

STATE OF COLORADO
Department of Revenue
Contract
with
Gaming Laboratories International, LLC.

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EXHIBIT A – STATEMENT OF WORK

EXHIBIT B – PRICES AND RATES

EXHIBIT C – OPTION LETTER

EXHIBIT D – CONTRACTOR'S PROPOSAL

EXHIBIT E – AFFIDAVIT OF NON-CONFLICT OF INTEREST

1. PARTIES

This Contract (hereinafter called "Contract") is entered into by and between Gaming Laboratories International, LLC. (hereinafter called "Contractor"), and the STATE OF COLORADO acting by and through the Colorado Department of Revenue, Division of Gaming (hereinafter called the "State"). Contractor and the State hereby agree to the following terms and conditions.

2. EFFECTIVE DATE AND NOTICE OF NONLIABILITY

This Contract shall not be effective or enforceable until it is approved and signed by the Colorado State Controller or designee (hereinafter called the "Effective Date"). The State shall not be liable to pay or reimburse Contractor for any performance hereunder including, but not limited to, costs or expenses incurred, or be bound by any provision hereof prior to the Effective Date.

3. RECITALS

A. Authority, Appropriation, and Approval

Authority to enter into this Contract exists in the Law and funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for payment. Required approvals, clearance and coordination have been accomplished from and with appropriate agencies.

7-10-13
 cc: Brenda, Jeff, Paul Hogan, Georgia
 sent to vendor 7-11-13

B. Consideration

The Parties acknowledge that the mutual promises and covenants contained herein and other good and valuable consideration are sufficient and adequate to support this Contract.

C. Purpose

The State requires that all Gaming Equipment used in Colorado to be tested to verify that it complies with Colorado Law; the State requires that malfunctioning Gaming Equipment is forensically tested and diagnosed; and the State requires consulting services, regulatory support, critical support and training to support the lawful regulation of gaming.

D. References

All references in this Contract to sections (whether spelled out or using the § symbol), subsections, exhibits or other attachments, are references to sections, subsections, exhibits or other attachments contained herein or incorporated as a part hereof, unless otherwise noted.

4. DEFINITIONS

The following terms as used herein shall be construed and interpreted as follows:

Budget - "Budget" means the budget for the Work described in **Exhibit A**.

Contract - "Contract" means this Contract, its terms and conditions, attached exhibits, documents incorporated by reference under the terms of this Contract, and any future modifying agreements, exhibits, attachments or references incorporated herein pursuant to Colorado State law, Fiscal Rules, and State Controller Policies.

Contract Funds - "Contract Funds" means funds available for payment by the State to Contractor pursuant to this Contract.

Evaluation - "Evaluation" means the process of examining Contractor's Work and rating it based on criteria established in §6 and **Exhibit A**.

Exhibits and other Attachments - The following are attached hereto and incorporated by reference herein: **Exhibit A** (Statement of Work), **Exhibit B** (Prices and Rates), and **Exhibit C** (Option Letter), **Exhibit D** (Contractor's Proposal), and **Exhibit E** (Affidavit of Non-Conflict of Interest).

Goods - "Goods" means tangible material acquired, produced, or delivered by Contractor either separately or in conjunction with the Services Contractor renders hereunder.

Party or Parties - "Party" means the State or Contractor and "Parties" means both the State and Contractor.

Review - "Review" means examining Contractor's Work to ensure that it is adequate, accurate, correct and in accordance with the criteria established in §6 and **Exhibit A**.

Services - "Services" means the required services to be performed by Contractor pursuant to this Contract.

Subcontractor - "Subcontractor" means third-parties, if any, engaged by Contractor to aid in performance of its obligations.

Work - "Work" means the tasks and activities Contractor is required to perform to fulfill its obligations under this Contract and **Exhibit A**, including the performance of the Services and delivery of the Goods.

Work Product - "Work Product" means the tangible or intangible results of Contractor's Work, including, but not limited to, software, research, reports, studies, data, photographs, negatives or other finished or unfinished documents, drawings, models, surveys, maps, materials, or work product of any type, including drafts.

5. TERM

A. Initial Term-Work Commencement

The Parties' respective performances under this Contract shall commence on the later of either the Effective Date or July 1, 2013. This Contract shall terminate on June 30, 2014 unless sooner terminated or further extended as specified elsewhere herein.

B. Two Month Extension

The State, at its sole discretion upon written notice to Contractor as provided in §16, may unilaterally extend the term of this Contract for a period not to exceed two months if the Parties are negotiating a replacement Contract (and not merely seeking a term extension) at or near the end of any initial term or renewal term. The provisions of this Contract in effect when such notice is given, including, but not limited to prices, rates, and delivery requirements, shall remain in effect during the two-month extension. The two month

extension shall immediately terminate when and if a replacement Contract is approved and signed by the Colorado State Controller.

C. State's Option to Extend

The State, in its sole discretion, may require continued performance for four (4) additional periods of twelve (12) months for any services at the rates and terms specified in the contract. The State may exercise the option by written notice of its intent to renew to the Contractor within thirty (30) days prior to the end of the current contractor term. Notice of intent does not commit the State to a renewal. The renewal shall be in a form substantially equivalent to **Exhibit C** of this contract ("Option Letter"). The Option Letter shall not be valid until signed by the State Controller or his/her designee.

For each contract period/contract renewal period, the Contractor must demonstrate it conducts testing for Gaming Equipment and/or Gaming Systems for the Division, as demonstrated by the issuance of Test Result Reports, to certify it complies with Colorado Laws. A lack of performance during any contract period/contract renewal period will result in revocation of the Contractor's certification status and may, upon the sole discretion of the Division, result in non-renewal of the contract.

6. STATEMENT OF WORK

A. Completion

Contractor shall complete the Work and its other obligations as described herein and in **Exhibit A**. The State shall not be liable to compensate Contractor for any Work performed prior to the Effective Date or after the termination of this Contract.

B. Goods and Services

Contractor shall procure Goods and Services necessary to complete the Work. Such procurement shall be accomplished using the Contract Funds and shall not increase the maximum amount payable hereunder by the State.

C. Employees

All persons employed by Contractor or Subcontractors to perform Work under this Contract shall be Contractor's or Subcontractors' employee(s) for all purposes hereunder and shall not be employees of the State for any purpose as a result of this Contract.

7. PAYMENTS TO CONTRACTOR

The State shall, in accordance with the provisions of this §7, pay Contractor in the amounts and using the methods set forth below:

A. Maximum Amount

The maximum amount payable under this Contract to Contractor by the State is \$2,000.00 as determined by the State from available funds. Payments to Contractor are limited to the unpaid obligated balance of the Contract set forth in **Exhibit B**. The maximum amount payable by the State to Contractor during each State fiscal year of this Contract shall be:

\$2,000.00 in FY2014

B. Payment

i. Advance, Interim and Final Payments

Any advance payment allowed under this Contract or in **Exhibit B** shall comply with State Fiscal Rules and be made in accordance with the provisions of this Contract or such Exhibit. Contractor shall initiate any payment requests by submitting invoices to the State in the form and manner set forth in approved by the State.

ii. Interest

The State shall fully pay each invoice within 45 days of receipt thereof if the amount invoiced represents performance by Contractor previously accepted by the State. Uncontested amounts not paid by the State within 45 days shall bear interest on the unpaid balance beginning on the 46th day at a rate not to exceed one percent per month until paid in full; provided, however, that interest shall not accrue on unpaid amounts that are subject to a good faith dispute. Contractor shall invoice the State separately

for accrued interest on delinquent amounts. The billing shall reference the delinquent payment, the number of day's interest to be paid and the interest rate.

iii. Available Funds-Contingency-Termination

The State is prohibited by law from making commitments beyond the term of the State's current fiscal year. Therefore, Contractor's compensation beyond the State's current Fiscal Year is contingent upon the continuing availability of State appropriations as provided in the Colorado Special Provisions. If federal funds are used to fund this Contract, in whole or in part, the State's performance hereunder is contingent upon the continuing availability of such funds. Payments pursuant to this Contract shall be made only from available funds encumbered for this Contract and the State's liability for such payments shall be limited to the amount remaining of such encumbered funds. If State or federal funds are not appropriated, or otherwise become unavailable to fund this Contract, the State may terminate this Contract immediately, in whole or in part, without further liability in accordance with the provisions hereof.

iv. Erroneous Payments

At the State's sole discretion, payments made to Contractor in error for any reason, including, but not limited to overpayments or improper payments, and unexpended or excess funds received by Contractor, may be recovered from Contractor by deduction from subsequent payments under this Contract or other contracts, grants or agreements between the State and Contractor or by other appropriate methods and collected as a debt due to the State. Such funds shall not be paid to any person or entity other than the State.

C. Use of Funds

Contract Funds shall be used only for eligible costs identified herein and/or in the Budget.

8. REPORTING - NOTIFICATION

Reports, Evaluations, and Reviews required under this §8 shall be in accordance with the procedures of and in such form as prescribed by the State and in accordance with §19, if applicable.

A. Performance, Progress, Personnel, and Funds

Contractor shall submit a report to the State upon expiration or sooner termination of this Contract, containing an Evaluation and Review of Contractor's performance and the final status of Contractor's obligations hereunder. In addition, Contractor shall comply with all reporting requirements, if any, set forth in Exhibit A.

B. Litigation Reporting

Within 10 days after being served with any pleading in a legal action filed with a court or administrative agency, related to this Contract or which may affect Contractor's ability to perform its obligations hereunder, Contractor shall notify the State of such action and deliver copies of such pleadings to the State's principal representative as identified herein. If the State's principal representative is not then serving, such notice and copies shall be delivered to the Executive Director of Colorado Department of Revenue.

C. Noncompliance

Contractor's failure to provide reports and notify the State in a timely manner in accordance with this §8 may result in the delay of payment of funds and/or termination as provided under this Contract.

D. Subcontracts

Copies of any and all subcontracts entered into by Contractor to perform its obligations hereunder shall be submitted to the State or its principal representative upon request by the State. Any and all subcontracts entered into by Contractor related to its performance hereunder shall comply with all applicable federal and state laws and shall provide that such subcontracts be governed by the laws of the State of Colorado. The Contractor shall receive approval from the Division of Gaming prior to entering into any subcontract.

9. CONTRACTOR RECORDS

A. Maintenance

Contractor shall make, keep, maintain, and allow inspection and monitoring by the State of a complete file of all records, documents, communications, notes and other written materials, electronic media files, and communications, pertaining in any manner to the Work or the delivery of Services or Goods hereunder. Contractor shall maintain such records until the last to occur of: (i) a period of three years after the date this Contract expires or is sooner terminated, or (ii) final payment is made hereunder, or (iii) the resolution of

any pending Contract matters, or (iv) if an audit is occurring, or Contractor has received notice that an audit is pending, until such audit has been completed and its findings have been resolved (collectively, the "Record Retention Period").

B. Inspection

Contractor shall permit the State, the federal government and any other duly authorized agent of a governmental agency to audit, inspect, examine, excerpt, copy and/or transcribe Contractor's records related to this Contract during the Record Retention Period for a period of three years following termination of this Contract or final payment hereunder, whichever is later, to assure compliance with the terms hereof or to evaluate performance hereunder. The State reserves the right to inspect the Work at all reasonable times and places during the term of this Contract, including any extensions or renewals. If the Work fails to conform to the requirements of this Contract, the State may require Contractor promptly to bring the Work into conformity with Contract requirements, at Contractor's sole expense. If the Work cannot be brought into conformance by re-performance or other corrective measures, the State may require Contractor to take necessary action to ensure that future performance conforms to Contract requirements and exercise the remedies available under this Contract, at law or in equity, in lieu of or in conjunction with such corrective measures.

C. Monitoring

Contractor shall permit the State, the federal government, and governmental agencies having jurisdiction, in their sole discretion, to monitor all activities conducted by Contractor pursuant to the terms of this Contract using any reasonable procedure, including, but not limited to: internal evaluation procedures, examination of program data, special analyses, on-site checking, formal audit examinations, or any other procedures. All monitoring controlled by the State shall be performed in a manner that shall not unduly interfere with Contractor's performance hereunder.

D. Final Audit Report

If an audit is performed on Contractor's records for any fiscal year covering a portion of the term of this Contract, Contractor shall submit a copy of the final audit report to the State or its principal representative at the address specified herein.

10. CONFIDENTIAL INFORMATION-STATE RECORDS

Contractor shall comply with the provisions of this §10 if it becomes privy to confidential information in connection with its performance hereunder. Confidential information includes, but is not necessarily limited to, any state records, personnel records, and information concerning individuals. Such information shall not include information required to be disclosed pursuant to the Colorado Open Records Act, CRS §24-72-101, et seq.

A. Confidentiality

Contractor shall keep all State records and information confidential at all times and comply with all laws and regulations concerning confidentiality of information. Any request or demand by a third party for State records and information in the possession of Contractor shall be immediately forwarded to the State's principal representative.

B. Notification

Contractor shall notify its agent, employees, Subcontractors and assigns who may come into contact with State records and confidential information that each is subject to the confidentiality requirements set forth herein, and shall provide each with a written explanation of such requirements before permitting them to access such records and information.

C. Use, Security, and Retention

Confidential information of any kind shall not be distributed or sold to any third party or used by Contractor or its agents in any way, except as authorized by this Contract or approved in writing by the State. Contractor shall provide and maintain a secure environment that ensures confidentiality of all State records and other confidential information wherever located. Confidential information shall not be retained in any files or otherwise by Contractor or its agents, except as permitted in this Contract or approved in writing by the State.

D. Disclosure-Liability

Disclosure of State records or other confidential information by Contractor for any reason may be cause for legal action by third parties against Contractor, the State or their respective agents. Contractor shall indemnify, save, and hold harmless the State, its employees and agents, against any and all claims, damages, liability and court awards including costs, expenses, and attorney fees and related costs, incurred as a result of any act or omission by Contractor, or its employees, agents, Subcontractors, or assignees pursuant to this §10.

11. CONFLICTS OF INTEREST

Contractor shall not engage in any business or personal activities or practices or maintain any relationships which conflict in any way with the full performance of Contractor's obligations hereunder. Contractor acknowledges that with respect to this Contract, even the appearance of a conflict of interest is harmful to the State's interests. Absent the State's prior written approval, Contractor shall refrain from any practices, activities or relationships that reasonably appear to be in conflict with the full performance of Contractor's obligations to the State hereunder. If a conflict or appearance exists, or if Contractor is uncertain whether a conflict or the appearance of a conflict of interest exists, Contractor shall submit to the State a disclosure statement setting forth the relevant details for the State's consideration. Failure to promptly submit a disclosure statement or to follow the State's direction in regard to the apparent conflict constitutes a breach of this Contract.

Contractor shall be independent from the manufacturers/distributors requesting testing and shall not provide consulting services (including, but not limited to, product development testing, product design, programming or manufacture of any gaming device(s)) to Colorado licensees.

Unless otherwise expressly pre-approved in writing by the Executive Director of the Colorado Department of Revenue, all employees, officers, staff or temporary employees of the Contractor involved in the performance of any aspect of this Contract shall execute and be bound by an "Affidavit of Non-Conflict of Interest", attached hereto as **Exhibit E**. This is a continuing requirement through the term of the Contract, including any extensions. Within ten (10) business days upon notification of the awarded Contract, the signed Affidavits shall be timely sent to the State in accordance with Section 16, "Notices and Representatives", of this Contract.

12. REPRESENTATIONS AND WARRANTIES

Contractor makes the following specific representations and warranties, each of which was relied on by the State in entering into this Contract.

A. Standard and Manner of Performance

Contractor shall perform its obligations hereunder in accordance with the highest standards of care, skill and diligence in Contractor's industry, trade, or profession and in the sequence and manner set forth in this Contract.

B. Legal Authority – Contractor Signatory

Contractor warrants that it possesses the legal authority to enter into this Contract and that it has taken all actions required by its procedures, and by-laws, and/or applicable laws to exercise that authority, and to lawfully authorize its undersigned signatory to execute this Contract, or any part thereof, and to bind Contractor to its terms. If requested by the State, Contractor shall provide the State with proof of Contractor's authority to enter into this Contract within 15 days of receiving such request.

C. Licenses, Permits, Etc.

Contractor represents and warrants that as of the Effective Date it has, and that at all times during the term hereof it shall have and maintain, at its sole expense, all licenses, certifications, approvals, insurance, permits, and other authorizations required by law to perform its obligations hereunder. Contractor warrants that it shall maintain all necessary licenses, certifications, approvals, insurance, permits, and other authorizations required to properly perform this Contract, without reimbursement by the State or other adjustment in Contract Funds. Additionally, all employees, agents, and Subcontractors of Contractor performing Services under this Contract shall hold all required licenses or certifications, if any, to perform their responsibilities. Contractor, if a foreign corporation or other foreign entity transacting business in the State of Colorado, further warrants that it currently has obtained and shall maintain any applicable certificate of authority to transact business in the State of Colorado and has designated a registered agent in

Colorado to accept service of process. Any revocation, withdrawal or non-renewal of licenses, certifications, approvals, insurance, permits or any such similar requirements necessary for Contractor to properly perform the terms of this Contract is a material breach by Contractor and constitutes grounds for termination of this Contract.

13. INSURANCE

Contractor and its Subcontractors shall obtain and maintain insurance as specified in this section at all times during the term of this Contract. All policies evidencing the insurance coverage required hereunder shall be issued by insurance companies satisfactory to Contractor and the State.

A. Contractor

i. Public Entities

If Contractor is a "public entity" within the meaning of the Colorado Governmental Immunity Act, CRS §24-10-101, et seq., as amended (the "GIA"), then Contractor shall maintain at all times during the term of this Contract such liability insurance, by commercial policy or self-insurance, as is necessary to meet its liabilities under the GIA. Contractor shall show proof of such insurance satisfactory to the State, if requested by the State. Contractor shall require each contract with a Subcontractor that is a public entity, to include the insurance requirements necessary to meet such Subcontractor's liabilities under the GIA.

ii. Non-Public Entities

If Contractor is not a "public entity" within the meaning of the GIA, Contractor shall obtain and maintain during the term of this Contract insurance coverage and policies meeting the same requirements set forth in §13(B) with respect to Subcontractors that are not "public entities".

B. Contractors - Subcontractors

Contractor shall require each contract with Subcontractors other than those that are public entities, providing Goods or Services in connection with this Contract, to include insurance requirements substantially similar to the following:

i. Worker's Compensation

Worker's Compensation Insurance as required by State statute, and Employer's Liability Insurance covering all of Contractor or Subcontractor employees acting within the course and scope of their employment.

ii. General Liability

Commercial General Liability Insurance written on ISO occurrence form CG 00 01 10/93 or equivalent, covering premises operations, fire damage, independent contractors, products and completed operations, blanket contractual liability, personal injury, and advertising liability with minimum limits as follows: (a) \$1,000,000 each occurrence; (b) \$1,000,000 general aggregate; (c) \$1,000,000 products and completed operations aggregate; and (d) \$50,000 any one fire.

If any aggregate limit is reduced below \$1,000,000 because of claims made or paid, Subcontractor shall immediately obtain additional insurance to restore the full aggregate limit and furnish to Contractor a certificate or other document satisfactory to Contractor showing compliance with this provision.

iii. Automobile Liability

Automobile Liability Insurance covering any auto (including owned, hired and non-owned autos) with a minimum limit of \$1,000,000 each accident combined single limit.

iv. Additional Insured

The State shall be named as additional insured on all Commercial General Liability and Automobile Liability Insurance policies (leases and construction contracts require additional insured coverage for completed operations on endorsements CG 2010 11/85, CG 2037, or equivalent) required of Contractor and any Subcontractors hereunder.

v. Primacy of Coverage

Coverage required of Contractor and Subcontractor shall be primary over any insurance or self-insurance program carried by Contractor or the State.

vi. Cancellation

The above insurance policies shall include provisions preventing cancellation or non-renewal without at least 30 days prior notice to Contractor and Contractor shall forward such notice to the State in

accordance with §16 (Notices and Representatives) within seven days of Contractor's receipt of such notice.

vii. Subrogation Waiver

All insurance policies in any way related to this Contract and secured and maintained by Contractor or its Subcontractors as required herein shall include clauses stating that each carrier shall waive all rights of recovery, under subrogation or otherwise, against Contractor or the State, its agencies, institutions, organizations, officers, agents, employees, and volunteers.

C. Certificates

Contractor and all Subcontractors shall provide certificates showing insurance coverage required hereunder to the State within seven business days of the Effective Date of this Contract. No later than 15 days prior to the expiration date of any such coverage, Contractor and each Subcontractor shall deliver to the State or Contractor certificates of insurance evidencing renewals thereof. In addition, upon request by the State at any other time during the term of this Contract or any subcontract, Contractor and each Subcontractor shall, within 10 days of such request, supply to the State evidence satisfactory to the State of compliance with the provisions of this §13.

14. BREACH

A. Defined

In addition to any breaches specified in other sections of this Contract, the failure of either Party to perform any of its material obligations hereunder, in whole or in part or in a timely or satisfactory manner, constitutes a breach. The institution of proceedings under any bankruptcy, insolvency, reorganization or similar law, by or against Contractor, or the appointment of a receiver or similar officer for Contractor or any of its property, which is not vacated or fully stayed within 20 days after the institution or occurrence thereof, shall also constitute a breach.

B. Notice and Cure Period

In the event of a breach, notice of such shall be given in writing by the aggrieved Party to the other Party in the manner provided in §16. If such breach is not cured within 30 days of receipt of written notice, or if a cure cannot be completed within 30 days, or if cure of the breach has not begun within 30 days and pursued with due diligence, the State may exercise any of the remedies set forth in §15. Notwithstanding anything to the contrary herein, the State, in its sole discretion, need not provide advance notice or a cure period and may immediately terminate this Contract in whole or in part if reasonably necessary to preserve public safety or to prevent immediate public crisis.

15. REMEDIES

If Contractor is in breach under any provision of this Contract, the State shall have all of the remedies listed in this §15 in addition to all other remedies set forth in other sections of this Contract following the notice and cure period set forth in §14(B). The State may exercise any or all of the remedies available to it, in its sole discretion, concurrently or consecutively.

A. Termination for Cause and/or Breach

The State may terminate this entire Contract or any part of this Contract. Exercise by the State of this right shall not be a breach of its obligations hereunder. Contractor shall continue performance of this Contract to the extent not terminated, if any.

i. Obligations and Rights

To the extent specified in any termination notice, Contractor shall not incur further obligations or render further performance hereunder past the effective date of such notice, and shall terminate outstanding orders and subcontracts with third parties. However, Contractor shall complete and deliver to the State all Work, Services and Goods not cancelled by the termination notice and may incur obligations as are necessary to do so within this Contract's terms. At the sole discretion of the State, Contractor shall assign to the State all of Contractor's right, title, and interest under such terminated orders or subcontracts. Upon termination, Contractor shall take timely, reasonable and necessary action to protect and preserve property in the possession of Contractor in which the State has an interest. All materials owned by the State in the possession of Contractor shall be immediately returned to the State. All Work

Product, at the option of the State, shall be delivered by Contractor to the State and shall become the State's property.

ii. Payments

The State shall reimburse Contractor only for accepted performance up to the date of termination. If, after termination by the State, it is determined that Contractor was not in breach or that Contractor's action or inaction was excusable, such termination shall be treated as a termination in the public interest and the rights and obligations of the Parties shall be the same as if this Contract had been terminated in the public interest, as described herein.

iii. Damages and Withholding

Notwithstanding any other remedial action by the State, Contractor shall remain liable to the State for any damages sustained by the State by virtue of any breach under this Contract by Contractor and the State may withhold any payment to Contractor for the purpose of mitigating the State's damages, until such time as the exact amount of damages due to the State from Contractor is determined. The State may withhold any amount that may be due Contractor as the State deems necessary to protect the State against loss, including loss as a result of outstanding liens, claims of former lien holders, or for the excess costs incurred in procuring similar goods or services. Contractor shall be liable for excess costs incurred by the State in procuring from third parties replacement Work, Services or substitute Goods as cover.

B. Early Termination in the Public Interest

The State is entering into this Contract for the purpose of carrying out the public policy of the State of Colorado, as determined by its Governor, General Assembly, and/or Courts. If this Contract ceases to further the public policy of the State, the State, in its sole discretion, may terminate this Contract in whole or in part. Exercise by the State of this right shall not constitute a breach of the State's obligations hereunder. This subsection shall not apply to a termination of this Contract by the State for cause or breach by Contractor, which shall be governed by §15(A) or as otherwise specifically provided for herein.

i. Method and Content

The State shall notify Contractor of such termination in accordance with §16. The notice shall specify the effective date of the termination and whether it affects all or a portion of this Contract.

ii. Obligations and Rights

Upon receipt of a termination notice, Contractor shall be subject to and comply with the same obligations and rights set forth in §15(A)(i).

iii. Payments

If this Contract is terminated by the State pursuant to this §15(B), Contractor shall be paid an amount which bears the same ratio to the total reimbursement under this Contract as Contractor's obligations that were satisfactorily performed bear to the total obligations set forth in this Contract, less payments previously made. Additionally, if this Contract is less than 60% completed, the State may reimburse Contractor for a portion of actual out-of-pocket expenses (not otherwise reimbursed under this Contract) incurred by Contractor which are directly attributable to the uncompleted portion of Contractor's obligations hereunder; provided that the sum of any and all reimbursement shall not exceed the maximum amount payable to Contractor hereunder.

