



Retailer Contract

THIS CONTRACT is entered into by and between the FLORIDA LOTTERY (hereinafter referred to as "Lottery") and _____ doing business as _____, whose business address is _____ (hereinafter referred to as "Retailer").

1. Scope of Contract

- a. This contract authorizes Retailer to sell tickets for lottery games as directed by Lottery, at Lottery's sole discretion.
- b. The section titles found in this contract are solely for convenience and are not intended to affect the meaning of the contract.

2. Term

This contract shall begin on the date it is fully executed by the parties and shall remain in effect for a period of four (4) years unless suspended or terminated as provided herein. In the event that Retailer and Lottery have entered into any Retailer Contracts dated prior to the date of this Retailer Contract, this Retailer Contract shall replace any prior Retailer Contract in its entirety. For business entities with multiple locations, the locations governed by this contract shall be listed separately in an Appendix to this contract.

3. Compliance with Statutes and Rules

- a. Retailer shall comply with all provisions of Chapter 24, Florida Statutes, as amended from time to time, as well as rules and regulations heretofore or hereafter promulgated by the Lottery. Retailer shall comply with such other statutes, rules, and ordinances as may be applicable to it.
- b. Retailer shall comply with all policies and procedures of the Lottery for each game and such other policies and procedures as may be established by the Lottery.
- c. Retailer shall be required to meet any minimum sales levels established by the Lottery, subject to applicable exceptions, if any, contained in such minimum sales policy.

4. Sale of Lottery Tickets

- a. Retailer shall sell only Florida Lottery tickets and no other state or national lottery tickets except as may be expressly authorized by the Lottery for locations in Florida.
- b. Retailer shall sell tickets for games as directed by the Lottery in the manner provided by this contract and other controlling statutes, rules and procedures.
- c. Retailer shall not sell lottery tickets to anyone under the age of 18 years. Retailer shall establish such safeguards as are necessary to ensure that no sales are made nor prizes paid to persons under the age of 18.
- d. Retailer shall not sell lottery tickets at any price other than that established by the Lottery.
- e. Retailer shall make lottery tickets available for sale to the public during Retailer's normal business hours.
- f. Retailer shall not be engaged in business exclusively as a lottery ticket retailer.

- g. Retailer shall sell lottery tickets only at the location stated on the Certificate of Authority issued to Retailer by the Lottery. Retailer shall display the Certificate of Authority in a conspicuous location within Retailer's place of business.
- h. Retailer shall display and maintain in prominent locations point-of-sale materials provided by the Lottery, including, but not limited to, playstations, electronic displays and odds pieces.

5. Cooperation with Lottery Representatives

Retailer shall fully cooperate with Lottery employees or agents and law enforcement agencies in the investigation and recovery of lost, stolen, altered or counterfeit tickets, and in other investigations. Retailer shall immediately report to the Lottery any knowledge of unlawful activities or other improprieties concerning Lottery operations. Retailer shall be accountable for all instant tickets received, all on-line tickets generated and all funds received by Retailer. Retailer shall cooperate in the collection of funds owed to the Lottery and in the review of and/or physical inspection of lottery tickets, records and equipment by Lottery employees or agents on demand.

6. Retailer Sales Commission

The Lottery shall pay to Retailer a sales commission on the purchase price of all tickets sold or issued as a prize by Retailer. Payment shall be made in accordance with rules established by the Lottery for settlement with Retailer.

7. Retailer Cashing Commission

The Lottery shall pay to Retailer a cashing commission on the prize value of tickets validated and paid by Retailer at its authorized location. This commission applies to tickets valued less than \$600. Retailer shall be entitled to a cashing commission for every free ticket redeemed or issued as a prize at its retail location. Free tickets shall be deemed to have a face value of the retail sales price.

8. Instant Ticket Inventory

Retailers are authorized to order and receive instant tickets on a modified consignment basis. Instant tickets received by Retailer will remain on consignment for a specified number of days after they are activated for sale by Retailer or after a specified percentage of low-tier prizes are redeemed, whichever occurs first. At that time, instant ticket books will be automatically settled by the Lottery. The number of days following ticket book activation and the percentage of low-tier prizes redeemed will be specified by the Lottery, and may be subject to change upon written notice by the Lottery. Unsold tickets that have been previously settled may be returned to the Lottery for credit within time frames and under conditions specified by the Lottery. Retailer agrees that it is liable to the Lottery for all lottery tickets accepted by any employee or representative of Retailer. Activated tickets shall be deemed to have been purchased by Retailer unless returned within time frames and under conditions specified by the Lottery. Should Retailer fail to return tickets in the manner provided by the Lottery, Retailer shall be responsible for payment to the Lottery of the net sales value (retail sales value less commission) of the tickets, except for lost, stolen or damaged tickets, which shall be handled as provided in Section 9.

