

STATE OF COLORADO
Department of Revenue
Contract
with
BMM North America, Inc.

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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 BMM North America, Inc. (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.

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 foresincally 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:

BMM North America, Inc.
815 Pilot Road, Suite G
Las Vegas, NV 89119
Attn: Martin Storm
Global President & CEO
(702) 407-2420
storm@bmm.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.

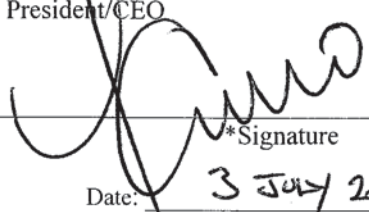
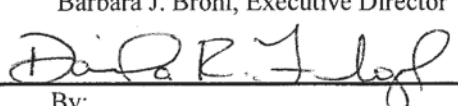
SPs Effective 1/1/09

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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>CONTRACTOR BMM North America, Inc.</p> <p>By: Martin Storm Title: President/CEO</p> <p></p> <p>_____ *Signature</p> <p>Date: <u>3 July 2013</u></p>	<p>STATE OF COLORADO John W. Hickenlooper, Governor Colorado Department of Revenue Barbara J. Brohl, Executive Director</p> <p></p> <p>_____ By:</p> <p>Date: <u>7/8/13</u></p>
<p>GOVERNOR'S OFFICE OF INFORMATION TECHNOLOGY</p> <p>_____ *Signature</p> <p>Date: _____</p>	<p>LEGAL REVIEW John W. Suthers, Attorney General</p> <p>By: _____</p> <p>Signature - Assistant Attorney General</p> <p>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.

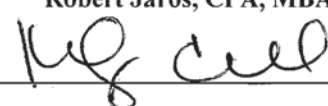
<p>STATE CONTROLLER Robert Jaros, CPA, MBA, JD</p> <p>By: </p> <p>_____ Date: <u>7/9/13</u></p>

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	A manufacturer/distributor of a Gaming Device requiring testing
SMAC	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 Contractor 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 \$115.00
Fiscal Year 2014-2015	Up to \$120.00
Fiscal Year 2015-2016	Up to \$125.00
Fiscal Year 2016-2017	Up to \$125.00
Fiscal Year 2017-2018	Up to \$125.00

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 \$115.00
Fiscal Year 2014-2015	Up to \$120.00
Fiscal Year 2015-2016	Up to \$125.00
Fiscal Year 2016-2017	Up to \$125.00
Fiscal Year 2017-2018	Up to \$125.00

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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Colorado Division of Gaming
Attn: Tammy Lichvar
17301 w. Colfax Avenue, Suite 135
Golden, CO 80401-4880

Dear Ms. Lichvar:

RE: Response to Request for Information for #TGA13001/Testing Services RFI

BMM is pleased to respond to the Request for Information (#TGA13001/Testing Services RFI), released by Colorado Division of Gaming.

The response from BMM contains proprietary and confidential data; although we respect the Freedom of Information Act, BMM considers its attached appendices 1-12 proprietary and confidential between BMM and the Colorado Division of Gaming. All other portions of our response are not deemed confidential.


Should members of the reviewing committee associated with our proposal have any questions or require additional information or clarification, please do not hesitate to contact me directly at:

Phone:
Office: 702-407-2420 ext 1007
Cell: 702-592-4600

E-mail: mdreitzer@bmm.com

We thank you for the opportunity to submit our response and look forward to speaking with you further about the possibility working together in the future.

Respectfully,



Mike Dreitzer
Chief Operating Officer, Americas

Colorado Division of Gaming
Attn: Tammy Lichvar
17301 w. Colfax Avenue, Suite 135
Golden, CO 80401-4880

Dear Ms. Lichvar:

RE: Response to Request for Information for #TGA13001/Testing Services RFI

BMM is pleased to respond to the Request for Information (#TGA13001/Testing Services RFI), released by Colorado Division of Gaming.

The response from BMM contains proprietary and confidential data; although we respect the Freedom of Information Act, BMM considers its entire response proprietary and confidential between BMM and the Colorado Division of Gaming.

Should members of the reviewing committee associated with our proposal have any questions or require additional information or clarification, please do not hesitate to contact me directly at:

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We thank you for the opportunity to submit our response and look forward to speaking with you further about the possibility working together in the future.

Respectfully,



Mike Dreitzer
Chief Operating Officer, Americas

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Executive Summary

BMM Testlabs is pleased to respond to the RFI from the Colorado Division of Gaming for testing services. BMM has three decades of experience as an independent testing lab solely focused on the gaming and wagering market for Lotteries, Casino's and Internet gaming. We understand the complexity and scope involved in the on-going testing needs of the Division and we are confident in our ability to deliver the services requested on-time and on-budget for the Division.

Over the last 31 years BMM has invested specifically with the goal to be a global company and to provide world-wide coverage for the fast growing regulated gaming markets. As BMM currently has 13 offices globally, servicing over 350 separate gaming jurisdictions, we are well within reach of our goals and continue to expand those goals. Our head office is located in Las Vegas, Nevada where we are an accredited test lab for the State.

We understand that the Division is seeking a firm that can provide reliable and competitively priced services performed with the highest integrity. As part of our commitment to deliver exceptional services we use a process, known to us and our clients as, the "BMM Way". This process includes areas such as:

- project management
- risk assessments
- audits
- field evaluations
- test methods
- test scripts
- client engagement methods
- invoicing practices

When working with our clients, we review all elements of each project including security, financials, and internal controls from a process perspective as well as the technical aspect of daily operations. BMM's accredited evaluation methodologies ensure adequate coverage, provide and maintain a set of standard approaches to evaluate, ensure non-repudiation, maintain quality of evaluation practices and keep record of the work performed, which allows BMM to issue evaluation reports with confidence.

These methods, developed and utilized by BMM for clients globally, have significantly benefited our regulatory clients and demonstrate BMM's unwavering commitment to quality. This is particularly evident in the number of revocations BMM has globally, in comparison with other labs, as our revocations are less than 0.007% of total certifications tested and certified by BMM. This performance and quality indicator, whether it is measured in total or percentage occurrences, is indicative of BMM's superiority in quality and performance over its competitors.

Our practices have been accredited by A2LA, to the International Organization of Standards (ISO) 17025 IT (laboratory Testing) and 17020 for technical audits. As an example of the recognized and approved practices, prior to go-live, BMM provides comprehensive field services to verify the system is operating as designed from a functional perspective.

BMM looks forward to working with the Division and other qualified test labs in Colorado to ensure the Division receives exceptional services, specifically focusing on: technological innovation, cheating methodology, patron protection, field conditions and Colorado's unique requirements.

Although the Division currently operates in a single sourced testing environment, BMM would welcome the opportunity to work closely with the Division and the SMAC to develop processes and procedures to ensure complete compliance with Colorado laws within a multi-vendor environment.

BMM provides services to regulatory bodies, manufacturers and gaming operators, such as casinos or lotteries, for both, private and public entities in a number of single source and multi-vendor environments. A core BMM principal in the delivery of its services is to maintain independent status, to report on what we deliver, what the process and approach we utilize is, and what the expected results are. BMM takes the utmost care not to overstep the boundaries of its role and to ensure the credibility and authority of the regulator are maintained.

As a private company, BMM has the business flexibility and scalability to react quickly to client and market needs and to invest in resources to build capacities fast, without dependence on budget cycles and procurement constraints. It is BMM preference to first invest in and retain expert talent, ensuring highest levels of expertise in current technologies, regulatory trends and changes. We believe our people are the foundation of the success of our company, particularly because every BMM resource is passionate and focused on serving the gaming community.

We are looking forward to the possibility of working with Colorado Division of Gaming for your testing needs related to this RFI and building a solid relationship. We believe that our organization will be able to seamlessly work with your organization to complete the testing requested. We are committed to working with you through the process to ensure your goals are always known, communicated with our immediate and broader team and met by the end of the project.

BMM is reliable, knowledgeable, experienced and steadfast in our commitment to excellence. We are confident that the Colorado Division of Gaming and BMM will have a successful business relationship and we can work together to reach your end goals in the time frame needed, within the budget and with 100% accuracy.