C. Remedies Not Involving Termination

The State, in its sole discretion, may exercise one or more of the following remedies in addition to other remedies available to it:

i. Suspend Performance

Suspend Contractor's performance with respect to all or any portion of this Contract pending necessary corrective action as specified by the State without entitling Contractor to an adjustment in price/cost or performance schedule. Contractor shall promptly cease performance and incurring costs in accordance with the State's directive and the State shall not be liable for costs incurred by Contractor after the suspension of performance under this provision.

ii. Withhold Payment

Withhold payment to Contractor until corrections in Contractor's performance are satisfactorily made and completed.

iii. Deny Payment

Deny payment for those obligations not performed, that due to Contractor's actions or inactions, cannot be performed or, if performed, would be of no value to the State; provided, that any denial of payment shall be reasonably related to the value to the State of the obligations not performed.

iv. Removal

Notwithstanding any other provision herein, the State may demand immediate removal of any of Contractor's employees, agents, or Subcontractors whom the State deems incompetent, careless, insubordinate, unsuitable, or otherwise unacceptable, or whose continued relation to this Contract is deemed to be contrary to the public interest or the State's best interest.

v. Intellectual Property

If Contractor infringes on a patent, copyright, trademark, trade secret or other intellectual property right while performing its obligations under this Contract, Contractor shall, at the State's option (a) obtain for the State or Contractor the right to use such products and services; (b) replace any Goods, Services, or other product involved with non-infringing products or modify them so that they become non-infringing; or, (c) if neither of the foregoing alternatives are reasonably available, remove any infringing Goods, Services, or products and refund the price paid therefore to the State.

16. NOTICES and REPRESENTATIVES

Each individual identified below is the principal representative of the designating Party. All notices required to be given hereunder shall be hand delivered with receipt required or sent by certified or registered mail to such Party's principal representative at the address set forth below. In addition to, but not in lieu of a hard-copy notice, notice also may be sent by e-mail to the e-mail addresses, if any, set forth below. Either Party may from time to time designate by written notice substitute addresses or persons to whom such notices shall be sent. Unless otherwise provided herein, all notices shall be effective upon receipt.

A. State:

Colorado Division of Gaming
17301 W. Colfax Ave., Suite 135
Golden, CO 80401
Attn: Brenda Davis, CPA
Director of Administration
(303) 205-1338
Brenda.davis@state.co.us

B. Contractor:

Gaming Laboratories International, LLC.
600 Airport Road
Lakewood, NJ 08701
Attn: James Maida
President
(732) 942-3999
j.maida@gaminglabs.com

17. RIGHTS IN DATA, DOCUMENTS, AND COMPUTER SOFTWARE

Any software, research, reports, studies, data, photographs, negatives or other documents, drawings, models, materials, or Work Product of any type, including drafts, prepared by Contractor in the performance of its obligations under this Contract shall be the exclusive property of the State and, all Work Product shall be delivered to the State by Contractor upon completion or termination hereof. The State's exclusive rights in such Work Product shall include, but not be limited to, the right to copy, publish, display, transfer, and prepare derivative works. Contractor shall not use, willingly allow, cause or permit such Work Product to be used for any purpose other than the performance of Contractor's obligations hereunder without the prior written consent of the State.

18. GOVERNMENTAL IMMUNITY

Liability for claims for injuries to persons or property arising from the negligence of the State of Colorado, its departments, institutions, agencies, boards, officials, and employees is controlled and limited by the provisions of the Governmental Immunity Act §24-10-101, et seq. and the risk management statutes, CRS §24-30-1501, et seq., as amended.

19. STATEWIDE CONTRACT MANAGEMENT SYSTEM

If the maximum amount payable to Contractor under this Contract is \$100,000 or greater, either on the Effective Date or at anytime thereafter, this §19 applies.

Contractor agrees to be governed, and to abide, by the provisions of CRS §24-102-205, §24-102-206, §24-103-601, §24-103.5-101 and §24-105-102 concerning the monitoring of vendor performance on state contracts and inclusion of contract performance information in a statewide contract management system. Contractor's performance shall be subject to Evaluation and Review in accordance with the terms and conditions of this Contract, State law, including CRS §24-103.5-101, and State Fiscal Rules, Policies and Guidance. Evaluation and Review of Contractor's performance shall be part of the normal contract administration process and Contractor's performance will be systematically recorded in the statewide Contract Management System. Areas of Evaluation and Review shall include, but shall not be limited to quality, cost and timeliness. Collection of information relevant to the performance of Contractor's obligations under this Contract shall be determined by the specific requirements of such obligations and shall include factors tailored to match the requirements of Contractor's obligations. Such performance information shall be entered into the statewide Contract Management System at intervals established herein and a final Evaluation, Review and Rating shall be rendered within 30 days of the end of the Contract term. Contractor shall be notified following each performance Evaluation and Review, and shall address or correct any identified problem in a timely manner and maintain work progress.

Should the final performance Evaluation and Review determine that Contractor demonstrated a gross failure to meet the performance measures established hereunder, the Executive Director of the Colorado Department of Personnel and Administration (Executive Director), upon request by the Colorado Department of Revenue, and showing of good cause, may debar Contractor and prohibit Contractor from bidding on future contracts. Contractor may contest the final Evaluation, Review and Rating by: (a) filing rebuttal statements, which may result in either removal or correction of the evaluation (CRS §24-105-102(6)), or (b) under CRS §24-105-102(6), exercising the debarment protest and appeal rights provided in CRS §§24-109-106, 107, 201 or 202, which may result in the reversal of the debarment and reinstatement of Contractor, by the Executive Director, upon a showing of good cause.

20. GENERAL PROVISIONS**A. Assignment and Subcontracts**

Contractor's rights and obligations hereunder are personal and may not be transferred, assigned or subcontracted without the prior, written consent of the State. Any attempt at assignment, transfer, subcontracting without such consent shall be void. All assignments, subcontracts, or Subcontractors approved by Contractor or the State are subject to all of the provisions hereof. Contractor shall be solely responsible for all aspects of subcontracting arrangements and performance.

B. Binding Effect

Except as otherwise provided in §20(A), all provisions herein contained, including the benefits and burdens, shall extend to and be binding upon the Parties' respective heirs, legal representatives, successors, and assigns.

C. Captions

The captions and headings in this Contract are for convenience of reference only, and shall not be used to interpret, define, or limit its provisions.

D. Counterparts

This Contract may be executed in multiple identical original counterparts, all of which shall constitute one agreement.

E. Entire Understanding

This Contract represents the complete integration of all understandings between the Parties and all prior representations and understandings, oral or written, are merged herein. Prior or contemporaneous additions, deletions, or other changes hereto shall not have any force or effect whatsoever, unless embodied herein.

F. Indemnification

Contractor shall indemnify, save, and hold harmless the State, its employees and agents, against any and all claims, damages, liability and court awards including costs, expenses, and attorney fees and related costs, incurred as a result of any act or omission by Contractor, or its employees, agents, Subcontractors, or assignees pursuant to the terms of this Contract; however, the provisions hereof shall not be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protection, or other provisions, of the Colorado Governmental Immunity Act, CRS §24-10-101 et seq., or the Federal Tort Claims Act, 28 U.S.C. 2671 et seq., as applicable, as now or hereafter amended.

G. Jurisdiction and Venue

All suits or actions related to this Contract shall be filed and proceedings held in the State of Colorado and exclusive venue shall be in the City and County of Denver.

H. Modification**i. By the Parties**

Except as specifically provided in this Contract, modifications of this Contract shall not be effective unless agreed to in writing by the Parties in an amendment to this Contract, properly executed and approved in accordance with applicable Colorado State law, and State Fiscal Rules. Modifications permitted under this Contract, other than contract amendments, shall conform to the Policies of the Office of the State Controller, including, but not limited to, the policy entitled MODIFICATIONS OF CONTRACTS - TOOLS AND FORMS.

ii. By Operation of Law

This Contract is subject to such modifications as may be required by changes in Federal or Colorado State law, or their implementing regulations. Any such required modification automatically shall be incorporated into and be part of this Contract on the effective date of such change, as if fully set forth herein.

I. Order of Precedence

The provisions of this Contract shall govern the relationship of the Parties. In the event of conflicts or inconsistencies between this Contract and its exhibits and attachments, including, but not limited to, those provided by Contractor, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority:

- i. Colorado Special Provisions,
- ii. The provisions of the main body of this Contract,
- iii. **Exhibit A,**
- iv. **Exhibit B,**
- v. **Exhibit C,**
- vi. **Exhibit D,** and
- vii. **Exhibit E,**

J. Severability

Provided this Contract can be executed and performance of the obligations of the Parties accomplished within its intent, the provisions hereof are severable and any provision that is declared invalid or becomes inoperable for any reason shall not affect the validity of any other provision hereof, provided that the Parties can continue to perform their obligations under this Contract in accordance with its intent.

K. Survival of Certain Contract Terms

Notwithstanding anything herein to the contrary, provisions of this Contract requiring continued performance, compliance, or effect after termination hereof, shall survive such termination and shall be enforceable by the State if Contractor fails to perform or comply as required.

L. Taxes

The State is exempt from all federal excise taxes under IRC Chapter 32 (No. 84-730123K) and from all State and local government sales and use taxes under CRS §§39-26-101 and 201 et seq. Such exemptions

apply when materials are purchased or services are rendered to benefit the State; provided however, that certain political subdivisions (e.g., City of Denver) may require payment of sales or use taxes even though the product or service is provided to the State. Contractor shall be solely liable for paying such taxes as the State is prohibited from paying or reimbursing Contractor for such taxes.

M. Third Party Beneficiaries

Enforcement of this Contract and all rights and obligations hereunder are reserved solely to the Parties. Any services or benefits which third parties receive as a result of this Contract are incidental to the Contract, and do not create any rights for such third parties.

N. Waiver

Waiver of any breach under a term, provision, or requirement of this Contract, or any right or remedy hereunder, whether explicitly or by lack of enforcement, shall not be construed or deemed as a waiver of any subsequent breach of such term, provision or requirement, or of any other term, provision, or requirement.

O. CORA Disclosure

To the extent not prohibited by federal law, this Contract and the performance measures and standards under CRS §24-103.5-101, if any, are subject to public release through the Colorado Open Records Act, CRS §24-72-101, et seq.

P. Use of Anticompetitive Practices

The Contractor understands and agrees that anticompetitive and collusion practices related to the services authorized by this contract shall not be allowed. The State reserves the right to immediately terminate this contract, pursuant to Section 15, "Remedies", should the State become aware of the Contractor's involvement in anticompetitive or collusion practices.

Q. Illegal Gaming and Suitability

The Contractor understands and agrees that participation in, or offering consultancy services (including, but not limited to, product development testing, product design, or product evaluation) or testing services in support or furtherance of illegal gaming shall not be allowed.

The Contractor understands and agrees that the State, in its sole discretion, may:

1. Determine that the test scripts or plans used by the Contractor are insufficient and inadequate to warrant test accuracy.
2. Determine that the Contractor has failed to maintain suitability as defined in this Contract and its attachments.
3. Determine that any of the Contractor's laboratory facilities or services are insufficient or inadequate.

The State reserves the right to immediately terminate this contract, pursuant to the Section 15, "Remedies", should the State determine violations as described in this section.

R. Maintenance of Records

The Contractor shall maintain copies of all Test Result Reports at its offices for sixty (60) months following the date of final payment or completion of any required audit, or until thirty-six (36) months have elapsed from the date any Test Result Report is revoked or rendered obsolete, whichever is later. The Test Result Reports shall be accessible to State personnel during regular business hours via onsite review or other access (facsimile transmission, electronic transmission, telephone interview, etc.) as needed. Additionally, the Contractor shall make the essential information of its work product (concerning approvals, revocations, and obsolescence) available to the State on the internet, under security protocols, 24 hours a day, 7 days a week. Such internet information shall be updated on at least a daily basis, excluding weekends and holidays.

The Contractor shall maintain accurate and detailed accounting records and reports regarding the test results and compliance with Colorado's Laws. The Contractor shall provide such records and reports to the State, upon request, to ensure record reconciliation between both parties, to facilitate timely and proper field machine inspections, and to ensure compliance with the contract.

Upon expiration or termination of this contract, all such documents, data and records shall, at the option of the State, be appropriately arranged, indexed and delivered to the State by the Contractor at no additional cost to the State.

Except as may be extended by revocation of Gaming Equipment approval, all records of the Contractor shall be retained for at least sixty (60) months following the date of final payment or completion of any required audit, whichever is later.

S. Replacement of Contractor Personnel

Replacement of Contractor personnel requires all key Employees to submit a key application within thirty (30) days of their appointment; support Personnel must obtain their support licenses prior to performing work provided for by this Contract. All key employees and support personnel as defined in Exhibit A shall maintain their licenses throughout the contract period.

Should the State determine violations of this section, the State reserves the right to pursue remedies, to include immediate termination of this Contract, pursuant to the Section 15, "Remedies".

T. Gifts / Gratuities

The Contractor shall not, by itself or through any officer, director, employee, agent, partner, subcontractor or other representative, offer, give, grant, or otherwise deliver any gift, gratuity, or anything of monetary or non-monetary value to any employee of the State or to any member of his/her immediate family or anyone living in his/her household. Failure by the Contractor to ensure compliance with this provision may result, in the State's sole discretion, in immediate termination of the Contract or other remedies available in the Contract.

U. Non-Exclusive Rights

It is understood and agreed by the Contractor that the State does not grant the Contractor exclusive rights to provide the products and/or services under this Contract. The State reserves the right to contract with and purchase products and services from persons and entities other than the Contractor, as may be in the best interest of the State. This Contract shall remain in full force and effect should the State enter into other contracts for the same or similar goods and services as provided under this Contract.

V. Press Contacts/News Releases

The Contractor shall not initiate any press and/or media contact nor respond to press/media requests regarding this Contract and/or any related matters concerning the State without the prior written approval of the State.

W. Cooperation of the Parties

The Contractor and the State agree to cooperate fully, to work in good faith, and to mutually assist each other in the performance of this Contract. In connection herewith, the parties shall meet to resolve problems associated with this Contract. Neither party will unreasonably withhold its approval of any act or request of the other to which the party's approval is necessary or desirable.

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21. COLORADO SPECIAL PROVISIONS

These Special Provisions apply to all Contracts except where noted in italics.

A. CONTROLLER'S APPROVAL. CRS §24-30-202 (1).

This Contract shall not be valid until it has been approved by the Colorado State Controller or designee.

A. FUND AVAILABILITY. CRS §24-30-202(5.5).

Financial obligations of the State payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.

B. GOVERNMENTAL IMMUNITY.

No term or condition of this Contract shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, of the Colorado Governmental Immunity Act, CRS §24-10-101 et seq., or the Federal Tort Claims Act, 28 U.S.C. §§1346(b) and 2671 et seq., as applicable now or hereafter amended.

C. INDEPENDENT CONTRACTOR

Contractor shall perform its duties hereunder as an independent contractor and not as an employee. Neither Contractor nor any agent or employee of Contractor shall be deemed to be an agent or employee of the State. Contractor and its employees and agents are not entitled to unemployment insurance or workers compensation benefits through the State and the State shall not pay for or otherwise provide such coverage for Contractor or any of its agents or employees. Unemployment insurance benefits will be available to Contractor and its employees and agents only if such coverage is made available by Contractor or a third party. Contractor shall pay when due all applicable employment taxes and income taxes and local head taxes incurred pursuant to this Contract. Contractor shall not have authorization, express or implied, to bind the State to any agreement, liability or understanding, except as expressly set forth herein. Contractor shall (a) provide and keep in force workers' compensation and unemployment compensation insurance in the amounts required by law, (b) provide proof thereof when requested by the State, and (c) be solely responsible for its acts and those of its employees and agents.

D. COMPLIANCE WITH LAW.

Contractor shall strictly comply with all applicable federal and State laws, rules, and regulations in effect or hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.

E. CHOICE OF LAW.

Colorado law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this Contract. Any provision included or incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. Any provision incorporated herein by reference which purports to negate this or any other Special Provision in whole or in part shall not be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision shall not invalidate the remainder of this Contract, to the extent capable of execution.

F. BINDING ARBITRATION PROHIBITED.

The State of Colorado does not agree to binding arbitration by any extra-judicial body or person. Any provision to the contrary in this Contract or incorporated herein by reference shall be null and void.

G. SOFTWARE PIRACY PROHIBITION. Governor's Executive Order D 002 00.

State or other public funds payable under this Contract shall not be used for the acquisition, operation, or maintenance of computer software in violation of federal copyright laws or applicable licensing restrictions. Contractor hereby certifies and warrants that, during the term of this Contract and any extensions, Contractor has and shall maintain in place appropriate systems and controls to prevent such improper use of public funds. If the State determines that Contractor is in violation of this provision, the State may exercise any remedy available at law or in equity or under this Contract, including, without limitation, immediate termination of this Contract and any remedy consistent with federal copyright laws or applicable licensing restrictions.

H. EMPLOYEE FINANCIAL INTEREST/CONFLICT OF INTEREST. CRS §§24-18-201 and 24-50-507.

The signatories aver that to their knowledge, no employee of the State has any personal or beneficial interest whatsoever in the service or property described in this Contract. Contractor has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of Contractor's services and Contractor shall not employ any person having such known interests.

I. VENDOR OFFSET. CRS §§24-30-202 (1) and 24-30-202.4.

[Not applicable to intergovernmental agreements] Subject to CRS §24-30-202.4 (3.5), the State Controller may withhold payment under the State's vendor offset intercept system for debts owed to State agencies for: (a) unpaid child support debts or child support arrearages; (b) unpaid balances of tax, accrued interest, or other charges specified in CRS §39-21-101, et seq.; (c) unpaid loans due to the Student Loan Division of the Department of Higher Education; (d) amounts required to be paid to the Unemployment Compensation Fund; and (e) other unpaid debts owing to the State as a result of final agency determination or judicial action.

J. PUBLIC CONTRACTS FOR SERVICES. CRS §8-17.5-101.

[Not applicable to agreements relating to the offer, issuance, or sale of securities, investment advisory services or fund management services, sponsored projects, intergovernmental agreements, or information technology services or products and services] Contractor certifies, warrants, and agrees that it does not knowingly employ or contract with an illegal alien who will perform work under this Contract and will confirm the employment eligibility of all employees who are newly hired for employment in the United States to perform work under this Contract, through participation in the E-Verify Program or the State program established pursuant to CRS §8-17.5-102(5)(c), Contractor shall not knowingly employ or contract with an illegal alien to perform work under this Contract or enter into a contract with a Subcontractor that fails to certify to Contractor that the Subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this Contract. Contractor (a) shall not use E-Verify Program or State program procedures to undertake pre-employment screening of job applicants while this Contract is being performed, (b) shall notify the Subcontractor and the contracting State agency within three days if Contractor has actual knowledge that a Subcontractor is employing or contracting with an illegal alien for work under this Contract, (c) shall terminate the subcontract if a Subcontractor does not stop employing or contracting with the illegal alien within three days of receiving the notice, and (d) shall comply with reasonable requests made in the course of an investigation, undertaken pursuant to CRS §8-17.5-102(5), by the Colorado Department of Labor and Employment. If Contractor participates in the State program, Contractor shall deliver to the contracting State agency, Institution of Higher Education or political subdivision, a written, notarized affirmation, affirming that Contractor has examined the legal work status of such employee, and shall comply with all of the other requirements of the State program. If Contractor fails to comply with any requirement of this provision or CRS §8-17.5-101 et seq., the contracting State agency, institution of higher education or political subdivision may terminate this Contract for breach and, if so terminated, Contractor shall be liable for damages.

K. PUBLIC CONTRACTS WITH NATURAL PERSONS. CRS §24-76.5-101.

Contractor, if a natural person eighteen (18) years of age or older, hereby swears and affirms under penalty of perjury that he or she (a) is a citizen or otherwise lawfully present in the United States pursuant to federal law, (b) shall comply with the provisions of CRS §24-76.5-101 et seq., and (c) has produced one form of identification required by CRS §24-76.5-103 prior to the effective date of this Contract.

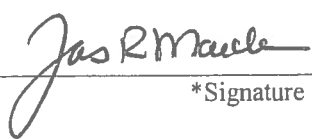
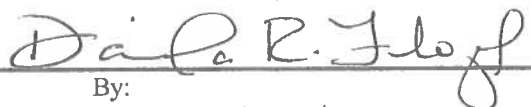
SPs Effective 1/1/09

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22. SIGNATURE PAGE

THE PARTIES HERETO HAVE EXECUTED THIS CONTRACT

* Persons signing for Contractor hereby swear and affirm that they are authorized to act on Contractor's behalf and acknowledge that the State is relying on their representations to that effect.

<p align="center">CONTRACTOR</p> <p align="center">Gaming Laboratories International, LLC.</p> <p>By: James R. Maida Title: President</p> <p align="center"></p> <p align="center">*Signature</p> <p align="center">Date: <u>June 20, 2013</u></p>	<p align="center">STATE OF COLORADO</p> <p align="center">John W. Hickenlooper, Governor</p> <p align="center">Colorado Department of Revenue Barbara J. Brohl, Executive Director</p> <p align="center"></p> <p>By: _____</p> <p align="center">Date: <u>6/24/13</u></p>
<p align="center">GOVERNOR'S OFFICE OF INFORMATION TECHNOLOGY</p> <p align="center">_____</p> <p align="center">*Signature</p> <p align="center">Date: _____</p>	<p align="center">LEGAL REVIEW</p> <p align="center">John W. Suthers, Attorney General</p> <p>By: _____</p> <p align="center">Signature - Assistant Attorney General</p> <p align="center">Date: _____</p>

ALL CONTRACTS REQUIRE APPROVAL BY THE STATE CONTROLLER

CRS §24-30-202 requires the State Controller to approve all State Contracts. This Contract is not valid until signed and dated below by the State Controller or delegate. Contractor is not authorized to begin performance until such time. If Contractor begins performing prior thereto, the State of Colorado is not obligated to pay Contractor for such performance or for any goods and/or services provided hereunder.

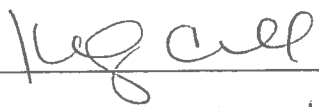
<p>STATE CONTROLLER</p> <p>Robert Jaros, CPA, MBA, JD</p> <p>By: </p> <p align="center">Date: <u>6/25/13</u></p>

EXHIBIT A – STATEMENT OF WORK**GLOSSARY OF TERMS**

The Contractor is expected to familiarize itself with the definitions found in the Limited Gaming Act of 1991, the Rules of the Colorado Limited Gaming Control Commission, and the ICMP promulgated by the Colorado Division of Gaming, all of which are located on the Division of Gaming's website, www.colorado.gov/revenue/gaming.

Approved Vendor	A contractor that has been found suitable by the Division, and has entered into a contract with DOR. An Approved Vendor may not offer or perform services pursuant to the contract until it has been certified by the Division.
Certified Vendor	An Approved Vendor whose Key Personnel and Support Personnel have been found suitable by the Division, and who has entered into a contract with DOR, and who has received the Division's approval of all factors contained within Exhibit A –Statement of Work of this contract.
Colorado Laws	Includes all Colorado Gaming Laws, Rules, Regulations, and Internal Control Minimum Procedures.
Colorado Licensee	Those persons who have a license issued by either the State or the Colorado Limited Gaming Control Commission, authorizing them to conduct, engage in, or work in limited gaming operations in the state of Colorado.
Consulting Services	The provision of professional advice and expert testimony on such subjects as, but not limited to, technology, Gaming Equipment, its operation, design, technology, operation, or performance, and gaming science and theory.
Contractor	A Certified Vendor
Division	Division of Gaming, Colorado Department of Revenue
EEPROM	Electronic Erasable Programmable Read Only Memory
EPCS	Electronic Promotional Credit System
EPROM	Erasable Programmable Read Only Memory
Gaming Devices	Equipment used in casino gaming operations, including slot machines, hoppers, coin acceptors, microprocessors and related circuitry, programmed EPROMs, EEPROMs, bill acceptors, progressive systems, ticket redemption kiosks, slot monitoring systems, TITO, EPCS, and other systems used for the reporting of gaming related activities, including related software. This definition includes the equipment listed in Gaming Systems below.
Gaming Equipment	Another term for Gaming Device
Gaming Systems	The term "Gaming Systems" includes, but is not limited to, slot monitoring systems (including both hardware and software components), communication protocols, software applications, databases, system-generated reports, ticketing systems (including ticket redemption kiosks and wireless handheld validation units), cashless systems, server-supported systems, external add-on modules (including external bonusing and wide-area progressives), electronic table game systems, player-tracking systems, and the security associated with these systems (both wired and wireless).
Illegal Gambling	The offering or participation of (a) internet based wagering in United States jurisdictions which have not authorized the activity, or (b) the manufacture

of Gaming Equipment for sale in those United States jurisdictions which have not authorized the activity, or (c) the use of Gaming Equipment in those United States jurisdictions which have not authorized the activity. Also includes participation in any form of gambling activity which is illegal under federal or state law, including, but not limited to, illegal poker tournaments or sports betting.

Key Personnel	Also referred to as Key employee. Any owner of the Contractor.
Limited Gaming Act of 1991	The statutes codified at Article 47.1 of Title 12, Colorado Revised Statutes, as amended, and commonly referred to as the Limited Gaming Act of 1991. Statutes may be researched at the Division's website, www.colorado.gov/revenue/gaming .
Requesting Person SMAC	A manufacturer/distributor of a Gaming Device requiring testing Systems and Machine Approval Committee which oversees the performance of independent testing services when testing Gaming Equipment and conducting Forensic Investigations.
Support Personnel	Also referred to as Support employee. All Contractor personnel who either supervise test engineers that perform testing services for Colorado, those Contractor personnel who exercise discretionary authority in administering the work contemplated in this Contract, and those persons whose job function includes regular consultation with SMAC. The Division reserves the right to determine if other Contractor employees constitute Support Personnel, based upon a review (and ongoing performance) of their job descriptions and job functionality. The Division is not restricted by the title of the job performed, and may consider the functions and responsibilities of such employee in making its decision.
Test Result Report	A Certified Vendor issues a Test Result Report to document the results of its testing of Gaming Equipment for use in Colorado. Test Result Reports contain information pertaining to the status of Gaming Equipment, and its eligibility for use in Colorado. Status categories include, but are not limited to, approved, denied, modified, revoked, obsolescence, etc.
TITO	Ticket In, Ticket Out Systems

1) General Requirements

The Division uses different types of computer devices to access the Contractor's on-line database. The Contractor's database must be compatible with Microsoft Windows XP and/or Windows 7, Droid, and iOS operating systems and any other operating systems found on the Division's computer devices.

