



STATE OF ARKANSAS
ARKANSAS LOTTERY COMMISSION

EXHIBIT E

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July 10, 2014

The Honorable Robert Thompson, Co-Chair
The Honorable Mark Perry, Co-Chair
Arkansas Lottery Commission Legislative Oversight Committee
One Capitol Mall, Room R-501
Little Rock, AR 72201

RE: Notice of Execution of Renewal of MUSL Website Hosting/Caching Service Level Agreement

Gentlemen:

In accordance with the letter of December 14, 2010, from the previous Co-Chairs of the Arkansas Lottery Commission Legislative Oversight Committee, please consider this letter and the attachment as notice of the execution on June 30, 2014, of the renewal of a cloud hosting service agreement with the Multi-State Lottery Association (MUSL).

1. Date of Agreement: June 30, 2014
2. Term of Agreement: The term of this agreement shall be from July 1, 2014 through June 30, 2015. This term shall automatically renew for one (1) year periods unless the Arkansas Lottery Commission (ALC) provides written notice to MUSL that it will not be renewing the contract within thirty (30) days of current contract end date.
3. Vendor or other parties to the Agreement: Multi-State Lottery Association
4. Value (cost or cost savings projected for the agreement): The annual fee shall be \$25,000 based on the usages outlined below. This annual fee will automatically increase by five percent (5%) per year thereafter as this Agreement is annually renewed.
 1. FY 2014 bandwidth use;
 2. 2 databases;
 3. 3 virtual servers;
 4. 1 production IP address (domain);
 5. 30 GB hard disk space used;
 6. 10 GB RAM memory; and
 7. Domain parking charges for seven (7) sites.

A copy of the executed document is attached. Please let me know if you would like additional information or have any questions regarding this matter.

Respectfully,


Bishop Woosley
Director

Enclosure

cc: John C. "Smokey" Campbell III, Chair, Arkansas Lottery Commission
Mr. Roger Norman, Legislative Auditor, Division of Legislative Audit

MUSL Website Hosting / Caching Service Level Agreement

Introduction and Term

This Website Hosting / Caching Service Level Agreement ("SLA") replaces any prior agreement entered into for these services as of the beginning service date indicated below, and sets forth the specific terms and conditions under which the Multi-State Lottery Association ("MUSL") shall supply certain Services to Customer.

The Initial Term for this SLA shall be from **July 1, 2014 through June 30, 2015**. This term shall automatically renew for one (1) year periods unless Customer provides written notice to MUSL that they will not be renewing the contract within thirty (30) days of current contract end date. Annual and optional additional fees are set out in Appendix A.

The purpose of this SLA is to provide website hosting services by MUSL to Customer. Such services shall include providing one or more data centers necessary to house MUSL and potentially customer-owned equipment in a data infrastructure controlled and managed by MUSL and its vendors for the purpose of making Customer websites and the data the websites are reliant on available to the Customer and their intended website End-Users.

NOTE – Caching-only Customers (those Customers not receiving Hosting Services, use of MUSL servers or database, etc.) will only receive services as described in Sections 2.9, 2.10, 2.12, 2.13, 2.14, 3.7, 3.8, 3.10, 3.12, 3.14, 3.15, and 6 unless separately agreed to by Customer and the MUSL.

1.0 Terminology

Authorized Contact: "Authorized Contact" is a representative authorized by Customer to request service changes using procedure outlined herein.

Customer: "Customer" is the party MUSL is entering into this SLA with (e.g. a member lottery).

Customers: "Customers" refers to all entities MUSL is hosting websites for under these types of SLAs.

Data Center: "Data Center" refers to the physical space within a facility used for hosting of MUSL and customer equipment.

Data Infrastructure: "Data Infrastructure" refers to the Ethernet Switching, Wide Area networking and Internet components available in the Data Center. All access to the Data Infrastructure is contracted separately by MUSL.

Equipment: "Equipment" refers to Equipment that MUSL has deployed in MUSL-managed facilities to provide Service to Customer.

Server: "Server" refers to the computer (virtual or real) being provided as part of Service.

Service: "Service", as used in this SLA, refers to the Website Hosting Services provided to Customer and includes the systems, equipment, Cloud Servers, technical support, communications, and necessary interfaces.

System-Users: refers to Customer employees authorized to access MUSL provided operating system(s) ("OS") and infrastructure.

End-Users: "End-Users" refers to any person authorized by Customer to access their website.

2.0 Service Description

2.1 Cloud Servers

Cloud Server(s) including platform, hardware configuration, and Operating System ("OS"). Windows Server 2003, Windows Server 2008, or Windows Server 2012 OS' are natively provided without additional cost. Use of other OS', compatible with x86 environments, are permitted provided proof of license is submitted by Customer and media provided to MUSL by Customer.