9. Payment for Lost, Stolen or Damaged Tickets

Retailer shall be charged for each active or inactive lost, stolen or damaged book of tickets in accordance with rules established by the Lottery. The total amount due the Lottery for active and inactive books will be included in the Retailer's next weekly settlement report.

10. Non-Transferability and Non-Assignability of Retailer Obligations

- a. This contract is not assignable or transferable in whole or in part to any other person or entity, nor is it transferable to any location other than that shown on the Certificate of Authority issued to Retailer by the Lottery. Retailer shall immediately notify the Lottery in writing of pending changes in ownership or changes of partners, corporate officers or directors.
- b. Retailer shall exercise ultimate control and supervision over its employees selling and redeeming lottery tickets. Retailer shall provide proper training and instructions to its employees concerning the rules and procedures of the Lottery and shall be responsible for the acts and omissions of its employees.

- c. Retailer may not relieve itself of any retailer obligations by entering into management or other agreements involving operation of its business.

11. Access to Records

Retailer shall maintain such financial and accounting records as the Lottery shall require. Retailer shall make those records, including ticket book inventories, available for inspection and review at any time they are requested by the Lottery or any authorized agent designated by the Lottery. Retailer shall make available for review by the Lottery any other books, documents, papers and records of Retailer that are directly pertinent to the sale of tickets for the purposes of investigation or audit, or making excerpts, transcripts and copies.

12. Financial Conditions

- a. Retailer is required to remit to Lottery all monies received from the operation of the lottery, less the amount retained as compensation for the sale of lottery tickets and the amount paid out as prizes, in a manner and on a schedule determined by the Lottery.
- b. Retailer shall maintain any and all commercial bank accounts required by the Lottery and comply with all rules and regulations of the Lottery concerning monies due the Lottery from the sale of lottery tickets. The Lottery is authorized to make adjustments to settlements as deemed necessary.
- c. Retailer agrees that if a check or electronic funds transfer of Retailer is dishonored, the Lottery shall require Retailer to pay for each such event the service charge authorized by Lottery rules.
- d. Dishonored electronic funds transfers, plus applicable penalties, and other invoiced items are due immediately. If a check or electronic transfer of funds to the Lottery is dishonored, the Lottery reserves the right to withhold credits and institute any and all legal actions authorized by law. Retailer waives any and all privileges and rights which it may have under Chapter 47, Florida Statutes, relating to venue, as it now exists or may hereafter be amended, and under any other statute or administrative provision, and agrees that any legal action brought to collect unpaid funds may be brought in the appropriate court in Leon County, Florida. Should the Lottery prevail in any such action, Retailer shall pay the expenses of collection and/or litigation, including reasonable attorneys' fees.

13. Report of Change in Condition

If, at any time during the term of this contract, Retailer or any person listed on Retailer's application, or amendments thereto, is convicted of, or enters a plea of guilty or nolo contendere, regardless of adjudication, to an offense punishable as a felony or an offense involving dishonesty or gambling, or if such person incurs a tax delinquency with the federal government or any taxing authority within the State of Florida, Retailer shall report such event to the Lottery in writing within fifteen days of the occurrence of that event. Should such event occur, or should Retailer fail to report such event, this contract may be terminated or suspended and any subsequently filed application may be rejected.

14. Indemnification and Liability for Damage to Personal Property

- a. Retailer shall defend, protect and hold harmless the State of Florida, the Lottery, and any officers or employees thereof, from and against all claims, suits or actions arising from any willful or negligent act or omission of Retailer or its agents while performing under the terms of this contract.
- b. Retailer shall be responsible for any loss or damage to property of the Lottery or its vendors which results from the willful or negligent act or omission of Retailer or which results from the failure on the part of Retailer to maintain that property in accordance with sound management practices. Retailer agrees that upon the theft, loss, destruction or damage of any property of the Lottery or its vendors, Retailer shall immediately notify the Division of Security of the Lottery located in Tallahassee, Florida, by telephone and shall take all reasonable steps to protect that property from further damage or loss.

- c. In the event of any negligent or intentional damage to the equipment or materials supplied to Retailer, the parties agree that Retailer shall pay, as liquidated damages, a sum equal to the cost of repair or replacement.

15. Payment of Prizes by Retailer

Retailer shall redeem and pay all winning lottery tickets valued less than \$600 that are authorized and validated through Retailer's Lottery terminal. Retailer shall, upon presentation of such winning lottery tickets, perform the necessary authorization and validation as called for by the rules and regulations of the Lottery. Winning tickets valued \$600 or greater shall be paid by the Lottery only, and if paid by Retailer, may not be reimbursed to Retailer and may subject Retailer to Internal Revenue Service penalties. Under no circumstances shall Retailer charge the player a fee for the service of redeeming winning lottery tickets. Retailer agrees that the Lottery has the right to immediately suspend or terminate sales should Retailer refuse to redeem and pay a properly presented ticket.