The Contractor shall maintain its ISO/IEC 17025 certification throughout the term of the contract, including any extension(s).

The Contractor shall maintain staff with sufficient knowledge and experience to support the services outlined in this Exhibit A - Statement of Work section. Staff knowledge and experience shall include proficiency and timely knowledge about technological innovation, cheating methodology, patron protection, field conditions and Colorado's unique requirements.

The Contractor shall maintain its independence from the manufacturers/distributors requesting testing and shall not provide consulting services (including, but not limited to, product development testing, product design, programming or manufacture of any gaming device(s)) to Colorado licensees.

The Contractor shall not provide testing or consulting services in support or furtherance of illegal gambling.

The Contractor must provide the Division with its plan and receive the Division's approval on how it will provide and maintain a physical Colorado presence within 60 days of being awarded a contract. The plan must include the following and must be maintained throughout the term of the contract, including any extension(s):

- a. A dedicated, secure Colorado location for demonstrating, in a hands-on environment, the operation of any Gaming Equipment recommended for approval in Colorado. The Division's offices are not available for these purposes
- b. A means of demonstrating, in a hands-on environment, the operation of any Gaming Equipment recommended for approval in Colorado. The Division's offices are not available for these purposes.
- c. A means of emulating the full operation and performance, in a hands-on environment, of any Gaming Equipment recommended for approval in Colorado. The Division's offices are not available for these purposes.
- d. Readily available support for field testing of all Gaming Equipment which the Contractor recommends for approval for use in Colorado, including local presence of staff, within 48 hours notice, on demand and as needed, for responding to failures, malfunctions, errors, or other problems with certified Gaming Equipment which the Division determines to be of a critical nature requiring the Contractor's support or assistance.

The Contractor must submit all test scripts and test plans to the Division's SMAC and receive SMAC's approval for any test scripts or test plans not previously approved by SMAC, before providing any services found in this Exhibit A – Statement of Work. These test scripts and test plans include: test scripts for slot machines and other gaming devices (including all associated equipment, component parts, and software) and general test plans for systems used for the reporting of gaming related activities (including all associated equipment, component parts, and software).

With the introduction of new technology to the gaming industry, the testing and/or verification requirements will change, both in terms of formal regulatory requirements, defining standards of performance, as well as internal control requirements, and interpretational policies of those formal rules. As changes take place, the Division will require the Contractor to provide the Division with the procedures needed to verify the new technology or to meet the changed policies.

The Contractor shall perform all services on an as-needed, if-needed basis with no amount of services guaranteed.

The Contractor shall have an independent testing laboratory capable of testing and certifying the Gaming Equipment, software and systems and their compliance with Colorado Laws as required per the Gaming Equipment Testing section below.

The Contractor shall have sufficient internal controls and procedures that ensure the physical security of the Contractor's facilities, and to warrant the integrity of its business practices, business processes, and the conduct of its employees in performing the services outlined in this Exhibit A - Statement of Work section.

2) Standards for Maintaining a Colorado Presence

- a. The Contractor must submit a written plan to the Division to provide and maintain a physical Colorado presence. Such plan must be submitted within 60 days of being awarded a contract. The plan, including a physical site location, must be approved by the Division. Failure to submit such plan by the deadline may result in the revocation of the Contractor's status as an Approved Vendor, upon the sole discretion of the Division. This does not apply to a Contractor who, at the time a contract is entered into, maintains a physical Colorado location that meets the requirement in this Standards for Maintaining a Colorado Presence section.
- b. Within 90 days of receiving the Division's approval of the Contractor's plan, the Contractor must have an established physical Colorado location within a 15 mile radius of the Division's headquarters office at 17301 W. Colfax Ave., Golden, CO 80401. Until this occurs, the Contractor may not perform any of the services outlined in this contract. A lack of establishing a Colorado location within 90 days of the Division's approval may result in the revocation of the Contractor's status as an Approved Vendor, upon the sole discretion of the Division. This does not apply to a Contractor who, at the time a contract is entered into, maintains a physical Colorado location that meets this requirement.
- c. The Colorado location must include a (a) secure facility for housing Gaming Equipment and Gaming Systems that meets the manufacturers' requirements for a secure and controlled environment, including real-time video surveillance and access control, (b) lab environment in which to conduct hands-on demonstrations of Gaming Equipment and Gaming Systems, including all peripheral equipment necessary to operate such including means of emulating the full operation and performance of any Gaming Equipment recommended for approval in Colorado, (c) meeting/training/conference area large enough and fully equipped to accommodate training of Division staff and provide the appropriate technology needed to facilitate monthly SMAC meetings (as determined by the SMAC), and (d) offer the ability to connect to representative Colorado approved Gaming Systems as needed.
- d. The Contractor must have sufficiently knowledgeable technical staff onsite at the Colorado location for demonstration purposes to fully explain product functionality, provide technical insight and answer questions and address any concerns by the SMAC. The technical staff must include communications protocol and forensics investigations experts. Technical staffing size is dependent on the Contractor's business needs and will not be determined by the Division.
- e. The Contractor must have a dedicated liaison with the SMAC. This liaison must be thoroughly knowledgeable of Colorado gaming rules and regulations and the Colorado regulatory environment. This liaison must possess engineering skills related to gaming technology and must coordinate product submissions, product demonstrations, SMAC meetings, and Division staff training. This liaison must also coordinate forensic investigations as necessary, assist the SMAC and the Contractor's engineering staff with Colorado regulatory concerns, and review all submissions prior to issuance of final approval for Colorado. This liaison must be available to the SMAC during normal Mountain Time business hours and be available for consultation within 4 hours of request by the Division.

3) Gaming Equipment Testing

To be compliant with Colorado Laws, the Contractor must test and certify all Gaming Equipment, and any other associated hardware or software which may be used to support gaming operations, before a casino licensee can use, or rely on the data generated by, these devices or systems. Additionally, no licensee may rely upon any subsequent modifications or upgrades (whether software or hardware) to any Gaming Equipment, and all subsequent modifications or upgrades to a system which affect the reporting of adjusted gross proceeds or statistical data required to be generated and maintained by a licensee, to support gaming operations until the Contractor has tested and certified the modifications or upgrades as compliant with Colorado Laws.

The Requesting Person will be authorized to select a qualified vendor from the Certified Vendor list, and engage that Certified Vendor to perform the testing and analysis of its Gaming Equipment, on the terms and conditions that the two parties may negotiate.

The Contractor shall perform all tests necessary to certify that Gaming Equipment and Gaming Systems comply with Colorado Laws and shall not rely on testing performed or test reports issued by any third party or another testing laboratory. Any Contractor issuing Test Result Reports recommending approval for Colorado is responsible for the integrity and quality of the testing and report in its entirety. All testing, including testing for vulnerability to known cheating methods, must be responsive to changes in and evolution of technologies, including anticipation of next generation technology, techniques, and devices, to ensure the Division can be prepared to accommodate the application in the marketplace.

The Contractor shall perform “end-to end” interoperability testing on Gaming Systems. The “end-to-end” interoperability testing must ensure the complete and accurate flow of slot machine meter data from its creation at the slot machine and/or peripheral level equipment through the communication protocols to the application software to the database and to the Division required system-generated reports.

The Contractor shall offer viable demonstration procedures to make its work product accessible to the SMAC, which effectively communicate Gaming Equipment testing, verification, and operation procedures, and which incorporate SMAC input prior to issuance of the Test Result Report.

SMAC reviews of Gaming Equipment testing results occur on a monthly or semi-monthly basis (depending on workload) at the Contractor’s test facility, and include, as needed, a demonstration of the equipment by the manufacturer; an explanation of the test results by the Contractor’s test engineer; a physical review of the equipment by the SMAC; and a determination of future policy for testing emerging and new technologies. SMAC’s physical review of the equipment may result in findings, observations, or additional questions about the propriety of the Gaming Equipment. As such, the Gaming Equipment may require additional testing after the SMAC review. Therefore, the additional testing and additional SMAC review(s) must be performed prior to the issuance of a Test Result Report by the Contractor for any Gaming Equipment, in a location which facilitates the review.

Before recommending that the Division approve slot machines which utilize electronic methods or technologies other than those it has previously received the Division’s certification to test, the Contractor shall provide to SMAC, at no additional cost to the Division, recommended standards, procedures, and guidelines for the testing, installation, and monitoring of Gaming Equipment manufactured with these technologies. Such standards, procedures, and guidelines, when followed by the Division, shall be sufficient to assure the Division and the gaming public that the equipment complies with Colorado Laws and that adequate safeguards are in place to ensure that the games are fair, that machine electronics and critical functions are reasonably safe from tampering, and that the Gaming Equipment functions according to the design and configuration represented by its Requesting Person. The SMAC will review these standards, procedures, and guidelines for sufficiency. If the SMAC approves them, the Contractor will be authorized to offer and provide testing services for the new technology.

Over time, and based on the introduction of new technology to the gaming industry, evolution of regulatory policy, and communication between the Contractor and the State, both Colorado Laws and the testing requirements will change. As changes take place, the Contractor shall modify its test scripts, test plans, and Demonstration Procedures, and provide the State with the procedures needed to test, verify, configure, and administer the new technology. The Contractor’s test scripts and test plans must remain flexible and adaptable to changes in technologies and techniques. The Contractor shall take ongoing steps to maintain suitability for the purposes of test accuracy for the term of the contract, including any extension(s). The Contractor and SMAC will conduct an annual review of the Contractor’s test scripts and test plans, and modify them as necessary to maintain their suitability to the purposes of test accuracy.

The Contractor shall possess and maintain an ability to generate and apply test scripts and test plans for the testing and certification of Gaming Equipment. This ability shall include demonstration of proficiency and timely knowledge about technological innovation, cheating methodology, patron protection, field conditions and

Colorado's unique requirements. Test scripts and/or test plans shall be continually reviewed and updated to adapt to new technology and Colorado gaming law revisions.

The Contractor shall perform all testing of Gaming Equipment pursuant to test scripts and test plans which the Division has previously approved.

The Contractor shall prepare Test Result Reports for all Gaming Equipment tested by the Contractor in a format reviewed and approved by SMAC, and shall make all reports available to the State in an electronic format accessible via the Contractor's web site. The Contractor shall provide the State with a daily report listing all the Test Result Reports issued since the previous report.

The Contractor shall provide the State with twenty-four hour access, via the internet, to the Contractor's database containing the Test Result status of Gaming Equipment tested by the Contractor. The database shall contain information, including valid software signatures, and be formatted in a manner requested and approved by the State. Gaming Equipment validation information must be readily available 24 hours a day, 7 days a week, and must be updated at least daily (excluding weekends and holidays) and must be compatible with the iOS.

The State reserves the right to request to be advised on new submissions to the Contractor from Requesting Persons for the testing of Gaming Equipment, or receive a listing of submissions for testing, so as to recommend possible prioritization of submissions.

4) Forensic Investigations

Notwithstanding rigorous testing and field trial, Gaming Equipment can fail, err, malfunction, or perform in a manner which defies immediate belief or understanding. Under such circumstances, the Division may seize and secure the Gaming Equipment, and require that it be subjected to a rigorous forensic investigation by a Certified Vendor, in order to diagnose the problem and assign responsibility for the failure.

When the Division has occasion to investigate the failure or malfunction of certified Gaming Equipment, the Division will have the discretion to select a qualified vendor from the Certified Vendor list to perform a forensic investigation and diagnosis of the Gaming Equipment failure or error. The Division will determine which Certified Vendor conducts forensic investigations, at the time the forensic investigation services are required, from the available Certified Vendors. The Certified Vendor shall receive instructions from the Division on how to obtain the failed or malfunctioning Gaming Equipment, observe chain of custody and evidentiary controls, and conduct a rigorous forensic investigation. At the conclusion of the forensic investigation, the Certified Vendor shall issue a report of its forensic investigation to the Division. If necessary, the Certified Vendor will provide sworn testimony in an adjudication (civil or criminal) concerning its Forensic Investigation work product.

The Contractor shall promptly respond to the State's requirement that the Contractor perform forensic services. The Contractor shall have and maintain sufficient experience and resources available to conduct, and have an independent testing laboratory capable of conducting, a rigorous forensic investigation of Gaming Equipment that has failed, erred, or malfunctioned. Experience shall include proficiency and timely knowledge about technological innovation, cheating methodology, patron protection, and field conditions and Colorado's unique requirements. Cost and/or fees for forensic services shall be borne by the Colorado Licensee determined by the State to be responsible for the failure of the Gaming Equipment at issue.

Within 48 hours, the Contractor shall promptly respond to failures, malfunctions, errors, or other problems with Gaming Equipment approved by the Contactor which the State determines requires the Contractor's support or assistance.

5) Consulting Services

The Division may, on occasion, need Consulting Services. The Division in its sole discretion will determine which Contractor will perform the Consulting Services, at the time the Consulting Services are required. The Contractor will cooperate with the Division in budgeting for these services.

The Contractor shall have sufficient experience and resources available to provide requisite Consulting Services as required in this Consulting Services section. Experience shall include proficiency and timely knowledge about technological innovation, cheating methodology, patron protection, field conditions and Colorado's unique requirements.

The Division will contact all Contractors for consultation, as needed, when new gaming-related technologies arise. If consultation is needed related to specific, certified Gaming Equipment in Colorado, the Division will contact the Contractor who certified the Gaming Equipment.

6) Miscellaneous Services

In addition to the above, the Contractor shall provide regulatory support and assistance in regulatory processes, including drafting of rules and ICMP, on an as-needed, if-needed, basis as described below:

- a. The Contractor shall assist the Division in drafting rules and regulations, in the establishment of uniform operating procedures for Gaming Equipment testing, configuration, verification, and administration in the field, and in matters of field inspection and machine security as requested by the Division, at no additional cost to the Division.
- b. The Contractor shall provide training to the Division's employees on such subjects as, but not limited to, emerging technologies, proper Gaming Equipment testing, field inspections, and auditing procedures, and other subjects related to gaming and gaming technology, as requested, at no additional cost to the Division.
- c. The Contractor shall respond to failures, malfunctions, errors, or other problems with certified Gaming Equipment which the Division determines to be of a critical nature requiring the Certified Vendor's support or assistance, within 48 hours notice, at no additional cost to the Division.

7) Verification Equipment

The Contractor must provide the Division with 24-hour access to the Contractor's most currently available database of valid software signatures, via the Contractor's website, in a format compatible with the Division's chosen means of utilizing the information in the field. The database must be updated at least daily (excluding weekends and holidays).

Gaming Equipment programs must reside in a storage medium which is generally not alterable through any use of the circuitry or programming of the Gaming Equipment itself, absent security controls approved by the Division. The Contractor must provide the Division with the means to test new storage media, as these media may develop in the future. The Contractor must describe the procedures the Division will use in the casinos to verify Gaming Equipment programs the Contractor has certified, revoked, or rendered obsolete.

The Contractor shall provide to the Division, to be owned by the Division, and at no cost to the Division, ALL testing tools necessary for Division field staff technicians to conduct field inspections of the Gaming Equipment. This shall include one set of testing equipment, if applicable, for each actual State field operations compliance investigator, plus (1) one extra (backup) set of testing equipment, or as requested by the Division, up to a maximum of 8 sets of testing equipment. As of June 30, 2013, the Division employs seven (7) field operations compliance investigators. The testing equipment provided shall be state-of-the-art, and shall include, but not be limited to, EPROM, EEPROM and other storage media signature verification instruments, laptops, tablet computers, and all software and/or mobile applications and/or other applications necessary for their operation. The Contractor must provide the Division with testing and verification equipment for each storage medium it approves. For those storage media which are rare or little used in the gaming industry, the Contractor must

verify the medium on request of the Division. The Contractor must also support the testing equipment, and replace, repair, update, or upgrade it as necessary.

The Division wishes to minimize the numbers of pieces of equipment it must use in the field, in order to maximize efficiency and decrease the physical burden of carrying numerous pieces of equipment. Accordingly, it is highly recommended that Contractors attempt to configure their field verification technology to common hardware, such as the Kobetron 4000, and tablet or laptop environments, with USB or serial cable accessories and interfaces for connecting to different Gaming Equipment storage media, as applicable or necessary.

8) Testing Facilities

The Contractor shall provide all facilities, labor, materials, supplies, equipment, tools, equipment, machinery, and storage of the same in a secure environment including real-time video surveillance and access control, as well as water, heat, utilities, transportation, and other facilities and services necessary for performing the services outlined in in this Exhibit A – Statement of Work.

Testing services provided by the Contractor pursuant to this Contract shall be performed exclusively at specific laboratory facilities previously inspected, at the Contractor's expense. If the Contractor wishes to perform testing services at facilities which the State has not inspected and approved, the State reserves the right to inspect and approve those facilities at the Contractor's expense prior to testing being performed at that facility. The Contractor may request, in writing a waiver of this requirement from the State, for additional facilities which the State has not inspected. It shall be at the State's sole discretion as to whether to allow testing at Contractor facilities not previously inspected and approved by the State.

The Contractor agrees to provide transportation, lodging and per diem for up to four (4) Division employees to make one visit annually to inspect each laboratory where testing for the Division will be conducted to ensure integrity of the Division is maintained.

9) Administrative

The State may, in its sole discretion, require the Contractor to provide the State access to all written contracts and/or agreements with gaming equipment manufacturers. The Contractor shall provide the State with copies no later than seven (7) business days following the State's request for copies.

For the term of this contract and any extension(s), the Contractor shall be prohibited from entering into and/or maintaining any existing confidentiality agreements with gaming equipment manufacturers, which confidentiality agreement may serve, in the State's assessment, to restrict or otherwise impede the State's ability to gain knowledge from the Contractor on issues of interest to the State. The Contractor shall annually certify in writing, pursuant to suitability disclosures, that it has maintained no such agreements.

The Contractor shall maintain its suitability throughout the term of the contract. Also, the Contractor's Key and Support Personnel, and any independent contractors or subcontractors authorized by the State, shall obtain and maintain their licensed status throughout the term of the contract, including any extension(s). Prior to any change in ownership, the Contractor must notify the State. The Contractor shall notify each Key Personnel and business entity of the suitability requirement. The transfer of ownership may occur without prior State approval, however it will not be deemed final until completion of the suitability investigation and approval from the State.

The Contractor shall notify the Division if and when it desires to obtain the services of an independent contractor and/or subcontractor, and describe the services to be provided. At that time, the Division will make a determination as to the type of suitability (if any) the independent contractor/subcontractor must undergo (an Associated Business suitability review, Key license, or support license). The independent contractor/subcontractor may not perform any services in furtherance of the Colorado contract until the Division has determined the suitability of the independent contractor/subcontractor. The Contractor must at all times warrant the suitability of both independent contractor/subcontractor, and its work product.

The Contractor shall provide the State with an annual report, describing its work performed during the previous fiscal year. This report shall be filed with the State on or before August 31 of each year.

For each contract period/contract renewal period, the Contractor must demonstrate it conducts testing for Gaming Equipment and/or Gaming Systems for the Division, as demonstrated by the issuance of Test Result Reports, to certify the equipment/system complies with Colorado Laws. A lack of such testing during any consecutive 12-month period will be deemed non-performance, will result in revocation of the Contractor's certification status and may, upon the sole discretion of the Division, result in non-renewal of the contract.

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EXHIBIT B – PRICES AND RATES

The Contractor understands and agrees that there is no guaranteed minimum number of hours authorized by the State for any services pursuant to this contract. The Contractor further understands and agrees that the State guarantees no minimum volume of business from Requesting Persons or Colorado Licensee or the State as a result of this contract.

1. Gaming Equipment Testing Services

- a) Pursuant to rules and regulations promulgated by the Commission, the costs for testing and certifying Gaming Equipment (new or modified) are to be borne by each Requesting Person who requests approval of Gaming Equipment for use in Colorado.
- b) The Contractor shall charge Requesting Persons current market prices for Gaming Equipment testing services.
- c) The Contractor shall directly bill and seek payment for all Gaming Equipment testing services rendered from Requesting Persons only.

Except as indicated below under Consulting Services and Forensic Services, the fees and/or costs charged by the Contractor to Requesting Persons for Gaming Equipment testing services will be the only compensation, benefit, or payment of any kind that it will receive for all Contractor testing services performed pursuant to this contract and the State will not be responsible for payment of any costs or fees associated with this contract.

The Contractor shall maintain an accurate accounting of all Gaming Equipment test costs and fees charged to any Requesting Person pursuant to this and shall provide to the State, upon request, a copy of the invoice(s) sent to each Requesting Person.

2. Consulting Services

The State may, in its sole discretion, authorize the Contractor in *writing* to perform Consulting Services as defined in Exhibit A, with authorized actual travel expenses. The State will authorize the performance of said Consulting Services by presenting the Contractor with a fully executed option letter in a form substantially similar to Exhibit C, attached hereto. The State shall incur no costs or liabilities for Consulting Services and/or associated travel expenses performed by the Contractor without prior approval in writing by the State.

The hourly rate charged to the State by the Contractor for Consulting Services shall be as follows:

Fiscal Year 2013-2014	Up to \$130.00
Fiscal Year 2014-2015	Up to \$135.00
Fiscal Year 2015-2016	Up to \$140.00
Fiscal Year 2016-2017	Up to \$145.00
Fiscal Year 2017-2018	Up to \$150.00

The hourly rate for Consulting Services shall be inclusive of all expenses, costs, administrative costs, telephone, toll, and long distance charges. The Contractor shall bill the State in .1-hour (6 minute) increments for Consulting Services.

For each hour or hourly increment the Contractor's personnel spend traveling to provide the Consulting Services to the State, as directed by the State, the Contractor shall be paid the firm, fixed hourly rate stated.

The Contractor will be reimbursed by the State for actual travel expenses previously approved by the State, to include transportation, lodging, and per diem expenses for travel required to provide Consulting Services to the State. Such travel reimbursement shall be in accordance with and shall not exceed travel reimbursement rates set forth in the State's Fiscal Rules. The Contractor shall provide the State with monthly invoices that itemize all Consulting Services, including travel, provided to the State by the date and type of service, and provide the names of State personnel contacted.

Payment of authorized Consulting Services costs and associated travel reimbursement are the only compensation, benefit, or payment of any kind that it will receive from the State for Contractor services provided to the State under terms of this contract, including any extension(s).

3. Forensic Services

The Contractor shall not bill Colorado Licensees for forensic investigations until the State has assigned responsibility for the investigation. The State will assign responsibility for the investigation to the Colorado Licensee within 30 days of the State receiving the Contractor's forensic report. The Contractor shall charge up to the hourly rate set forth below, which hourly rate shall be inclusive of all expenses, costs, and administrative costs. Following the State's assignment of responsibility, the Contractor shall directly invoice the Colorado Licensee determined by the State to be responsible for the failure of the Gaming Equipment at issue. The Colorado Licensee will pay the forensic services charges directly to the Contractor, as if it were a Requesting Person. If, after further investigation, the State determines that it assigned responsibility to the wrong Colorado Licensee, the Contractor shall refund the incorrectly assigned Colorado Licensee and invoice the correctly assigned Colorado Licensee, all within 30 days of the State's determination.

The hourly rate charged to the Colorado Licensee by the Contractor for forensic services shall be as follows:

Fiscal Year 2013-2014	Up to \$130.00
Fiscal Year 2014-2015	Up to \$135.00
Fiscal Year 2015-2016	Up to \$140.00
Fiscal Year 2016-2017	Up to \$145.00
Fiscal Year 2017-2018	Up to \$150.00

The Contractor shall maintain an accurate accounting of all forensic investigations fees charged to any Colorado Licensee pursuant to this contract, and the Contractor shall provide to the State, upon request, a copy of the invoice(s) sent to each Colorado Licensee for forensic services.

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EXHIBIT C – OPTION LETTER

Date:	Original Contract CMS #:	Option Letter #	CMS Routing #
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10) **OPTIONS:** Choose all applicable options listed in §1 and in §2 and delete the rest.

- a. Option to renew only *(for an additional term)*
- b. Change in the amount of goods within current term
- c. Change in amount of goods in conjunction with renewal for additional term
- d. Level of service change within current term
- e. Level of service change in conjunction with renewal for additional term
- f. Option to initiate next phase of a contract

11) **REQUIRED PROVISIONS.** All Option Letters shall contain the appropriate provisions set forth below:

- a. **For use with Options 1(a-e):** In accordance with Section(s) _____ of the Original Contract between the State of Colorado, Insert Name of Department or Higher Ed Institution, and Contractor's Name, the State hereby exercises its option for an additional term beginning Insert start date and ending on Insert ending date at a cost/price specified in Section _____, AND/OR an increase/decrease in the amount of goods/services at the same rate(s) as specified in Identify the Section, Schedule, Attachment, Exhibit etc.
- b. **For use with Option 1(f), please use the following:** In accordance with Section(s) _____ of the Original Contract between the State of Colorado, Insert Name of Department or Higher Ed Institution, and Contractor's Name, the State hereby exercises its option to initiate Phase indicate which Phase: 2, 3, 4, etc for the term beginning Insert start date and ending on Insert ending date at the cost/price specified in Section _____.
- c. **For use with all Options 1(a-f):** The amount of the current Fiscal Year contract value is increased/decreased by \$ amount of change to a new contract value of Insert New \$ Amt to as consideration for services/goods ordered under the contract for the current fiscal year indicate Fiscal Year. The first sentence in Section _____ is hereby modified accordingly. The total contract value including all previous amendments, option letters, etc. is Insert New \$ Amt.

12) **Effective Date.** The effective date of this Option Letter is upon approval of the State Controller or _____, whichever is later.