MUSL will procure such Cloud Server(s), install the selected OS, and configure the network interface card(s) ("NIC") with an Internet Protocol ("IP") address accessible within the MUSL Network and the general Internet using virtualized or real hardware. MUSL will place such Cloud Server(s) in MUSL datacenter facilities within host server machines. MUSL is working to establish an underground backup that will benefit from dynamically replicated content to that installed at the primary facility.

MUSL will manage and maintain the Cloud Server(s) hardware and provide basic managed computer support which includes:

- Basic ICMP and IP port monitoring 24 hours/day, 365 days/year
- Remote hands support during regular business hours (Central Time Zone)
- Windows OS patching, SQL Server patching and Windows anti-virus software
- Local Administrator establishment
- Initial web configuration of IIS version preferred by Customer
- Disk defragmentation and cleanup of unused system files

In the case of non-Windows Operating Systems, MUSL will not provide patch maintenance, anti-virus, or configuration outside of provided tools providing remote access.

MUSL will make available IP network access to dedicated virtualized Customer Cloud Server(s) via a client to network Virtual Private Network (VPN) connection that will allow use of the Windows Remote Desktop Protocol on TCP port 3389. Other data ports will be opened upon request. Access to Enterprise Database Servers will be provided through TCP port 1433 across the VPN. Use of VPN connections shall be limited to infrastructure and content management, unless otherwise agreed in writing.

Service will be made available to Customer via the following base offering:

Up to two Virtual Cloud Servers for production use, each with up to 2 virtual Xeon 5450 or faster vCPU's, up to 2GB RAM, and having up to 30GB of local storage.

The two production cloud servers can be used as load balanced web servers, application servers, database servers, or any combination thereof.

2.2 Enterprise Database Servers

Use of MUSL's shared clustered SQL Server 2000 Enterprise Series, SQL Server 2005 Enterprise Series, and SQL Server 2012 Enterprise Series is available. Customers are limited to up to one (1) database per production IP and up to one (1) database in test. Additional databases are available upon request by the Customer subject to fees as described in Appendix A. MUSL shall create databases, System End-User accounts, and perform patch maintenance on these machines. Support for external database synchronization is included in the core offering.

2.3 Other Database Servers

Use of other database engines, such as MySQL, SQL Server Express, etc. shall be permissible, but only as installed within a virtual machine (whether on a Web Server or on a dedicated VM) by the Customer. Support for databases outside of those detailed in Section 2.2 fall outside the scope of this SLA. See section 2.4 on Additional Servers.

2.4 Test Servers

Up to one Virtual Cloud Server will be made available for testing with up to 2 vCPU's, up to 2GB of RAM, and having up to 30GB of local storage.

2.5 Additional Servers

Additional virtual machines (i.e. virtual servers) are available at additional cost as described in Appendix A and will be configured with up to 2 vCPU's, up to 2GB of RAM, and have up to 30GB of local storage.

2.6 Disk Usage

Up to 30GB of space on a shared Storage Array Network for web content will be available to each Customer. Up to 50GB of space on a shared Storage Array Network will be available for each Enterprise Database. Additional fees for exceeding those limits are indicated in Appendix A.

2.65 Additional RAM

RAM desired beyond the provided 2GB allocated is available on written request and will be billed as indicated in Appendix A.

2.7 Snapshots

MUSL will take a snapshot of running virtual machines prior to providing initial access to Customer and upon agreed-upon request thereafter. MUSL will revert to prior snapshots upon request.

2.8 Third Party Software

Use of third party software, such as PHP, Joomla. etc. is allowed through this SLA. Support for third party software is outside the scope of this SLA. Customers electing to install anything other than the standard software products defined elsewhere in this SLA will be responsible for the licensing of same. MUSL will offer Customers the possibility of either the Customer or the MUSL holding all licenses. Note that given MUSL's non-profit and government-affiliated status, MUSL can oftentimes obtain licensing for significantly less than 3rd parties; Customers will be responsible for all unique licensing required by Customers. Customers should note, however, that any license held by the MUSL will not be able to be transferred in the future.

2.9 Availability

The availability of Service is dependent on existence of a suitable network transport from MUSL to Customer and its End-Users. MUSL reserves the right to limit availability of Service even if suitable network transport exists between MUSL and Customer and its End-Users. MUSL also reserves the right to limit service availability in the event that necessary service components including, but not limited to, electrical power, cooling capacity, cabling, rack space, switching/routing/network infrastructure, application software, etc. are either unavailable or unattainable at a reasonable cost to MUSL.

2.10 Disaster Recovery

MUSL offers a secondary hosting site in the event of a disaster at the primary site with the possibility not more than four (4) hours (and as little as 15 minutes) of downtime for websites without customized applications running on the environment.

Efforts to re-establish connectivity at the disaster site will begin within 15 minutes of staff notification during business hours and within four hours during non-business hours.

MUSL has a secondary site and content is dynamically replicated between storage area network devices each evening as part of a batch process. Before June 30, 2014, a replacement secondary is expected be in service.

A non-redundant virtual machine web server is built for each hosted Customer that is configured to read the replicated content and serve web page content.

