



RETAILER CONTRACT

Retailer/Chain Number: _____ Telephone Number: (_____) _____

Legal Business Name: _____

Doing Business As: _____

Business Address: _____

(city)

(state)

(zip code)

This Contract ("Contract"), by and between the Virginia Lottery ("Lottery"), and the retailer named above, including all owners and officers, (collectively "Retailer") (together, the "Parties") made as of the later date shown beside the Parties' signatures below, specifies the terms and conditions which shall exist during the term of this Contract. Except as otherwise provided herein, this Contract supersedes any prior agreement, representation or understanding between the Parties regarding the subject matter set out herein.

When this Contract is fully executed, and the Retailer has fulfilled all eligibility requirements and paid all fees established by the Lottery, Retailer will be issued a Lottery license ("License"). Together, the Contract and License authorize Retailer to sell and dispense Lottery products, and to act as the Lottery's representative to collect, preserve and account for Commonwealth of Virginia trust funds.

A. Term and Renewal

Unless earlier terminated, the terms of this Contract and the License shall run concurrently for a term of one (1) year. The Contract and License may be renewed annually thereafter at the sole discretion of the Lottery, contingent upon Retailer's compliance with all applicable federal and state laws, regulations, policies and procedures.

B. Termination, Cancellation, Revocation or Suspension

This Contract may be terminated by Retailer upon at least fifteen (15) calendar days' prior written notice to the Lottery.

This Contract and License may be terminated, canceled, revoked or suspended by the Lottery, in the Director's sole discretion, upon written notice to the Retailer (except in those limited circumstances when such notice is not required by Lottery laws or regulations). The Retailer shall be entitled to a hearing on such termination, cancellation, revocation or suspension if, and to the extent, provided by Lottery laws and regulations and any other applicable law.

Upon termination of the contract, Retailer shall maintain its surety bond and the required Lottery trust account until all financial settlements are completed and all Lottery equipment, supplies, and property have been surrendered.

C. Compliance with Laws and Rules

Retailer shall:

- 1) Fulfill the obligations of and adhere to the prohibitions denoted in this Contract, except as otherwise modified by an amendment or addendum attached hereto.
- 2) Comply with all Lottery laws, regulations, procedures, rules for specific Lottery games, eligibility criteria and standards for licensing, and all other applicable federal and state laws, rules, directives, orders and instructions. By executing this Contract, Retailer certifies that to the best of its knowledge it is in compliance with all such laws and regulations.
- 3) Within twelve (12) months of issuance of the License, comply with all requirements of the Lottery's Retailer Accessibility Program as published at <https://www.valottery.com/aboutus/retailer>.
- 4) Conduct all Lottery business and transactions ethically and with the utmost integrity, and act in every respect to uphold public confidence in the Lottery.



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- 5) Immediately report to the Lottery any irregularities or anomalies involving Lottery equipment, sales, systems, tickets, or products that do not conform to standard processes and procedures or that may be detrimental to public confidence in the Lottery.
- 6) Adopt safeguards to assure that it will not sell lottery tickets or pay prizes to persons younger than 18 years of age.
- 7) Not attempt, through any means whatsoever, to identify or otherwise determine whether any unsold ticket contains a winning play.
- 8) Post in a conspicuous place in its retail establishment a sign that displays the toll-free telephone number for the National Problem Gambling Helpline.

D. Tickets/Products Requirements and Responsibilities

Retailer shall:

- 1) Sell all Lottery tickets and products authorized and provided by the Lottery to Retailer.
- 2) Ensure all Lottery tickets and products are available and actively sold during all business hours, without exception. Lottery tickets and products may not be sold after business hours or any time when the Retailer's location is not opened to the public.
- 3) Sell Lottery tickets and products only at the prices fixed by the Lottery.
- 4) Pay to the holder of a winning Lottery ticket the full amount of the prize to which he/she is entitled. This requirement includes a prohibition against Retailer purchasing tickets from players at discounted prices.
- 5) Sell tickets and products only at the location(s) specified in this Contract, identified on the issued License, or as otherwise expressly authorized by the Lottery.
- 6) STOP selling tickets and remove such tickets from public view, upon notification by and in accordance with instructions provided by the Lottery.
- 7) Accept only cash, personal or certified checks, debit cards, or authorized coupons presented in person by the customer as payment for the purchase of Lottery tickets or products. Wire transfers are not permitted for the purchase of lottery tickets or products.
- 8) Post, or otherwise display in prominent locations agreed to by the Lottery, all required Point of Sale materials.
- 9) Maintain and safeguard an adequate ticket inventory and serialized paper stock used in Lottery-provided equipment.
- 10) Meet any minimum sales requirement(s) established by the Lottery, at its discretion and as may be amended at its discretion, for each Retailer business location.
- 11) Use reasonable safeguards and sound management practices to protect Lottery tickets from the elements, abuse, theft, damage and destruction.
- 12) Immediately notify the Lottery upon the theft, loss, destruction of, or damage to any tickets in the Retailer's possession.

Lottery shall:

- 13) Pay Retailer compensation as established pursuant to Lottery laws and regulations and, at the Lottery's sole discretion, any bonus or incentive payments, as applicable.
- 14) Provide sales, marketing and customer assistance to the Retailer.

E. Payment of Prizes

Retailer shall:

- 1) Validate winning tickets and vouchers in accordance with Lottery-approved procedures and via Lottery-provided equipment prior to paying a prize.
- 2) Pay cash prizes as expressly authorized by the Lottery through the proper and complete validation of winning tickets, generally up to and including \$600 per wager.
- 3) Pay prizes in cash and/or cash equivalent instruments (e.g. money order, business check) immediately upon the proper and complete validation of a winning ticket.
- 4) Not impose any fee, additional charge, or discount for cashing a winning ticket.
- 5) Return non-winning tickets to the player.

Lottery shall:



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- 6) Reimburse Retailer for all valid cash prizes properly and completely validated and paid by the Retailer.
- 7) To the extent established by Lottery laws and regulations, pay Retailer a cashing commission based on the cash value of all valid prizes paid by the Retailer and, at the Lottery's sole discretion, any bonus or incentive payments, as applicable.

F. Financial Requirements, Responsibilities, and Conditions

Retailer shall:

- 1) Be personally liable for all proceeds from the sale of Lottery tickets or products.
- 2) Promptly pay all amounts owing under this Contract.
- 3) Maintain a separate, designated Lottery Trust bank account to be used exclusively for lottery business.
- 4) Ensure the Lottery account is jointly titled as "Retailer's Name/Virginia Lottery Trust."
- 5) Acknowledge that all Lottery funds, immediately upon receipt and upon the transaction of a sale, are held in trust for the Virginia Lottery and the Commonwealth of Virginia.
- 6) Deposit into the Trust account all proceeds from the sale of Lottery tickets or products.
- 7) Ensure sufficient funds are timely deposited into the Trust account for scheduled Electronic Funds Transfer ("EFT"). In the event such EFT is dishonored, Retailer shall be liable for penalties and interest as established by Lottery law and/or regulation.
- 8) Be responsible for, preserve, and account for all proceeds from the sale of Lottery tickets/products, all tickets accepted from the Lottery, and all tickets generated, whether such activities are conducted by the Retailer or any employee or representative of the Retailer.
- 9) Be financially liable for all tickets/products once they are in a billable status. Retailer shall also be financially liable for stolen, lost, destroyed, or otherwise unaccounted for tickets/products – without regard to their billing status - if such loss resulted from the willful or negligent act or omission of Retailer, or from Retailer's intentional misconduct or failure to reasonably safeguard or maintain the tickets /products in accordance with sound management practices.
- 10) Maintain a surety bond, through a company licensed to conduct business in Virginia, in such an amount and penalty as determined by the Lottery. Such bond must be payable to the Lottery and conditioned upon the faithful performance of the Retailer's duties. Retailer shall promptly provide proof of bonding to the Lottery, as requested. Retailer may, at the sole discretion of the Lottery, be permitted to provide such other surety as may be satisfactory to the Lottery Director.
- 11) Acknowledge that the Trust account may be swept at a time earlier than normally scheduled should greater-than-anticipated sales exceed the surety bond limit.