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.**

Our main point of contact is Mike Dreitzer

Name: Mike Dreitzer

Title: COO

Address: 815 Pilot Road, Suite G

Las Vegas, NV 89119

Office: 702-407-2420 ext 1007

Cell: 702-592-4600

Email: mdreitzer@bmm.com

Alternately you may also choose to contact Travis Foley

Name: Travis Foley

Title: VP, Operations

Address: 815 Pilot Road, Suite G

Las Vegas, NV 89119

Office: 702-407-2420 ext 1003

Cell: 702-806-8121

Email: travis.foley@bmm.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.**

BMM has three decades of testing services as requested by the Division outside of the United States and for over a decade specifically in U.S. commercial gaming jurisdictions. Currently we hold more than 270 licenses in the United States to conduct testing. On average we test 732 devices per year. We have attached a list of the licenses we hold in North America for your reference in **APPENDIX 1**.

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

BMM ensures our clients can rely on our services with the comfort of knowing we have gained the relevant ISO accreditation. We are strong supporters of ISO accreditation programs and we are committed to keep valid ISO accreditations. Below are our current and valid ISO accreditations.

ISO Accreditations

Year Attained	Accreditation
1995	ISO 9001 Quality Management Certification
2004	ISO 17025 Testing Laboratory Standard *
2007	ISO 17020 IT

**Australia, BMM South Africa, and BMM North America, are fully ISO certified*

Please see **APPENDIX 2** for copies of our ISO Certificates.

4.

- 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.**

Our current main testing facility for the United States is located in our 25,000 square foot secure corporate head office in Las Vegas, Nevada. The physical space of our testing facilities includes a full security system installed and monitored by AlarmCo. The facility is accessed through a key card system which allows us to track and report the entry and exit of all employees. We also maintain a report of our on-site visitors including date and time of arrival, name, organization and time of departure. Our physical security includes:

- AlarmCo – monitors 24/7 – access points, motion sensors, glass.
- BMM IT monitors the video security
- BMM IT monitors card access to all entry points of the building

BMM feels it is most beneficial to test in our privately owned facility as it provides the greatest level of control over the environment. Beyond the security control it is also ideal for 24/7 access and we are able to adequately provide the needed hardware and software without having to involve a third party.

Testing at a third-party manufacturer / distributor is less ideal, however it is still manageable. Should it be necessary to test at a third-party manufacturer / distributor, BMM would ensure the environment is up to code for our testing environment requirements before working on-site of a third party facility. Our primary concern will be to guarantee the manufacturer / distributor has no influence on the testing or the results.

Additionally, our recommendation for the sake of maintaining independence is that all software testing not be completed at the manufacturer / distributor facility unless it is done in an isolated environment with a separate IT infrastructure.

Hardware testing could be tested at a third party testing facility at the request of the Division.

- 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.**

BMM invests time to attract top talent around the world to join our team. We further invest in retaining our talent and continue to help them grow in their roles to be reliable subject matter experts, strategic client advisors as well as experts in executing their tactical areas of responsibilities. We appreciate why having a full understanding of our resources is important to the Division and have included a table outlining the key positions, current position holder and general position description. Based on our staff experience and expertise we are confident Colorado will find our team to have significant proficiency and knowledge in the specific areas requested.

Educational background of the key personnel at BMM includes:

Degrees

- Juris Doctorate
- Masters of Management Information
- Masters Business Administration
- Masters of Computer Application, Computer Science
- Masters of Science (Accounting, Physics, Mechanical Engineering, Electrical Engineering, Statistics, Computational Mathematics)
- Bachelor Information Technology
- Bachelor of Science (Computer Science, Computer Engineering, Mathematics, Physics, Electrical Engineering, Digital Entertainment and Game Design, Applied Mathematic)
- Bachelor of Science in Applied Economics
- Certificate of Executive Leadership
- Certificate Software Testing
- Certificate Software Programming
- Associate of Applied Science Degree in Computer Network Systems

Certification

- CTFL – Certified Tester Foundation Level (ISTQB)
- PMP – Project Manager Professional (PMI)
- CISA – Certified Information System Auditor
- CISM – Certified Information Security Manager
- ISO/IEC 27001 Lead Auditor – Certified ISO/IEC 27001 Information Security Standard Lead Auditor

We have included in **APPENDIX 3** the résumés of the resources identified below.

Position	Name	Job Description
Global President & CEO- International	Martin Storm	<ul style="list-style-type: none"> • Lead all expansion initiatives • Directing restructuring of BMM operations • Attracting world leaders in gaming compliance • Partnership initiatives with 3 of the world's best gaming test labs • Transforming and promoting BMM's value proposition
COO	Mike Dreitzer	<ul style="list-style-type: none"> • Executive with overall operational and performance responsibility for the BMM entity in this market. • Report to Global CEO. • Direct a team of 50+ professionals.
VP Compliance	Alisha Ray	<ul style="list-style-type: none"> • Responsible for the corporate licensing function of BMM International and all related entities. • Officer directing the Technical Compliance effort for BMM North America, • Handles governmental affairs and regulatory relations with applicable jurisdictions
Director Technical Compliance	Peter Nikiper	<ul style="list-style-type: none"> • Maintain as current all testing processes and ensure that they meet all applicable technical standards. • Maintain effective communications with Service Delivery team (engineering) and BMM Management on all compliance matters. • Ensure client expectations are met with regard to quality of deliverables and act as regulatory contact with strict adherence to BMM's Policies and Procedures.

Position	Name	Job Description
VP Operations	Travis Foley	<ul style="list-style-type: none"> Develop and implement policies and procedures for effective and efficient delivery of goods and services for the company. Responsible for managing day-to-day activities of the operations management (Professional Services Delivery, and Field Services Delivery). Monitor the daily operations of these service delivery divisions of the company and reporting to the Chief Operating Officer.
Director Service Delivery	Adam Fong	<ul style="list-style-type: none"> To lead and manage designated testing resources of the BMM region in order to achieve BMM's professional services objectives.
Director of Math	June Light	<ul style="list-style-type: none"> To lead the computer scientist team and ensuring compliance of source code and mathematical analysis to jurisdictional and technical standards.
Computer Scientist	Isaac Cornett	<ul style="list-style-type: none"> Responsible for the testing and adherence of gaming technology to jurisdictional regulations and technical standards through the analysis of source code and through mathematical analysis. Adapt in-house programs or develop new algorithms to model gambling game mathematics. Perform source code analyses to assist in the development of testing scope. Perform analyses on random number generators to ensure statistical suitability and compliance.

Position	Name	Job Description
Director of Quality	Nicole Babbs	<ul style="list-style-type: none"> • To design, manage and monitor the Quality Program. • Consulting to the Company on quality issues, maintenance, controlling revisions and distributing the Company's Quality Manual and the Procedures and Standards manuals. • Managing implementation of the Company's customer complaints and corrective / preventive action processes. • Managing the Company's Internal Audit program. • Performing Q.A. review of projects and invoicing as required. • Ensuring the quality of the Company's work by advising and monitoring adherence to the Company's standards and procedures. • Co-ordinate management review of the quality system through regular group Q.A. meetings and the annual Management Review Meeting. • Ensuring the on-going education of staff and the dissemination of information in regard to quality related issues through the induction of new staff. • Participating in staff meetings and discussions and reviewing correspondence as required. • Liaison with external standards and quality assurance organizations as necessary to assist with and further the Company's quality objectives.
Technical Project Manager	Frankie Mendoza	<ul style="list-style-type: none"> • Executing established test plans and procedures • Developing test plans and test scripts hardware / software testing • Analyzing test results and prepare reports on tests conducted • Help in developing test tools • Review systems to assess their likely compliance with technical requirements (gap analysis) • Forensic investigations • Prepare weekly status reports • Communicate with client and coordinate in lab visits from manufacturers • System interoperability testing (SAS, SDS, S2S, etc) • Source code review • Signature verification (Kobetron, Dataman, Flash reader) • Peripheral Device Testing / Certifications (Coin Acceptors, Printers, Bill Acceptors)

Position	Name	Job Description
Group Manager	Jose Ledezma Constantine Tisbe Lucretia Martin Jerry Czuba Nichole Karr Nathan Gu	<ul style="list-style-type: none"> • Provides technical support and training to team members • Ensures the quality of the team's work by supervising, promoting and enforcing adherence to BMM standards and procedures • Creates and/or reviews client status reports before they are sent to clients • Reviews team time slips on a weekly basis and makes billing decisions for all team projects • Allocates tasks for the team and manages overall team workload • Performs staff reviews for team members and provides regular feedback on performance
Sr. Test Engineer	David Wang Geetha Srinivasan Pratik Verma Larry Rutledge Jim Brown	<ul style="list-style-type: none"> • Design and implement methods and procedures for inspecting, testing, and evaluating precision and accuracy of slot machines/ systems of different game providers. • Work with the technical resources from client sites
Test Engineer	Errol Rice Casey Bates Marcie Arai Tam Kim Jacqueline Schill Shahanaz Shaik Waldo Hernandez Jorge De Andrade Richard Ruiz Amador Rodriguez Brett Werbick Corbin Benally Jamie Clark Sonika Taneja Ricky Didaravong	<ul style="list-style-type: none"> • Perform testing and participate in testing projects, delivering accurate and timely project outcomes. • Assess gaming technology integrity, accountability and functionality. • Perform statistical analysis of gaming device and game probabilities. • Review gaming device and system source code. • Assist with the development with testing procedures. •

iii. Detailed description of testing equipment.