It is the Customer's responsibility to ensure that their website content uses a singular referenced file for database access requests and advises the MUSL of this file path. MUSL staff may change the referenced file to point to the backup data source location in the event of a disaster as part of recovery operations.

The DNS Alias record for each Customer Website will need to be changed to point to the backup hosting location in the event of a disaster. MUSL staff will change DNS entries for any domain that the MUSL is authoritative for as part of recovery operations. Authoritative domains are configured with a 15 minute Time To Live. MUSL does not retain any responsibility for external caching of DNS information. Customers are encouraged to allow the MUSL to host their DNS in order to maximize uptime.

Technical contacts are responsible for handling DNS changes as instructed by MUSL staff for any domain that MUSL is not authoritative for.

As available bandwidth at the secondary location is currently limited to 50Mbps, Customer Websites may experience throttling during jackpot periods and during draw periods with elevated jackpots.

2.11 Replication

All data (both database and content) are dynamically replicated to secondary site with no webmaster intervention required.

2.12 Site Hardening

MUSL's primary hosting facility is in a physically hardened, carrier-class, 24/7 manned, primary hosting facility with redundant power feeds, cooling, generator, and chemical-based fire suppression. The provider is a carrier neutral hotel.

2.13 Bandwidth

The MUSL primary infrastructure is capable of serving up to a total of 8Gbps (about 5200 T1's) of concurrent web traffic without site-level throttling of any kind. During periods when unusually high web traffic is expected, as would be the case with MUSL game grand prizes are above \$500 million, some traffic may be diverted to backup hosting locations to effectively more than double capacity.

2.14 Transfer

MUSL's hosting infrastructure does not impose any caps on total bandwidth used or amount of data transferred.

2.15 Reporting

General file transfer statistics for Customer Websites are available through MUSL's web reporting tool.

2.16 Fault Tolerance

MUSL's website hosting infrastructure is designed with zero single points of failure. More information on the infrastructure is included by means of a high-level network diagram as included in Appendix B. MUSL reserves the right to change this hosting infrastructure at any time without notice to customer.

2.17 Resilience

MUSL's virtual infrastructure is configured to dynamically move running Operating Systems to other hardware in the event of host server failure. Controls prevent the possibility of any cloud server operating systems from accessing another cloud server's data without authorization.

2.18 Bulk email

MUSL core hosting platform offers a bulk email handling solution that allows domain-specific sending rules to maximize email throughput and minimize email reputation (sender-score) issues. A native bulk email handling interface is also available with the core package that requires little to no coding. A dedicated IP address is mandated for this service.

2.19 Limitations

MUSL is aware that vendor-provided patches have the possibility of negatively impacting production systems. MUSL will either revert to a prior snapshot or uninstall the patch should this occur at the discretion of MUSL.

3.0 Service Options

The following options may be added to Customer Service at the election of the Customer. Description of Service options herein described in no way entitles Customer to the feature. Options described below may have additional cost associated with them.

3.1 Cloud Upgrades

MUSL offers hardware upgrades for monthly fees as described in Appendix A for:

vCPU

RAM

Disk Space

3.2 Managed Computer Support - Premium

MUSL offers upgraded server management for a monthly fee as described in Appendix A. Upgraded server management includes:

- Advanced SNMP or WMI-based monitoring
- Advanced operating system installation support
- Operating system and application post-installation support

Installation of additional software not prescribed in the core offering as described elsewhere in this SLA, OS administration, and other services are available at a rate to be determined depending on the requirements stipulated – see Appendix A.

3.3 Microsoft Datacenter Edition licensing

MUSL offers its Customers, at their election, selected Microsoft OS under the Data Center Edition licensing at no additional charge.

3.4 Managed Backup and Recovery

MUSL offers a Managed Backup and Recovery service to Website Hosting Customers. MUSL recommends utilizing this Service for backing up Cloud Servers. Cost of the service will be treated under an additional agreement – See Appendix A. Upon request and at no additional charge, MUSL will schedule database backups to leave copies in the Customer Websites' FTP folder.

3.5 Hosted Storage

3.5.1 NAS

MUSL maintains iSCSI-attached SAN storage from NetApp for Customer use on all Virtual Servers. RAID-DP is used to safeguard data from double disk failure.

Use of space above indicated maximum is available at an additional cost – see Appendix A.

3.5.2 SAN

MUSL maintains iSCSI-attached SAN storage from NetApp for Customer use on all Virtual Servers. RAID-DP is used to safeguard data from double disk failure.

Use of space above indicated maximum is available at an additional cost – see Appendix A.

3.6 Firewall Services

MUSL offers its Cisco ASA firewalls to protect its Customer's Virtual Cloud Servers. No Customer involvement is required to affect this service.

3.7 DNS

MUSL operates a redundant DNS platform for Customer use. MUSL will assist in the registration or modification and migration of domain registration records to MUSL Primary and Secondary Domain Name servers.