16. Terminal Requirements

- a. Lottery and its vendors and suppliers shall provide Retailer with equipment, such as Lottery terminals, ticket dispensers, and playstations. The equipment will be used exclusively in connection with Lottery business. All equipment and supplies provided to Retailer by Lottery or its vendors shall remain the property of Lottery or its vendors. Retailer shall acquire no interest whatsoever in the equipment or supplies.
- b. Retailer and its employees who sell lottery tickets shall meet training standards established by the Lottery, relating to the operation of Lottery terminals and the sale of lottery products.
- c. Retailer shall pay a service charge to the Lottery for use and maintenance of Lottery-provided equipment, as prescribed by Lottery rule. The amount of the service charge may be subject to change upon written notice by the Lottery. Such charges may be collected by the Lottery in the same manner and time that other amounts owed to the Lottery are collected.
- d. Retailer shall be responsible for meeting terminal installation requirements as specified by the Lottery, including, but not limited to, electrical circuitry; telephone line and equipment; counter, roof, and building space; and conduit, if applicable. All expenses associated with the items required to be furnished by Retailer shall be the sole responsibility of Retailer.

17. Accessibility for the Disabled

Retailer shall provide accessibility for individuals with disabilities as required by the Florida Americans with Disabilities Accessibility Implementation Act, Sections 553.501-553.513, Florida Statutes.

18. Ability to Engage in Sale of Lottery Tickets

Both parties to this contract acknowledge that the Lottery makes no representations or warranties as to whether Retailer may be prohibited from engaging in the sale of lottery tickets by reason of any controlling federal statute, rule or regulation, deed restriction, charter or other applicable statute, agreement or lease. Retailer represents that it is not prohibited from the sale of lottery tickets by any of the above. In the event it is determined that any restriction or document exists which may be applicable to Retailer and which would prohibit the sale of lottery tickets or games, or restrict the sale of lottery tickets or games in any manner, the existence of such restriction or document shall be grounds for termination or suspension of this contract, in the sole discretion of the Lottery.

19. Termination

- a. This contract may be terminated by Retailer at any time upon written notice to the Lottery.
- b. If the Lottery determines that, due to a change in the type of games to be played, a change in the method by which games are to be played, a change in the method the Lottery will use in servicing or contracting with Retailers, or for any other reason, it is in the best interest of the Lottery, to terminate this contract, the Lottery may terminate this contract at any time upon thirty days'

written notice to Retailer. In addition, the Lottery may immediately terminate this contract or suspend Retailer for a period of time specified by the Lottery from receiving, activating, validating, selling and cashing tickets, and may reject any subsequently filed application for a new contract if Retailer fails to comply with the terms of this contract. The reasons for termination or suspension of this contract, or rejection of any subsequently filed application for a new contract, include, but are not limited to, the following:

- (1) Retailer has provided false or misleading information in obtaining a Retailer Contract and Certificate of Authority.
- (2) Retailer has entered a plea of guilty or nolo contendere or has been convicted of an offense punishable as a felony or an offense involving gambling.
- (3) Retailer has outstanding tax delinquencies owed to the federal government or any taxing authority within the State of Florida.
- (4) Retailer has jeopardized the integrity, security or efficient operation of the Lottery.
- (5) The ownership or location of the business has changed.
- (6) Retailer has failed to meet the volume of sales established for Retailer by the Lottery.
- (7) Retailer has failed to accurately account for lottery tickets, revenues or prizes as required by the Lottery.
- (8) Retailer has failed to remit or is delinquent in remitting money owed to the Lottery.
- (9) Retailer has committed any fraud, deceit or misrepresentation to the Lottery or to any individual purchasing a lottery ticket or tickets or redeeming a prize from Retailer.
- (10) Retailer has sold a lottery ticket or paid a prize to any person under 18 years of age.
- (11) Retailer has sold a lottery ticket at any place other than the place authorized in its Certificate of Authority.
- (12) Retailer has not prominently displayed its Certificate of Authority at the approved sales location.
- (13) Retailer has not prominently displayed and maintained ticket displays/dispensers and point-of-sale materials provided by the Lottery.
- (14) Retailer has not made point-of-sale information for lottery products accessible to the public.
- (15) Retailer has sold tickets at a price other than that established by the Lottery.
- (16) Retailer's reputation is no longer consistent with the protection of the public interest.
- (17) Retailer has materially changed any factor considered by the Lottery in selecting Retailer.
- (18) Retailer has engaged in conduct prejudicial to public confidence in the Lottery.
- (19) Retailer has charged a fee to redeem a lottery ticket or has required a customer to purchase another item in order to purchase a lottery ticket.
- (20) Retailer has paid a prize of \$600 or more.
- (21) Retailer has exchanged a book(s), ticket(s), or ticket stock with another lottery retailer.
- (22) Retailer has purchased a book(s) or ticket(s) from another lottery retailer for resale.
- (23) Retailer has violated any rule or regulation promulgated by the Lottery.
- (24) Retailer has violated any directive or instruction issued by the Lottery.
- (25) Retailer has violated any provision of Chapter 24, Florida Statutes.
- (26) Retailer has violated Lottery's ethics rules or policies.