BMM utilizes a variety of hardware and software testing equipment for our testing. Below is an overview of our most commonly utilized testing equipment.

BMM SHA-1 v5.0 is a Secure Hash Algorithm for computing a condensed representation of a message or data file such as a SHA-1 signature.

Eagle Check v2.1 is a Secure Hash Algorithm for computing a condensed representation of a message or data file which includes different types of signature method such as MD5, SHA1, and SHA256.

Kobetron 3000 and 4000 are Gaming Investigators used to generate 4 digit or 8 digit signatures for the verification of the software by supplying the user with a distinct signature for the device installed. All devices compatible with the unit will have an adaptor that must be installed in order to use the 3000. The 4000 also has the capability to produce SHAW-1 signature.

Dataman Validator can perform comprehensive validation of EPROMs. This is accomplished by using various hash algorithms to calculate a "signature" for the data contained in the EPROM.

Forensic Card Reader is a Read-Only unit used for forensic acquisition of information found on multimedia and memory cards. The Read-Write unit is included to provide the ability to write to memory cards for testing or validation.

EMP-21 was the world's first universal device programmer to use both USB and Parallel Port interfaces. With over 6600 devices supported and Windows based EMPWin software the EMP-21 is a versatile and easy to use programmer. This translates to cleaner and more manageable waveforms. This allows you to blank check, erase, program, verify or any combination of these functions with the ease of just pushing a button.

Fluke multimeter is a hand-held device used to measure voltage, current and resistance. It can be used to troubleshoot electrical problems in a wide array of industrial applications, power supplies and wiring systems.

Fluke 196C Scopemeter is a high resolution, monochrome or color screen that gives you a better view of complex waveforms. The unit has dual-channel, 100MHz bandwidth. Get up to 1.5 GS/s real-time sampling per input (27,500 points per input record length with the Scope Record mode). Automatic triggering lets you select from a full range of manual triggering modes plus external triggering to get the readings you need.

Variac Transformer or a "variable auto-transformer" can act like a step-up transformer or step-down transformer. It has a big knob on top that allows you to dial in whatever output voltage you want.

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

BMM has policies, programs, procedures and instructions to reflect regulatory directions and we continue to develop new policies, programs, procedures and instructions to reflect the most recent regulatory directions. We audit these items specifically on a yearly basis to ensure they still reflect our business processes and integrate appropriately with the business processes of our clients. Beyond the yearly audit we will also make amendments as required based on regulatory or policy changes and communicate to our team and, as required, to our clients.

We have included copies of some of our policies, programs and procedures in **APPENDIX 4** for your review that we feel provides you with a solid cross-section of examples of our policies, procedures, programs and instructions. Should there be other documents that interest the Division, we would be pleased to provide as requested.

- Management Responsibility Procedure
- Project Management Control
- Control of non-conforming product or service
- Management of laboratory environment
- Compliance Policy
- Design Documentation
- Document and Data control
- Purchasing policies
- Corrective preventative Action
- Training program
- Control of quality records
- Internal Auditing
- Project Administration

It is important to note that while we have a set of standard policies and procedures; BMM remains flexible to client needs and will amend templates for clients at their request. These amendments are made only for the specific client templates and are only affecting the specific requirements per client. We will make collective changes for all procedures due to regulatory or compliance requirements. BMM believes in an open dialogue with our clients and strive to ensure we have alignment with our policies and procedures with client requirements.

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.**

BMM values the independence and integrity required to be a certified test lab. Our licenses, certifications and accreditations would be vulnerable to revocation if we did not have adequate policies and procedures in place, including ensuring independence from manufacturers/distributors.

BMM has a strict policy that we do not engage in any consulting for development of products that we will be testing. This ensures integrity of the test results remain intact. We have attached our BMM Way document in **APPENDIX 5** which further details our client engagement model.

We believe our ISO accreditations provide our clients with the comfort of knowing we are recognized as an organization that provides superior service, values confidentiality, achieves independence, focuses on impartiality and always works with a high level integrity.

Our valid ISO Accreditations (ISO 9001, ISO 17025 & ISO 17020) require us to ensure:

- Independence
- Operating with a high a degree of integrity
- Policies and procedures are up to date and available
- Operating within management requirements

We sign an NDA with all clients and ask for a BMM signed NDA in return. Our focus is to remain impartial during our engagements. As part of our engagements we will ensure the due diligence has taken place to understanding the Colorado laws and that we are working within the parameters of the laws and the Division's regulations. We also ensure our consulting services are not in support or furtherance of illegal gambling.

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.**

BMM has been testing Gaming Equipment globally since our inception, dating back to 1981. Below you will find a list of our testing services that ensure compliance with all jurisdictions with whom we do business. We anticipate working with the Division and SMAC to ensure testing process and procedures are in compliance with Colorado laws.

BMM has completed this process with other State entities and have worked with them to ensure our test scripts are in compliance with their laws. We have provided samples of those for your reference in **APPENDIX 6**.

Testing Services

BMM has more than 270 active licenses across North America. Our experience in testing services includes:

- Central Communications Systems
- Video Gaming Terminals
- Associated Video Gaming Equipment
- Ticket Payout Systems and Validation Procedures
- Player Tracking Technologies & Methods
- Wireless
- Promotional and Bonusing Systems
- Kiosks
- Gaming Related Peripherals
- Hardware
- Software and Systems
- Gaming Devices
- Forensic Evaluations

Customer Contacts

Bally Gaming

Alan L. Duewel

Sr. Manager, Compliance

950 Sandhill Rd

Reno, NV 89521

aduewel@ballytech.com

IGT

Susan Chritie

Regional Manager, Product Compliance

1077 St. George Blvd. Suite 300

Moncton, NB E1E 4C9

Susan.christie@igt.com

Konami Gaming Inc.

Spencer Peterson

Director, Technical Compliance

peterston0809@konamigaming.com

Paltronics

Michael Stangl

Manager of Quality Assurance and Product Compliance

Mike.Stangl@paltronics.com

Shufflemaster Inc.

Christine Bordeaux
Vice President, Global Technical Compliance
702-270-5301

Todd Nelson

Missouri Gaming Commission
Gaming Enforcement Manager
(573) 522-3442

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.**

Security is a top priority at BMM. We understand the level of trust we are afforded from our clients and take the responsibility seriously. We remain vigilant in providing our clients with the knowledge that we have the policies, procedures and audits in place to keep physical and informational items secure. BMM has several policies and procedures to guarantee our security is formally documented such as the two policies outlined below.

SECURITY POLICY

This document exists to communicate the details of the BMM Security Policy. The Security Policy covers all assets including people, all types of property, core business, networks and information. Additionally, the policy covers all hardware, software and data at BMM belonging to our clients. Security in any system should be commensurate with its risks. The Security Policy identifies the risks and defines the security controls in place that are fully commensurate with the risks.

INFORMATION TECHNOLOGY (IT) POLICY

This document exists to communicate to users of BMM Test Lab's information systems, networks and associated equipment and media, procedures and rules governing the interaction therewith.

We have attached these documents for your reference in **APPENDIX 7**. Additionally we have outlined some highlights related to security at BMM that we feel may be of interest to the Division.