MUSL will provide Primary and Secondary hosting of such DNS records, though use of such service is not mandatory.

3.8 Load Balancing

MUSL offers a Load Balancing Service. This service tracks network sessions and server availability in real time, directing each session to the most appropriate server. This service is available as part of the core hosting solution.

3.9 E-mail Services

MUSL offers a variety of e-mail services as separate products – see Appendix A.

3.10 Internet Bandwidth

Bandwidth for internet traffic is available for Website Hosting customers. The MUSL infrastructure is presently capable of serving up to 8Gbps of internet traffic, but planned website improvements will bring capabilities to not less than 14Gbps.

3.11 Additional Data Center and Network requirements

At times, Customer may require additional infrastructure for their Cloud Servers. These may include, but are not limited to, Ethernet ports, fiber ports, crossconnects, cabling, IP Addresses and special network configurations. If available these may be subject to additional costs – see Appendix A.

3.12 Caching

MUSL provides redundant upstream caching of web servers to alleviate load on back-end hardware. Caching of external Customer Websites is also supported. As this caching infrastructure is used to minimize back-end server load, for costs of disabling caching, see Appendix A.

3.13 File Transfer

Transfer of files via FTP and Secure FTP to a common Storage Area Network is provided for content management.

3.14 Dynamic Compression

The upstream redundant caching solution is configured to dynamically decrease page load times.

3.15 Domain Name Transfer

Customer may transfer ownership of its domain(s) to allow the MUSL to fully regulate domain settings. MUSL will return ownership of any transferred domains back to Customer within 30 days upon request from an Authorized Contact. Any expenses associated with such transfer(s) will be billed to Customer.

4.0 Service Delivery

4.1 General

It is Customer's responsibility to ensure that all Customer's computers are able to connect to the Internet and are configured properly. This includes, but is not limited to, Ethernet switches, Ethernet cabling, workstations, Customer-owned servers, operating systems, and Internet connectivity.

MUSL connects each Cloud Server to the MUSL network.

4.2 Installation

Upon procurement of the Service hardware, MUSL will assemble the server, rack the server and provision one or more of the following for the Virtual Server product as required:

- Rack space units
- Power ports
- KVM ports
- Network Infrastructures
- Ethernet ports
- VLANs
- Subnets
- Routing

MUSL will install the base OS for Cloud Servers. Additional OS configuration may be billable.

Customer-owned or GPL licensure may be used on MUSL Cloud Servers, but MUSL provides no guarantee for functionality on MUSL owned Servers for said OS software. Customer is responsible for providing all media and license key information to MUSL prior to the OS installation for these servers. All installation and consulting time relating to non-MUSL OS Software will be billable. Once the OS installation is complete, MUSL staff will configure the Cloud Server's networking components, setup a basic administrative System-User account and make the server available to the Customer. Once the Customer has verified that the Server is available and functioning properly, the Service will be considered active and billing will commence. Administration and patching of unsupported OS' are the responsibility of the Customer after Service Activation. If additional configuration work is required due to limitations of the Customer Network or other server/application requirements, MUSL reserves the right to bill Customer at

current hourly rates. Reinstallation of the OS due to such circumstances may be deemed billable. MUSL is NOT responsible for and will not be obligated to provide any support of or assistance in configuration, installation, administration, troubleshooting, maintenance or repair of any Customer equipment and software, or integration of such equipment and software into the Customer Network.

4.3 Cabling

MUSL provides basic network cabling to Cloud servers owned by MUSL and provisioned for Customer use. MUSL reserves the right to limit any cabling requests from Customer. If non-standard cabling is required, additional charges may apply to accommodate such cabling – see Appendix A.

MUSL reserves the right to bill Customer at current market rates for any cabling required to support Service. MUSL reserves the right to use outside cabling contractors to perform this cabling work.

4.4 Service Upgrades & Modifications

MUSL may use other methods to provide Customer with equivalent Service. MUSL reserves the right to replace Customer Service with equivalent or upgraded Service at any time during contract duration. MUSL will make an effort to coordinate any such Service change with the Customer prior to such change. If MUSL is unable to coordinate an acceptable time for a Service change with the Customer MUSL reserves the right to make such a Service change during a scheduled maintenance window.

5.0 Equipment

5.1 Equipment Requirements

Customer is responsible for all equipment used to access Service

5.2 Equipment Configuration

Customer is responsible for all Equipment configuration changes not specifically outlined herein. Customer is responsible for any Equipment modifications necessary at Customer Premise to accommodate Service outlined herein.

5.3 Equipment Failure

MUSL shall maintain and/or replace failed MUSL provided Cloud Server hardware.

6.0 Service Support

6.1 Authorized Contacts

MUSL relies on documented, authorized Customer contacts. Customer shall provide a "contact list" which will contain one ("1") Administrative contact and one ("1") Technical contact per service. Customers can optionally define up to two additional Technical contacts per service and can additionally elect to name up to one ("1") Trouble Ticket Only contact. Administrative and Technical contacts are authorized to request service changes or information, including the contact name, contact e-mail address and contact phone number for each contact. Requests to change a contact on the list must be submitted by the Administrative contact. Requests to replace the Administrative contact shall be submitted via fax to MUSL on customer company letterhead. All requests are verified per procedure below.