APPROVALS:

State of Colorado:

John W. Hickenlooper, Governor

By: _____

Date: _____

For the Executive Director

Colorado Department of Revenue

ALL CONTRACTS REQUIRE APPROVAL BY THE STATE CONTROLLER

CRS §24-30-202 requires the State Controller to approve all State Contracts. This Contract is not valid until signed and dated below by the State Controller or delegate. Contractor is not authorized to begin performance until such time. If Contractor begins performing prior thereto, the State of Colorado is not obligated to pay Contractor for such performance or for any goods and/or services provided hereunder.

STATE CONTROLLER
Robert Jaros, CPA, MBA, JD

By: _____

Date: _____

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OUR PROPOSAL TO SERVE THE
COLORADO DIVISION OF GAMING
IN RESPONSE TO
REQUEST FOR INFORMATION
TGA13001/TESTING SERVICES RFI
TESTING SERVICES FOR
GAMING DEVICES, GAMING SYSTEMS AND RELATED SOFTWARE

COPY 2

RESPONSE DUE:
FEBRUARY 12, 2013 AT 4:00 P.M. MOUNTAIN STANDARD TIME

SUBMITTED BY:
GAMING LABORATORIES INTERNATIONAL, LLC



GAMING LABORATORIES



POINT-CLICK-TRANSFER™



GLI
PAC

GLI
PAC



GLI
PAC

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2.4 An Overview of Historical Testing Issues	16
3. Response to RFI Section V. Solicitation of Information	11
Attachment A: ISO Accreditations.....	50



RFI Section V. Response Index

RFI Ref #	Topic	Page(s) in Overall Response
1.	Identify responder point-of-contact for any questions or concerns relative to this response. Provide name, title, address, telephone numbers and e-mail addresses	P11
2.	Demonstrate at a minimum one (1) year of experience in U.S. commercial gaming jurisdictions providing the types of testing services documented in the RFI	P11 ~ 14
3.	Demonstrate accreditation with ISO/IEC 17025 by an accreditation body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Agreement.	P14 ~ 15
4.	Provide the following in sufficient detail:	
	I. Detailed description of testing facilities. Provide commentary and information concerning the provision of testing services in a secure, privately owned facility versus providing the testing services at a third-party manufacturer/distributor's facility.	P15 ~ 16
	II. Detailed description of staff knowledge and experience sufficient to support the services outlined in the Scope of Work in Section IV of this RFI. Staff education must also be included. Knowledge and experience shall include proficiency and timely knowledge about technological innovation, cheating methodology, patron protection, field conditions and Colorado's unique requirements	P16 ~ 25
	III. Detailed description of testing equipment	P26 ~ 27
	IV. Copies of policies, programs, procedures, and instructions that ensure the quality of the test results	P27 ~ 28
5.	Provide policies and procedures detailing independence from the manufacturers/distributors requesting testing, along with the type(s) of consulting services provided to Colorado licensees. Also, describe policies and procedures to ensure that testing or consulting services are not in support or furtherance of illegal gambling	P28 ~ 29
6.	Provide a description of your organization's testing services related to Gaming Devices (to ensure Gaming Equipment complies with Colorado Laws) and Forensic Evaluation of Failed or Malfunctioning Gaming Devices. Provide a customer contact for these services	P29 ~ 31
7.	Describe the internal controls and procedures which ensure the physical security of the testing facilities, ensure the security over information systems, warrant the integrity of its business practices, business processes, and the conduct of its employees, in performing the services detailed in this RFI	P31
8.	Indicate your organization's ability to meet with the Division and present information within the scope of this RFI (reference Section I). This may include site visits, oral presentations, and/or physical demonstrations as deemed necessary by the Division. The purpose of the visits,	P31 ~ 32



RFI Ref.#	Topic	Page(s) In GLI Response
	presentations and demonstrations is to allow the RFI Committee the opportunity to gain a complete understanding of the Offeror's business and services. Note: Responder is responsible for all costs associated with such a presentation.	
9.	Provide documentation of experience in conducting a rigorous Forensic Investigation of gaming equipment which has failed, erred, or malfunctioned. Experience shall include proficiency and timely knowledge about technical innovation, cheating methods, patron protection, field conditions and Colorado's unique requirements.	P32
10.	Provide documentation of experience and resources available to provide the Division of Gaming with the requisite Consulting Services as required in the Consulting Services Section. Experience shall include proficiency and timely knowledge about technical innovation, cheating methods, patron protection, field conditions and Colorado's unique requirements. Provide a customer contact for these services.	P32 - 34
11.	Provide documentation of experience in providing support and assistance in the regulatory processes, including drafting of rules and regulations. Provide a customer contact for these services.	P34 - 37
12.	Provide documentation of experience in providing regular and on-demand training. Provide a customer contact for these services.	P38 - 39
13.	Provide documentation relating to the responding to critical incidents in the field within 48 hours. Provide a customer contact for this service.	P39
14.	Describe your means of maintaining suitable business practices with a high degree of integrity. Additionally, acknowledge your understanding of the payment requirement's for the Division to perform a timely incorporation into your business practices. Define your means for ensuring that Key Employees, Support Personnel and independent Contractors (if any) will obtain and maintain licenses and suitability throughout the term of the contract.	P40 - 42
15.	Describe your means of communicating information to the SMAC, including demonstration procedures, (communicating Gaming Equipment testing, verification and operation procedures to SMAC) and incorporating SMAC input prior to the issuance of the Test Report Results.	P42
16.	Provide documentation of experience in generating and applying test scripts and test plans for the testing of gaming equipment in compliance with Colorado Laws. This documentation shall include proficiency and timely knowledge about technical innovation, cheating methods, patron protection, field conditions and Colorado's unique requirements. Provide examples of existing test scripts and test plans.	P42 - 43
17.	Define your means to provide field verification/testing equipment for the Division's use. The Division does not believe the use of different types of testing equipment in the field will be efficient. If more than one vendor is selected to	P43



RFI Ref #	Topic	Page(s) in GLI Response
	provide the same service, will it be feasible to coordinate cost sharing among vendor(s), to allow an equitable division of the cost of providing and supporting common testing equipment? In what other equitable ways might the Division receive testing equipment from multiple vendor(s)?	
18.	Define your means of making Gaming Equipment validation information readily available to Division staff in their offices and in the field 24 hours a day, 7 days a week. Also define how often the information is updated and whether the information is compatible with Apple's iOS.	P43
19.	Define your means of paying for up to four Division employees to visit those testing facilities where Colorado testing will occur, to ensure continued contract compliance and continued sufficiency of purpose and design.	P43 - 44
20.	Describe your means for ensuring laboratory staff have a current understanding of field conditions and Colorado's unique requirements (i.e. casino operations and player / patron behavior, including cheating methods) for the operation of the Gaming Devices being tested.	P44
21.	Indicate your preferred location or locations for performing the testing services.	P44
22.	Explore laboratory testing alternatives. Should a vendor, on the Certified Vendor list be held to a standard of performance which compels a fixed testing turnaround time? Should the market determine acceptable levels of turntimes for testing laboratory performance? Should a vendor be authorized to charge a premium testing fee for a faster testing turnaround time, upon request from the manufacturer/distributor?	P44 - 45
23.	The Division currently benefits from the proximity of its current Contractor to the Division's offices in Golden by conducting monthly meetings to review the Contractor's performance and test processes, for information gathering and training purposes, and to review products submitted for testing. If multiple vendors provide testing services, the Division expects to continue its current level of involvement in the testing process. Define your means to facilitate this level of participation, training, and interaction with Gaming Devices and with SLIAC.	P45
24.	Define performance measures for the Division to consider adoption when assessing vendor compliance with the contract, including providing customer service to manufacturers / distributors and the Division. Aspects of customer service include, but are not limited to, billing for services, minimizing the period between submission of product for testing to certification, communication of problems and problem solving.	P45
25.	Define your means of charging fees to manufacturers / distributors for the testing services. Should the Certified Vendor list require observance of a fixed fee schedule, or should vendor(s) be authorized to charge market rate fees, or is there another means of billing to be explored? Although not required, an estimated cost range for the testing services would be beneficial to the Division.	P46
26.	Define your means for ensuring consistency between	P46



RFI Ref #	Topic	Page(s) in GLI Response
	different vendor laboratory testing results for similar, related, and interrelated products, and means of avoiding duplicated effort. Explore the costs, benefits, advantages, and disadvantages of a Gaming Device testing system reliant upon a Certified Vendor list.	
27.	Identify a means of structuring the Certified Vendor testing program to minimize or eliminate the ability of any manufacturer/distributor to engage in forum shopping for testing services which any manufacturer/distributor might perceive as being more or less favorable than those offered by other vendor(s) on the list.	P47 - 48
28.	Identify and explore other issues relevant to this inquiry, which the Division may have overlooked in crafting this RFI.	P49



1. Transmittal Letter



February 12, 2013

Tammy Lichvar
Colorado Division of Gaming
17301 W. Colfax Ave., Suite 135
Golden, CO 80401

Dear Ms. Lichvar:

Gaming Laboratories International (GLI) is providing a response to the Colorado Division of Gaming's solicitation regarding Testing Services for Gaming Devices, Gaming Systems, and Related Software issued January 9, 2013.

With the introduction of new technology to the gaming industry, testing requirements will change, both in terms of formal regulatory requirements defining standards of performance, as well as internal control requirements, and interpretational policies of those formal rules. The Division is seeking to retain the services of a qualified, agile, and responsive vendor to support the Division with the procedures needed to test the new technology or to meet the changed policies.

GLI has firsthand knowledge of Colorado and the legal requirements for gaming devices to be both laboratory and field tested to ensure compliance with Colorado laws prior to allowing licensees to rely on data generated by any of these systems. GLI's value-add to Colorado is more than its lab proximity to the state lab and the GLI ISO certifications. GLI has been a trusted partner to Colorado and our resident staff understands your business. GLI appreciates this opportunity to highlight our capabilities and services that are available to you as you pursue this endeavor.

On behalf of our firm of outstanding professionals, GLI looks forward to your evaluation of our proposal. This submission demonstrates GLI's commitment in providing continued dedication to the State of Colorado with the highest quality of service. Should you have any questions or require additional information regarding GLI's submission, please contact Dave Daniels at (303) 277-1172 x2105.

Sincerely,



James R. Maida
President



2. Executive Summary

2.1 GLI and Economic Impact

GLI has been an integral partner with the Colorado Division of Gaming since the agency's inception in 1991. Our relationship started long before the doors of the first casinos opened on October 1, 1991 as we worked to assist the Division's staff and the Colorado Limited Gaming Commission in establishing gaming device rules and regulations.

As the gaming industry grew in Colorado, so did the GLI commitment to the Colorado regulatory effort. GLI opened a full-service testing lab in 1995 in Golden, Colorado. This facility allowed GLI to offer unparalleled service to the Colorado Division of Gaming. As gaming expanded in the state, so did our Colorado based staff and facilities. Recent GLI expansion includes adding 4,700 sq. ft. in 2008 for a total of 29,000 sq. ft. in the laboratory at 4680 Table Mountain Drive. Also, in the fall of 2012, to accommodate continued growth, GLI staff was placed in the 15,000 square foot facility at 5926 McIntyre Street. Today, GLI's Colorado footprint covers 44,000 square feet spanning these two locations. GLI's investment in Colorado is not simply represented by the facilities we operate. GLI employs 86 full-time staff in Colorado, many of whom have been with GLI Colorado more than 10 years. This staff longevity provides the Division with outstanding experience and technical knowledge. As part of a global initiative, GLI is in the process of hiring additional staff with more than 20 new positions planned for the GLI Golden, Colorado lab.

GLI has made it a priority to employ Coloradans and has been an active recruiter with the State's fine colleges and universities. We are proud to employ graduates from the University of Colorado, Colorado State University and the Colorado School of Mines, to name just a few of the institutions we support. On a regular basis, GLI participates in local job fairs.

There are many advantages to having a complete working Lab in close proximity to the Division offices, one of which is the ability to host meetings and training sessions for Division staff on an as-needed basis. For example, GLI engineers and staff meet with the Division's System Machine Approval Committee (SMAC) team/Division staff on a monthly basis, and quite often more frequently. The GLI/SMAC relationship does not specify a minimum nor maximum number of meetings; GLI is available whenever Division staff needs to meet. In addition, because we have ample space, SMAC team members regularly utilize GLI facilities for meetings allowing for immediate access to GLI staff whenever questions arise. In addition, the location of GLI's facility affords the Division the opportunity to adequately demonstrate regulatory testing protocols to Department of Revenue Managers and members of the Colorado Limited Gaming Control Commission.

Since its inception in 1989, GLI has grown from one office in New Jersey to 20 offices worldwide. In the U.S., GLI has three complete lab facilities, one of which is in Golden, Colorado. GLI made an operational and financial commitment to the Colorado Division of Gaming and through sustaining that commitment GLI and the Division has reaped the benefits that a responsive and complete regulatory program can provide.

GLI asserts that any certified test lab should be held to the highest standards to work with the Division. GLI believes that any lab granted the designation as a certified lab in Colorado has an obligation to offer the highest in service and facilities and not simply meet the minimum requirements. GLI has always strived to provide outstanding service to the state and view ourselves as partners with the State of Colorado.

2.2 Financial Soundness

GLI has an industry-wide reputation for delivering high quality services on time and on budget to more than 455 regulatory clients worldwide. GLI has established a solid financial base, maintaining sufficient cash on hand to cover a minimum of six months operating expenses. At present those levels are significantly higher. GLI maintains general business insurance coverage of \$41 million. GLI also maintains an Error and Omissions Policy of \$5 million. Furthermore, GLI has been examined by dozens of regulatory agencies throughout the world for licensing purposes and has never had its financial security or credibility called into question.



Finally, GLI has been owned, controlled and governed by the same officers and directors since its founding in 1989. James Maida has served as President and Paul Magno as Vice-President throughout GLI's existence and the company has no other equity holders or any encumbrances on ownership. GLI has the financial and management stability to guarantee performance on this contract.

2.3 Personnel Profile

GLI's primary liaison with the Division's SMAC group is Casey Mitchell. Casey Mitchell's position with GLI is that of a Technical Compliance Manager and he has been with GLI for over 16 years. Before becoming a Compliance Manager, Casey Mitchell worked as a Test Engineer, Senior Test Engineer, and Technical Manager overseeing numerous product lines. Casey Mitchell is responsible for providing customer support to SMAC and has been their primary point-of-contact since 2004. In addition to supporting SMAC in their daily activities, he is responsible for investigating field inquiries and hosting monthly GLI/SMAC meetings. Should scheduling conflicts arise, additional GLI compliance engineers are utilized as needed to ensure adequate support is available, 24/7.

Dave Daniels serves as the Division's primary contact for engineering and administrative needs. Dave Daniels is a Senior Director of Engineering and General Manager of the GLI Colorado laboratory. He began with the company as a Test Engineer in 1999, testing video and reel slot machines for compliance to jurisdictional rules and regulations, including Colorado's Rule 12. He and his staff participate in periodic SMAC meetings to support the Division during game or system demonstrations, review of forensic investigations and during any other discussions as needed. In addition, Dave meets with Division leadership periodically including delivery of annual summary reports as required by the current contract.

Michael Capen serves as GLI's Primary Liaison with the Colorado Division of Gaming for all training services relating to GLI University. Michael Capen is the State Governments Development Manager for GLI. Michael began with GLI in 2005 after being a Gaming Regulator for six years. He has been responsible for GLI University since its inception. He coordinates all training requirements for GLI's regulatory clients in North and South America. Michael oversees the standard catalog of training classes and reviews course curriculum to make sure it meets the needs of regulatory clients in the constantly changing gaming environment. He will work with the Division to make sure their training requirements are not only met, but exceeded. Michael will personally review each training request and if necessary have training customized to your specific needs if it is not available through a standard class.

Tom Kitts serves as a contract consultant to GLI. He meets with Division management on a regular basis and helps facilitate issues when appropriate. Tom is a long-time employee of the Colorado Department of Revenue and a former Director of the Colorado Division of Gaming.

2.4 An Overview of Historical Testing Issues

Over the last 21 years of certifying gaming devices for Colorado, GLI has come across many instances of game software and equipment that were determined to be non-compliant with Colorado Rules and ICMPs. Some of these issues were in direct violation of Rule 12 such as Colorado's maximum wager restriction, and some of these issues were based on directions and/or interpretations as received from SMAC through our regular interactions.

Due to ongoing advances in technology and to ensure continued compliance with Colorado's rules, GLI has taken the initiative to make formal presentations of these new technologies, prior to a formal request for approval in Colorado. Some examples of this would be electronic table games, community bonus, and some newer progressive features that could potentially impact Colorado's metering requirements.

GLI also continues to work closely with SMAC on Colorado's unique requirements for Slot Machine Statistical Reports and their recently adopted standards for Electronic Promotional Credit Systems. With these applications, GLI will provide SMAC with the test results for their review before any final certification reports are issued.



3. Response to RFI Section V. Solicitation of Information

1. Identify responder point-of-contact for any questions or concerns relative to this response. Provide name, title, address, telephone numbers and e-mail addresses.

Contact Person regarding GLI's response to RFI# TGA13001/TESTING SERVICES

Name: Dave Daniels
Title: Senior Director of Engineering – Western Region
Address: Gaming Laboratories International
4680 Table Mountain Drive, Suite 100
Golden, CO 80403
Phone Number: 303-277-1172 x2105
Email: procurement@gaminglabs.com

2. Demonstrate, at a minimum, one (1) year of experience in U.S. commercial gaming jurisdictions providing the types of testing services documented in the RFI.

Gaming Laboratories International, LLC (GLI) has been providing independent gaming device and casino system testing and technical consulting to lottery, casino gaming, pari-mutuel wagering, and charitable gaming regulatory jurisdictions throughout the world since 1989. GLI is the largest private gaming testing laboratory in the world and the first of its kind in the United States, currently providing services to over 455 regulatory clients worldwide.

GLI provides independent, commercially available testing and QA-related services to industry parties in regulated jurisdictions. These services include, but are not limited to: inspection, auditing, product certification and consultation services. GLI has successfully developed a business model capable of meeting the needs of regulators, manufacturers, suppliers and operators to provide the public with compliant gaming products. Our position as the industry leader is tied to a proven record of accomplishment in meeting the requirements of our customers with impartiality and transparency.

GLI employs over 750 people worldwide with offices located in Canada, North America, South America, Europe, Africa, Australia and Asia. The GLI team is comprised of technical, administrative, compliance, development and legal staff members demonstrating the highest degree of integrity and competence.

GLI provides independent testing and certification services for all types of gaming and wagering systems and equipment. These services include gaming devices in casinos such as protocol analysis and certification, amusement games, progressive systems/signs, tote systems at pari-mutuel facilities, gaming device peripherals (bill validators, printers, card readers, etc.), video lottery, central system testing and certification, cashless wagering systems, and sports betting. GLI also serves as an independent consultant to governments and regulatory bodies on development of rules and regulations and technical specifications relating to casino gaming.

1. Gaming Equipment Testing

A list of the many types of gaming equipment that GLI commonly offers to clients includes:

- *Systems and Network Testing*
 - Software verification of files and configuration of the host system and each interface element in the system
 - Review of security rights to ensure accurate assignment



- Communication testing in conjunction with the machines on the floor with regard to accounting and security events
 - Wireless testing to determine if wireless communications are being used within the facility
 - Security review of the network configuration
 - Review of backup scheme
 - *Associated Equipment Testing*
 - Kiosk software verification and proper communication with the Ticketing System
 - Ticket Counter Machines
 - Progressive system configurations and communications
 - Wide Area Progressives
 - Electronic Table Game equipment
 - Card Shufflers
 - Evaluation of electronic equipment that marketed as 'non-interfering' and is interfaced with any critical gaming equipment
 - *Gaming Devices*
 - Software verification
 - Peripheral component inspection, including the control programs, where applicable
 - Communication testing with the On-Line Monitoring and Control System
 - Communication testing with the Ticketing System
 - Proper crediting for coins and/or bills/tickets
 - Accurate contribution to Progressives
 - Reel Strip tests, if requested
 - Device configuration review (accurate software options set)
 - Accurate accounting of coins inserted and coins/tickets dispensed (although these features are tested within the laboratory setting, we feel it is important to ensure that the peripheral components are accurately configured and functioning when installed in the field)
2. Forensic Investigations

GLI has performed hundreds of forensic investigations on gaming devices for regulatory bodies all over the world. GLI's testing knowledge and expertise has allowed us to develop specific forensic procedures for every gaming device we have tested and certified.

Since 1999, GLI has completed 19 forensic investigations at the request of the Colorado Division of Gaming.

GLI's forensic evaluation starts with a pre-assessment phase where we define the customer requirements, set the scope of the investigation, and determine any boundaries. The GLI Forensic Evaluation Policy defines and establishes rules regarding initial contact for forensic submissions the establishment of an agreement between the regulating body and GLI. This initial contact sets the boundaries as to who at GLI is allowed to accept information from the regulatory body regarding the forensic investigation to prevent loss of information that may be vital to cause determination. Upon contact by a regulatory body, GLI authorized personnel gather initial information from the regulatory body to determine whether Forensic Evaluation Services are possible and warranted. Once the forensic investigation has been qualified by the authorized GLI



personnel, the GLI Forensic Services Agreement is sent to the regulatory body. This document clearly explains the Scope of GLI's Forensic Evaluation Services including the costs, authorizations and any additional terms requested by the regulatory body.

Upon receipt of the forensic package, an assigned compliance engineer reviews the forensic submission package before being logged into the GLI database. A verification of submitted documentation and gaming device components is completed to ensure all required items have been submitted. A forensic file is created and the chain of evidence is maintained at all times to ensure the security of the submitted items. Once all the items are logged into the GLI database, a full visual inspection of all logic components is performed followed by a Media Signature analysis to ensure the media is not corrupted and signatures match the GLI certified programs for the jurisdiction in which the incident occurred.

GLI staff videotapes the extraction of the gaming devices memory (RAM) and upload of the contents of RAM to a known properly functioning test lab MPU Board, following specific procedures set forth by GLI for each manufacturer. A full evaluation of the RAM and source code is performed to determine the root cause of the malfunction. This includes a complete review and documentation of the games meters and audit logs.

In accordance with GLI forensic evaluation procedures, the engineer documents the data and test results throughout the evaluation period. Upon completion of the forensic evaluation a detailed report is prepared that provides a description of all testing performed, accompanied by the test results and a closing report summarizing the incident and cause of the problem when applicable. The forensic evaluation is completed when all of the submitted materials are sent back to the regulatory body with the official version of the GLI forensic evaluation report.

3. Consulting Services

GLI has been retained in a consultant capacity to assist regulators with the auditing process, drafting of rules and technical standards regarding gaming devices, associated equipment, gambling devices, internal controls, rules of the game, conduct of gaming or any other area our clients request assistance.

GLI does more than just help regulators and manufacturers ensure gaming devices adhere to a set of rigid standards. We've been helping jurisdictions around the world set those standards since 1989. Based on information gathered by GLI for over a decade of systems and device testing, GLI developed the GLI Standard Series - a collection of specifications and performance targets designed to serve as industry standards that, if met, ensure gaming systems are fair, secure and able to be audited and operated correctly.

Dozens of jurisdictions around the world have turned to GLI for assistance in writing their gaming legislation. And why? Because GLI has unparalleled experience analyzing and testing the rules and regulations for all regulated gaming jurisdictions. With this extensive base of knowledge and experience GLI knows exactly how to custom-tailor regulations to suit the unique circumstances of any jurisdiction. Whether our assistance is needed in drafting a Casino Control Act or Tribal Gaming Regulatory Structure or Internal Control Document our years of expertise in drafting rules and regulations for regulatory bodies around the world makes these tasks easier.

GLI understands that as a global independent testing lab, serving hundreds of regulatory agencies, we are in a unique position of contact with all global regulations. GLI takes this opportunity seriously and confidently manages an exceedingly growing repository of regulations which will serve to affirm the integrity and compliance of gaming products around the world.



4. Training

GLI firmly believes that for gaming and lottery jurisdictions to regulate their respective operations effectively, they must have the most up-to-date information available about gaming devices, computer systems and hardware/software located on casino floors for public play. To assist in that endeavor, GLI offers training both at our offices and in the field in the following topics

- Slot Basic
- Progressive Systems
- On-Line Accounting Systems
- Cashless Technologies
- Promotional Bonusing
- Kiosks
- Client Server Systems
- Wireless Technologies
- Overview of a Forensic
- Title 31- Compliance
- Management Systems

5. Client Notification

GLI will notify the Colorado Division of Gaming of defects or cheating incidents involving a product that is in operation in its jurisdiction within 48 hours at no additional cost.

GLI is confident that 99% of all calls/issues are resolved to a regulator's satisfaction within 48 hours. Even for highly complex and time intensive requests, GLI staff is trained to provide frequent updates to the requester to ensure that they are apprised of any call/issue status and when a final resolution can be expected.

3. Demonstrate accreditation with ISO/IEC 17025 by an accreditation body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Agreement.

GLI is the only global organization of its kind to hold U.S. and international accreditations for compliance with ISO/IEC 17025, 17020 and Guide 65 standards for technical competence in the Gaming industry for example:

- The first U.S. ISO/IEC 17025 accredited laboratory in the in the Gaming industry.
- The first U.S. ISO/IEC 17020 accredited inspection body in the Gaming industry.
- Our Colorado facility was the first laboratory accredited under the GSA certification program.
- The first laboratory accredited by A2LA in the Information Technology field.
- **The first and only U.S. ISO/IEC Guide 65 accredited product certification body in the Gaming industry.**



Certificate #	Organization	Location	Comm. Code	Field	Standard	Expires
2428.01	Gaming Laboratories International, LLC	Lakewood, NJ	C1	Information Technology	ISO/IEC 17025:2005	03/31/2014
2428.02	Gaming Laboratories International, LLC	Lakewood, NJ	A	Inspection Body	ISO/IEC 17020:1998	03/31/2014
2428.03	Gaming Laboratories International, LLC	Las Vegas, NV	C1	Information Technology	ISO/IEC 17025:2005	03/31/2014
2428.04	Gaming Laboratories International, LLC	Golden, CO	C1	Information Technology	ISO/IEC 17025:2005	03/31/2014
2428.05	Gaming Laboratories International, LLC	Lakewood, NJ	C1	Product Certification	ISO/IEC Guide 65: 1996	03/31/2014

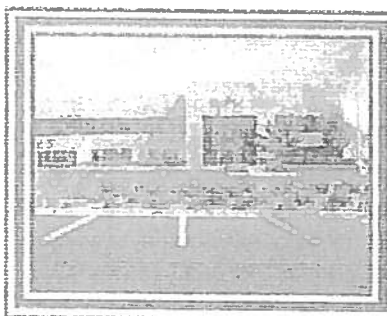
Please refer to Attachment A for GLI's ISO Accreditations and news releases.