Compliance Committee Program

BMM believes in ensuring the integrity of our business practices are supported with clear policies, practices and in some cases governed by committees to support our commitment to remain in compliance with regulatory requirements. As an example, BMM has developed

a Compliance Committee with the mandate of ensuring we remain in compliance with all gaming laws, report back to the Board of Directors of BMM any issues and receive applicable input from relevant regulators and regulatory bodies. A copy of our Compliance Committee Program mandate and the members of the Compliance Committee may be found in APPENDIX 8.

Physical

BMM has been active in the North American gaming market since 2001 and has continued to grow and thrive in this market, as we strive to meet diverse jurisdictional requirements in North America. ITLs are required to be fully licensed across the entire United States for their work to be considered effective for all gaming manufacturers, which is unique to the US market. BMM North America is the BMM laboratory that will deliver work outlined in this RFI. The BMM North American campus is located at:

815 Pilot Road, Suite G, Las Vegas, NV 89119

BMM's campus consists of one building, approximately 25,000 sq ft.

Physical access to BMM facilities are controlled by an access badge system and personal identification. Employees have a badge allowing them to pass through entry points in company facilities. Authorized guests enter the building through the main entrance and are cleared by a BMM employee. Authorized guests sign in and out upon entry and exit of the premises and guest badges will be provided to them while they are present. Guest badges must be visible to others at all times.

Only IT personnel and their authorized guests may gain entry to server rooms, and wiring closets. Guests are escorted and viewable in plain sight at all times by a member of IT staff.

Only IT personnel are permitted to directly log in to servers, and network equipment (switches, routers, hubs and the like) unless specifically approved by the IT Manager or System Administrator.

Security and IT Policy Auditing

BMM IT will perform audits of BMM information systems, networks, and associated components to ensure compliance with BMM policies and security measures. These audits are performed on random occasions several times a year to ensure integrity of the auditing. Such auditing may include or result in the access to (but is not limited by) any or all computing devices, network and workstation accounts, e-mail accounts, company information, and various physical locations of BMM-controlled areas. Such auditing may include network monitoring and traffic analysis.

If BMM does not control the network in a location to be audited (as in the case of a BMM lab inside a client facility) and/or Internet service is provided via a second or third party, these parties are required to approve scanning in writing if scanning is to occur outside of the

BMM's LAN. By signing this agreement, all involved parties acknowledge that they authorize BMM internal or external auditing staff to use their service networks as a gateway for the conduct of these tests during the dates and times specified.

Network performance and/or availability may be affected by the network scanning. BMM Testlabs releases authorized auditing personnel of any and all liability for damages that may arise from network availability restrictions caused by the network scanning unless such damages are the result of those designees' gross negligence or intentional misconduct.

Although BMM has maintained ISO accreditation globally in some form for many years, BMM North America itself is ISO/IEC 17020 & 17025 IT accredited. We are reviewed bi-annually and have maintained this accreditation for the last 6 years.

Practices and Processes

As outlined in this RFI response, BMM has several policies and procedures. For your reference please see **APPENDIX 4**.

BMM is formally recognized by the American Association for Laboratory Accreditation (A2LA) for our resources, capabilities, objectivities and technical competence of the testing authority or person to provide Gaming Systems Tests. These are tests and examinations of gaming machine hardware and software in accordance with North American and similar gaming regulations, both in-house and off-site excluding cabinet interference tests and power supply tests. BMM is recognized for the testing of wide area gambling equipment for lotteries and wagering. We have provided copies of our A2LA certification in **APPENDIX 2**.

Employees:

The BMM team is comprised of talented, ethical and experienced staff. BMM Testlabs conducts a background check as part of the consideration for employment. The checks are continued every year after they have been hired and remain with BMM. The background check consists of the following:

County Level Criminal Check - The Company will perform a County Court Records search for any Felony and/or Misdemeanor convictions within the last 7 years not only in Clark County but throughout the United States.

Social Security Track - This is to provide a reporting of all aliases maiden names as well as list of current and previous addresses that may have been used. BMM engages First Advantage SBS to complete these background checks.

Beyond the background and security checks, each employee has a documented KPI (Key Performance Indicator) program that is tracked and reviewed annually by our senior management team.

A few examples of the KPI measurements in the employee program include:

- Zero defects reported on work performed – as measured by project folder audits carried out by Technical Compliance/Director Service Delivery.
- Adherence to BMM policies and procedures – as measured by general behavior, project management audits, toolbox audits and assessment by Director Service Delivery.
- BMM also has a policy which requires all employees of BMM North America, Inc. dba BMM testlabs ("BMM") to notify the Compliance Department of any significant changes to personal information within 10 business days. These items may include change of address, bankruptcy, civil suits, separations, criminal charges, etc. Criminal charges include but are not limited to theft, assault, battery, theft, DUI, disorderly conduct and trespassing. (Excluding minor traffic violations).

- 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.**

BMM would welcome the opportunity to meet with the Division to further demonstrate our ability to meet the requirements outlined in this RFI. We believe in an open style of communication when working with regulators and our clients which starts even before becoming an approved vendor. We will remain transparent in all of our business practices and look forward to demonstrating our strengths to meet the needs of the Division. BMM is accustomed to presenting detailed presentations to provide the clearest understanding of how our two groups may work together in the future. We will have all staff available during scheduled visits to ensure the time of the Division is efficiently managed during visits. We recognize these activities would be the responsibility of BMM to pay for and accept this condition.

- 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.**

BMM has provided forensic testing services to regulators since our inception. We make this service available to all stakeholders in the industry, from regulators to operators to manufacturers. These services are designed to provide examinations of gaming devices, components, slot monitoring systems and associated equipment that, on occasion, might fail or malfunction in the field. Using procedures developed based on 'Best Practices' from

law enforcement agencies worldwide, we gather as much information as possible from all parties involved (operators, manufacturers, players, regulators) about the details of the machine/system leading up to the event in question (e.g. system information such as meters, event logs, transaction logs, system access records).

BMM offers training to the regulators and designated law enforcement personnel in the appropriate procedures to effectively secure the potential evidence, e.g. device(s), component(s) and system(s), to protect the regulatory authority and its stakeholders against possible claims of inappropriate handling of sensitive electronic equipment that could compromise the integrity of the forensic process.

When BMM is in possession of the equipment in question, we use the appropriate tools to extract and examine the historical data leading up to the event in question to determine the source of the malfunction, if any.

BMM provides a detailed report to the commission or appropriate regulatory authority that will allow them to make an informed decision to resolve and rule on the outstanding issue(s). Throughout the forensic process, BMM will work with the appropriate regulatory or legal authority to maintain the chain of custody for all evidence to preserve its integrity in the event of any legal action taken by the parties involved.

If there is a legal or procedural process following the forensic examination and audit, BMM will provide any necessary testimony and/or any further testing procedures as required by the litigation or procedural process.

BMM's approach to forensic evaluations is one that is patterned after leading forensic laboratories in the world. The US Department of Justice and National Institute of Standards and Technology (NIST) are some of the agencies whose forensic guidelines form the basis of BMM's forensic procedures.

The combination of implementing these agency's guidelines with BMM's gaming expertise is one that makes this forensic approach virtually "bullet proof". BMM's forensic analysis is a tiered approach that involves the following:

- **Request for Service**

A step by step document used by the "first responder" to secure the forensic scene, document and gather the evidence, and proceed to the next step in the forensic process.

- **Chain of Custody Procedures**

A document essential to any forensic investigation ensures that the integrity of the evidence is not compromised throughout the forensic process.

- **Advanced Forensic Auditing Tools**

Used by leading cyber forensic laboratories within the law enforcement community worldwide. BMM believes this to be a competitive advantage and differentiator from other test labs in the market.

We have provided sample reports in **APPENDIX 9**. It is important to note when viewing the sample report, that is the base report we start with to build the jurisdiction specific report. Each forensic evaluation is customized based on the evaluation required, scope, and requirement details.

- 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.**

Experience and resources found within BMM include several personnel who have worked as regulators in the gaming sector including:

State	Name	Position	Years of Experience
Nevada	Mike Dreitzer	Office of the Attorney General	2
Nevada	Travis Foley	Chief of the test lab for NGCB	13
Nevada	Adam Fong	Sr Engineer of the NGCB test lab	5
New Jersey	Richard Williamson	Director of the NJ State test lab	9
		Financial and Operational Auditor	3
Pennsylvania		Director of the Pennsylvania state lab	2

Our internal resources experience provides our clients with the best consulting services on the market. As requested, we have highlighted some of the areas of expertise and relevant experience.