Requests for configuration information or changes are accepted only from documented, authorized contacts via e-mail, fax or phone.

E-mail and fax requests are verified with a phone call to the documented Customer contact. Phone call requests must be validated with an e-mail request from a documented Customer contact.

6.2 Helpdesk

Customers must contact MUSL Support to report service trouble or an outage with MUSL Technical Support. MUSL Technical Support will be available during normal business hours, presently defined as Monday through Friday from 8:30AM to 5:30PM Central Time. All times are subject to periodic change by the MUSL.

On-call support is available outside of normal business at a rate as indicated in Appendix A.

Support requests outside of normal business hours should be made by calling 515-453-1416. While calls to this number are likely to result in immediate contact with on-call personnel, it is possible that callers will be asked to leave a voice mail message. Customers can expect callbacks typically within one hour, but not longer than eight hours from the time a message is left. If having to leave a message, Customers can also open a trouble ticket at support.musl.com to further expedite their requests.

MUSL Technical Support provides support for Cloud Servers, network monitoring, trouble ticket resolution and fault isolation up to the termination Equipment. MUSL Technical Support will accept trouble and outage-related support calls from any Customer representative. Requests for service changes or information are accepted from any Authorized Contact per conditions and procedures described above in Section 6.1.

MUSL will not perform any requested activity which may cause Service disruption or perform any changes to Service unless request is initiated by an Authorized Contact. MUSL reserves the right to delay response on trouble tickets opened by anyone other than the Authorized Contact.

Communication between Customer and MUSL must be initiated by an Authorized Contact.

All communications with Customer will be in the English language.

6.3 Support Limitations

MUSL Technical Support is not responsible for System or End-User support of issues not directly related to Service. This includes, but is not limited to, Customer operating systems, Customer equipment, or Customer application support. Should custom support be provided, it will be billed as provided in Appendix A.

6.4 Monitoring

At Customer's request, MUSL will provide basic monitoring of Service availability. Availability monitoring and reporting may require Internet Control Message Protocol ("ICMP") and/or Simple Network Management Protocol ("SNMP") access to Equipment from a MUSL designated IP and/or IP subnet. MUSL will provide e-mail notification of Service availability issues. MUSL will provide 24 x 7 responses to Customer or NOC initiated alarms for Service availability issues.

The MUSL monitoring solution will be configured to notify its support personnel of events via email, text messaging, or some combination thereof based on event criticality to help ensure maximized uptime even during off-hours.

6.5 Notifications

MUSL will provide notifications to Customer of a Service Outage. An outage is defined as any fifteen (15) consecutive minutes where the Service is unavailable.

6.6 Maintenance

Maintenance window for disruptive work to service will be limited to 11:00PM to 4:00 A.M., CDT, on Thursdays. MUSL will send an e-mail notification of such disruptive maintenance to Service to Authorized Contacts of Customer. Once notification is sent to Customer this will be considered a "scheduled maintenance". Any Service SLAs will not apply during a scheduled maintenance.

MUSL reserves the right to perform emergency Service or network maintenance as needed outside this window, in which case MUSL will make a reasonable effort to notify the Customer if feasible under the circumstances. Any such maintenance will be considered an "emergency maintenance". All Service SLAs will apply during emergency maintenance. Customer is responsible for maintaining an up-to-date Authorized Contact list with MUSL. MUSL is not responsible for maintenance notifications missed due to out-of-date Authorized Contact information.

7.0 Billing

7.1 Service Activation Date

Billing for the Service Component will begin on the Service Activation Date, as specified below, for the specific Service type. The Service Activation Date is the date on which Service is activated for Customer by MUSL. The Service Activation Date may or may not correspond to the date Customer first uses Service.

8.0 Customer Requirements

Customer shall be responsible for the following:

- All security for its Services and systems used or accessible in connection with Service.

- Maintenance of the System and End-user accounts on the Cloud Server, including secure passwords.

- Testing of all Customer owned hardware, software, and Services for compatibility with Service.

- Designating Authorized Contact(s) to interface with MUSL Technical Support.

- Security of the OS and Applications installed on the Cloud Server(s)

- Patching of non-Microsoft OS' and of all Applications installed on the Cloud Server(s) other than Microsoft SQL Server.

9.0 Service Conditions

Customer is responsible for cooperative testing with MUSL Technical Support to assist in the diagnosis of service issues.

10.0 Service Level Agreements

10.1 General

MUSL will work with Customer to determine whether MUSL has not met any of the Services specified herein. MUSL reserves the right to change or discontinue any or all of the Services detailed herein at any time, with written notice to the Customer.