4. Provide the following in sufficient detail:
 - i. Detailed description of testing facilities. Provide commentary and information concerning the provision of testing services in a secure, privately owned facility versus providing the testing services at a third-party manufacturer/distributor's facility.

GLI FACILITIES IN THE UNITED STATES

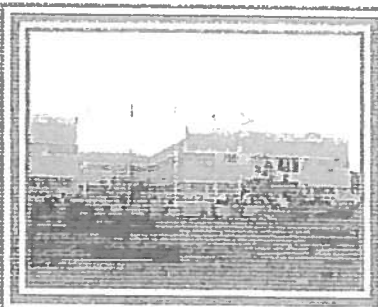
The locations of laboratories to be used for testing services pertinent to this RFI are the following three US offices:

Las Vegas Office



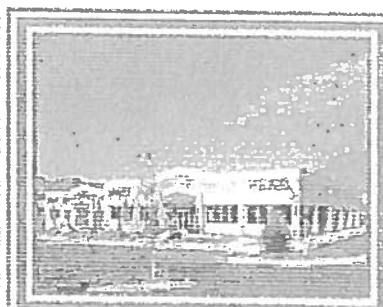
7160 Amigo Street
Las Vegas, NV 89119 USA
+702-914-2220 - phone
+702-914-2799 - fax
(85,000 square feet)

GLI World Headquarters



600 Airport Road
Lakewood, NJ 08701 USA
+732-942-3999 - phone
+732-942-0043 - fax
(100,000 square feet)

Western Regional Office
(Primary Lab)



4680 Table Mountain Drive,
Suite 100
Golden, CO 80403 USA
+303-277-1172 - phone
+303-277-9901 - fax
(29,000 square feet)



GLI is currently fully operational with sufficient staffing and equipment needed to perform testing listed in this RFI. GLI already maintains the equipment, tools and machinery to accommodate testing for all of the suppliers and each of their products as required within the RFI. Our team will discuss GLI's security plan during the oral presentations, as this information is highly confidential.

Information Concerning the Provision of Testing Services

Testing services in a secure, privately owned facility allows skilled personnel to conduct equipment evaluations independently and without undue pressures from a manufacturer or distributor. Any laboratory environment should be insulated from outside influences that may adversely affect the quality of their work. Similar to medical testing laboratories, a gaming laboratory should operate in a secure environment with established protocols in order to produce quality results that can be certified.

In addition, since testing laboratories can be held legally responsible for its services and work product it is important that testing services are conducted in a secure, privately-owned facility that provides a degree of separation from the manufacturer/distributor. This ensures independence for accountability and the ability to audit results.

A secure laboratory is fully equipped with testing equipment and protocols to perform a forensic evaluation without compromising the integrity of the custody of the components in question products without having to rely on equipment held at the manufacturer/distributors facility.

A secure laboratory calibrates and verifies its testing equipment in accordance with its quality management system. In the event that testing services are required to be performed onsite at a manufacturer or distributor's facility, there is added oversight to ensure any onsite testing equipment is suitable, unless the laboratory is to provide the equipment.

GLI operates a secure laboratory and has successfully developed a business model able to meet the demands of regulators, suppliers and operators to provide the public with compliant Gaming products. As a proven leader in the gaming industry, the GLI record of accomplishment in meeting customers' requirements with impartiality and transparency is intact.

GLI laboratory facilities and processes are accredited to the international standard for laboratory processes, *ISO 17025: General requirements for the competence of testing and calibration laboratories*.

- ii. Detailed description of staff knowledge and experience sufficient to support the services outlined in the Scope of Work in Section IV of this RFI. Staff education must also be included. Knowledge and experience shall include proficiency and timely knowledge about technological innovation, cheating methodology, patron protection, field conditions and Colorado's unique requirements.

GLI and the incumbent staff proposed in this document testify to the experience and longevity of the relationship with the Division. GLI prides itself on retention of employees having critical skill sets that compliment client relationships and service levels:

GLI's primary liaison with the Division's SMAC group is **Casey Mitchell**, GLI Technical Compliance Manager. Casey has been with GLI for over 16 years. Casey has been the Technical Compliance Manager for Colorado since November 2004. As directed by GLI's contract with the Division, Casey reviews all submissions prior to issuance of final approval for the State of Colorado. He conducts monthly meetings with Colorado Division of Gaming to support on-going field investigations and demonstrations of new technologies to staff. Casey also assists GLI Colorado engineering staff with regulatory concerns and supports forensic investigations conducted out of the GLI Colorado office. He coordinates and works proactively with the GLI New Jersey office to create test related documentation needed to ensure regulatory compliance. In addition to supporting SMAC in their daily activities, he is responsible for investigating field inquiries and hosting monthly GLI/SMAC meetings. Should



scheduling conflicts arise, Casey make sure that additional GLI compliance engineers are utilized as needed to ensure adequate support is available, 24/7.

Dave Daniels serves as the Division's primary contact for engineering and administrative needs. Dave Daniels is a Senior Director of Engineering and General Manager of the GLI Colorado laboratory. He began with the company as a Test Engineer in 1999, testing video, and reel slot machines for compliance to jurisdictional rules and regulations, including Colorado's Rule 12. He and his staff participate in SMAC meetings to support the Division during game or system demonstrations, in the review of forensic investigations and during any other discussions as needed. In addition, Dave meets with Division leadership to deliver annual summary reports as required by the current contract.

Mackenzie Haugh is a GLI Director of Engineering based in Colorado and oversees the engineers, mathematicians in Colorado and Vancouver. He works closely with the Division and other regulatory agencies, gaming suppliers and operators to ensure regulatory product compliance and certification. He leads internal technical teams in the testing and certification of land based slot machine hardware and software as well as iGaming software through technical support, project management, and quality assurance. Mackenzie has been with GLI for over 12 years.

Michael Capen serves as GLI's Primary Liaison with the Colorado Division of Gaming for all training services relating to GLI University. Michael Capen is the State Governments Development Manager for GLI and is responsible for GLI University and coordinates all training requirements for GLI's regulatory clients in North and South America. Michael oversees the standard catalogue of training classes and reviews course curriculum to make sure it meets the needs of regulatory clients in the constantly changing gaming environment. Michael has been with GLI for over 7 years.

Tom Kitts serves as a contract consultant to GLI. Tom, a long-time employee of the Colorado Department of Revenue and a former Director of the Colorado Division of Gaming meets with Division management on a regular basis and helps facilitate issues when appropriate.

When Tom was a senior member of the agency's management team, he directed the agency's efforts in marketing, sales, and administration, including media and public relations, product development, advertising, research, and retailer relations. His responsibilities also included legislative issues, budget execution, state agency and public outreach programs and agency communications.

Most relevant is that he coordinated research activities for new products and technology dealing with affected publics and opinion leaders communicating with Lottery retailers, vendors, and customers to gauge impact of agency decisions. During his tenure he conceived and implemented a regulatory program to streamline approval of products through the Commission and legislative process resulting in proven efficiencies while creating programs to improve relations with oversight commission.

Team members' resumes are listed in the following pages:





David Daniels

Senior Director of Engineering Western Region

Qualifications

David Daniels is the Senior Director of Engineering and General Manager in the Golden, Colorado Western Regional Office. His responsibilities include managing the Engineering Department and the Colorado testing facility, interfacing with regulators and vendors, and overall project management. He intercedes in specific projects when required and consults on high profile projects.

Summary of Work Experience

Mr. Daniels maintains operational-level communication with both jurisdictional representatives and manufacturers on issues such as deadlines, progression of testing, updates, and general testing questions.

Employment History/Relevant Client Engagements

Gaming Laboratories International, LLC

Senior Director of Engineering Western Region

- Intercede in specific projects when required and consult on high profile projects.
- Oversee all testing in Colorado facility.
- Provide client support to Gaming regulators.
- Provide client support to all manufacturers with product tested in CO.
- General Manager duties for the Colorado facilities.

United Parcel Service (UPS)

Hub Supervisor and Dispatch Supervisor

Duties included supervision of all aspects of the processing operation; lead trainer in the training department for a year; opening and closing a 24 hour office for the weekend; weekly database management; ensuring drivers comply with DOT regulations and covering any exceptions in the delivery of 2,000,000 packages with over 150 truck drivers.

Education

- 1985 – 1990 Colorado School of Mines, Golden, CO
Engineering Physics Bachelors Degree – presently 17 semester hours remaining of 148 required for this degree





Casey Mitchell

Regulatory Compliance Manager

Qualifications

Casey holds a Bachelor of Science degree in Electronic & Computer Engineering Technology from the California State Polytechnic University at Pomona.

Casey has knowledge and an understanding of the regulatory requirements and technical standards for EGM testing in various Jurisdictions.

Summary of Work Experience

Casey has been in the Gaming Industry since 1996. He has experience and knowledge for providing training to various Regulators covering gaming machines and systems.

Employment History/Relevant Client Engagements

Gaming Laboratories International, LLC

Regulatory Compliance Manager

November 2004 to Present

- Per agreement with Colorado Division of Gaming, review all submissions prior to issuance of final approval for the state of Colorado.
- Conduct monthly meetings with Colorado Division of Gaming to support on-going field investigations and demonstrate new technologies to their staff.
- Assist GLI Colorado engineering with regulatory concerns and support forensic investigations conducted out of GLI Colorado office.
- Work with GLI New Jersey office to create test related documentation needed to ensure regulatory compliance.

Technical Manager – Devices

January 2000 to November 2004

- Managed all manufacturers' device submissions to the Colorado office, monitor submission pending list and ensure Quality Control of all files for the Device group.
- Created and modify forms and other documentation used to relay test results, give approval letter support to NJ and facilitate inventory control of systems equipment.
- Managed senior and test engineers and monitor and authorize timesheets and track billable productivity



*Senior Test Engineer**February 1999 to December 1999*

- Trained new test engineers on testing methods and insight to the technical standards of each client.
- Monitored workload of the device testing group and was responsible for maintaining a priority schedule for the engineering staff.

*Test Engineer**July 1996 to February 1999*

- Evaluated casino gaming devices submitted by licensed manufacturers from the gaming industry to ensure compliance against technical standards established by Governmental and Tribal Regulatory Agencies.

Education

- B.S. Electronic & Computer Engineering Technology -December 1995
California State Polytechnic University, Pomona
- A.S. Computer Technology – 1983
Mt. San Antonio Community College, Walnut, CA





Michael Capen

State Governments Development Manager

Qualifications and Experience

Michael Capen is a member of Gaming Laboratories International's development team based in GLI's Las Vegas Office. His primary responsibility is as the Development Manager working with GLI's state gaming, lottery, horse racing and charitable regulatory agencies in the U.S. In addition to his Duties as a Development Manager, Michael is the GLI University Coordinator interfacing with all of GLI's clients in North and South America that require training. Mr. Capen brings a diverse background to his position from being a Naval Officer for 21 years and then as a Charitable gaming regulator working for the Virginia Department of Charitable Gaming from 1999-2005 before coming to GLI. While working for the Virginia Department of Charitable Gaming, he rose through the ranks quickly from Inspector to Licensing, Inspection and Training Administrator.

Employment History/Relevant Client Engagements

Gaming Laboratories International, LLC

State Governments Development Manager

08/2005 to Present

- Manager for Development team that deals with all State Gaming, Lottery, Horse Racing and Charitable agencies. Oversees the team that is responsible for ensuring that all the client's needs are met.
- Provides customer service/project support to all of GLI's regulatory clients assisting them to understand new technologies and working with them throughout the whole process as they implement these new technologies.
- Coordinates all training requirements for GLI's regulatory clients in North and South America.
- Research gaming issues, conduct legislative analysis and provide a weekly report on this and all customer issues.

Department of Charitable Gaming (DCG), Richmond VA

Licensing, Inspection and Training Administrator

04/2004 to 07/2005

- Managed the division that was responsible for the licensing, inspection and training of over 590 charitable organizations.
- Functional Project Manager for implementing the Department's on-line licensing project that registered all bingo callers and managers that received remuneration.
- Increased the frequency of inspections performed on charitable organizations by 44% in one year with no additional resources.



- Coordinated the effort that resulted in the training program doubling the number of training sessions in CY 2004 to 67, an increase of over 100% from the previous year. Personally conducted the training at 11 regional training sessions in 2004.

Department of Charitable Gaming (DCG), Richmond VA

Inspection and Training Manager

09/2003 to 03/2004

- Designed and implemented a training database to track the type of training, and number of organizations and people trained by the Department.
- Managed an 8 person staff responsible for all the charitable gaming inspections and training.
- Originated the concept and coordinated changes to the Department's database that allowed for all inspection reports and game management observations to be saved electronically into the database allowing for the reduction of one end strength assigned to this function.
- Developed all the Standard Operating Procedures on inspection and training.

Department of Charitable Gaming (DCG), Richmond VA

Administrative Coordinator

08/2000 to 08/2003

- Managed the day to day operations of the Administration and Licensing staff.
- Instituted the Department's first testing program for handheld electronic bingo devices.
- Developed and implemented a training program for newly licensed organizations that taught new organizations game management.

Department of Charitable Gaming (DCG), Richmond VA

Inspector

03/1999 to 07/2000

- Inspected and evaluated charitable gaming organizations, and made independent determinations of organization compliance with Charitable Gaming Statute and Rules and Regulations.
- Prepared after action letters to the charitable organizations in Southwest Virginia and the DGC that summarized findings during the inspection, identifies pertinent state regulations and make recommendations for compliance.
- Developed the 'Bingo Basics' training class to instruct new DCG employees on the inspection process. Provided formal training at DCG gaming symposiums to the regulated community. Provided hands-on training to individual charitable organizations on game management and record keeping.

Education

- | | |
|---|------|
| • B.A., Secondary Education/History, University of South Carolina | 1977 |
| • Graduate Courses in Management University of Redlands | 1990 |
| • Commonwealth Management Institute, Williamsburg, VA | 2002 |

Other Accomplishments

- Speaker at Global Gaming Expo (2002, 2003, 2005, 2007), Bingo World (2004-2012) and North American Gaming Regulators Association Annual Conference (2008)





Tom Kitts

Lottery Development Representative

Qualifications

Tom Kitts' career with the State of Colorado has afforded him the opportunity to garner valuable experience in managing high-profile, dynamic state agencies involved with the regulation and promotion of gaming. Mr. Kitts has extensive experience in all aspects of lottery operations and gaming regulation, with proven successes in regulatory affairs, vendor relations, media communications and working with corporate governance including boards, commissions, and legislative bodies. He has developed relationships with lottery executives and vendors that will assist me in business development. An education in Journalism, along with media and public relations experience, assists Mr. Kitts in dealing with business leaders, the media, public, and opinion leaders.

Employment History/Relevant Client Engagements

Gaming Laboratories International, LLC

Lottery Development Representative

September 2011 - Present

- Assist in developing lottery services from within the North American Lottery markets and to assist GLI staff in RFP responses and other contract proposals

Colorado Lottery

Deputy Director__Interim Director

June 2003 – August 2011

I served as the senior member of the agency's management team. My position directed the agency's efforts in marketing, sales, and administration, including media and public relations, product development, advertising, research, and retailer relations. I was responsible for legislative issues, budget execution, state agency and public outreach programs and agency communications.

- Developed agency's legislative agenda
- Facilitated presentations to General Assembly, Lottery Commission and for public rule-making hearings
- Coordinated research activities for new products and technology dealing with affected publics and opinion leaders
- Proactively communicated with Lottery retailers, vendors and customers to gauge impact of agency decisions
- Testified before special legislative committees seeking input on Lottery and Gaming developments
- Managed a \$14 million operating budget
- Achieved record product sales and proceeds distribution in 3 of the last 5 years, increasing sales by \$60 million
- Served as agency spokesman with print and electronic media



- Conceived and implemented a regulatory program to streamline approval of products through the Commission and legislative process resulting in proven efficiencies
- Created effective programs to improve relations with oversight commission
- Facilitated presentations to General Assembly, Lottery Commission and public rule-making hearings

Colorado Division of Gaming

Director

March 1999 – June 2003

- Proven ability to manage a diverse workforce
- Regarded as a responsive and reasonable regulator by the Colorado gaming industry
- Created a communications program with the gaming industry emphasizing "reasonable regulation"
- Worked effectively with legislators and other state officials
- Named chair of national regulatory body
- Successfully worked with State Auditor and Department of Regulatory Agencies on audits and Sunset review
- Introduced major customer service and regulatory reforms saving state staff resources and allowing the industry the ability to expedite initiatives
- Conceived major regulatory legislation and helped shepherd it through the General Assembly including lobbying and testifying before legislative committee
- Worked effectively with Gaming Commission which serves as an oversight body

Director of Administration

June 1993 – March 1999

- Successfully implemented improved casino employee licensing system allowing prospective employees to be eligible for work in as little as one day
- Created systems to allow all work units to communicate
- Initiated working relationships with regulatory agencies in other jurisdictions, which positioned Colorado as a leader among new jurisdictions

Communications Director

June 1991 – June 1996

- Created first media relations program for the agency resulting in expanded media coverage rare for a state agency
- Recognized as national spokesman for agency

Colorado Lottery

Communications Specialist/Drawing Manager

October 1985 – June 1991

- Served as media spokesman, directed consumer relations and player relations
- Managed weekly "wheel spin" televised drawings and developed the first live Lotto televised drawings

Professional Activities and Recognition

- NASPL-National Association of State and Provincial Lotteries
 - Featured speaker
- IAGR-International Association of Gaming Regulators
 - Featured speaker
- IMGL-International Masters of Gaming Law
 - Only Colorado regulatory member

Education

- University of Colorado, Boulder, Colorado
Bachelor of Science in Journalism, May 1982





Mackenzie Haugh

Director of Engineering

Summary of Work Experience

Engineering Director with extensive experience in class II, class III and online casino gambling devices and systems. Related areas of expertise are:

- Product Engineering and Testing
- Quality Control and Improvement
- Project Efficiencies and Scheduling.
- Productivity Improvement

Employment History/Relevant Client Engagements

Gaming Laboratories International, LLC

Director of Engineering (2012 to Present)

- Based in Colorado, Director role overseeing engineers, senior engineers and engineering management. Currently overseeing 63 engineers in our Colorado and Vancouver Locations. Work closely with the Regulatory Agencies, gaming Suppliers and Operators to ensure regulatory product compliance and certification. Lead internal technical teams in the testing and certification of landbased slot machine hardware and software as well as iGaming software through technical support, project management, and quality assurance. Involved in various administrative managerial tasks including but not limited to: interviewing, hiring, firing, raises/reviews, promotions, and team leave-time management.

Engineering Manager (2004 to 2012)

- Based in Colorado, engineering management role with as many as 28 senior and test engineer direct reports across both Colorado and Vancouver. Led team in the approval of slot machine hardware and software through technical support, project management, and quality assurance. Worked closely with internal compliance and QA departments to iron out processes and to create efficiencies. Worked closely with slot machine hw/sw manufacturers to ensure deadlines and the prioritization of submissions. Completed various administrative managerial tasks including but not limited to: interviewing, hiring, firing, raises/reviews, promotions, and team leave-time management.

Senior Engineer/Test Engineer (2001 to 2004)

- Based in Colorado, supervisory engineering position requiring the verification and approval of slot machine software and hardware. Supported team of up to 10 engineers in the testing and compliance aspects of the business. Worked closely with slot machine hw/sw manufacturers in identifying problems in code.

Education

- University of Colorado, BS Electrical Engineering, December 2000



GLI currently staffs over 304 Test Engineers in the U.S. alone that provide over 1100 years of collective gaming experience. Twenty three percent of our engineering team has worked with GLI and the Colorado unique requirements for over 10 years, some since the inception of gaming in Colorado. The testing team's education is comprised of various technological degrees that include Engineering, Computer Science, Mathematics, and Information Technology – Associates, Bachelors and Masters.

GLI's U.S. Technical Compliance team of 21 staff members has accumulated over 160 years of gaming experience. The team is a support system to all of GLI's regulatory clients, with dedicated personnel for the Division in our local Colorado facility.

In the GLI Colorado office, there are more than 15 staff members with greater than 10 years of experience in the Colorado gaming market, in addition to more than 35 with over 5 years of time in service at GLI Colorado. This long term exposure to the Division and SMAC represents an unmatched knowledge base of the Colorado gaming market.

Due to GLI's unique standing in the industry, including broad exposure to suppliers of all types of gaming equipment from across the globe, GLI often is aware of new technology well before being offered to the Colorado market. GLI's position on the cutting edge of gaming technology, combined with our longstanding relationship with the Division provides the members of SMAC opportunity to discuss and consider new technologies early to determine if current rules are adequate to address the new technologies. In addition to discussing new technology during the frequent interactions between SMAC and GLI, further exposure is provided at GLI's annual regulator roundtable. Some rule making and clarifying efforts over recent years in which GLI supported the Division include Statistical Reports, Electronic Promotional Credit Systems, Rule 12 clarifications and changes to a variety of table game rules.

iii. Detailed description of testing equipment.

Laboratory Equipment Available for Testing

GLI has all the equipment necessary to test gaming devices, gaming systems and related software for the Division for any and all of the manufacturers licensed in Colorado. This includes equipment provided by CO licensees for testing for 455 gaming jurisdictions worldwide, thus reducing the cost of testing to Colorado requirements. Over time, the test equipment has evolved from in circuit emulators to a variety of software and hardware emulators as well as environments required to review source and compile code of the products being evaluated. As the members of SMAC have seen during years of demonstrations, these tools allow GLI test engineers to evaluate all payout functions, meter functions, error conditions, and video display routines, view all device memory, and ensure player fairness.

GLI's diagnostic tools include oscilloscopes and data line analyzers that enable testing and debugging of hardware and communications related items, including modern web-service based protocols. GLI's engineering staff works closely with Gaming Standards Association (GSA) contributing to the efforts of all GSA technical committees. This knowledge of the development of the protocols has enabled GLI to lead the industry in testing capabilities. GLI is the only lab to have tested products recognized by GSA as certified to G2S and S2S.

All emulation and diagnostic tools are fully portable and may be taken to an on-site location to perform forensic examination of any malfunctioning device or component.

Additionally, GLI has developed various specialized tests used for Random Number Generator (RNG) analysis, Keno payout percentage analysis, Slot payout and volatility analysis, and Poker Optimum Payout analysis. These specialized math tests are performed as part of our device certification procedures.



R&D Tools

GLI has developed an RNG test suite, verification programs for all types of media, the Exactomizer program, SDS, SAS, G2S and S2S test scripts, simulators and theoretical programs and in-house utility programs or suites to help improve test cycle time and quality.

Verification Tools

For program verification, GLI uses software and devices commercially available or freely provided to regulatory agencies. These include Kobetron devices or software such as, GLI Verify®, Kobetron RD-700 or Kobetron LT-400 or another approved signature generating application. These employ industry-accepted and/or proprietary algorithms to authenticate programs by reading them and generating a unique signature. This empowers regulatory clients with the ability to confirm that the items received from a manufacturer are identical to the items tested in our laboratories. GLI Verify is developed by engineers located in the GLI Colorado office and is provided free to GLI regulatory clients. This program is updated as needed to accommodate evolving technology and can automatically synchronize with GLI's submission database to provide updated, accurate approval status specific to the Colorado market.

Within the laboratory, test engineers are provided test PCs, gaming devices, peripherals, test systems, protocol testing software, source code comparison software, EPROM utility devices, compilers, emulators, simulators, debuggers, spreadsheets, word processing and database software, casino supplies, and an assortment of cables and connectors. All equipment and software is catalogued and documented on lists maintained by each department. Authorized software is also catalogued and maintained in a list. Software developed in-house is validated to requirements.

All of these are used in the tasks associated with review, devices testing, verification, math analysis, forensic analysis, technical supervision, interoperability testing, result reporting, system audits, flowcharting, process mapping, and updating internal documentation.

All information is sufficiently indexed for easy access and traceability. Test results are preserved in our databases in a manner that prevents alteration of original observations and recorded data. All equipment requiring calibration is sent to accredited calibration laboratories according to its calibration cycles.

- iv. Copies of policies, programs, procedures, and instructions that ensure the quality of the test results.

GLI has both a Quality Assurance (QA) team and a Quality Management System (QMS) to support our internal operations and customer service to the regulators.

The GLI QA Department is the first and last step in ensuring that the compliance requirements are met for each submission that is recommended by GLI for approval in any jurisdiction. The QA team ensures that our test results are absolutely accurate. No test results leave a GLI office until they have been checked at least seven times, including a final, independent review by the QA team.

The first phase of our quality testing focuses on the completeness of a manufacturer's submission. Complete submissions are logged into our database and assigned a tracking number prior to being sent to the Engineering Department for evaluation. Before testing begins, the QA Department will review the submission to determine if the submission:

- Introduces any new technologies
- Introduces any new game themes or features
- Addresses any known bugs in production



Based upon this assessment, the QA Department will advise the Technical Manager of the project's priority. The Technical Manager will then prepare a test plan and assign the file to a Test Engineer.

After the Engineering staff completes the required testing of the submission, it is returned to the QA Department for final review and forwarded to the report writing section of the QA Department for the drafting of the final approval report.

