensure IGT’s compliance with its employment and compensation obligations under the terms and conditions set forth in the IGT Master Contract, the IGT Master Contract Amendment, and this act, as each may otherwise be amended from time to time. The Commerce Corporation shall perform said audits and shall forward the completed audit reports to the Division within thirty (30) days of the end of the measuring period. Within ten (10) days of the date the Division receives the audit reports from the Commerce Corporation, the Division shall forward a copy to the Permanent Joint Committee on State Lottery, the Speaker of the House, and the President of the Senate.

(c) Not less than every two years, the Division shall request the Commerce Corporation to perform audits to ensure TRWH’s compliance with its employment and compensation obligations under the terms and conditions set forth in the UTGR Master Contract, the UTGR Master Contract Amendment, the Twin River-Tiverton Master Contract, the Twin River-Tiverton Master Contract Amendment, the Amended and Restated Regulatory Agreement, and this act, as each may otherwise be amended from time to time. The Commerce Corporation shall perform said audits and shall forward the completed audit reports to the Division within thirty (30) days of the end of the measuring period. Within ten (10) days of the date the Division receives the audit reports from the Commerce Corporation, the Division shall forward a copy to the Permanent Joint Committee on State Lottery, the Speaker of the House, and the President of the Senate.

(d) Reports of any and all audits performed relating to IGT’s, the Joint Venture’s, UTGR’s, Twin River’s, Twin River-Tiverton’s, or another Affiliate of TRWH’s service as a Technology Provider’s services in the State of Rhode Island shall be forwarded to the Permanent Joint Committee on State Lottery, the Speaker of the House, and the President of the Senate, within seven (7) days of the completion of any audit report; provided, however, summaries of IT security, cyber and penetration audits shall be provided to the General Assembly.
(e) Efficiency Reporting – The Division shall prepare an annual efficiency report which reflects the measure of Video Lottery Terminal performance during the first thirteen (13) weeks of each calendar year and shall forward said report to the Permanent Joint Committee on State Lottery, the Speaker of the House, and the President of the Senate on or before May 15th of each calendar year. Said report shall include an explanation/rationale for any decision by the Division regarding the allocation or reallocation of Video Lottery Terminals as well as an impact assessment of the reallocation of Video Lottery Terminals, if any, or of any determination to not make any reallocation of VLTs.

(f) Contract Compliance – The Division shall prepare an annual report summarizing any findings by the Division of noncompliance with any terms and conditions set forth in the IGT Master Contract, the IGT Master Contract Amendment, the UTGR Master Contract, the UTGR Master Contract Amendment, the Twin River-Tiverton Master Contract, or the Twin River-Tiverton Master Contract Amendment as each may otherwise be amended from time to time and any penalties assessed and any remedial actions taken by the Division in response to such noncompliance through the Extended Expiration Date. Said report shall be forwarded to the Permanent Joint Committee on State Lottery, the Speaker of the House, and the President of the Senate.

SECTION 14. Inconsistencies. Insofar as the provisions of this act are inconsistent with the provisions of any other general or special law of the state, the provisions of this act shall control.

SECTION 15. Agreement. The state and IGT agree that the provisions of this act are not intended to modify in any way the relative rights and obligations of the Division and IGT under the IGT Master Contract Amendment.

SECTION 16. This act shall take effect upon passage.
EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N  A C T
ENABLING THE STATE LOTTERY DIVISION OF THE DEPARTMENT OF REVENUE TO CONTRACT WITH IGT GLOBAL SOLUTIONS CORPORATION AND TWIN RIVER

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1 This act would enable the state lottery division of the department of revenue to enter into
2 a contract extension with IGT Global Solutions Corporation and contract extensions with Twin
3 River and affiliates of Twin River.
4 This act would take effect upon passage.

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