10.2 SLA Credit Request Process and Limitations

As MUSL is a non-profit Association owned by its member lotteries, no financial credit is available to the Customer in the event of a failure to meet any Service.

10.3 SLA Exclusions

10.3.1 Global SLA Exclusions

MUSL is not responsible for failure to meet the requirements of this SLA resulting from:

- Misconduct of Customer or End-Users of Service.

- Failure or deficient performance of power, Equipment, Services or systems not provided by MUSL.

- Delay caused or requested by Customer.

- Service interruptions, deficiencies, degradations or delays due to any access lines (i.e. POTS line) whether provided by MUSL or by third parties, or Equipment when provided by third parties.

- Service interruptions, deficiencies, degradations or delays during any period in which MUSL or its representatives are not afforded access to the premises where access lines associated with Service are terminated or MUSL Equipment is located.

- Service interruptions, deficiencies, degradations or delays during any period when a Service Component is removed from Service for maintenance, replacement, or rearrangement purposes or for the implementation of a Customer order.

- Customer's election to not release a Service Component for testing and/or repair and to continue using the Service Component.

- Force Majeure conditions such as fire, explosion, lightning, power surges or failures, strikes or labor disputes, water, inclement weather, acts of God, the elements, war, civil disturbances, terror, acts of civil or military authorities, fuel or energy shortages, acts or omissions of suppliers or other causes beyond MUSL's control, whether or not similar to the foregoing.

- Service interruptions, deficiencies, degradations or delays during any period when a Service Component is removed from Service for maintenance, replacement, or rearrangement purposes by Customer staff.
- Failure to provide a suitable secure environment for on-premises devices including but not limited to: secure mounting/racking, appropriate cooling and air handling, secure from theft, loose wires bundled neatly, etc.

Service interruptions, deficiencies, degradations or delays in Service caused by any piece of equipment, configuration, routing event or technology not under the management and control of MUSL.

Failure to adhere to MUSL-recommended configurations on unmanaged equipment.

If Customer elects to use another provider or method to restore Service during the period of interruption, MUSL will not be responsible for any charges for the alternative service used.

10.3.2 Limitation on Liability.

Notwithstanding any other provision of this Agreement, the MUSL and its Member and Licensee Lotteries, their Directors, Officers, and Employees, are not liable to Customer or any third party (known or unknown) for any costs, expenses, fees, compensation, reimbursement, direct, indirect, incidental, special, consequential or exemplary damages, including but not limited to damages for loss of profits, goodwill, use or data, even if the MUSL has been advised of the possibility of such damages, which may result to Customer or any third party for any reason for the services contemplated or provided under this SLA.

Further, neither the MUSL nor its Member or Licensee Lotteries, their Directors, Officers, or Employees are responsible for any costs, expenses, fees, compensation, reimbursement, direct, indirect, incidental, special, consequential or exemplary damages, including but not limited to damages for loss of profits, goodwill, use or data even if the MUSL has been advised of the possibility of such damages, arising in connection with

- (A) Customer's inability to use the services for any reason, including, but not limited to, as a result of any (1) termination or suspension of this Agreement or Customer's use of or access to the service offerings, (2) MUSL's discontinuation of any or all of the service offerings, or (3) any unanticipated or unscheduled downtime of all or a portion of the services for any reason, including but not limited to as result of power outages, system failures, hacking, or other interruptions;
- (B) The cost of procurement of substitute goods or services;
- (C) Any investments, expenditures, or commitments by Customer or any third party (known or unknown) in connection with this Agreement or Customer's or any third party's (known or unknown) use of or access to the service offerings; or
- (D) Any unauthorized access to, alternation of, or the deletion, destruction, damage, loss or failure to store any of Customer's or any third party's (known or unknown) content or other data.

10.4 Trouble Tickets

MUSL will make all reasonable efforts to resolve problems resulting from Customer-initiated trouble tickets immediately but will in all cases strive to do so within four ("4") hours during business hours and within eight ("8") hours during non-business hours. MUSL will make all reasonable efforts to respond to problems resulting from Customer-initiated trouble tickets immediately but will in all cases strive to do so within two ("2") hours during business hours and within four ("4") hours during non-business hours.

10.4.1 Monitoring

The monitoring goals described in this SLA are considered met once the MUSL monitoring system sends a notification to the Customer.

10.4.2 Remote Hands Service Goals

MUSL will make all reasonable efforts to provide Customer-initiated requests for Remote Hands services within four ("4") hours during business hours and within eight ("8") hours outside of these times.

11.0 Termination

Early termination of this contract by Customer shall be subject to a minimum of thirty (30) days written notice to MUSL. See Appendix A for early termination fee proration.

12.0 Setup Fees

Newly hosted Customer websites shall be assessed a one-time setup fee as indicated in Appendix A.

13.0 Premium Services

Should Customer wish additional services, such as 24/7 live support, development personnel, dedicated test environments, etc., these can be made available for fees as described in Appendix A of this Agreement.