G. Equipment Requirements and Responsibilities

Retailer shall:

- 1) Be responsible for meeting all equipment installation requirements as specified by the Lottery. Such requirements may include but are not limited to: (a) dedicated electrical circuitry; (b) counter, roof, floor, and building space; and (c) conduit, if applicable. All expenses associated with the items required to be furnished by the Retailer and all consents, approvals, and permits from any and all necessary parties required for equipment installation, if any, shall be the sole responsibility of Retailer.
- 2) Place equipment only in Lottery-approved locations.
- 3) If eligible, place self-service/vending equipment in a location that is visible to the Retailer's staff during all hours that the Retailer is open to the public.
- 4) Pay a weekly communications charge in an amount determined by the Lottery (\$15 per week as of the revision date of this contract form).
- 5) Grant the Lottery, or Lottery-approved service technicians, permission and access to the premises, equipment, and/or keys during Retailer's normal business hours for equipment placement/installation, equipment removal, and equipment maintenance/repair.
- 6) Remove all monies and tickets, as appropriate, from equipment prior to maintenance or repair.



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- 7) Use reasonable safeguards and sound management practices to protect Lottery equipment and property from the elements, abuse, theft, damage, and destruction and to prevent the impeding of the Lottery equipment's intended use, visibility, or failure.
- 8) Immediately notify the Lottery upon the theft, loss, destruction of, or damage to any Lottery-provided equipment or property in the Retailer's possession.
- 9) Repair or replace, at Retailer's expense, any loss of, destruction of, or damage to Lottery-provided equipment, machines or parts thereof which results from the willful or negligent act or omission of Retailer, or from Retailer's intentional misconduct or failure to reasonably safeguard or maintain the equipment in accordance with sound management practices.
- 10) Ensure all equipment is operational and able to be used to sell and validate Lottery products during the Retailer's normal business hours.
- 11) Call the Lottery service hotline when a problem occurs which the Retailer cannot resolve.
- 12) Load printer paper, ticket stock, and tickets into all bins of equipment, and maintain sufficient quantities of such ticket stock and tickets in the bins.
- 13) Return all Lottery-provided equipment, property, supplies, and products upon: request of the Lottery; suspension, cancellation, or revocation of the License; and/or termination of this Contract.
- 14) Ensure that Retailer's employees complete a Lottery-designated training program prior to initially selling any Lottery tickets or products and any subsequent training sessions as may be required by the Lottery.
- 15) Only trained licensed Retailer employees and lottery employees are authorized to operate lottery terminals at the retail location.

Lottery or its authorized representatives shall:

- 16) Provide Retailer all required Lottery equipment and product supplies, including playslips, Point of Sale materials, printer paper, and ticket stock.
- 17) Retain ownership of all Lottery-provided equipment and supplies.
- 18) Be responsible for the cost of all normal maintenance associated with Lottery-provided equipment, other than costs incurred because of Retailer's neglect, abuse, or failure to use sound management practices, which costs shall be borne by Retailer.
- 19) Provide a toll-free Lottery hotline for equipment repair service and Retailer support service.

H. Report of Change in Condition

Retailer shall:

- 1) Notify the Lottery in writing not less than fifteen (15) calendar days prior to any proposed changes in its business, including but limited to: (a) ownership, number, or identity of responsible parties associated with the business; (b) federal tax identification number; (c) location; (d) form of ownership or operation of the business; (e) lease of Retailer's business and/or premises; and/or (f) sale or closing of the Retailer's business.
- 2) Notify the Lottery if any person listed on the Retailer's application or Contract, or any amendments thereto (e.g., owner, partner, stockholder, officer, etc.), is charged with or convicted of, or enters a plea of guilty or *nolo contendere* to, **any** offense punishable as a felony, or **any** offense involving moral turpitude, fraud, misrepresentation, bookmaking, or gambling, regardless of the jurisdiction in which the offense occurred. Retailer shall report such event in writing within fifteen (15) calendar days of the date of the charge, plea or conviction.

