

AGREEMENT OF SALES OF MARYLAND LOTTERY TICKETS

THIS AGREEMENT IS BY AND BETWEEN THE STATE OF MARYLAND LOTTERY AGENCY, HEREINAFTER REFERRED TO AS "AGENCY" OR "LOTTERY" AND THE BUSINESS ENTITY SHOWN ON THE FRONT OF THIS APPLICATION HEREINAFTER REFERRED TO AS "RETAILER." THE DIRECTOR OF THE LOTTERY HAS, AS ONE OF ITS RESPONSIBILITIES, IN ACCORDANCE WITH MD CODE ANN, ST GOV'T ART §9-112 (THE MARYLAND LOTTERY LAW) COMAR 14.01.02.02 (LOTTERY REGULATIONS), THE AUTHORITY TO SELECT RETAILERS FOR THE SALE OF MARYLAND LOTTERY TICKETS AND TO ENTER INTO AGREEMENTS WITH PERSONS AND TO PAY SUCH PERSONS A COMMISSION FOR THEIR SALES ACTIVITIES.

In consideration of the foregoing recitals and of the mutual promises hereinafter set forth, and intending to be legally bound, the Retailer hereto agrees to the following:

Sales:

Retailer agrees to sell Maryland Lottery products and to provide all required claim services including the payment of all valid non-jackpot winners and to provide all proper prize validation. Retailer agrees not to sell to any person less than eighteen (18) years of age. Retailer agrees to abide by all provisions of the Maryland Lottery Law, its rules and regulations, procedures and instructions that are now in effect or which hereinafter may be issued.

Retailer agrees to complete claim forms for Lottery winners and properly record and transmit said claim forms to the Lottery.

Warranty of Financial Responsibility:

Retailer warrants that it is financially responsible and is not in bankruptcy at the time this Agreement is executed and that all Maryland tax liabilities are current. Retailer agrees that it will provide evidence in support of such fact upon demand by the Lottery.

At the option of the Lottery, Retailer may be required to provide, as a condition of the license or any renewal hereof, a Surety Bond, Irrevocable Letter of Credit or other surety satisfactory to the Lottery.

Retailer Fiduciary Responsibility:

The Retailer signatories and all responsible owners and officers acknowledge and agree that with respect to the proceeds from Lottery sales, it acts in a fiduciary capacity for the Lottery until such funds are received by the Lottery as required. Failure to properly account for and remit such funds to Lottery will subject Retailer/signatories to penalties of law. Retailer accepts financial responsibility for all Lottery instant ticket inventory. Any losses of this inventory will be borne by Retailer. Retailer agrees to be personally liable to make proper settlement with the Maryland Lottery.

All receipts from the sale of tickets, less authorized deductions including payouts to winners, Retailer's commission, fees associated with the maintenance of the account, and money kept on Retailer's premises to pay winning tickets, must be deposited in Retailer's bank account. Funds in the account must be accessible by Lottery at all times, without limitation. Retailer also agrees to make prompt settlement and to pay all those amounts due and owing according to procedures established by the Lottery and incorporated by reference thereto.

Retailer understands and agrees that Retailer is personally liable for all funds generated through Lottery sales until such funds are paid to and received by the Lottery as required.

Records:

Retailer agrees to maintain current and accurate records, in conformance with generally accepted accounting principles, of all transactions dealing with Lottery ticket sales and prize payouts and to retain all accounting records including, but not limited to, bank statements and cancelled checks for a period of not less than three (3) years. All records required to be maintained by Retailer shall be available to representatives of the Lottery, upon request, for inspection and audit.

Independent Contractor Status:

Retailer agrees that for proceeds from Lottery sales, it shall render its service under this Agreement as an independent contractor and, as such, further agrees that any contractual, tortious, or other liability it may incur in connection therewith shall be its sole responsibility. Director may not issue a license to a person or governmental unit to engage in business primarily as a licensed Lottery Retailer.

Workers' Compensation Insurance:

Retailer shall continue to carry in effect the workers' compensation insurance required under Maryland State law for the duration of the time that Retailer is licensed by the Maryland State Lottery Agency.

http://www.wcc.state.md.us/Adjud_Claims/Forms.html#ICandR_forms

Installation:

Retailer agrees, at its own expense, to provide electrical service as required for the installation of all Lottery equipment. Retailer agrees that it is responsible for loss or damage in excess of normal wear and tear to equipment installed for Lottery sales and to report any "out of order" conditions to the Lottery in accordance with current Lottery procedures.

Notice of Business Changes:

Retailer agrees to give the Lottery a minimum of thirty (30) days advance notice of Retailer's intent to: sell the business, cease operations of business, move to a new location, substantially change ownership, change type of primary business, or any event which alters Retailer's financial condition or any information disclosed in this Agreement.

Agreement Non-Transferable:

This Agreement is non-transferable. Any assignment shall constitute a breach of this Agreement.

Sole Business:

Retailer warrants that pursuant to MD Code Ann State Gov't Art. §9-112 it is not in business primarily selling Lottery products.

Equipment, Ticket Stock and Supplies:

All equipment, manuals, tapes, cards, computer printouts, ticket stock, signage and other items furnished to Retailer in connection with its functions as Retailer shall remain, at all times, the sole property of the Lottery or its vendors. It is further understood that such equipment is not leased by Retailer but is in Retailer's custody solely as a seller of Lottery products, and such equipment shall be surrendered upon termination of this Agreement. Retailer shall acquire no interest whatsoever in the equipment.

Term of Agreement/Terminations:

The Commission may suspend or revoke a license on the recommendation of the Director.

Regulations:

Retailer recognizes its obligation to remain informed of and comply with all Lottery regulations related to Retailers, including but not limited to COMAR 14.01.04.

Indemnification:

Retailer shall indemnify and hold harmless the State of Maryland and its officers, agents and employees or any of them from any and all claims, demands, actions or liability (including, but not limited to, consequential damages and reasonable attorney's fees) of any nature based upon or rising out of: 1) Any services performed by Retailer, its agents or employees, except such services as are properly performed at the express direction of the Lottery, 2) the use by Retailer of any copyrighted or un-copyrighted composition, security deed, process, patented invention, article or appliance furnished or used in the performance of any service under the agreement, or 3) the negligent or equally or more culpable, conduct by Retailer, its agents, subcontractors and/or employees during the term of or in connection with the performance of the agreement. At the request of the Lottery, Retailer shall defend any and all action brought against the State based upon any of the above-referenced claims or demands.

Waiver:

The failure of the Lottery to insist upon strict adherence to any term of this Agreement shall not be considered a waiver or deprive the Lottery of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

Americans With Disabilities Act (ADA):

Retailer agrees that local, state and federal accessibility laws may apply, and that Retailer will comply with Agency directives with respect to the ADA as a condition of its license.

Race Codes:

Please indicate if any of the applicants are of Hispanic or Latino origin with Race Code: 6

1. American Indian or Alaska Native
2. Asian
3. Black or African American
4. Native Hawaiian or other Pacific Islander
5. White
6. Hispanic or Latino origin

An applicant may indicate that they belong to more than one ethnic group by writing in the additional race codes in appropriate box next to their name(s).