The QA "umbrella" encompasses the Technical Compliance Department that monitors all regulation changes worldwide. The Technical Compliance Department is responsible for all checklists and test scripts used by GLI Engineering personnel. Our Technical Compliance team is the liaison between Engineering and the government agency or regulatory body. This Technical Compliance staff serves as the GLI new technology and rule writing personnel.

QA is responsible for entering non-conformities into our Quality Management System ("QMS"). This prompts internal review of the anomaly by the GLI management team. The information is stored in a QMS database, and the information is used to update the GLI testing processes for future submissions. The QMS Department monitors the quality and appropriateness of GLI work on a daily basis. In this way, GLI can respond quickly and accurately when called upon by our clients.

The GLI QMS team oversees the GLI quality management system which is the structure upon which an organization systematically manages the technical, administrative, operational and supporting aspects pertinent to the work it performs. The GLI QMS system is outlined in the GLI Quality Manual, which is a proprietary document. However, the GLI team will make the Quality Manual available during the oral presentation for Division staff viewing.

5. Provide policies and procedures detailing independence from the manufacturers/distributors requesting testing, along with the type(s) of consulting services provided to Colorado licensees. Also, describe policies and procedures to ensure that testing or consulting services are not in support or furtherance of illegal gambling.

GLI Statement of Independence

Gaming Laboratories International is committed to maintaining independence and impartiality from the Gaming and Lottery industry. To that end, the following corporate policies have been continuously adopted since the inception of the Company: GLI may generally only be retained by Sovereign Governmental Agencies (Federal, State, Tribal, and International) in connection with its work or perform services to facilitate compliance in jurisdictions regulated by governmental entities or government-approved entities. In addition, GLI may be retained by law enforcement, governmental agencies, law firms and CPA firms where expert testimony or opinions are required. Should GLI be retained, a conflict check is performed as to whether or not the Company should and/or can become involved in the case. This conflict check is done on the most conservative basis possible.

GLI may not be retained by any gaming/lottery equipment supplier, distributor, designer or other entity to engage in consulting work in the area of slot machine design or manufacture or any other area that is unrelated to regulatory compliance or interoperability requirements.

GLI, its employees, officers, and directors shall not engage in any business which manufactures, designs, distributes, or sells slot machines, electronic gaming equipment, or computerized systems associated with the gaming industry or any other associated equipment utilized in the conduct of gaming. GLI, its employees, officers, and directors may not engage in the unauthorized practice of law nor shall GLI accept or distribute referral fees or fees for legal services in the conduct of its business. If any GLI employee, officer, or director is licensed to practice law, he/she must do so in accordance with State ethics rules which govern this area.

GLI believes that it is essential that all employees conduct their day-to-day relationships with those whom we do business in keeping with the highest standards of business ethics. In keeping with



this policy, no officers, directors, or employees may accept gifts or gratuities from the suppliers or entities engaging GLI's supplies services to. Token gifts and remembrance advertising may be accepted upon notification and approval of our General Counsel. Meals in the course of ordinary business or social events involved in a conference where all attendees are invited are not subject to this restriction.

GLI employees may not hold outside employment or outside ownership in business entities that are not disclosed to GLI and approved in advance. Approval will be subject to the highest conflict of interest standard.

GLI employees may not directly own any equity or debt position in any gaming-related company. Direct ownership does not include any account where the GLI employee does not have any discretion over the assets in the account or investment. GLI does not allow for the use of trusts in an effort to circumvent this rule. Each year, employees are, when requested, required to fill out background forms relating to asset ownership.

GLI's employees, officers, and directors are subject to background investigation at any time, without notice, by the Company or any client of the Company. GLI will continue, as a part of its contractual obligation and at its cost, to assist any client in the conduct of GLI's background investigation and pledges to divulge any information necessary to achieve this goal, provided that records that are released can be assured complete confidentiality.

GLI will continue to maintain a drug-free workplace as required by our policy and procedures manual. Violation of this rule results in immediate suspension and termination.

GLI will not discriminate in any unlawful manner with respect to a potential applicant's race, color, national origin, ancestry, gender, religion, age, physical handicap, or veteran status. GLI conforms to all Federal requirements as well as the requirements for each state and its respective localities for which we are registered to do business.

GLI's policy is not to discriminate against any employee on the basis of gender or sexual orientation. It is further the policy of GLI not to tolerate sexual harassment by any of its employees.

GLI will take all necessary steps to keep all protected information confidential. We will continue to vigorously challenge, in some cases at our own expense, all subpoenas from non-law enforcement sources that threaten the integrity of the information that we possess.

6. Provide a description of your organization's testing services related to Gaming Devices (to ensure Gaming Equipment complies with Colorado Laws) and Forensic Evaluation of Failed or Malfunctioning Gaming Devices. Provide a customer contact for these services.

GLI actively tests all types of gaming products for compliance with Colorado laws and technical requirements. The frequent interaction between the Division and the local GLI staff allow for quick feedback into new technology, new game concepts and any necessary interpretations of Colorado laws, rules and/or ICMPs by SMAC.

GLI considers test scripts as a services deliverable developed by GLI and customized under a contractual relationship with the gaming jurisdiction requesting the testing services. As such, GLI views test scripts as proprietary and confidential. GLI has developed for the Division, as our prime contractor the following test scripts: FM-TC-208, FM-TC-034, FM-TC-082, FM-TC-129, FM-TC-892, FM-TC-131, FM-TC-609, FM-TC-881, FM-TC-694, FM-TC-950, FM-TC-954, FM-TC-132, and FM-TC-959.

GLI will accommodate the Division and provide the opportunity for review upon request by the Division.



Forensic Examinations

The three primary reasons a gaming regulator would request a forensic investigation are:

1. To mitigate player disputes;
2. Investigate in-house or external cheating; or
3. Validate the operations during specific cases.

It is important for the independent testing laboratory to be able to accommodate forensic evaluations as they are an important facet of gaming regulation. Inadequate examinations performed by unqualified personnel could result in poor publicity for the regulatory bodies.

Since its inception GLI has conducted hundreds of forensic examinations. The below information will provide the purpose of some of these examinations as forensic investigations are highly confidential and we are limited to the details we are able to provide:

- Investigations of progressive operations (configurations, reconciliation, non-resetting amounts and claims of progressives that are not hitting);
- Jackpot discrepancies;
- Incorrect issuance of credits;
- Hardware failures;
- Invalid unique signature on installed software;
- Illegal gaming devices;
- Player disputes;
- Broken security seals;
- Invalid coin/bill acceptor settings;
- Duplicate tickets;
- Large cashout tickets within a small timeframe;
- Review unapproved installed software; and
- Invalid issuance of bills from kiosks.

Forensic Processes

GLI's independent testing laboratory can provide the engineering staff resources specializing in interfacing with suppliers regarding gaming technology. Our trained professionals provide critical resources to our clients for the following reasons:

Independent research is often done with respect to the technology to determine implementation and regulatory problems with what is being proposed.

Assessment of cheating methods, both current and future with respect to the new and current technology, must be undertaken on a daily basis.

Regulators are challenged to provide sufficient specialized resources but they can safely rely on an independent test laboratory such as GLI to report incidents and issues that have occurred in other jurisdictions. This communications network allows a regulator the security of knowing that they will be able to react in a timely manner to safeguard gaming within their respective jurisdiction.

The specialized engineering staff at GLI must have the ability to be able to perform forensic evaluations on any device or component of any system that is GLI certified. Should a piece of equipment fail and an investigation is launched, it is imperative that the Regulator and the Independent Lab work together to determine the root cause of the failure.

Manpower issues may cause this to be difficult for a regulatory agency, but with the support of GLI, the professional approach to a forensic review may determine an amicable outcome of any inquiry of the regulator or litigation.



Specialized equipment and skill sets of specialized engineers are required when conducting a forensic evaluation. In addition, understanding the court system, rules of evidence, and security of the evidence is important to the process.

During forensic examinations, GLI engineers examine gaming devices, on-line monitoring systems, and associated equipment that may be operating in an abnormal manner; that is, different from the way they were designed and expected to function. For example, if the jackpot awarded to a player does not coincide with the figure determined by the gaming regulatory agency using jackpot verification procedures, a player dispute could ensue. GLI would be called in for forensic examination of the gaming device and monitoring system to determine the cause of the discrepancy (internal, external or other) and to assist the regulatory jurisdiction in determining the outcome.

GLI also offers forensic investigation and review services to attempt to track down the cause of any device failure that occurs in the field. We work with regulators to define new standards and test processes for any new style of game or device that was not anticipated when the original rules were adopted. When asked, we provide assistance to our clients in forensic cases not only with player disputes or complaints but where equipment is not performing as requested or required.

Since its inception, GLI has performed over 400 forensic examinations for our clients. As such, our staff has the knowledge and expertise in these matters and each office is fully equipped to perform the technical assessments on gaming devices, as needed.

Customer Contact of Testing Services (Forensic Evaluation):

Name: Faisal Khan
Title: Technical Compliance Manager
Address: 4680 Table Mountain Drive, Suite 100
Golden, CO 80403
Phone Number: 303-277-1172 EXT. 2177
Email: f.khan@oamincolabs.com

7. Describe the internal controls and procedures which ensure the physical security of the testing facilities, ensure the security over information systems, warrant the integrity of its business practices, business processes, and the conduct of its employees, in performing the services detailed in this RFI.

Our team will discuss GLI's security plan during the oral presentations, as this information is highly confidential.

8. Indicate your organization's ability to meet with the Division and present information within the scope of this RFI (reference Section I). This may include site visits, oral presentations, and/or physical demonstrations as deemed necessary by the Division. The purpose of the visits, presentations, and demonstrations is to allow the RFI Committee the opportunity to gain a complete understanding of the Offeror's business and services. Note: Responder is responsible for all costs associated with such a presentation.

GLI welcomes the opportunity to meet with the RFI Committee to present information compliant with the content indicated in RFI Section I. GLI acknowledges that Division staff is familiar with our capabilities and anticipates providing through site visits, oral presentations and demonstrations the RFI evaluation committee a renewed perspective of GLI.

The RFI document is comprehensive in that the Division recognizes pitfalls which may exist if multiple laboratories are certified to provide services to the Colorado Division of Gaming. These



are issues which may be more adequately addressed in the aforementioned oral presentation. As the RFI Committee reviews proposals it is likely issues may arise and questions will be generated that can be addressed in those meetings.

9. Provide documentation of experience in conducting a rigorous Forensic Investigation of gaming equipment which has failed, erred, or malfunctioned. Experience shall include proficiency and timely knowledge about technical innovation, cheating methods, patron protection, field conditions and Colorado's unique requirements.

Since 1999, GLI has completed 19 forensic investigations at the request of the Colorado Division of Gaming. GLI has also conducted numerous forensic investigations for regulated jurisdictions worldwide. GLI has a team of engineers dedicated to understanding and staying on top of the latest technology trends in the industry such as in the areas of network security, encryption, and communications protocol.

As a matter of confidentiality, GLI does not release Forensic Investigation reports or results to any unauthorized party. As the Division has copies of the Forensic Investigations cited above, we trust you understand our hesitancy to include these reports in a public document. GLI is happy to provide the Division with additional confidential copies at your request.

GLI compliance staff continually monitors industry notifications and evaluates their potential impact on regulated gaming markets. Through its website, GLI posts important industry notifications providing a convenient repository for regulators. If necessary, GLI will issue its own, independent assessment of a field issue to ensure the industry is aware of all important aspects of an issue that could potentially impact regulatory compliance.

Part of GLI's rigorous test procedures for testing a new gaming platform before it is certified consists of documenting and verifying the specific RAM extraction procedures needed to perform a forensic analysis should a malfunction ever occur. Modifications to approved platforms are continually evaluated to ensure these procedures remain valid, or the procedures are updated accordingly. In addition to RAM extraction procedures, a new platform is subjected to exhaustive stress testing and evaluated for security risks. As is the case with RAM extraction procedures, this process does not stop with the certification of a new platform and is continually applied during subsequent modification testing.

10. Provide documentation of experience and resources available to provide the Division of Gaming with the requisite Consulting Services as required in the Consulting Services Section. Experience shall include proficiency and timely knowledge about technical innovation, cheating methods, patron protection, field conditions and Colorado's unique requirements. Provide a customer contact for these services.

Definition:

Consulting Services - The provision of professional advice and expert testimony on such subjects as, but not limited to, technology, Gaming Equipment, its operation, design, technology, operation, or performance, and gaming science and theory.

General Description:

To be successful, the Offeror shall have sufficient experience and resources available to provide requisite Consulting Services as required per the Consulting Services section below. Experience shall include proficiency and timely knowledge about technological innovation, cheating methodology, patron protection, field conditions and Colorado's unique requirements.

Response Requested:

3. Consulting Services.



The Division may, on occasion, need Consulting Services. The Division will determine which qualified vendor from the Certified Vendor list will perform the Consulting Services, at the time the Consulting Services are required. The Certified Vendor will cooperate with the Division in budgeting for these services.

Provide documentation of experience and resources available to provide the Division of Gaming with the requisite Consulting Services as required in the Consulting Services Section. Experience shall include proficiency and timely knowledge about technical innovation, cheating methods, patron protection, field conditions and Colorado's unique requirements. Provide a customer contact for these services.

Response:

Proficiency and Timely Knowledge about Technical Innovation

GLI utilizes significant resources in addressing new technology initiatives. These efforts begin with utilizing the most skilled staff of any independent testing laboratory in the gaming industry. GLI currently employs a diverse set of technology focused personnel. This staff includes:

1. PHD Mathematicians;
2. Computer Programmers;
3. Software Designers;
4. Electrical Engineers; and
5. Advanced Computer Scientists.

This breadth of diverse skills affords GLI tremendous advantages when developing technical standards, test plans, forensic testing, computer simulations and software solutions related to gaming device and systems testing.

These technical services supplemented by our Supplier Development Representatives and Technical Compliance Staff who perform early engagement with gaming suppliers when new technology is still at an early conceptual phase. This early engagement, typically 18 months prior to development, allows GLI to be ahead of new concepts, technology and protocols envisioned for the gaming industry. This knowledge is then shared with GLI clients thru various mediums and ultimately helps to drive standardization in the marketplace. This also allows standards to be written and a focused consultation to occur with regulatory agencies. The GLI Standards Series is a reflection of GLI's commitment to technical innovation. In most instances the GLI Standards Series are the first technical requirements available for a given technology.

Finally, GLI's Tool Kit is constantly updated to reflect new ways for regulators to control and interact with new technology. For example, Game Authentication Terminal support within GLI Verify. GLI understands that technology is always evolving and regulators will continue to look for new ways to add security while also adding economies.

Cheating Methodologies, Patron Protection and Field Conditions

GLI's worldwide network of over 455 regulatory clients provides the value added service of allowing regulatory agencies to gain awareness of potential cheating methods and player protection issues occurring in other jurisdictions. This provides immeasurable value to regulators in that they do not need to wait for something to occur in their jurisdiction to gain awareness of an issue. Regulators are then able to leverage this key information to take preventative measures for their market. One recent example of this, involved a situation where a game compatibility issue was encountered in a European market. In this case, specific game programs were failing to enter game recall when used with a specific operating system program. GLI quickly disseminated this information to impacted US regulators, including the Division. This allowed the Division to take the proper preventive action to ensure this compatibility issue did not manifest as an integrity concern in Colorado casinos.



GLI strives to provide regulators the information needed to make informed decisions about potential integrity issues in their markets. This information is disseminated to regulators in a number of ways:

1. GLI Client Advisories;
2. Posting of critical manufacturer advisories on GLI Access;
3. Revocation recommendations posted to The Division's approval portal; and
4. Roundtable discussions on broad player protection strategies and practices in the industry.

GLI's processes display a continued commitment to informing gaming regulators about various field conditions, fraud and player protection topics within the gaming industry.

Colorado's Unique Requirements:

GLI works closely with an extensive list of gaming agencies outside of Colorado providing ongoing compliance support and rule writing consultation. This breadth of exposure to a wide range of regulated environments provides GLI with unique insight and unmatched experience allowing us to effectively consult with the Division on a wide range of issues impacting Colorado's limited gaming market. Recently, with the approval of Amendment 50 and the corresponding changes to Rule 12, GLI was actively engaged with SMAC to ensure that the new regulations for \$100 maximum bets, craps, roulette, and 24/7 gaming operations, were evaluated correctly by GLI. GLI continues to work closely with both game manufacturers and SMAC to ensure Slot Machine Statistical Reports are implemented in accordance with Colorado's Internal Control Minimum Procedures, Section 11. Our regular discussions and presentations to SMAC ensure that is Colorado is in the forefront of a changing industry and aware of their potential impact on existing (or future) regulations.

Primary Resource:

GLI's primary liaison with the Division's SMAC group is **Casey Mitchell**, GLI Technical Compliance Manager. Casey has been with GLI for over 16 years. Casey has been the Regulatory Compliance Manager for Colorado since November 2004. Casey is accustomed to the unique requirements, staffing and processes and procedures of the Division.

Customer Contact of Consulting Services:

Name: Casey Mitchell
Title: Technical Compliance Manager
Address: 4680 Table Mountain Drive, Suite 100
Golden, CO 80403
Phone Number: 303-277-1172 x2123
Email: c.mitchell@gaminglabs.com

11. Provide documentation of experience in providing support and assistance in the regulatory processes, including drafting of rules and regulations. Provide a customer contact for these services.

Experience of Developing Regulatory Guidelines and Policy Statements

GLI does more than just help regulators and manufacturers ensure gaming devices adhere to a set of rigid standards. We've been helping jurisdictions around the world set those standards since 1989. Based on information gathered by GLI for over a decade of systems and device testing, GLI developed the GLI Standard Series - a collection of specifications and performance



targets designed to serve as industry standards that, if met, ensure gaming systems are fair, secure and able to be audited and operated correctly.

Dozens of jurisdictions around the world have turned to GLI for assistance in writing their gaming legislation. And why? Because GLI has unparalleled experience analyzing and testing the rules and regulations for all regulated gaming jurisdictions. With this extensive base of knowledge and experience GLI knows exactly how to custom-tailor regulations to suit the unique circumstances of any jurisdiction. Whether our assistance is needed in drafting a Casino Control Act or Tribal Gaming Regulatory Structure or Internal Control Document our years of expertise in drafting rules and regulations for regulatory bodies around the world makes these tasks easier.

GLI understands that as a global independent testing lab, serving hundreds of regulatory agencies, we are in a unique position of contact with all global regulations. GLI takes this opportunity seriously and confidently manages an exceedingly growing repository of regulations which will serve to affirm the integrity and compliance of gaming products around the world.

GLI Regulatory Repository

Gaming Laboratories International (GLI) currently maintains a vast digital repository of all regulations utilized in regulated gaming markets around the globe. This repository serves as a key resource to GLI's internal testing systems. The source requirements within a jurisdiction may be any laws, compacts, amendments, rulings or other legal documents which set forth the required structure and policies of that jurisdiction. From these source requirements, GLI feeds internal testing systems by creating checklists, test cases, work instructions and other testing documents which will serve to confirm a component's compliance with those particular regulations.

Over the last several years, GLI has made tremendous strides in identifying the shared adoption of regulations amongst jurisdictions. This was facilitated by creating a relational database including each regulation, the adopting jurisdiction, the relevant technology type and other ancillary descriptors. This database has allowed GLI to interact with the regulations in a more refined way, since we can now read a regulation a single time and know exactly which jurisdictions follow that regulation. This level of information has allowed us to broaden our awareness of the impact of failed regulations and produce exacting differentials or "gaps" between various jurisdictions' requirements.

It is a challenge to create and maintain a repository of the hundreds of documents within the scope of global regulated gaming. GLI's Technical Compliance team commits hundreds of man hours annually to the maintenance of this key resource. Our Compliance Team is constantly monitoring all regulatory agency websites, industry association websites and gaming news resources. GLI's Technical Compliance and Development teams stay in near-weekly contact with regulators to ensure that the repository is always up to date with the latest information available.

Examples of Rule Review

Example 1: Technological Analysis of the South Dakota Rules

Description

GLI was retained by the South Dakota Commission on Gaming to perform an extensive review of their administrative rules relating to slot machines, progressive slot machines and promotional and bonusing systems. Immediately GLI utilized various resources within our firm to perform a focused review of the South Dakota administrative rules. This review was a gap analysis which consisted of a comparison of the South Dakota regulations in contrast with other industry standards to determine relevant differentials between those requirements.



The GLI review served to identify the areas of concern and propose solutions:

- Identify requirements in the South Dakota administrative rules that may have become obsolesced by new technology;
- Identify new requirements that should be in the South Dakota administrative rules to cover new technology;
- Propose the inclusion of industry best practices in the South Dakota administrative rules; and
- Propose the inclusion of regulations to address new technology in the South Dakota administrative rules to cover emerging game types.

At the conclusion of this review, GLI provided the South Dakota Commission on Gaming a comprehensive report outlining our observations and suggestions for the fortification of their regulations. GLI was asked to attend the South Dakota Commission on Gaming Meeting where these new regulations were presented and adopted. Our presence at the meeting allowed for any questions of clarifications to be quickly addressed.

Example 2: Ohio Casino Control Commission Consulting Services

Description

The Ohio Casino Control Commission (OCCC) worked closely with GLI on its regulatory model. GLI was asked to bring the OCCC staff up to speed on technical concepts relating to technology in the gaming industry and discuss the finer points of industry technical standards governing those technologies. GLI was a valuable resource to the OCCC at an important time in its emergence. GLI was able to successfully leverage our experience and knowledge to fully assist this key agency.

In addition to assisting the OCCC with the development of technical standards, GLI also assisted the OCCC with: training, staffing requirements, field audit and verification procedures. GLI attended multiple OCCC meetings to ensure that any technical questions were addressed to the satisfaction of the Commission.

Contact Info:

Mr. Patrick Martin
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Past Experience

There are dozens of jurisdictions who have adopted GLI Standards. We consulted with many of them, just not as a contractual obligation. The following table lists all regulatory agencies that GLI has collaborated with on the development of standards or rules:

Project	Jurisdiction	Start Date	End Date
Develop Gaming Technical Standards for a central control system and all other categories of electronic gaming devices	Kansas Racing and Gaming Commission	10/2007	Ongoing
Technological Analysis of the Indiana Technical Standards	Indiana Gaming Commission	02/25/2008	04/02/2008



Project	Jurisdiction	Start Date	End Date
Develop/Revise Rules and Regulations, Technical Standards & Uniform Operational Procedures for Electronic games of Chance Systems for Electronic Bingo and Instant Bingo, Pull-Tabs or Seal cards	Virginia Department of Charitable Gaming	06/05/2008	02/26/2010
Slot & System Rule Writing for Columbia	Empresa Territorial Para La Salud (ETESA)	12/18/2008	04/13/2009
Consultation on Technical Standards for Singapore	Casino Regulatory Authority	12/19/2008	01/06/2009
Technological Analysis of the South Dakota Rules	South Dakota Commission on Gaming	04/02/2009	06/24/2009
Rule Writing Contact No.: SP-06-0191	Arkansas Racing Commission	04/02/2009	06/30/2009
Bingo Rule Writing	Etowah County Commission (AL)	05/13/2009	6/30/2009
Technical Standard for Video Gaming Terminals and Payout Devices	Illinois Gaming Board	01/01/2010	Ongoing
Technical Standards Consulting	Ohio Casino Control Commission	11/01/2011	03/01/2012
Technical Standards Consulting	Ohio Lottery Commission	01/01/2012	03/15/2012
Technical Standards Consulting	Superintendencia de Casinos de Juegos (SCJ) de Chile	10/1/2012	10/31/2012
Technical Standards Consulting	Autoridad de Fiscalización y Control Social del Juego (AJ) de Bolivia	12/01/2011	04/27/2012
Technical Standards Consulting	Superintendencia de Casinos de Juegos (SCJ) de Chile	03/09/2007	02/28/2008
Technical Standards Consulting	Junta de Control de Juegos de la Republica Dominicana	08/05/2005	09/13/2005
Technical Standards Consulting	Ministerio de Turismo y el Organismo de Acreditación del Ecuador	08/27/2007	06/12/2008

Customer Contact of Drafting of Rules and Regulations Services:

Name: Casey Mitchell
Title: Technical Compliance Manager
Address: 4680 Table Mountain Drive, Suite 100
Golden, CO 80403
Phone Number: 303-277-1172 x2123
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12. Provide documentation of experience in providing regular and on-demand training. Provide a customer contact for these services.

GLI understands that in the gaming industry, the only constant is change. That is why GLI created GLI University to help regulators keep as up-to-date as possible in new technologies. GLI University offers many different programs throughout the year to Gaming regulators. These programs include the Regulators Roundtable, Regional Seminars and a catalog of training classes.

This year GLI will host its 12th annual Regulators Roundtable on February 27th & 28th. To date over 325 regulatory personnel from North America have signed up to attend. GLI offers the event to regulators free of charge in a continuing effort to provide regulators a roadmap for dealing with new technologies that they will be exposed to in their jurisdictions. As an example of the types of topics that have been covered in the past, in 2012 GLI hosted its 11th annual Regulators Roundtable in Las Vegas that was attended by over 300 regulators. The event featured a land-based gaming track discussing today's most urgent and relevant topics, including best-practices in regulation, new technologies and their potential impact, business efficiencies and cost-reduction measures, multi-jurisdictional collaboration and gray market games. An iGaming track featured discussions about geo-location and age verification, multi-jurisdictional approaches to iGaming, the "Cloud," and best-practices in regulation.

In addition to the Regulators Roundtable offered each year in Las Vegas, GLI hosts regional seminars around the country each year for regulators free of charge. These seminars like the Roundtable are intended to assist regulators in keeping up with new technologies.

GLI University has a standard catalog of training classes that individual regulatory agencies can choose classes from to meet their current training needs. These classes each have a syllabus allowing the regulator to pick and choose a curriculum that best meets its needs. In addition to these standard classes, GLI University has the ability to tailor classes to the individual regulators needs. Just because a class or a topic is not available in the standard catalog does not mean a regulator cannot get training on it. GLI has more than 20 years experience as the world leader in providing independent testing, inspection and certification services to the gaming, wagering and lottery industry. With 20 laboratory locations located across Africa, Asia, Australia, the Caribbean, Europe, North America and South America, GLI has the internal resources to provide custom training that the regulator needs and depends upon to keep up with technology.