- c. Retailer shall promptly surrender possession of property of the Lottery or its vendors upon request of the Lottery.
- d. Retailer shall maintain the commercial bank account required by this contract for at least thirty days following termination.
- e. Emergency Suspension Procedure. The Lottery may suspend this contract without prior notice, if it determines that immediate suspension is necessary in order to ensure the integrity, security, honesty or fairness of the operation of the Lottery.

20. Unauthorized Aliens

The employment of unauthorized aliens by any vendor is considered a violation of Section 274A(e) of the Immigration and Nationality Act, 8 USC § 1324a. If Retailer knowingly employs unauthorized aliens, such violation shall be cause for unilateral cancellation of the contract.

21. Discrimination

An entity or affiliate who has been placed on the discriminatory vendor list may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under contract with any public entity; and may not transact business with any public entity. Retailer represents and warrants that it is not on the discriminatory vendor list and that it will promptly notify the Lottery if its name is placed on the list during the term of the contract.

22. Recourse in the Event of Suspension or Revocation

Retailer agrees that in the event Retailer contests any suspension or termination of this contract by the Lottery, Retailer's remedy shall be such civil action as may be appropriate. The parties hereby agree that the venue for any such action shall be in Leon County, Florida. The parties further agree that any violation of this contract shall not give rise to any action under Chapter 120, Florida Statutes, the Administrative Procedure Act.

23. Breach

- a. Retailer agrees that failure by Retailer to comply with any of the terms of this Retailer Contract shall constitute a breach of this contract.
- b. The parties acknowledge and agree that the measure of damages for Retailer's breach of this contract may be difficult or impossible to calculate, depending on the nature of the breach. The parties agree that, if Retailer breaches this contract, the Lottery shall require Retailer to pay, as fixed and agreed liquidated damages, the full amount of the value of all lottery tickets issued to Retailer but not settled.
- c. Retailer agrees that it shall be liable for all costs incurred by the Lottery in collecting the amounts due it from Retailer, including any court costs and reasonable attorneys' fees.
- d. The parties agree that any legal action brought for breach of this contract shall be brought in the appropriate court in Leon County, Florida. The parties agree that failure of a party to pursue its legal remedies in case of breach shall not operate as a waiver of that breach, nor the remedies therefor.

24. Severability

Retailer agrees that the invalidity or unenforceability of any provision of this contract shall not affect or diminish the validity or enforceability of the remaining provisions.

25. Lottery Retailer Rules

- a. The Lottery Retailer rules, including any rule amendments, promulgated by the Lottery are incorporated by reference and made a part of this contract as if fully set forth herein.
- b. Retailer's signature on this contract signifies that it has received a complete copy of the Florida Lottery Retailer Rules. Additional copies of the rules can be obtained from the Florida Lottery, Office of the General Counsel, 250 Marriott Drive, Tallahassee, Florida 32399-4011.

26. Ethics Policy; Gifts Prohibited

- a. Lottery employees are prohibited by the Lottery's ethics rule from accepting gifts valued in excess of \$25 from entities doing business with the Lottery. Retailer agrees that it will not offer or provide to any Lottery employee any gift or other item of value that would violate the Lottery's ethics rule and acknowledges that the Lottery may unilaterally cancel this Agreement if Retailer violates this provision.
- b. Retailer's signature on this contract signifies that it has received a copy of the Lottery's ethics rule. Additional copies of the rule can be obtained from the Florida Lottery, Office of the General Counsel, 250 Marriott Drive, Tallahassee, Florida 32399-4011.

IN WITNESS WHEREOF, the parties have caused this contract to be executed on the date(s) set forth below.

RETAILER

Corporate or Other Legal Name: _____

d.b.a. _____

Print Name: _____

By: _____
(Signature)

Title: _____ Date: _____

Location ID or Chain Number: _____

FLORIDA LOTTERY

By: _____
(Secretary) (Date)