14.0 Negative Impact

Negative impacts to the MUSL infrastructure caused by actions taken by Customers, End-Users or other third parties could result in loss of privileges and access to resources.

15.0 Entire Agreement.

This SLA contains the entire agreement and understanding concerning the subject matter hereof between the parties hereto and all prior proposals, discussions, agreements or writings are superseded hereby.

No waiver, termination or discharge of this SLA, or any of the terms or provisions hereof, shall be binding upon either party hereto unless confirmed in writing. No waiver by either party hereto of any term or provision of this SLA or of any default hereunder shall affect such party's rights thereafter to enforce such term or provision or to exercise any right or remedy in the event of any other default, whether or not similar.

16.0 No Assignment.

Neither party may assign its rights or delegate its duties set forth in this SLA without the prior written consent of the non-assigning party, which consent may be withheld, conditioned or delayed in the consenting party's sole discretion.

17.0 Amendment.

This Agreement may be changed, modified and/or amended only by a writing duly executed by MUSL or its successor or assign, on the one hand, and Customer or its successor or assign, on the other hand.

18.0 Integrity.

If any provision of this SLA shall be held void, voidable, invalid or inoperative, no other provision of this SLA shall be affected as a result thereof, and accordingly, the remaining provisions of this SLA shall remain in full force and effect as though such void, voidable, invalid or inoperative provision had not been contained herein.

19.0 Notices:

All written notices and communications required by this Agreement shall be sent in writing and via email to the following addresses:

Director of Business & Legal Affairs
Multi-State Lottery Association
4400 NW Urbandale Drive
Urbandale, IA 50322
515-453-1412
wayne@musl.com

Director
Arkansas Scholarship Lottery
PO Box 3238
Little Rock, Arkansas 72203-3238
ardesk@musl.com

20.0 Counterparts.

This SLA may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute the same Service Agreement. Any signature page of any such counterpart, or any electronic facsimile thereof, may be attached or appended to any other counterpart to complete a fully executed counterpart of this SLA, and any telecopy or other facsimile transmission of any signature shall be deemed an original and shall bind such party.

21.0 Jurisdiction.

This AGREEMENT shall be governed by and construed in accordance with the laws of the Customer's jurisdiction.

22.0 Confidentiality.

All Customer information contained in databases held by MUSL shall be exclusively owned by Customer. MUSL shall not utilize, disseminate or otherwise disclose any information from such databases without the express written permission from Customer.

For purposes of this Agreement:

"**Confidential Information**" means any and all items or information of a party which are: (A) marked "Confidential" or some such similar designation; or are (B) valuable, proprietary and confidential information belonging to or pertaining to such party that does not constitute a "Trade Secret" (as hereafter defined) and that is not generally known but is generally known only to said party and those of its employees, independent contractors or agents to whom such information must be confided for business purposes; and

In recognition of the need of Customer to protect its legitimate business interests, MUSL hereby covenants and agrees that with regard to any Customer Confidential Information, at all times during the term of this Agreement and for a period of three (3) years following the expiration or termination of this Agreement for any reason, MUSL and all Subcontractors will regard and treat all such items as strictly confidential and wholly owned by Customer and will not, for any reason or in any fashion, either directly or indirectly use, disclose, transfer, assign, disseminate, reproduce, copy, or otherwise communicate any such Customer Confidential Information to any individual or entity for any purpose other than in accordance with this Agreement or pursuant to the instructions from a duly authorized representative of Customer. To ensure the compliance by it and all Subcontractors with the provisions of this Section, MUSL shall use its best efforts, including, without limitation, obtaining written confidentiality agreements with all Subcontractors which incorporate requirements no less restrictive than those set forth herein and which contain provisions which permit Customer to independently enforce the requirements set forth in such agreements.

Notwithstanding the foregoing, the nondisclosure restrictions of this Section shall not apply to either party's information that is: (i) generally known to the public other than due to a disclosure by the Disclosing Party; (ii) already known to the Receiving Party at the time it is disclosed by the Disclosing Party to the Receiving Party; (iii) independently developed by the Receiving Party; or (iv) received by the Receiving Party from a party that the Receiving Party believed in good faith had the right to make such disclosure."

Acceptance

I have reviewed the terms of this MUSL Website Hosting Service Level Agreement and agree to the terms herein.