In 2009 and 2011, GLI provided on demand training to casino operators in Colorado. This training was requested by the Colorado Division of Gaming and the topics were selected by the Division. In each year the training took place, it was provided at two different sites designated by the Division. This training was provided at no cost to either the casinos or the Division. The Division has personnel that meet with GLI personnel in our Colorado lab on a monthly basis. GLI utilizes its conference room which is also the training room at our lab. This room can be used for training sessions for up to 25 personnel. The primary focus of the training that goes on as part of these meetings has been the specialized training that regulators across the country have always come to GLI for. The training is provided on a variety of topics as needed ranging from emerging technologies to testing to systems interoperability to other subjects relating to gaming technology.

GLI has a dedicated Manager in Colorado, Casey Mitchell, who is the primary contact for the Division on all matters. In addition to Casey, GLI has a Manager in its Las Vegas Office, Michael Capen, who is responsible for GLI University who is always available to discuss any training needs that arise.

At GLI, we are here to help you, and there is no better way to get your training needs met than through the direct instruction available through GLI University. GLI is dedicated to meeting your training needs today into the future.



Customer Contact of Training Services:

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13. Provide documentation relating to the responding to critical incidents in the field within 48 hours. Provide a customer contact for this service.

Based on our historical relationship with Colorado, our response time is nearly immediate during business hours. Our team has frequent discussions with the Division. Our business hours are from 8 AM to 8 PM eastern time. The GLI management team is available after business hours and provides cell phone numbers to the Division. As a last resort, after 8 PM Eastern our 24/7 call center would notify management of the inquiry should an emergency arise.

GLI is confident that approximately 99% of all contact to our laboratories after hours is initially responded to within one (1) hour.

Since the start of the initial contract between Colorado and GLI, there are frequent communications between the teams. It is our belief that 99% of calls/issues from Colorado are resolved within 24 hours. However, the timely resolution of issues is largely dependent on the nature and complexity of each request. GLI is confident that general requests; for example, requests for certifications reports, requests for certification status, are predominantly resolved within a few hours. Requests with increased complexity; for example, field issues, %RTP analysis inquiries, legal and regulatory opinions may likely take 24 hours or more to fully resolve.

GLI employs upwards of thirty (30) staff members who are tasked with regulatory service requests to our laboratories. This provides GLI with unparalleled resources for addressing regulator requests. Further, these staff members bring a combined industry experience of over of one-hundred and fifty (150) years. This allows GLI to not only be extremely accessible but also extremely capable of handling unique and sensitive requests

Customer Contact of Critical Incidents in the Field Service:

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14. Describe your means of maintaining suitable business practices with a high degree of integrity. Additionally, acknowledge your understanding of the payment requirements for the Division to perform a timely investigation into your business practices. Define your means for ensuring that Key Employees, Support Personnel and independent Contractors (if any) will obtain and maintain licenses and suitability throughout the terms of the contract.

GLI acknowledges that it is responsible to pay the Division of Gaming the costs of investigating GLI in accordance with the Scope of Work, Section A 2 (n). GLI is prepared to pay the deposits and application fees required by the Division of Gaming in order to facilitate the background investigation into the suitability of GLI and its Key Employees in accordance with the Scope of Work, B 1 (a).

GLI has implemented best practices in all areas of business operations to maintain the highest degree of integrity and ensure that its Key Employees, Support Personnel and Independent Contractors (if any) obtain and maintain licenses and suitability throughout the terms of the contract with the Division of Gaming.

Continued Licensing and Suitability

Beyond the implementation of independence and integrity best practices as outlined below, GLI employs a Licensing Coordinator to assist GLI and its Key Employees with continuous compliance with gaming licensure in all jurisdictions. The Licensing Coordinator maintains open lines of communication with employees in order to facilitate timely reporting of any material changes to Key Employee information and assist with the gaming license application and renewal process.

Independence and Integrity of Operations

The internal structure of GLI is organized in order to maintain independence and integrity. GLI is an independent laboratory and certification body. This means that the Engineering Department and Quality Assurance (QA) Department are separate and distinct from each other with independent reporting to executive management.

GLI also has an independent Technical Compliance Department that reviews technical issues and concerns and issues regulatory notifications to the gaming industry.

The GLI laboratory operations and field operations are overseen by the GLI Quality Management Department (QMS) which independently audits GLI's internal processes and reviews internal controls related to its ISO certifications: ISO 17020 (Field Operations), ISO 17025 (Laboratory) and Guide 65 (Certification). The QMS department reports independently to executive management.

The GLI accounting department acts independently and operates under the Chief Financial Officer. Audited financial statements are in accordance with U.S. Generally Accepted Accounting Principles are produced annually. The CFO is responsible for the implementation and maintenance of financial internal controls. Additionally, the CFO oversees accounting and financial policies of international subsidiaries.

The GLI legal department is overseen by the General Counsel. The legal department is responsible for handling corporate and regulatory compliance and overseeing the implementation and maintenance of compliance internal controls.

GLI performs background checks on employees and those that do business with or for GLI. GLI has a Due Diligence Committee that reviews the processes for performing due diligence on vendors, independent contractors, subcontractors and gaming suppliers. Employee background checks are managed by the Human Resources Department and performed at the time of hire and continue annually. The employee background checks include a motor vehicle check, a credit check and criminal history check.



GLI employees are required to adhere to the policies in the Employee Handbook for each location and the global GLI Code of Practice, a practical and comprehensive document that provides guidance to employees on acceptable practices.

The core of GLI's independence resides in its Statement of Independence, which along with the Code of Practice and Employee Handbook, employees are required to review and accept annually:

Gaming Laboratories International is committed to maintaining independence and impartiality from the Gaming and Lottery industry. To that end, the following corporate policies have been continuously adopted since the inception of the Company: GLI may generally only be retained by Sovereign Governmental Agencies (Federal, State, Tribal, and International) in connection with its work or perform services to facilitate compliance in jurisdictions regulated by governmental entities or government-approved entities. In addition, GLI may be retained by law enforcement, governmental agencies, law firms and CPA firms where expert testimony or opinions are required. Should GLI be retained, a conflict check is performed as to whether or not the Company should and/or can become involved in the case. This conflict check is done on the most conservative basis possible.

GLI may not be retained by any gaming/lottery equipment supplier, distributor, designer or other entity to engage in consulting work in the area of slot machine design or manufacture or any other area that is unrelated to regulatory compliance or interoperability requirements.

GLI, its employees, officers, and directors shall not engage in any business which manufactures, designs, distributes, or sells slot machines, electronic gaming equipment, or computerized systems associated with the gaming industry or any other associated equipment utilized in the conduct of gaming. GLI, its employees, officers, and directors may not engage in the unauthorized practice of law nor shall GLI accept or distribute referral fees or fees for legal services in the conduct of its business. If any GLI employee, officer, or director is licensed to practice law, he/she must do so in accordance with State ethics rules which govern this area.

GLI believes that it is essential that all employees conduct their day-to-day relationships with those whom we do business in keeping with the highest standards of business ethics. In keeping with this policy, no officers, directors, or employees may accept gifts or gratuities from the suppliers or entities engaging GLI's supplies services to. Token gifts and remembrance advertising may be accepted upon notification and approval of our General Counsel. Meals in the course of ordinary business or social events involved in a conference where all attendees are invited are not subject to this restriction.

GLI employees may not hold outside employment or outside ownership in business entities that are not disclosed to GLI and approved in advance. Approval will be subject to the highest conflict of interest standard.

GLI employees may not directly own any equity or debt position in any gaming-related company. Direct ownership does not include any account where the GLI employee does not have any discretion over the assets in the account or investment. GLI does not allow for the use of trusts in an effort to circumvent this rule. Each year, employees are, when requested, required to fill out background forms relating to asset ownership.

GLI's employees, officers, and directors are subject to background investigation at any time, without notice, by the Company or any client of the Company. GLI will continue, as a part of its contractual obligation and at its cost, to assist any client in the conduct of GLI's background investigation and pledges to divulge any information necessary to achieve this goal, provided that records that are released can be assured complete confidentiality.

GLI will continue to maintain a drug-free workplace as required by our policy and procedures manual. Violation of this rule results in immediate suspension and termination.

GLI will not discriminate in any unlawful manner with respect to a potential applicant's race, color, national origin, ancestry, gender, religion, age, physical handicap, or veteran status. GLI



conforms to all Federal requirements as well as the requirements for each state and its respective localities for which we are registered to do business.

GLI's policy is not to discriminate against any employee on the basis of gender or sexual orientation. It is further the policy of GLI not to tolerate sexual harassment by any of its employees.

GLI will take all necessary steps to keep all protected information confidential. We will continue to vigorously challenge, in some cases at our own expense, all subpoenas from non-law enforcement sources that threaten the integrity of the information that we possess.

15. Describe your means of communicating information to the SMAC, including demonstration procedures, (communicating Gaming Equipment testing, verification and operation procedures to SMAC) and incorporating SMAC input prior to the issuance of the Test Report Results.

GLI meets with the Division's SMAC on the 4th Wednesday of every month to discuss compliance concerns found during testing, field issues, and to provide demonstrations of new game concepts and technology. When possible, these demonstrations take place in the GLI Golden, Colorado office to provide an up close, hands-on experience of the application requested for approval in Colorado. If the product is not located physically in the Golden office, GLI will ask that the manufacturer to supply one for SMAC's review. If the manufacturer is not able to provide the item, GLI will utilize its video conferencing capability in the GLI Golden, CO office for the demonstration. Generally, the GLI engineering team primarily responsible for testing the product will be in attendance to provide an independent assessment of the product. GLI also requests that a manufacturer representative be present for the demonstration, if possible.

Not all of our SMAC meetings involve new product demonstration. If requested by SMAC, GLI will investigate field issues and provide follow-up support for existing products. GLI also uses these meetings to discuss new game technologies and discuss any rule changes that might be needed to accommodate them. GLI can also host meetings outside the regularly schedule meetings, if needed. Finally, GLI compliance staff is readily available by phone and email, 24/7, to all members of SMAC should the need arise.

Recently, SMAC opted to use GLI's Point-Click-Review process available through our secure web site. All certification reports are now reviewed closely by SMAC before final issuance by GLI. If SMAC has any concerns regarding functionality, modifications, or notes, their concerns are automatically forwarded to GLI compliance for further investigation and response.

16. Provide documentation of experience in generating and applying test scripts and test plans for the testing of gaming equipment in compliance with Colorado Laws. This documentation shall include proficiency and timely knowledge about technical innovation, cheating methods, patron protection, field conditions and Colorado's unique requirements. Provide examples of existing test scripts and test plans.

GLI maintains an extensive list of test scripts to ensure compliance with Colorado regulations. For the most part, these scripts are derived directly from the State of Colorado's Rules and ICMPs, but they also include references to directives and clarifications that we have given as the result of our relationship with SMAC. GLI regularly makes use of our monthly meetings with SMAC to review and update our test scripts to ensure conformance with Colorado regulations.

For examples of current test scripts please use FM-TC-208, FM-TC-034, FM-TC-082, FM-TC-129, FM-TC-892, FM-TC-131, FM-TC-609, FM-TC-881, FM-TC-694, FM-TC-950, FM-TC-954, FM-TC-132, and FM-TC-959.

As a matter of confidentiality, GLI does not release test scripts or plans to any unauthorized party. As the Division has copies of the test scripts utilized by GLI, we trust you understand our



hesitancy to include those reports in a public document. GLI is happy to provide the Division with additional confidential copies at your request.

17. Define your means to provide field verification/testing equipment for the Division's use. The Division does not believe the use of different types of testing equipment in the field will be efficient. If more than one vendor is selected to provide the same service, will it be feasible to coordinate cost sharing among vendor(s), to allow an equitable division of the cost of providing and supporting common testing equipment? In what other equitable ways might the Division receive testing equipment from multiple vendor(s)?

Historically, GLI has provided verification equipment for use in all three of Colorado's gaming towns. Over the years, this equipment has evolved through various Kobetron devices, laptops and additional equipment necessary for validating gaming software. Having this equipment provided by a single lab reduces the overhead costs of the Division in maintaining and updating the equipment. GLI has loaned equipment to the Division when necessary to keep all agents equipped with the tools necessary to perform verifications during any down time for equipment repairs and maintenance. Currently, Division staff have installed GLI Mobile for iOS and are automatically kept updated as improvements are made.

The combination of GLI Verify, GLI Mobile and GLI Access provide an efficient and effective means for agents to ensure compliant software is in place in Colorado casinos. Conveniently, this toolbox provided to the Division connects to the GLI database for immediate verification of the equipment and software in all Colorado casinos. Without these conveniences in place, agents would be required to check multiple databases to determine a product's compliance. Further, the Division would be forced to ensure that any items listed in more than one database never have conflicting status and prescribe a process to remedy when this occurs.

18. Define your means of making Gaming Equipment validation information readily available to Division staff in their offices and in the field, 24 hours a day, 7 days a week. Also, define how often the information is updated and whether the information is compatible with Apple's iOS.

Gaming Equipment Validation information is available 24/7 to Division staff through various interfaces. GLI Access provides this information via a website interface and a GLI provided username and password. GLI Access is available at <http://www.gaminglabs.com> and interfaces directly with our database and is continually updated in real time. GLI Verify is an application developed by GLI to generate signatures on gaming software. GLI Verify can be downloaded from GLI's website at <http://www.gaminglabs.com>. GLI Verify also offers a database option which allows downloading and viewing of GLI's database information and approval reports. The GLI Verify database is updated on demand when the user requests a synchronization. GLI Mobile provides access to searching GLI's database, approval statuses and viewing approval reports. GLI Mobile interfaces to our database in real time and is compatible with iOS.

19. Define your means of paying for up to four Division employees to visit those testing facilities where Colorado testing will occur, to ensure continued contract compliance and continued sufficiency of purpose and design.

GLI has always and will continue to promote site visits by Division employees at each of our US facilities at our expense. There is a great benefit to the Division to be able to witness the detailed workflows first hand and gain comfort in knowing the work is actually being done. Clearly it is critical that the team knowledge, ability and procedures are suitable to the regulator. Site visits allow the government agency to validate the lab's claims and dedication to their clients. Some labs base their testing or limited testing on supplier demands – not what's in the best interest of the government agency. GLI has always dedicated our teams and processes to the unique requirements of the Division as we understand your business and responsibilities. We will



continue to invite your team to each of our facilities to validate GLI's continued dedication to providing the top of the line testing services.

GLI will also continue to provide dedicated personnel and monthly meetings within our Colorado facility for the purpose of demonstrating the gaming equipment being recommended for Division approval, along with rule consultation for new technology and training to the team. These services have been and will continue to be free of charge to the Division.

20. Describe your means for ensuring laboratory staff have a current understanding of field conditions and Colorado's unique requirements (i.e. casino operations, and player / patron behavior, including cheating methods) for the operation of the Gaming Devices being tested.

GLI is accredited to the International Standard ISO/IEC 17025 for general requirements for the competence of testing and calibration laboratories. To maintain GLI's accreditation GLI must provide evidence during assessments to our accreditation body, A2LA, on the management of the laboratory and formulate goals with respect to the education, training and skills of the laboratory personnel.

Our laboratories have policies and procedures for identifying training needs and providing training of personnel relevant to the anticipated tasks of the laboratory. This is to ensure the competence of all laboratory personnel. All laboratory personnel are qualified on the basis of education, training, experience and demonstrated skills. These elements are reflected in the individual personnel training records and are evaluated during the accreditation body assessments.

In addition to the training required by ISO/IEC 17025, GLI staff regularly participates in the monthly GLI/SMAC meetings and have a unique understanding of Colorado's requirements. Moreover, the GLI Golden, CO office staffs consist of 15 engineers with 10+ years of industry experience with GLI who have acquired working an in-depth understanding of Colorado requirements through their regular interactions with SMAC.

21. Indicate your preferred location or locations for performing the testing services.

While GLI can utilize any of its US labs to test gaming devices and systems, the primary lab used for this engagement will be our Golden, CO facility. This provides the Division with an unequal opportunity to have a true hands-on experience in working with the test engineers.

22. Explore laboratory testing timeframes. Should a vendor on the Certified Vendor list be held to a standard of performance which compels a fixed testing turnaround time? Should the market determine acceptable levels of timeliness for testing laboratory performance? Should a vendor be authorized to charge a premium testing fee for a faster testing turnaround time, upon request from the manufacturer/distributor?

Ideally, a government agency's highest priority should be fairness to the players. It is understood that there are times when submissions to the lab should be expedited but, there should never be abbreviated testing or "cutting corners" increase the time to market. Laboratory testing timeframes should be reviewed and the level of quality measured in the end i.e., how many submissions were rejected by the lab before the game even hits the demo floor to be considered by SMAC. Ultimately it is expected that the lab acts as an extension of the Division, respecting their role and responsibilities. The regulatory agency should have confidence and trust that the lab is functioning in this capacity keeping in mind the ramifications of a catastrophic error missed in testing.

Should timeframes be set by the Division, it should be the lab's responsibility to continue to perform all required testing. The only way a lab can accommodate fixed testing turnaround time



without sacrificing the quality is to employ enough qualified personnel and second shift staffing so the product can be in test for 24 hours vs. 8 hours a day.

GLI currently employs over 750 personnel worldwide and provides for a night shift to accommodate a required testing turnaround time without compromise of integrity. In the event a project requires additional testing shifts, GLI charges our standard hourly rate to the manufacturer, there are no premium testing fees.

23. The Division currently benefits from the proximity of its current Contractor to the Division's offices in Golden by conducting monthly meetings to review the Contractor's performance and test processes, for information gathering and training purposes, and to review products submitted for testing. If multiple vendors provide testing services, the Division expects to continue its current level of involvement in the testing process. Define your means to facilitate this level of participation, training, and interaction with Gaming Devices and with SMAC.

We appreciate the Division's recognition that the GLI location in Golden, CO affords the agency a resource that no other testing organization has been willing to offer. Because of this, the Division has a complete hands-on involvement with the testing process. Your staff has a true understanding of the steps taken with every device and gaming system. We applaud the Division for the level of involvement your staff takes in this effort. Be assured that GLI will continue to provide this level of service and will be on a 24/7 basis for personal interaction with Division personnel.

24. Define performance measures for the Division to consider adopting when assessing vendor compliance with the contract, including, providing customer service to manufacturers / distributors and the Division. Aspects of customer service include, but are not limited to, billing for services, minimizing the period between submission of product for testing to certification, communication of problems and problem solving.

Performance measures for the Division to consider should be focused on the quality of the work the lab produces and support services to the Division. The purpose of testing gaming equipment is to ensure public fairness, revenue accountability and security. The Division's main role is to enforce regulations to ensure the devices are technically compliant. Should the Division receive certification results from multiple labs, the quality and quantity of work that was performed will be a critical consideration to ensure it is satisfactory before granting final approval of the equipment. This requires added review procedures by SMAC to validate the quality of the work performed by the lab. These added steps may in fact add additional time between submissions of product for testing to certification.

Our rates have been flat for three years and have only increased, on average, 1-2% per year over the last 20 years. GLI's billing for services practices will remain unchanged regardless if the Division determines to pursue the multi-lab approach.

GLI is constantly developing tools and systems to increase the period between submissions of product for testing to certification. Within the past year we have created a new paperless system that integrates the test results and outcome into one system that is also used by our QA team for issuing the certifications.

Our team that is dedicated solely to the Division has frequent communications regarding problems and problem solving, as we understand the uniqueness of your requirements and processes.



25. Define your means of charging fees to manufacturers / distributors for the testing services. Should the Certified Vendor list require observance of a fixed fee schedule, or should vendor(s) be authorized to charge market rate fees, or is there another means of billing to be explored? Although not required, an estimated cost range for the testing services would be beneficial to the Division.

GLI strives to maintain pricing equity in the testing market by maintaining a predictable pricing model that allows GLI to provide competitive pricing. GLI makes every effort to provide similar services at comparable pricing whenever possible and does maintain a cost of services policy that undergoes annual review in order to maintain parity and equity. However, mitigating situation can occur. For instance:

A competitive proposal process allows labs to compete to establish which lab provides best price. Some procurements seek to establish best value. Price competition seeks comprehensive levels of service which has the potential to devalue the quality required to ensure the integrity of gaming devices.

GLI charges the GLI standard hourly rate that is known in the industry and will continue to exercise this practice. If suppliers are basing the quality of their testing on the least qualified lab for cost savings, the integrity of the games on the floor will be jeopardized.

At GLI, we pledge to regulators and to those suppliers who are directed by regulators to pay the costs of game testing that we will invoice fairly and accurately in a transparent manner.

26. Define your means for ensuring consistency between different vendor laboratory testing results for similar, related, and interrelated products, and means of avoiding duplicated effort. Explore the costs, benefits, advantages, and disadvantages of a Gaming Device testing system reliant upon a Certified Vendor list.

While there can be many steps made to streamline the testing processes by integrating multiple labs, one heavily weighted question comes to mind from the protection of the Division point of view is: where does the liability fall? If the testing scope is limited and a problem is discovered that was outside the testing scope, does the lab have to disclose it? Who is responsible for the certification? There are many questions that come to mind and will need to be considered when designing the multi-vendor procedures.

To ensure consistency between labs the Division Technology Section would have to clearly define the testing parameters for each submission then validate its accuracy. This would require a heavy administrative oversight by the Division requiring valuable time enforcing the testing by the labs instead of enforcing the approval of all gaming devices and systems. GLI will continue to work with the Division to ensure consistency if multiple labs are utilized despite the pitfalls that may arise.

Another disadvantage to the oversight burden a multi-lab approach would create for the Division is the amount of time and procedural changes that will be required. Historically, other jurisdictions that have changed their sole source approach to permit multiple labs ended up changing an unbroken process for no reason. For example, the South Dakota Commission on Gaming has been a client of Gaming Laboratories International, LLC, since the inception of the Commission in 1989. In June of each year since 1989, the South Dakota Commission has voted unanimously to renew GLI as their designated lab. Five years ago, the Commission voted to allow other Independent Test Laboratories to get licensed in order to allow manufacturers to have a choice, at that time the Commission licensed BMM. That being said, the Commission still required that GLI review the testing of any other ITL, due to the fact that GLI is their designated lab. To date, neither the Commission nor GLI has had to review any other ITL's slot machine test results. They have done one Casino Management System that was purchased by a Tribal Casino.



27. Identify a means of structuring the Certified Vendor testing program to minimize or eliminate the ability of any manufacturer/distributor to engage in forum shopping for testing services which any manufacturer/distributor might perceive as being more or less favorable than those offered by other vendor(s) on the list.

The testing and certification of gaming equipment for Colorado is to ensure that it meets the standards set by the Division. As a regulatory responsibility, the Division should understand that the best way to prohibit forum shopping by manufacturers exerting undue pressure on testing laboratories to relax testing standards is to maintain the Division's existing policy of contracting with a single lab reporting directly to the regulator, the Division.

Non-incumbent testing laboratories will lobby that competition generated by changing the Division's existing policy will help define which lab can best serve the needs of the Colorado Division of Gaming and the people of Colorado. What is perplexing is how such competition enhances the process for measuring the integrity of gaming devices? Such a process could potentially compromise standards for certification and auditability.

For example, how do you determine the most qualified laboratory for any testing endeavour? Is integrity better served by having Colorado casino equipment tested by the 2nd, 3rd, 4th, or 5th qualified laboratory on the list? Can Colorado citizens be better served when Gaming equipment manufacturers are allowed to individually negotiate the terms of testing with a variety of laboratories?

Historical performance indicates that submitting equipment for testing to one lab, chosen through a competitive bidding process, allows for accountability and reliability when that lab works directly for the Division. How is integrity served by shifting the lab/client relationship from the current situation (the Division's single lab environment) to a situation where the manufacturer is the client instead of the Division?

It is important to consider the goals of gaming equipment testing. Testing is necessary to ensure that the equipment meets the statutory guidelines promulgated by the Colorado legislature and the technical and regulatory standards set forth by the Division. Testing is designed to ensure the integrity of the devices and to independently establish that the machines are fair and can properly account for Colorado's gaming revenue. Thus, testing is the outsourcing of a regulatory function.

Certifying multiple labs takes the Division out of the role as a contractor for the outsourcing of services that are a necessary regulatory function. The proposed process converts the Division into an overseer of a series of private transactions between the testing labs and manufacturers. As such, the Division would be tasked with the expensive administrative task of managing the oversight of numerous contractual relationships. Oversight will be necessary to ensure that all manufacturers are being treated fairly and equally by the labs.

Each of the manufacturing companies licensed in Colorado have strong compliance departments that are committed to doing the right thing. However, over time, weak processes can lead to bad practices and poor results. At a minimum, the proposed procurement change could allow for the appearance of impropriety by shifting the testing process from the contractual outsourcing of a regulatory function managed directly by the Division. Future scenarios could depict a time when labs and manufacturers control the process and the Division is relegated to an oversight role.

It is important to understand that the manufacturers are obligated to incur the costs of testing as part of their requirement to demonstrate compliance with Colorado's gaming laws. No public funds are expended in the testing and approval process. During current and past contracts no evidence has been presented that the current procurement process that designates a single laboratory to provide testing and certification services has resulted in anything but fair and reasonable prices for Colorado's licensed gaming equipment manufacturers. In fact, the prices paid by Colorado's licensees are consistent with the pricing for such services in both single and multiple lab markets in the United States and abroad.

Any laboratory can lobby as part of its marketing efforts if it has been unsuccessful in establishing itself as the most qualified during the past two RFP processes administered by the Division. The



arguments suggesting that the Division's competitive process if flawed and those procurement mechanisms should only be utilized to establish minimum qualification criteria for manufacturers' discretion are faulty. The Division should be allowed to negotiate the terms of testing not third party manufacturers. Consider the context of the "open competition" situation. The goals of independent testing and the mission of the Division in procuring the highest quality level of services indicate that the Division has an obligation to ensure that the pricing for such services is fair and reasonable.