Technical Innovation: Travis Foley and Adam Fong have, combined, more than 18 years of experience in writing technical standards for new and innovative technology for the gaming market. This includes the first technical standards for system based gaming, system supported gaming, and mobile gaming systems. They also have experience with standards for associated equipment such as cashless wagering systems, including ticket in and ticket out, redemption kiosks, and slot wagering accounts, mobile sports wagering, including geo-location and user authentication. Adam Fong was the primary author of

technical standards of interactive gaming. The experience in creating technical standards in these areas also includes an understanding of how the technical standards support accounting requirements and minimal internal control standards for such technology.

Cheating Methods: Our employees have experience working with the local, State and Federal law enforcements on cheating method cases. The services provided by our employees include:

- Forensic evaluations
- Analysis on cheating tools, gaming device cheating, accounting systems and patron management system fraud. Over the past 13 years BMM employees, in prior and current positions, have been involved in investigations for nearly all existing and new cheating methods that attack gaming device currency handling components such as:
 - hoppers
 - coin acceptors
 - bill acceptors.

Also BMM staff has been intimately involved in some of the most sophisticated cheating schemes that involved:

- synchronization with gaming device random number generators
- the reprogramming of gaming device memory to generate jackpots
- patron information theft such as the theft of patron points by attacks to patron management databases.

In many of these cases BMM staff acted as expert witnesses in administrative and criminal proceedings.

- **Assessment of gaming device vulnerabilities.** With the experience relating to past cheating methods and vulnerability exploitation in gaming devices, BMM staff members are well equipped to identify potential vulnerabilities in existing and new gaming devices through strict adherence to existing technical requirements as well as ad hoc in high risk areas.
- **Providing expert witness testimony.** Richard Williamson, a three decade gaming industry veteran with more than twenty seven years of regulatory experience, has been an expert witness for cases that questioned whether specific equipment was or was not gambling equipment pursuant to the applicable laws in each case. In particular, Mr. Williamson has been an expert witness before a NJ Administrative Law Judge, the United States District Court for the Middle District of Pennsylvania, an Alabama ABC Board Hearing Committee, the NJ Casino Control Commission, the

Pennsylvania Gambling Control Board Commission, and the Circuit Court of Jefferson County, AL. Mr. Williamson's opinion is frequently sought by inventors and manufacturers with regard to the ability of a concept product to comply with some jurisdiction's rules.

Patron protection: BMM has experience with consulting on protecting patrons against loss of wagers, identifying vulnerability of internal control that would allow for internal theft.

Field Conditions: Our team has extensive experience in evaluation and inspection of gaming device equipment on the casino floor including verification of gaming device software, patron disputes and gaming device malfunctions. Experience also includes the evaluation and test of networked gaming in a production gaming environment. BMM staff, in previous positions, were involved in the testing and deployment of one of the first true G2S networked casino floors at the Aria Casino in Las Vegas. This includes the supervision of patron data migration from a legacy system to a new system, bandwidth and load testing of the casino network and the inspection of proper IT best practices for the network in consideration of technical standards and minimum internal controls for such a deployment. Historically, BMM has also conducted floor audits of production casino environments to ensure the proper operation of gaming devices and proper reporting of required gaming device information to online casino management systems responsible for the proper reporting of revenue.

Customer Contact:

Brian K. Wedderspoon

Global Director - OEM Sales

MEI, Inc.

950 Pilot Road, Suite A

Las Vegas, NV 89119

Mobile: 702-824-1201

Fax: 702-873-6401

Email: brian.wedderspoon@meigroup.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.

BMM has developed custom regulations for several jurisdictions including:

- The Alcohol and Gaming Commission of Ontario
- Superintendente De Casinos De Juego
- CANIETI
- Sikkim India
- DICJ Macau
- National Indian Gaming Commission

BMM is frequently consulted for ad hoc changes to regulations which include Iowa Racing and Gaming Board.

The process for developing rules starts with tailoring the content to meet the needs of the jurisdiction. In our experience, every engagement there included either existing regulations, an authorizing statute or existing operating standards that dictated specific needs that had to be incorporated into the rules. None of the engagements could be accomplished with boiler-plate language and each situation required rules to have specific technical standards and terminology to satisfy the contract. To ensure an acceptable outcome, there are often extensive meetings where staff conducts reviews of the document in progress and revisions are made to accomplish a satisfactory project. In the end, the projects are generally a collective effort where several key people take ownership of the finished product with the guidance and experience from BMM.

Customer Contacts:

Ontario: Sukhi Grewal, Director of Electronic Gaming
Alcohol and Gaming Commission of Ontario
sukhi.grewal@agco.ca
416-326-8419

Chile: Francisco Javier Leiva Vega
Superintendente De Casinos De Juego
f.leivavega@gmail.com
+56 7992804

CANIETI – Raul Mondragon
Vice President Section 4
raulmondragon@yahoo.com

Sikkim India: Prateek Chaudhry - +91983025000

DICJ Macau: Ken Kam Lei Cheang (Ken Chan)
Ken Kam Lei Cheang (Ken Chan)
Avenida da Praia Grande, 762-804 Edf. China Plaza, 21 Floor. Macau
(853) 2856-9262

National Indian Gaming Commission: NIGC Washington Regional Office*
(202) 632-7003.

***Please note :** The work was contracted for former Commissioner Norm DesRosiers who is now Gaming Commissioner at San Manuel Band Gaming Commission.
(909)-863-2150.

12. Provide documentation of experience in providing regular and on-demand training. Provide a customer contact for these services.

BMM has been developing and delivering training globally for nearly three decades. We have found that training needs have drastically changed within that time period. Most recently, we have been seeing a trend for on-demand training as well as training modules that are customizable. We have created a standard syllabus of training that we offer our clients as a package or as a menu of items to choose from based on their needs and their in-house resource knowledge.

Our approach to training has been developed through our many years of experience and we have found it beneficial to segment our training as 'Executive' and 'Operational'. Executive training is geared towards empowering executives with the most current information to oversee their operational staff and respond to high-level compliance and regulatory issues. Operational training focuses on providing staff with the depth of knowledge needed, with subjects covering everything from Gaming Machine Essentials to IT Security and Forensics Best Practices.

Our standard training includes:

- Policies & Procedures: Taking Control
- History of Gaming and Rule-making
- Systems Management
- Electronic Gaming Machine Essentials
- Class II Tech Standards: Understanding
- & Implementation Essentials
- Server-Based Gaming Essentials
- Field Audit Essentials
- System Audit Essentials
- Forensic Best Practices & Incident Reports
- Regulatory Best Practices Essentials
- Wireless Security Essentials
- IT Security Essentials
- Progressive Essentials
- Signature Verification Methods
- Understanding the Impacts of Products Revoked vs Obsolete
- System Training (specifically tailored to client selected system)
- Introduction to Lab Testing Methodologies (hands-on training)
- Gaming Technologies: Compare and Contrast Slot Machines, Video Lottery Terminals, Electronic Bingo, Electronic Sweepstakes and 'Gray Area' devices.
- Internet Gaming Regulations
- Internet Gaming: Selecting a Platform
- Internet Gaming: Infrastructure Essentials
- Internet Gaming: Marketing, Player Acquisition and Retention
- Internet Gaming: Analytics and KPI Reporting

- Internet Gaming: Customer Service Practices
- Internet Gaming: Player Agreement, Age Verification and GEO Location

All standard training may be provided on the client site or within our facilities. We have provided a training outline in **APPENDIX 10**.