_____ Check Here if this is a Caching-Only Agreement.

For the Arkansas Scholarship Lottery

DS Director 6/30/14
Signature Title Date

For MUSL

WJ Dir. of Business & Legal Affairs 7/1/14
Signature Title Date

Required Support Contacts

Lottery Administrative Contact Name: Joanna Bunten

Lottery Administrative Contact Number: 501-683-1866

Lottery Technical Contact One Name: Joanna Bunten

Lottery Technical Contact One Number: 501-683-1866

Optional Support Contacts

Lottery Technical Contact Two Name: Julius Morgan

Lottery Technical Contact Two Number: 501-691-3300

Lottery Technical Contact Three Name: _____

Lottery Technical Contact Three Number: _____

Lottery Trouble Ticket Only Name: _____

Lottery Trouble Ticket Only Number: _____

Appendix A – Service Fee Schedule

Annual Fees. The Annual Fee for the initial Term shall be \$25,000.00 based on the following usages:

- FY 2014 bandwidth use;
- 2 databases;
- 3 virtual servers;
- 1 production IP addresses (domains);
- 30 GB hard disk space used;
- 10GB RAM memory; and
- Domain parking charges for the following sites:

- arkansasscholarshiplottery.net;
- arkstatelottery.com;
- arstatelottery.net;
- lotteryarkansas.net;
- myarkansaslottery.com;
- Naturalstatelottery.com;
- Arkansaslottery.co.

Should Customer's requirements for the above vary, the annual fee will be adjusted as indicated by MUSL; additional licensing fees may also apply

This annual fee will automatically increase by five percent (5%) per year thereafter as this Agreement is annually renewed, *however*, MUSL reserves the right to require a different annual fee for the next annual term which will be communicated by the MUSL to the Lottery no later than sixty (60) days prior to the end of the current Term.

Should Customer terminate this SLA prior to the end of an annual term (see 11.0 above), the annual fee shall be prorated but is subject to a thirty percent (30%) early termination fee based on the remaining time left in the current term to help cover MUSL's expenses, unless such termination is as a result of the MUSL's inability to substantially meet the requirements of this SLA. Such early termination fee would be waived for any early termination in FY 2015.

MUSL also reserves the right to modify any of the fees described in this Appendix A up to sixty (60) days prior to the end of the current Term and which will become applicable in the following Term.

Optional / Additional Fees

Additional costs may be incurred when Customer elects add-on services as described in the SLA.

Additional Domains

For Customers electing to have the MUSL host DNS, up to seven domains (Parked/Redirects) per production IP will be handled at no additional charge. Fees for additional domains will be as indicated by MUSL.

Enterprise Database Servers *(See 2.2 above)*

Additional databases are available upon request; MUSL will indicate the additional annual cost for that additional service.

Additional Virtual Servers *(see 2.5 above)* If the lottery increases the number of servers required within a Term, MUSL will indicate the additional annual cost for that additional service

Disk Usage Exceeding Limits *(see 2.6 above)*

Additional fees beyond hard disk allowance be assessed \$5/GB per year.

Additional RAM (Memory) *(see 2.65 above)*

Additional RAM will be billed at \$500/GB/year.

Cloud Upgrades *(see 3.1 above)*

Upgrades for vCPU, RAM and Disk Space will be at a rate as indicated by MUSL.

Managed Computer Support – Premium *(see 3.2 above)*

Upgraded server management as described in section 3.2 will be provided for a monthly fee of \$100 per public IP

Installation of Additional Software *(see 3.2 above)*

Installation of additional software will be provided at a rate as indicated by the MUSL.

Managed Backup and Recovery *(see 3.4 above)*

Managed Backup and Recovery services will be treated under an additional agreement.

Outside of a separate Managed Backup and Recovery Agreement, backup requests will be provided at an additional cost as indicated by the MUSL.

Hosted Storage - NAS *(see 3.5.1 above)*

Use of space above indicated maximum is available at an additional cost as determined by the MUSL.

Hosted Storage – SAN *(see 3.5.2 above)*

Use of space above indicated maximum is available at an additional cost as determined by the MUSL.

E-mail Services *(see 3.9 above)*

E-Mail services as requested by Customer will be provided at an additional cost as determined by the MUSL.

Additional Data Center and Network requirements *(see 3.11 above)*

If available, will be provided at an additional cost will be determined by the MUSL.

Disabling Caching *(see 3.12 above)*

Disabling caching will be provided at an additional cost will be determined by the MUSL.

Cabling *(see 4.3 above)*

If non-standard cabling is required by Customer, additional charges may apply as determined by the MUSL.

Help Desk *(see 6.2 above)*

On-call support is available outside of normal business hours 24 hours/day, 7 days/week, billable at a rate of \$175/man hour, except on recognized federal holidays when the billable rate is \$300/man hour. This rate may be adjusted from time to time as deemed appropriate by the MUSL and as communicated to the Customer. All support will be billed in 15 minute increments with a one hour minimum.

Custom Support *(see 6.3 above)*

Custom Support as provided will be billed at \$175/man hour during normal business hours and at \$300/man hour outside of normal business hours.

Setup Fees *(see 12.0 above)*

Newly hosted Customer websites shall be assessed a one-time setup fee of \$1,000.

Premium Services *(see 13.0 above)*

MUSL does not presently offer 24/7/365 Support, Database Administrator or .Net Professional services. If such services are requested by sufficient lotteries receiving website hosting services, costs for those services will be determined and divided by those lotteries.

Other Services

Any additional services not described herein but desired by Customer will be provided at a cost as determined by the MUSL.

Appendix B – Hosting Infrastructure Diagram