The purpose of this discussion is to demonstrate that the technical testing of gaming equipment is not analogous to establishing minimum qualifications for doctors, accountants, or lawyers. Testing and certification of gaming equipment is neither a consumer choice nor a part of the mass market that could define it as a commodity service. Testing of gaming equipment is the outsourcing of a regulatory function. The primary goal of contracting with a testing laboratory should be to obtain the most qualified laboratory to assist the Division in fulfilling its responsibility in ensuring the integrity of gaming.

Understand that GLI is not making these comments frivolously or from a reticent position to face open competition for testing services created by the proposed policy change. To the contrary, should the Division decide that the proposed rule is in the best interests of the citizens of Colorado, GLI will compete only to continue to provide the Division with the highest level of service as it has for the past 22 years.

GLI sustains its position of dominance in the testing market because it provides the highest level of service at reasonable prices. GLI is highly specialized and allows its engineers to concentrate on specific areas of technology rather than being "qualified generalists." GLI has specialists in software, communications, hardware, and math. Our engineers also specialize by manufacturer so they can intimately learn about a technology platform rather than having to keep up with multiple technology delivery systems.

GLI offers these comments in order to correct impressions that may have been created in the lobbying effort by labs that have failed to win competitive procurement processes. Please let it be clear that Colorado has a competitive market for gaming equipment testing. GLI believes the current system has served the Division and Colorado's citizen's well. For 22 years the system used by the Division has been effective in ensuring the integrity of gaming equipment in Colorado by allowing for the selection of the most qualified lab. The proposed rule opens the door for the 2nd, 3rd, 4th, or 5th best. This may be good for the labs, but is it good for Colorado?



28. Identify and explore other issues relevant to this inquiry, which the Division may have overlooked in crafting this RFI.

Within section D of the RFI, the Division indicates another possible method of identifying 'distinct' services for the certified vendors depending on the services they are qualified to provide. Forensic evaluations are one of those services. Forensic evaluations should only be performed by a proven, qualified laboratory that is already equipped and has a true understanding of the product, the source code and operating system. As you are aware, any error in the handling of forensic material may render the equipment useless during litigation. The independent report from the lab must be factual and provide a true representation of the investigation findings. Usually cases that require a forensic investigation can be found in news articles drawing attention to the government agency which is why it is most critical to only trust proven laboratories with forensic examinations. Below is a recent article that required the operator to pay out a \$55 million jackpot even though the award amount was more than one thousand times the maximum award on the game. The forensic report did not show evidence of the fault in the machine. GLI was not the lab that performed the forensic evaluation on the below case:

Even in Vietnam they have malfunctions!

Slot machine 'mistake' costs Vietnamese casino US\$55 million

HANOI, Vietnam (January 10, 2013) – The Hanoi office of Agence France-Presse (AFP) reported Tuesday that an American who hit a US\$55 million jackpot on a slot machine in a five-star Vietnamese hotel has won his lawsuit against the casino after it refused to pay him. According to the AFP report, a court in Ho Chi Minh City ruled in favour of the gambler on Monday.

Local media reports said the hearing found that the man should be allowed to collect his winnings, which the casino said were more than one thousand times the supposed maximum from the machine and had been generated by a fault.

According to state-run Thanh Nien newspaper, the man - identified as Ly Sam - saw the figure \$55,542,291.70 flash up as he played on the slot machine at the casino inside the city's luxury Sheraton hotel in October 2009.

He took pictures of the machine and asked other gamblers to sign statements saying they had witnessed his win.

But the house manager refused to provide a written confirmation of the eye-popping sum and the casino later said it was invalid because the gaming machine had unspecified faults.

The casino owner said the maximum prize was supposed to be US\$46,000.

The court rejected the company's argument, saying it had failed to show evidence of the fault in the machine. The casino said it would appeal.

SOURCE: Information from, Agence France-Presse in Hanoi.



Attachment A: ISO Accreditations





SCOPE OF ACCREDITATION TO ISO/IEC 17025:2005

GAMING LABORATORIES INTERNATIONAL, LLC.
600 Airport Road
Lakewood, NJ 08701
Daniel Charlong Phone: 732 942 3999

INFORMATION TECHNOLOGY

Valid To: March 31, 2014

Certificate Number: 2428.01

In recognition of the successful completion of the A2LA evaluation process (including an assessment of the laboratory's compliance with the A2LA Information Technology Program Requirements), accreditation is granted to this laboratory for the following Software and Hardware tests or types of tests on Electronic Gaming Devices:

Unit/System Tested	Type of Activity	Test Method
Gaming Equipment Hardware	Hardware Testing	WI-EN-001
	Electrostatic Discharge Testing (ESD)	TW-GEN-002
Gaming Software: <ul style="list-style-type: none">• Main Programs• Personality (Data) Programs• Associated Software Programs	Accounting Accuracy Verification	WI-EN-023
	Communication (Protocol) Testing	WI-EN-001
	Error/Event Handling Verification	WI-EN-001
	Functionality Testing	WI-EN-001
	Game Cycle Time Measurement	WI-EN-039
	Game Strategy Analysis	WI-MA-003
	Modification Validation	WI-EN-011
	Pay Glass/Help Screen Verification	WI-EN-010
	Payout Table Verification	WI-EN-013
	Peripheral Device Functionality Testing	WI-EN-001
	Progressive Functionality Testing	WI-EN-102
	Random Number Generator (RNG) Analysis	WI-MA-006
	Random Number Generator (RNG) Verification	WI-EN-014
	Reel Strip Verification	WI-EN-012
	Regulatory Compliance Testing	PC-TC-001
	Source Code Verification	WI-EN-052
	Volatility Analysis	WI-MA-005
	Game Math Analysis	WI-EN-001

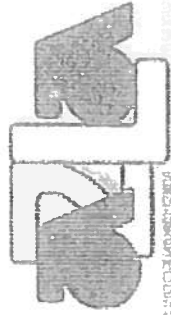
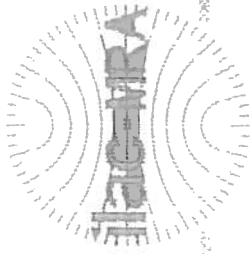
Unit/System Tested	Type of Activity	Test Method
Monitoring, Accounting & Control Systems <ul style="list-style-type: none"> Gaming Lottery Bingo Progressive Server Based Player Tracking 	Accounting Accuracy Verification	WI-EN-005
	Communication (Protocol) Testing	WI-EN-005
	Error/Event Handling Verification	WI-EN-005
	Functionality Testing	WI-EN-005
	Game Interoperability Testing	WI-EN-107
	Cashless Transaction Testing	WI-EN-100
	Promotional Feature Testing	WI-EN-100
Information System Security (ISS)*- Terrestrial & Interactive	Information Systems Security Audit:	WIP 39
	Web Application Security	WIP 39
	Web Server Security Review	WIP 39
	Network Vulnerability Assessment	WI-EN-206
	Non-Destructive Penetration Testing	WI-EN-206

The accreditation covers testing of gaming equipment (e.g. slot machines, video lottery terminals, table games, multi station games and peripheral devices) for compliance to the requirements of jurisdictions whose governments regulate gambling through the implementation of rules, regulations and technical standards. Gaming equipment includes but is not limited to the Unit/System Tested listed above.

The types of testing includes but is not limited to the types of activity listed above and additional tests requested by the government agencies, tribal agencies and jurisdictions, as well as gaming equipment manufactures under certain circumstances.

*ISS Testing can also be performed at customer premises. This laboratory meets A2LA R104 – *General Requirements: Accreditation of Field Testing and Field Calibration Laboratories* for these tests.

Peter M. Meyer



American Association for Laboratory Accreditation

Accredited Laboratory

A2LA has accredited

GAMING LABORATORIES INTERNATIONAL, LLC

Lakewood, NJ

for technical competence in the field of
Information Technology Testing

This laboratory is accredited in accordance with the recognized International Standard ISO/IEC 17025:2005 *General Requirements for the Competence of Testing and Calibration Laboratories*. This accreditation demonstrates technical competence for a defined scope and the operation of a laboratory quality management system (*refer to joint ISO-ILAC-IAF Communiqué dated 8 January 2009*).

Presented this 21st day of September 2012.


President & CEO

For the Accreditation Council

Certificate Number 2428.01

Valid to March 31, 2014



For the tests to which this accreditation applies, please refer to the laboratory's Information Technology Scope of Accreditation.



SCOPE OF ACCREDITATION TO ISO/IEC 17020:1998²

GAMING LABORATORIES INTERNATIONAL, LLC.

600 Airport Road
Lakewood, NJ 08701
Daniel Charlong Phone: 732 942 3999

INSPECTION BODY

Valid To: March 31, 2014

Certificate Number: 2428.02

In recognition of the successful completion of the A2LA evaluation process, accreditation is granted to this laboratory for the following Type A (Third Party) Software and Hardware inspections on Electronic Gaming Devices:

Description of Inspections including the types of Items Inspected	Type and Range of Inspections ¹	Methods and Procedures
Gaming Equipment: Hardware including Kiosk	<ul style="list-style-type: none">• Hardware Verification• Ticket/Voucher Testing (TITO)• ATM/DEBIT Voucher Verification• On-line Debit Ticket Verification• Additional tests based on jurisdictional requirements, or specific functionality of the equipment under test	PC-FI-001
Gaming Equipment: Software including Kiosk	<ul style="list-style-type: none">• Software Verification• Communication to System Verification• EPROM Verification• On-line Data Monitoring Evaluation• On-line Verification• Extra Credit Bonus Testing• Additional tests based on jurisdictional requirements, or specific functionality of the equipment under test	PC-FI-001
System (Gaming or Lottery)	<ul style="list-style-type: none">• System Verification• Communication Testing• Verification of System Reports• Additional tests based on jurisdictional requirements, or specific functionality of the equipment under test	PC-FI-001

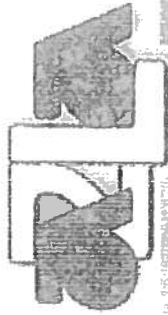
¹ The accreditation covers field-inspections of gaming and lottery equipment for compliance to the requirements of jurisdictions whose governments regulate gambling through the implementation of rules, regulations and technical standards.

The types and ranges of inspections include but are not limited to the types of activity listed above and additional inspections requested by the government agencies, tribal agencies and jurisdictions, as well as gaming equipment manufactures under certain circumstances.

² This accreditation also includes all interpretations and additional requirements outlined in *ILAC/IAF A4: 2004 – Guidance on the Application of ISO/IEC 17020*.

(A2LA Cert. No. 2428.02) 08/28/2012

Page 1 of 1



American Association for Laboratory Accreditation

Accredited Inspection Body

A2LA has accredited

GAMING LABORATORIES INTERNATIONAL, LLC


Lakewood, NJ

for technical competence in and compliance with the

Inspection Body Accreditation Program

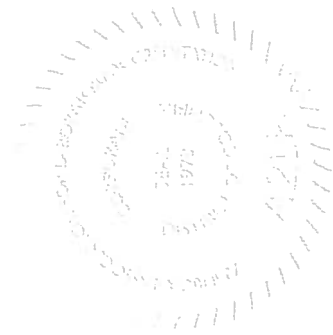
This inspection body is accredited in accordance with the recognized International Standard ISO/IEC 17020:1998 *General criteria for the operation of various types of bodies performing inspections as well as the IAF/ILAC-A4:2004 Guidance on the Application of ISO/IEC 17020*. This accreditation demonstrates technical competence for a defined scope and the operation of a quality management system.

Presented this 28th day of August 2012.



President & CEO

For the Accreditation Council
Certificate Number 2428.02
Valid to March 31, 2014



For the inspections to which this accreditation applies, please refer to the organization's Inspection Body Scope of Accreditation.



SCOPE OF ACCREDITATION TO ISO/IEC 17025:2005

GAMING LABORATORIES INTERNATIONAL, LLC.
7160 Amigo St.
Las Vegas, NV 89119
Daniel Charlong Phone: 732 942 3999

INFORMATION TECHNOLOGY

Valid To: March 31, 2014

Certificate Number: 2428.03

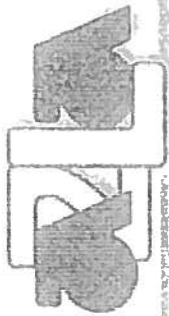
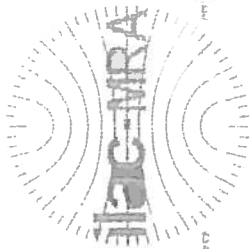
In recognition of the successful completion of the A2LA evaluation process (including an assessment of the laboratory's compliance with the A2LA Information Technology Program Requirements), accreditation is granted to this laboratory for the following Software and Hardware tests on Electronic Gaming Devices:

Unit/System Tested	Type of Activity	Test Method
Gaming Equipment Hardware	Hardware Testing	WI-EN-001
	Electrostatic Discharge Testing (ESD)	WI-EN-001; NGCB - TEST CASE 1.020.1
	Leakage Current Measurement	NGCB - TEST CASE 1.110.2
Gaming Software: <ul style="list-style-type: none">• Main Programs• Personality (Data) Programs• Associated Software Programs	Accounting Accuracy Verification	WI-EN-023
	Communication (Protocol) Testing	WI-EN-001
	Error/Event Handling Verification	WI-EN-001
	Functionality Testing	WI-EN-001
	Game Cycle Time Measurement	WI-EN-039
	Game Strategy Analysis	WI-MA-003
	Modification Validation	WI-EN-011
	Pay Glass/Help Screen Verification	WI-EN-010
	Payout Table Verification	WI-EN-013
	Peripheral Device Functionality Testing	WI-EN-001
	Progressive Functionality Testing	WI-EN-102
	Random Number Generator (RNG) Analysis	WI-MA-006
	Random Number Generator (RNG) Verification	WI-EN-014
	Reel Strip Verification	WI-EN-012

Unit/System Tested	Type of Activity	Test Method
Gaming Software (continued):	Regulatory Compliance Testing	PC-TC-001
• Main Programs	Source Code Verification	WI-EN-052
• Personality (Data) Programs	Volatility Analysis	WI-MA-005
• Associated Software Programs	Game Math Analysis	WI-MA-001
Gaming Standards Association (GSA) Certification Program	G2S Protocol (Host)	WI-EN-115
	G2S Protocol (EGM)	WI-EN-116
Specific testing requirements for:	S2S Protocol	WI-EN-117
• Gaming Devices	Transport Protocols	WI-EN-118
• Gaming Systems	GAT Protocol	WI-EN-246
• Gaming Applications		
• Client/Host		
Monitoring, Accounting & Control Systems	Accounting Accuracy Verification	WI-EN-005
• Gaming	Communication (Protocol) Testing	WI-EN-005
• Lottery	Error/Event Handling Verification	WI-EN-005
• Bingo	Functionality Testing	WI-EN-005
• Progressive	Game Interoperability Testing	WI-EN-107
• Server Based	Cashless Transaction Testing	WI-EN-100
• Player Tracking	Promotional Feature Testing	WI-EN-100
Computer Information System	Network Vulnerability Assessment	WI-EN-206
Network Security	Non-Destructive Penetration Testing	WI-EN-206

The accreditation covers testing of gaming equipment (e.g. slot machines, video lottery terminals, table games, multi station games and peripheral devices) for compliance to the requirements of jurisdictions whose governments regulate gambling through the implementation of rules, regulations and technical standards. Gaming equipment includes but is not limited to the Unit/System Tested listed above.

The types of testing includes but is not limited to the types of activity listed above and additional tests requested by the government agencies, tribal agencies and jurisdictions, as well as gaming equipment manufactures under certain circumstances.



The American Association for Laboratory Accreditation

World Class Accreditation

Accredited Laboratory

A2LA has accredited

GAMING LABORATORIES INTERNATIONAL, LLC.

Las Vegas, NV

for technical competence in the field of

Information Technology Testing

This laboratory is accredited in accordance with the recognized International Standard ISO/IEC 17025:2005 *General Requirements for the Competence of Testing and Calibration Laboratories*. This accreditation demonstrates technical competence for a defined scope and the operation of a laboratory quality management system (*refer to joint ISO-ILAC-IAF Communiqué dated 8 January 2009*).

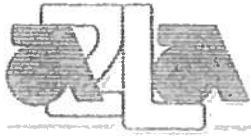
Presented this 9th day of August 2012.


President & CEO

For the Accreditation Council
Certificate Number 2428.03
Valid to March 31, 2014



For the tests to which this accreditation applies, please refer to the laboratory's Information Technology Scope of Accreditation.



American Association for Laboratory Accreditation

SCOPE OF ACCREDITATION TO ISO/IEC 17025:2005

GAMING LABORATORIES INTERNATIONAL, LLC.

4680 Table Mountain Drive
Golden, CO 80403
Daniel Charlong Phone: 732 942 3999

INFORMATION TECHNOLOGY

Valid To: March 31, 2014

Certificate Number: 2428.04

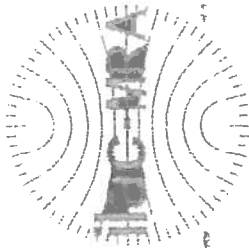
In recognition of the successful completion of the A2LA evaluation process (including an assessment of the laboratory's compliance with the A2LA Information Technology Program Requirements), accreditation is granted to this laboratory for the following Software and Hardware tests on Electronic Gaming Devices:

Unit/System Tested	Type of Activity	Test Method
Gaming Equipment Hardware	Hardware Testing	WI-EN-001
	Electrostatic Discharge Testing (ESD)	WI-EN-001
Gaming Software: <ul style="list-style-type: none">• Main Programs• Personality (Data) Programs• Associated Software Programs	Accounting Accuracy Verification	WI-EN-023
	Communication (Protocol) Testing	WI-EN-001
	Error/Event Handling Verification	WI-EN-001
	Functionality Testing	WI-EN-001
	Game Cycle Time Measurement	WI-EN-039
	Game Strategy Analysis	WI-MA-003
	Modification Validation	WI-EN-011
	Pay Glass/Help Screen Verification	WI-EN-010
	Payout Table Verification	WI-EN-013
	Peripheral Device Functionality Testing	WI-EN-001
	Progressive Functionality Testing	WI-EN-102
	Random Number Generator (RNG) Analysis	WI-MA-006
	Random Number Generator (RNG) Verification	WI-EN-014
	Reel Strip Verification	WI-EN-012
	Regulatory Compliance Testing	PC-TC-001
	Source Code Verification	WI-EN-052
	Volatility Analysis	WI-MA-005
	Game Math Analysis	WI-MA-001

Unit/System Tested	Type of Activity	Test Method
Monitoring, Accounting & Control Systems: <ul style="list-style-type: none"> • Gaming • Lottery • Bingo • Progressive • Server Based • Player Tracking 	Accounting Accuracy Verification	WI-EN-005
	Communication (Protocol) Testing	WI-EN-005
	Error/Event Handling Verification	WI-EN-005
	Functionality Testing	WI-EN-005
	Game Interoperability Testing	WI-EN-107
	Cashless Transaction Testing	WI-EN-100
	Promotional Feature Testing	WI-EN-100
	Bonus Feature Testing	WI-EN-100
Gaming Standards Association (GSA) Certification Program Specific testing requirements for: <ul style="list-style-type: none"> • Gaming Devices • Gaming Systems • Gaming Applications • Client/Host 	G2S Protocol (Host)	WI-EN-115
	G2S Protocol (EGM)	WI-EN-116
	S2S Protocol	WI-EN-117
	Transport Protocols	WI-EN-118
	GAT Protocol	WI-EN-246
Interactive Gaming Systems Software: <ul style="list-style-type: none"> • Game Evaluation • Gaming Platform Evaluation 	Game Evaluation: <ul style="list-style-type: none"> • Supervised Build and Install • Source Code Verification • Artwork (Graphical and Auditory Interface) Verification • Functionality Testing • Game Specific Aspects Verification • Accounting Verification 	WIP 24
	Gaming Platform Evaluation: <ul style="list-style-type: none"> • Player / User Account Systems Verification • Application Home Page Verification • Data Logging 	WIP 33

The accreditation covers testing of gaming equipment (e.g. slot machines, video lottery terminals, table games, multi station games and peripheral devices) for compliance to the requirements of jurisdictions whose governments regulate gambling through the implementation of rules, regulations and technical standards. Gaming equipment includes but is not limited to the Unit/System Tested listed above.

The types of testing includes but is not limited to the activity listed above and additional tests requested by the government agencies, tribal agencies and jurisdictions, as well as gaming equipment manufactures under certain circumstances.



World Class Accreditation

The American Association for Laboratory Accreditation

Accredited Laboratory

A2LA has accredited

GAMING LABORATORIES INTERNATIONAL, LLC.

Golden, CO


for technical competence in the field of

Information Technology Testing

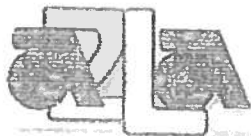
This laboratory is accredited in accordance with the recognized International Standard ISO/IEC 17025:2005 *General Requirements for the Competence of Testing and Calibration Laboratories*. This accreditation demonstrates technical competence for a defined scope and the operation of a laboratory quality management system (*refer to joint ISO-ILAC-IAF Communiqué dated 8 January 2009*).

Presented this 22nd day of May 2012.




President & CEO
For the Accreditation Council
Certificate Number 2428.04
Valid to March 31, 2014

For the tests to which this accreditation applies, please refer to the laboratory's Information Technology Scope of Accreditation.



American Association for Laboratory Accreditation

SCOPE OF ACCREDITATION TO ISO/IEC GUIDE 65:1996

GAMING LABORATORIES INTERNATIONAL, LLC
600 Airport Road
Lakewood, NJ 08701
Mr. Daniel Charlong Phone: 1 506 961 9892
Email: d.charlong@gaminglabs.com - www.gaminglabs.com

PRODUCT CERTIFICATION CONFORMITY ASSESSMENT BODY

Valid to: March 31, 2014

Certificate Number: 2428.05

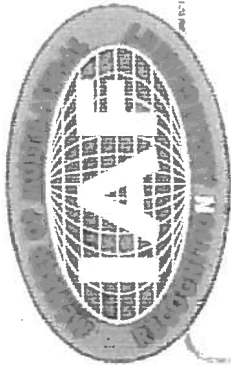
In recognition of the successful completion of the A2LA Product Certification Body Accreditation Program evaluation process, accreditation is granted to this organization to perform the following certifications relating to the gaming industry:

<u>Certification Category</u>	<u>Certification Scheme</u>
<i>Gaming Machines</i> <ul style="list-style-type: none">- Hardware- Software- Peripheral Devices (e.g. Pay In/Pay Out Devices)- Progressive Systems- Monitoring, Accounting and Control Systems	<i>GLI Evaluation and Certification Guide¹</i> GLI-11; GLI-12; GLI-13; GLI-14; GLI-15; GLI-16; GLI-17; GLI-18; GLI-19; GLI-20; GLI-21; GLI-23; GLI-24; GLI-25; GLI-26

¹ The aforementioned certification scheme also includes jurisdictional requests which will define specific requirements/standards/specifications used in conjunction with the GLI Evaluation and Certification Guide.

(A2LA Cert. No. 2428.05) 06/22/2012

Page 1 of 1



The American Association for Laboratory Accreditation

"World Class Accreditation"

Accredited Product Certification Body

A2LA has accredited

GAMING LABORATORIES INTERNATIONAL, LLC

Lakewood, NJ

for technical competence as a

Product Certification Body

This product certification body is accredited in accordance with the recognized International Standard ISO/IEC Guide 65:1996
General requirements for bodies operating product certification systems. This accreditation demonstrates technical competence for a defined
scope and the operation of a quality management system.

Presented this 22nd day of June 2012.

President & CEO
For the Accreditation Council
Certificate Number 2428.05
Valid to March 31, 2014



For the product certification schemes to which this accreditation applies, please refer to the organization's Product Certification Scope of Accreditation

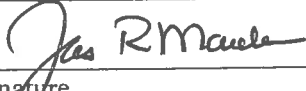
EXHIBIT E – AFFIDAVIT OF NON-CONFLICT OF INTEREST

As an employee, officer, staff member or sub-contractor of Gaming Laboratories International, LLC, I hereby certify that I will perform Gaming Equipment Testing services under the guidelines, procedures, policies and requirements of the State of Colorado or the Department of Revenue, Gaming Division and this contract as a fair and impartial participant.

I hereby certify that I have no conflicts of interest. Further, I represent as follows:

1. I promise to conduct the services in this contract in an independent, impartial and responsive manner.
2. I will disclose the nature and extent of any financial interests (direct or indirect) to the State for its evaluation of the significance of the financial interest on participation in this contract. Except as I shall disclose in detail, I neither have nor shall I during the Gaming Equipment Testing services contract, including any extensions, acquire any financial interest that would conflict in any manner or degree with my contract responsibilities.
3. As an employee of the Contractor and/or its subcontractors, I shall be prohibited from separately bidding for any goods or services required by this Contract.
4. As an employee of the Contractor and/or its subcontractors, I shall be responsible for disclosing to the State receipt of any communication asserting any conflict of interest.
5. I agree to resign any accounts if the State, within its sole discretion, determines that such accounts are in conflict with the best interests of the State. Examples of such conflicts would be accounts that become matters of public controversy that could reflect negatively on the State or accounts that are in direct competition with the State's business. Furthermore, during the term of the contract, including any extensions, I agree that I will not accept the account of any other client having a conflicting product or service (such as another legal gaming entity) as determined by the State, without the prior written consent of the State. Consent will not be unreasonably withheld.

If I should become aware of any situation that may arise, that could alter any of the representations above, or that might otherwise create the appearance of a conflict or other impropriety, I shall notify the Gaming Division immediately.



 Signature
 James R. Maida

 Print Name
 President

 Title

June 20, 2013

 Date

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