Our personalized training is becoming more popular as our clients require a customizable approach based on their specific needs, business practices and processes. BMM does not believe in a "one-size-fits all" engagement model and therefore we take the time to work with our clients to determine if specific customized training is required. Some examples of recent customized training delivered by BMM include:

- Class II Essentials
- Wisconsin assembly of tribal operators.
- Internet Gaming Essentials for a Consortium
- Internet Gaming Workshop
- Chuckchansi Gold – California tribal operators
- Menominee – Wisconsin tribal operators
- National Tribal Gaming Commissioners & Regulators
- Internet Gaming: Regulatory Scheme Considerations
- National Council of Legislators from Gaming States
- Lottery Privatization Oversight
- TOTE Standards: Unified State Perspective
- Harrah's Rincon
- Forensics Investigation Workshop

On-demand training is also a popular choice for our clients. All on-demand courses are available for our clients and can be arranged in a short period of time. All courses are fully supported by our training department and can be customized for our clients. Clients have access to ask questions, discuss content and provide feedback. Students of our training are provided with full support to help them not only complete the training but retain the information and have access to reference information in the future.

BMM Boardroom and Training Facilities:

BMM is currently undergoing a significant upgrade in our training facilities in our global headquarters at 815 Pilot Rd, Las Vegas, Nevada with connection and integration to the BMM global offices.

The boardroom will serve multiple roles including:

- Internal meetings
- New customer briefings
- Sales presentations
- Demonstrations
- Technology displays

- Focus groups
- Onsite training and seminars
- Browser based training including archiving
- Video teleconferencing.

The technology will include:

- large screen (70"+) HD TV's
- Smart boards or interactive whiteboards
- Digital Projector and screen
- Digital white boards with the ability to upload from remote connections and download to PDF, print or digital file.
- Video Conferencing and file sharing using the globalmeet and iMeet platforms of browser based communication
- iPad and iPhone compatibility for video conferencing and presentation using the iMeet and globalmeet platforms.
- High definition digital video camera for webcasting and recording of training seminars and technology briefings, with the ability to upload to a cloud based server for storage and repeat web broadcast.
- Mac computer for recording and editing of webinars and creating online training content.

Web-Based Training:

One of the goals of the BMM training center is to offer web based training. Training is an important part of our business and it is vital that all of our training be:

- Available
- Viewable by all
- Professional
- Repeatable

Browser based means that the user or customer simply has to use a web browser to view the content. The technology we are going to use is compatible with all browsers on all platforms. One of the key points about browser-based delivery is that as it requires no proprietary software it is compatible with all iPhones, iPads, androids and all tablets. Our conferencing facilities will expand to be browser based using the iMeet and globalmeet platforms provided by PGI.

We will have the ability to video conference the whole of the training room to any of the BMM offices around the world. Documents and presentations can be shared via a drag and drop interface and changes to documents can be made in real-time.

For the training webinars and live webcasts we will use the PGI iMeet platform which creates a "virtual classroom".

Presentations and training seminars can be broadcast in real-time and recorded and archived for future broadcasts. Video will be recorded in-house in HD format, edited for content and branded. It can then be archived for webinar and webcast. This will be used for creating an online BMM University, which includes an on-demand component.

Facilities:

The presentation side of the boardroom will center around large screen smart TV's which have web browser capability. These will be connected to an internal apple TV server that will create the bridge between the "computers" and the "presentation".

Streaming from iPhones, iPads or any wireless computer connected to the presentation network will be seamless and we will also create a "guest" network for external presentations.

We will augment this with a large format digital whiteboard that has upload and download capability, meaning that presentations created offline can be displayed or content created on the whiteboard in "brainstorming sessions" can be instantly downloaded to PDF format or printed on site for immediate distribution.

A centrally located hi-definition webcam will provide a large scale video link for teleconferencing or individuals can remotely join the conversation from their individual computers or handheld devices.

A high definition video camera will be used for web based live training events or can be used to capture in-house presentations for archive or future re-broadcast. An Apple mac pro running final cut pro will allow trimming, editing and streamlining of the offline content. The camera uses flash memory cards allowing fast file transfers rather than real time transfers. The produced content can be hosted and broadcast via the globalmeet platform, put behind a BMM user interface or streamed and archived using popular video hosting platforms such as You tube and Vimmeo.

The video can also be burned to DVD for distribution in a physical format. Audio will be recorded using lavalier microphones clipped on to the presenter and recorded for professional audio which is an important part of a successful webcast.

All of the renovations to our facility will be completed by March 30, 2013.

Customer Contact

Lester Stanley

Rincon

Executive Director Gaming Commission

lstanley@rincontgc.com

(760) 297-2008

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

BMM has been supporting its regulatory clients since our inception, and we are confident in our ability to do so for the Colorado Division of Gaming. The support available to Colorado Division of Gaming staff would be delivered by all departments of BMM and is available 24/7/365, free of charge. BMM's policy is to respond to all calls within 12 hours of receipt however our response time is normally quicker than 12 hours. BMM maintains all necessary certified hardware and software in a secure manner which enables us to recreate any product configuration we have certified.

Our response policies are categorized below.

- 1. Within Standard Business Hours:** Normal business hours are 8:30AM to 5:00PM Pacific Time (BMMNA staff members are generally at work immediately prior to and after these hours). In the US, call the main number, 702-407-2420, to be directed to the appropriate BMM engineering personnel.
- 2. Outside Standard Business Hours:** 24/7 phone support is available if an incident has occurred requiring an urgent level of support to the regulator. Call 1-877-857-3948 where you can leave a message that will be responded to within 30 minutes.
- 3. 24/7 Email Support:** is available at bmmfieldsupport@bmm.com, when an incident has occurred or an operational question arises of a less urgent nature. This can also be used to enter an enquiry of a non-urgent nature.

Incident Response Times

- BMM will provide a response time for the initial contact within 30 minutes, 24 hours a day, 7 days a week, 365 days a year.
- Rectification, diagnosis and analysis of the incident and/or further information will be provided in 80% of cases within 24 hours.
- Rectification, diagnosis and analysis of the incident and/or further information will be provided in 100% of cases within 48 hours.
- In all cases, an incident report will typically be ready for dispatch within 5 days after the resolution of the incident.

Customer Contact

Shingle Springs Gaming Commission

Red Hawk Casino
Compliance Manager
530-672-5303

- 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.**

Suitable Business Practices

BMM's business practices truly are the cornerstone of our organization. As we work in a regulated environment and our certifications by jurisdiction are essential for our business, we ensure a high level of integrity with our business practices. We have checkpoints, technological safe guards, employee KPI models, client feedback methods, compliance committees and internal auditing and controls in place.

Payment Requirement

BMM understands and accepts the time requirements and fees to BMM associated with investigating our business practices. We invite the Division to proceed with their investigation as required and will be supportive of the process.

Key Employee Licensing

The applicants identified by CODOG as those requiring licensure have received their licenses from CODOG:

- Martin Storm
- Mike Dreitzer
- Alisha Ray
- Travis Foley

An application for BMM North America has also been provided; however, we have yet to obtain formal licensure on our entity. BMM North America has complied with all licensing requests and payment of investigations relevant to obtaining licensure.

Additionally, BMM North America has retained outside counsel from Colorado, Mr. John Tipton who is intimately familiar as a previous Executive Director of the Colorado Department of Revenue overseeing the CODOG, to coordinate and assist with the licensing process and procurement with CODOG.

- 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.**

As a global provider of testing services for the gaming industry we are accustomed to working closely with entities similar to Colorado's SMAC. We understand the value a group

such as SMAC brings to the overall management and control in the gaming industry and the accountability to commitment of Colorado constituents to provide a regulated and fair gaming environment.

BMM would use the same client engagement model with the SMAC as we do with our direct clients with some modifications based on the needs of the SMAC.

Our engagement model steps can be summarized as:

- Meet to review requirements
- Status updates
- Creation of evaluation reports
- Project close out
- Follow up

We would engage with the SMAC in a similar way and customizing the approach based on the existing processes and procedure of the SMAC. We would anticipate regular communication in various forms such as in-person meetings, conference calls, memo's, e-mails, training, reporting, consulting, etc.

BMM will provide SMAC with the report findings before moving towards completing the Test Reports Result document. We are interested in working with SMAC to tailor our reports and methods of communication to fit the needs of SMAC within their established policies and procedures.

We have provided you examples in **APPENDIX 11** of several of our reports including:

- Bubble Report
- DIRT Report
- Status Report
- Jurisdiction Submission Report

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.

BMM's experience with generating and applying test scripts and test plans begins with creating a checklist with every new jurisdiction to ensure we have captured the state law requirements. The detailed checklists are part of our in-depth analysis process of requirements, laws, technical standards and internal controls. After the checklist and analysis has been completed we will release a technical review, compliance review and quality review, before we release the test plan for use.

