



Appendix A - Standard Subcontract Provisions

These standard subcontract provisions are applicable to the subcontract for Marketing and Point of Sale Equipment and Items between Northstar New Jersey Lottery Group, LLC (“Northstar New Jersey Lottery Group”), on behalf of the New Jersey Lottery, and

(the “Subcontractor”) (Northstar New Jersey Lottery Group and Subcontractor shall sometimes collectively be referred to herein as the “Parties”).

In connection with the Marketing and Point of Sale Equipment and Items Vendor Qualification process, these standard subcontract provisions replace any contract provisions that may have been agreed upon by the Parties orally or in writing prior to executing these standard subcontract provisions. These standard subcontract provisions, together with the Qualified Marketing and Point of Sale Equipment and Items Vendor Qualification Request for Proposals (the “RFP”); Subcontractor’s response(s) to requests for clarification by Northstar, if any; Northstar’s responses to vendor question(s), if any and the Subcontractor’s Proposal submitted in response to the RFP are incorporated into each other, constitute one integrated agreement, and may be referred to as the “Subcontract.” Any inconsistency, conflict, or ambiguity among these standard subcontract provisions, the RFP, the Subcontractor’s response(s) to requests for clarification by Northstar, if any, Northstar’s responses to vendor question(s), if any and the Subcontractor’s Proposal submitted in response to the RFP shall be resolved by giving preference and effect to these standard subcontract provisions. By signing these standard subcontract provisions, Subcontractor acknowledges and agrees that Subcontractor is not guaranteed any work from Northstar New Jersey Lottery Group or the New Jersey Lottery pursuant to the Marketing and Point of Sale Equipment and Items Vendor Qualification process provided for in the RFP.

Capitalized terms used but not defined in these standard subcontract provisions shall

have the meanings ascribed to such terms in the Lottery Growth Management Services Agreement (the “Services Agreement”) between the New Jersey Lottery (the “Lottery”) and Northstar New Jersey Lottery Group dated June 20, 2013, as amended, and/or the Lottery Operating Standards (as such term is defined in the Services Agreement), and in the event that the same term is defined in both the Services Agreement and the Operating Standards, then the defined term as defined in the Services Agreement shall control;

The Parties agree:

(a) That nothing in the Subcontract or any prior agreement between the Subcontractor and the Lottery or Northstar New Jersey Lottery Group shall be interpreted to require the Lottery or Northstar New Jersey Lottery Group to indemnify the Subcontractor against any risk or loss.

(b) That the Subcontract shall be interpreted and construed in accordance with the laws of the State of New Jersey regardless of any conflict of laws rules.

The Parties also agree to the following provisions:

1. Termination for Convenience.

Northstar New Jersey Lottery Group may terminate the Subcontract at any time, in whole or in part, if the Lottery terminates the Services Agreement with Northstar New Jersey Lottery Group, or when it is in the best interest of Northstar New Jersey Lottery Group or the State of New Jersey, at Northstar New Jersey Lottery Group’s sole discretion. Termination of services shall be effected by delivery to the Subcontractor of a Termination Notice at least thirty (30) days prior to the termination effective date specified therein. If the Subcontract is so terminated, Northstar New Jersey Lottery Group shall be liable only for payment in accordance with the provisions of the Subcontract for services rendered prior to the effective date of termination.

2. No Lottery Responsibility.

Neither the Lottery nor Northstar New Jersey Lottery Group shall pay Subcontractor any amount claimed under the Subcontract arising out of indemnity claims against the Lottery or

Northstar New Jersey Lottery Group. Subcontractor shall not have any right against the Lottery for labor, services, materials, or equipment furnished for the Subcontract, unless the Subcontract is assigned to the Lottery or a new Lottery Growth Management Services provider in accordance with the Services Agreement. Northstar New Jersey Lottery Group acknowledges that its contractual obligations to the Subcontractor shall include all payment for services, materials, or equipment furnished to the Lottery or Northstar New Jersey Lottery Group pursuant to the Subcontract, except to the extent the Subcontract is assigned to the Lottery or a new Lottery Growth Management Services provider in accordance with the Services Agreement.

3. Lottery Removal and Replacement Rights.

The Lottery shall have the right to require Northstar New Jersey Lottery Group to remove and replace Subcontractor for any reason, including: (a) non-performance by Subcontractor in the Lottery’s reasonable determination that is not cured within a reasonable amount of time, or (b) engagement by the Subcontractor in illegal activity or material violation of any obligation defined in the Services Agreement that is not cured in a reasonable amount of time. The Lottery shall not be liable for penalties, fees or damages as a result of the Lottery replacing the Subcontractor in accordance with these standard subcontract provisions.

4. Penalties, Interest, Attorney’s Fees.

Northstar New Jersey Lottery Group will in good faith perform its required obligations of the Subcontract and does not agree to pay any penalties, interest, or attorney’s fees, unless required by New Jersey law.