I. Cooperation with Lottery Representatives

Retailer shall:

- 1) Fully cooperate with Lottery employees or its representatives and make available all pertinent records, documents, and information in all matters related to Lottery operations, including but not limited to the accounting, collection, inspection, auditing, or investigation of Lottery proceeds, tickets and products, equipment, and the terms and conditions of this Contract.
- 2) Provide the Lottery or its representatives access to the premises of the licensed location during normal business hours or at such other times as may be required.

J. Penalties for Non-Compliance



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- (1) *The Lottery reserves the right to suspend or revoke the License, terminate this Contract, and/or suspend operations of and/or remove any equipment provided by the Lottery for noncompliance with the Lottery's laws, regulations or rules, or for noncompliance with any of the terms and conditions of this Contract.*
- (2) *Retailer acknowledges and agrees that its failure to meet the minimum sales requirement(s), if any, may result in any of the sanctions cited in Paragraph J (1), and/or the imposition of a service charge to be paid by the Retailer. The amount of the service charge will be established by the Lottery, at its discretion, and may be amended at its discretion.*
- (3) *Retailer agrees to pay the Lottery's expenses, including reasonable attorneys' fees, incurred in the event the Lottery must initiate legal proceedings to enforce any provision of this Contract or to collect any amount due and owing, which obligation shall survive termination or expiration of this Contract.*

K. Waiver and Indemnification

- (1) *Retailer hereby waives any claim(s) it has or may have against the Commonwealth of Virginia, the Lottery Board, the Lottery, the Lottery Director, or any officer, employee, director or agent of any of the foregoing, arising out of any interruption, suspension, failure or defect in the operation of the Lottery's games, equipment, products or systems, including any claim(s) for lost profit or revenues, regardless of the reason for such interruption, suspension, failure or defect.*
- (2) *Retailer agrees to indemnify and hold harmless the Commonwealth of Virginia, the Lottery Board, the Lottery, the Lottery Director, and any officer, employee, director or agent of any of the foregoing, arising out of any interruption, suspension, failure of, or defect in the operation or design of the Lottery's games, equipment, products or systems, including any claim(s) for lost profit or revenue, regardless of the reason for such interruption, suspension, failure or defect.*
- (3) *This section shall survive termination or expiration of this Contract.*

L. Non-assignability of Contract

- (1) *Retailer understands and agrees this Contract is valid only at the location(s) specified in this Contract or as otherwise expressly authorized by the Lottery, and that it may not assign, subcontract or in any way transfer, in whole or in part, any rights, obligations, claims or interests of any kind in, under, or arising out of this Contract or its License. Should Retailer violate the terms of this paragraph, the Lottery reserves the right to revoke the License, terminate the Contract and/or suspend operation or remove any equipment provided by the Lottery.*
- (2) *Retailer understands and agrees that it shall be responsible for all Lottery operations on Retailer's premises and liable for all monies owed by Retailer to the Lottery for the duration of this Contract and the associated License, and for the acts and omissions of Retailer's employees in connection with Lottery operations.*

Any monies or debt owed by Retailer to the Lottery will survive termination or expiration of this Contract.

- (3) *Retailer understands and agrees that it may not relieve itself of any retailer obligations by entering into management or other agreements involving the operation of its business.*

M. Severability

Retailer agrees that if any provision of this Contract is declared by a court of competent jurisdiction to be illegal, unenforceable or in conflict with any law, the validity of the remaining provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Contract did not contain the particular provision held to be invalid or unenforceable.

N. Applicable Law; Choice of Forum



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The Parties agree that the laws of the Commonwealth of Virginia shall govern all matters arising out of, or in connection with, this Contract and that any action or suit relating to this Contract shall be brought in the Circuit Court of the City of Richmond. This paragraph shall survive any termination or expiration of this Contract.



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IN WITNESS WHEREOF, the Parties have executed this Contract by their duly authorized representatives as of the later date appearing opposite their respective signatures.

RETAILER

VIRGINIA LOTTERY

(Company Name)

By: _____
(Signature)

(Print Name)

(Position/Title)

(Date)

By: _____
(Signature)

(Print Name)

(Position/Title)

(Date)