As a specific example, for Nevada, our process included:

- A. Supplying test scripts for approval to Nevada
- B. Nevada reviewed and ensured they were in compliance
- C. Nevada provided approval
- D. BMM released test scripts for use.

We have provided copies of the sample test scripts. The items identified in this RFI above are included within the test scripts by the notion that we are satisfying compliancy of the jurisdiction, which in the example provided is Nevada.

As BMM has not tested in Colorado since 2008, we would start the process with Colorado as though they were a jurisdiction we have never tested in and capture the appropriate requirements.

- 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)?**

BMM is interested in cost sharing with other vendors when the appropriate opportunities arise. We prefer to leverage cost sharing for our clients and to create a cohesive multi-vendor environment. We do this today for several clients. For example, with our testing, we accept the results of other A2LA accredited vendors and do not retest, unless specifically requested, thereby saving our client time and money.

BMM is prepared to work with the Division and other approved vendors to use the equipment as requested as it is BMM's practice to share data when available between certified vendors. We would anticipate a protocol being developed with the Division and other certified vendors in Colorado and would comply with the regulatory direction on the type of equipment to be used. Due to industry standards recognizing algorithms and protocols we are able to share equipment. We would participate in development of an independent tool for verification and we support test tools being developed to industry standards.

- 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.**

The industry requires information to be available quickly for clients and to be easily accessible. In response to this need, BMM has created a system that we refer to as BOAT, BMM Online Approval Technology. BOAT is a robust, secure database where submissions and certification reports are posted within 48 hours of the last step of the certification process. At that point the certification report is issued in the required format to the regulatory body for its determination to approve or reject the product.

BOAT, available 24/7, is a web based electronic library of documentation maintained by BMM for each submission that is compatible with Apple's iOS. BOAT also provides regulators with access to manufacturer-issued customer notices that are linked to the specific products in BOAT.

All the information provided within BOAT for a Divisions' jurisdiction is the most current, up to date information available for all phases of the product submission process (approved, revoked, withdrawn, obsolete or pending).

BOAT also allows the Division a choice of 'pending' which allows viewing of all submissions that are currently submitted for testing for the Divisions' jurisdiction if required.

BOAT provides clients with the capability to export data from the BOAT site at any time in Excel .xls and .csv (comma separated value) formats. BOAT is a complete resource for the following information.

- Submission Status (Approved, Revoked, Obsolete, Withdrawn or Pending)
- Program Signature Verification
- Downloadable / Printable Certification Test Reports
- Advanced Search Capabilities
- Downloadable / Printable Field Verification Manuals
- Downloadable / Printable Client Service Notifications
- Customized Configurable Login Screens

Please refer to **APPENDIX 12** for the BMM BOAT Manual.

- 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.**

BMM is accustomed to hosting regulators to visit our testing facilities as it is often a regulatory requirement that we remain committed to fulfilling. We classify these visits as a standard business expense. We understand and accept the cost for up to four Division

employees to visit our testing facilities. We fund visits through our global professional testing and certification services branch of BMM.

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.

BMM's client engagement model begins with ensuring we have a full understanding of the environment the client is working within. We invest time at the beginning of a new client engagement to gain a full understanding of unique requirements, preferred methods of communication and reporting, working with Division key resources and staying informed throughout the engagement.

The Division and the SMAC would have access to all BMM staff, however there would also be an account manager assigned to the Division. The account managers' responsibility is to ensure the Division has all of the information required and to communicate back to our staff any changes or requirements from the Division, including requests and recommendations from SMAC.

It is BMM's policy to organize a kick off meeting when a new product or a new jurisdiction is added to our portfolio. The intent of the meeting is to provide all key stakeholders and staff a thorough understanding of the requirements. We will schedule as many meetings as necessary with the jurisdiction to ensure that everyone understands the environment we will be operating within. Our primary concern is to meet the expectations of the jurisdictions.

BMM departments included in the kick off meeting would be:

- Project Management
- Compliance
- Service Delivery
- Business Development

We are also accustomed to organizing and running weekly status calls to review milestones, challenges and the project plan.

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

BMM prefers to complete testing in our own test labs as this will allow for greater control than testing in a third party facility. We take great time and care to ensure an optimal testing environment is maintained including area of:

- Physical security
- Employee access security
- Information Technology security
- Optimal environment set up

We currently have a full testing lab set up in our corporate office, located at 815 Pilot Road, Suite G, Las Vegas, NV.

If it was determined to be economically responsible, we are prepared to open a local office in Colorado to complete all required testing and to further facilitate optimal client communication activities. BMM commits to working with the Division to determine if a local lab is required based on the volume of services required.

Although we prefer to test within our own facilities we also understand there are instances when that is not possible and we can work within a third party facility. We would ensure the facility is in compliance with our facility requirements, specifically focusing on security measures.

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?

BMM believes that vendors should be held to a standard performance which includes a fixed testing turnaround time. BMM delivers client value through our engagement model, including completing projects on time and meeting all key performance indicators which are agreed upon with our clients.

It is our experience that it is suitable for the market to determine acceptable levels of timeliness for testing laboratory performance on first pass testing. The market is often basing those requirements on the full scope of the project and from our experience reasonable timelines are requested.

As a fully scalable organization, we do not charge premiums on our services to provide faster turnaround times. We pride ourselves on maintaining a high level of communication and business engagement with our clients which enables us to understand their needs for today and any work that may become urgent in the future. BMM understands that while our clients keep us as well informed as possible, there are occasions when timeframes will need to be adjusted or compressed. BMM will delivery those services within the time and within our standard testing fees.

Below is an example of our testing timeframes.

PROJECT TYPE	FROM:	TO:	NOTES:
New Game	2 weeks	3 weeks	First Pass Evaluation
New Game + Hardware	3 weeks	4 weeks	First Pass Evaluation
New Game + OS	3 weeks	4 weeks	First Pass Evaluation
New Game + HW + OS	3 weeks	4 weeks	First Pass Evaluation
New System	3 weeks	4 weeks	First Pass Evaluation
Previously Certified System	2 weeks	3 weeks	Depending on level of modification

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.

BMM understands the need and reasoning the Division would like their approved vendors to be in close proximity with a physical location in or close to Golden, Colorado. As a global organization, we are accustomed to managing client needs from both afar and within the same geographical area. In order to facilitate the level of participation the Division is accustomed to, BMM is considering opening an office with testing facilities in Golden, should it be economically sustainable.

In addition, BMM senior staff is available for conference consultations via phone or video and in-person meetings as required. We anticipate regularly scheduled meetings, weekly, monthly and project status updates (*as required and agreed upon*) and being available for unscheduled meetings as the need arises both via conferencing tools and in-person.

Training and continual communication of changes, advancements and new product launches are routine activities for BMM. As we understand the importance of timely and thorough briefing of new products, BMM will keep the Division well-informed of all new products in-house and will provide training sessions as needed. We will work directly with the Division to develop preferred methods of communications, report styles and effective means for the Division to provide feedback and involvement in the testing phases.

An area of strength with BMM is our ability to remain flexible to the market needs. As our practice is to outsource only casual work, all standard resources needed by the Division are available and scalable in a moment's notice. Geographically speaking, while we will have a team assigned to work in Colorado, we also have a larger team throughout North America

that we can leverage for additional work with the Division as required and without a premium charge.

- 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.**

BMM believes that performance measurement is a key element in providing excellent client service as well as ensuring compliance with all regulatory items. We recommend a formal KPI document be drafted that includes all required performance indicators such as:

- Testing timelines
- Critical incident response time
- Reporting
- Evaluation of accuracy in scope and quoting of estimated hours
- Accurate and timely billing

BMM would anticipate quarterly meetings to review KPI's and make adjustments as identified and required.

- 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.**

BMM sets an hourly rate of between \$115 and \$130 per hour, based on the scope of the work. We prefer to work on an hourly rate fee schedule as we have no control over the quality submitted to us and it is our experience having an hourly rate fee schedule is more beneficial to the client.

Although that is our standard billing practice we are able to provide a fixed fee schedule which would be comprised of determining the scope and is reflective of hours combined with our hourly rate.

Upon becoming an approved vendor in Colorado, we would define the expectations of the Division to recommend the best way to bill.