5. Compliance with Laws; Indemnification.

The Subcontractor shall comply with all applicable federal, State and local laws, rules, regulations, ordinances and orders. Subcontractor agrees to indemnify and hold Northstar New Jersey Lottery Group harmless from any loss, damage or liability resulting from a violation on the part of Subcontractor of such applicable laws, rules, regulations, ordinances or orders.

6. Requirements Regarding Subcontractor Personnel



Appendix A - Standard Subcontract Provisions

(a) Probitly Investigations by the Lottery. Subcontractor acknowledges and agrees that the Lottery shall have the right to conduct probity investigations of any Subcontractor personnel prior to and during the term of the Subcontract.

(b) Background checks for Subcontractor Personnel. Subcontractor shall ensure that Subcontractor Personnel are authorized to work in any jurisdiction in which they are assigned to perform services pursuant to the Subcontract and are not otherwise disqualified from performing the services required under the Subcontract. To the extent allowed by applicable law, Subcontractor shall conduct its standard background check for all Subcontractor personnel and shall review the results of each background check to verify that Subcontractor personnel meet Subcontractor's standards for employment. Such background check shall be in the form generally used by Subcontractor in its initial hiring of an employee or awarding a contract, as applicable, during the employment screening process.

(c) Equal Employment. Subcontractor and Subcontractor Personnel shall comply, and shall require all of its own subcontractors to comply, with all laws and regulations that pertain to, or otherwise touch upon, the employment relationship, including without limitation, all applicable provisions of State and federal laws and regulations pertaining to discrimination against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex or any other protected category set forth in N.J.S.A. 10:5-12(a) or other applicable local, State, and federal law. Upon request by the Lottery, Subcontractor shall furnish to the Lottery written certification that Subcontractor is in compliance with all non-discrimination laws applicable to private sector employers. Subcontractor hereby covenants and agrees that no person shall be (i) excluded from participation in, or be denied the benefits of, this Subcontract where such participation or benefits are obligated by this Subcontract or applicable laws, or (ii) excluded from employment, denied any of the benefits of employment or otherwise be subjected to discrimination on the grounds of age, race,

creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex or any other protected category set forth in N.J.S.A. 10:5-12(a) or other applicable local, State, and federal law. Subcontractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of this nondiscrimination policy.

7. Record Keeping. Subcontractor shall maintain documentation for all fees or charges incurred by the Lottery or Northstar New Jersey Lottery Group under the Subcontract or any modification or amendment of the Subcontract. The books, documents, papers, accounting records and other evidence pertaining to products and/or services to be provided or performed or money received under the Subcontract shall be (i) maintained for a period of five (5) full years from the date of the final payment and (ii) subject to audit or inspection at any reasonable time and upon reasonable notice by Northstar New Jersey Lottery Group, the State of New Jersey or the Lottery or its duly appointed representative. Subcontractor shall make such materials available at its offices, and copies thereof shall be furnished to Northstar New Jersey Lottery Group, the State of New Jersey or the Lottery or its duly appointed representative by the Subcontractor, at no cost to Northstar New Jersey Lottery Group, the State of New Jersey or the Lottery or its duly appointed representative, if so requested. Such records shall be maintained in accordance with GAAP and any other applicable requirements established by the Lottery from time to time.

8. Subcontractor Qualified to do Business in New Jersey. Subcontractor warrants that it is qualified to conduct business in New Jersey and will maintain good standing with the New Jersey Department of Treasury.

9. State Liabilities and Debt Set-off. Subcontractor shall file appropriate tax returns as required by New Jersey law. Subcontractor certifies that neither it nor its principal(s) are in arrears in payment of taxes, permit fees or other statutory,

regulatory or judicially required payments to the State of New Jersey. Subcontractor agrees that any payments due to the State of New Jersey by it or its principal(s) may be withheld and set off from payments due to Subcontractor under the Subcontract. Any payments that Northstar New Jersey Lottery Group may delay, withhold, deny, or apply under this section shall not be subject to penalty or interest.

10. Non-Collusion and Acceptance. The undersigned attests, subject to the penalties for perjury, that he or she is the Subcontractor, or that he or she is the properly authorized representative, agent, member or officer of the Subcontractor, that he or she has not, nor has any other member, employee, representative, agent or officer of the Subcontractor, directly or indirectly, to the best of the undersigned's knowledge, entered into or offered to enter into any combination, collusion or agreement to receive or pay, and that he or she has not received or paid, any sum of money or other consideration for the execution of these standard subcontract provisions other than that which appears upon the face of these standard subcontract provisions.



Appendix A - Standard Subcontract Provisions



In Witness Whereof, Subcontractor and Northstar New Jersey Lottery Group hereby agree to these standard subcontract provisions.

**Northstar New Jersey Lottery Group,
LLC**

Signature

Printed Name

Title

Date

Subcontractor's Business Name

Signature

Printed Name

Title

Date