- 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.**

BMM strongly believes jurisdictions should have multiple experts available to them, and their licensees. Testing, consulting, verifications, inspections, and certainly forensics all benefit from multiple resources and companies who perform these types of services. The more information the agency charged with regulating a market has the better equipped that agency is in making the decisions, and ensuring the industry is working within the statutes, rules and regulations.

Clearly there are benefits and challenges for our clients associated with multi-vendor testing, specifically to ensure accuracy and budgeting and managing costs. We believe the process we have created with relevant check points maximizes the use of previously completed work while minimizing risk of errors. As an example of how our process works we would like to offer the following scenario.

If BMM has tested a product for another jurisdiction and that same product is submitted for transfer to other jurisdictions, the first step that is completed is a GAP Analysis of the relevant jurisdictions technical standards and a test plan created to only test the gaps. For example, if a product was tested by BMM to the Standards used in one jurisdiction, we would perform a gap analysis related to the other jurisdiction, which may not be necessarily higher or stricter but they may be more detailed and specific. The areas that testing is to be performed i.e. volatility requirements, communications would need to be tested, but the majority of testing would be transferable.

For a game that was previously tested by another Colorado Gaming authorized lab, and the product was approved and deployed by that authorized lab and the manufacturer submitted modifications to BMM for testing, we would completely test the modifications, regression test the software appropriately and refer to the previously approved certification reports in our letters so the trail is easily traceable to the regulatory and compliance bodies.

We believe it is in the best interest of the Division to have more than one vendor for their testing needs. The benefits of having the option to engage with multiple vendors include:

- **Multiple channels:** It is beneficial to have multiple channels for testing, specifically for tight turnaround times, differing product lines and premium games.
- **Pricing integrity:** Multiple vendors will ensure competitive pricing is offered for all testing
- **Regulatory capture:** With only one vendor available to the Division, there is a risk in the event that vendor can no longer complete the work or is no longer offering the services

- Vendor accountability: As in other markets, having multiple vendors provides added accountability for the vendor and promotes an increased level of client service and engagement
- Access to multiple consulting and opinions: Having multiple subject matter experts readily available is a benefit for the Division and they may be presented different options from which to choose
- Forensic evaluation reliability: Should a forensic evaluation need to be conducted, it would be a best practice to engage with a vendor that did not complete the initial work.

We recognize there may be some perceived challenges working with multiple vendors, including:

- Managing certification reports – Although this may be a challenge, if the Division supplies all vendors with a template that we must comply with, that will eliminate that challenge.
- Managing multiple point of entry into the database: This can be a challenge that may be overcome by clearly identify points entry of the report and the output file from our database into the Division's database. All vendors would need to comply with Colorado's data migration rules.
- Managing interpretations of technical standard, internal controls, authorized products, etc: With having the benefit of multiple opinions also comes the challenge of determining the advice and interpretations to follow. Essentially, we feel it is not up to the independent lab to be the final say but rather to simply offer the findings, share opinion and document the opinion.
- Overly competitive pricing resulting in poor quality. Some may argue that by having several bidders, the vendors will be offering the lowest pricing but can do so by cutting corners and not ensuring complete reliability and integrity of the work. We believe that as a licensed test labs, our global credibility is our main focus. BMM values our integrity and ability to provide the best services at a cost effective rate. We further believe that a multiple vendor structure helps to facilitate attention to detail and offering top notch services rather than undermining it.

The cost benefits will also stem from BMM's ability to recognize and accept results from other test labs. From our experience it saves our clients time and money without sacrificing integrity or results for our clients.

Having test labs that hold the appropriate ISO accreditation should provide the Division with an increase sense of comfort and reliability of test results.

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.**

BMM has been testing globally for more than 30 years. We currently hold hundreds of licenses and/or authorizations to conduct testing and deliver certifications for gaming equipment all around the world, including more than 270 jurisdictions in North America. Our continued growth and success depends upon maintaining our good standing with all regulatory bodies. We conduct ourselves with the utmost level of integrity, impartiality and transparency with regulators. While we cannot speak for other vendors, manufacturers/distributors practices, BMM holds our licenses in great value and would not jeopardize our business, reputation or market position by engaging in forum shopping. Additionally, due to the fact that as a licensed ISO certified test lab, we would not condone, encourage or engage in forum shopping practices.

Should the Division be concerned of lab shopping due to currently working in a sole sourced environment, BMM's experience is that a multi-vendor environment does not encourage lab shopping or compromise the integrity of testing. It is our experience that manufacturers elect to use the services of qualified and accredited test labs in the same manner that manufacturers and operators select from vendors for other products and services. Criteria for making a selection from qualified testing vendors include many factors beyond pricing such as, convenience of physical location, knowledge of staff, timing of queue to conduct testing and client service from the staff. These are very similar criteria used by most businesses when choosing vendors for other professional services available to casino operators, including qualified attorneys, accounting firms, engineering professionals, IT consultants and gaming equipment manufacturers. A review of several jurisdictions' rules reveals no on-point regulations for restricting the selection of a qualified professional service vendor. In fact, a best business practice usually requires purchasing agents to procure three bids from qualified vendors. Prevailing business practices support a multiple supplier approach to avoid a serious problem in a business' supply chain.

To date, BMM knows of no instance where such forum shopping has occurred or has been alleged to have occurred. BMM is confident and we stand by our product evaluations.

BMM's processes, procedures and records are always subject to review by regulators should any situation occur which indicates that the appropriate level of review was not performed.

Additionally, BMM has an active compliance committee led by an external chairman, Steve DuCharme, former chairman of the Nevada Gaming Control Board. The committee is tasked with exploring all aspects of BMM operations, which would include identifying any lab shopping incidents. We have included a copy of our Compliance Mandate and Charter in

APPENDIX 8.

As a testing and certification professional services firm, BMM has never been sued by a regulatory body and has never had to utilize its "Directors and Officers" professional liability

policy to settle a claim by a regulatory body. We believe this is an affirmation of our commitment to always uphold our high business ethics and integrity.

Arguably, there is no licensed gaming company that would establish a pattern and practice to put their license at risk. Revocation of licensing would likely have a cascading effect. Creating new regulations could prove a challenging effort when attempting to articulate an inappropriate practice that is not seen as part of best business practices when engaging with qualified vendors. If it is not the selection of a vendor that is deemed to be the issue but rather the results of the product testing, it can be said that a mechanism already exists for the regulator to investigate when gaming products malfunction. To further examine the products approved by a jurisdiction, a more granular view would be to examine the products subsequently recommended for being revoked or made obsolete.

Beyond trusting the certified vendors to work within their business ethics, when drafting a structure, the Division may want to consider including a submission process with an auditable paper trail and a requirement for vendors to notify all approved Colorado testing vendors of the testing they are performing for manufacturers / distributors. BMM would anticipate regulations being drafted and put in place to ensure forum shopping does not occur which we would comply with at all times.

We welcome the opportunity to work with the Division to establish a procedure which addresses any existing concerns associated with vendor selection for services.

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

BMM welcomes the opportunity to participate in a cooperative process with the Division as well as all other qualified test laboratories to streamline ITL process for the benefit of the Colorado Division of Gaming. This could include a range of activities including proper formatting of certification information or discussions or procedures in regards to issues the Division feels needs to be addressed. As in all other ITL environments around the country and the world, we are here to serve the Division as required. Cooperation is critical in this regard. We look forward to future conversations with Division.

Appendix 1

BMM North American License List

Appendix 2

A2LA ISO Accreditations

Appendix 3

Employee Résumés

Appendix 4

Policies, Programs & Procedures

Appendix 5

The BMM Way

Appendix 6

Sample Test Scripts

Appendix 7

Security and IT Policies

Appendix 8

Compliance Committee Program Mandate

Appendix 9

Sample Forensic Report

Appendix 10

Standard Training Outline

Appendix 11

Sample Reports including:

- Bubble Report
- DIRT Report
- Status Report
- Jurisdiction Submission Report

Appendix 12

Boat Manual

EXHIBIT E – AFFIDAVIT OF NON-CONFLICT OF INTEREST

As an employee, officer, staff member or sub-contractor of BMM North America, INC dba BMM Testlabs, 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

Martin Storm

Print Name

President/CEO

Title

3 July 2013

Date

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