

DEPARTMENT OF REVENUE

Colorado Lottery

LOTTERY RULES AND REGULATIONS

1 CCR 206-1

RULE 10.A ~~COLORADO LOTTERY IN-STATE JACKPOT~~

GAME "~~COLORADO~~ LOTTO"

BASIS AND PURPOSE ~~OF FOR AMENDED~~ RULE 10.A

The purpose of ~~Amended~~ Rule 10.A is to provide ~~specific game~~ details and requirements for the Colorado Lottery ~~In-State~~ Jackpot Game "~~LColorado Lotto~~OTTO" such as ~~sale of Tickets, type of play, payment of Prizes, and method for~~ selecting ~~and validating~~ winning ~~Tickets numbers, drawings, and the allocation of revenues~~. The statutory basis for Rule 10.A is found in C.R.S. 44-40-109 (1)(a) and (2), 44-40-113 and 44-40-114.

10.A.1 General Provisions

~~A Colorado Lottery The In-State~~ Jackpot ~~G~~game to be known as "~~Lotto~~Colorado Lotto" shall be ~~conducted~~ ~~is authorized to be conducted pursuant to by~~ the ~~Director under the~~ following Rules and Regulations and under such further instructions and directives as the ~~Colorado Lottery~~ Director ~~and Colorado Lottery Commission~~ may issue ~~in furtherance thereof~~. If a conflict arises between Rule 10 ~~In-State Jackpot Lottery Games~~ and this ~~Amended~~ Rule 10.A, ~~Amended~~ Rule 10.A shall apply.

10.A.2 Definitions

In addition to the definitions provided in ~~Paragraph section~~ 1.2 of Rule 1 ~~General Rules Regulations, and Definitions~~ and ~~section 10.2 of Rule 10 In-State Jackpot Lottery Games, and unless the context in this Amended Rule 10.A otherwise requires:~~

~~A. "Base contribution" means an amount contributed to the Jackpot prize category in order to fund the initial drawing.~~

~~B.A. "Game Board" means that area of the Play Slip where the grid contains a field of the forty (40) squares, numbers one (1) through forty (40), numbers found on the play slip.~~

~~C. "Direct Prize Category Contribution" means a percentage of net sales allocated to the prize categories as described in Paragraph 10.A.5.c.~~

~~D. "Indirect Prize Category Contribution" means a discretionary contribution authorized by the Director allocated to the prize categories as described in Paragraph 10.A.5.c. However, the total discretionary indirect prize category contributions shall not allow the game to pay out more than an additional 5.0% of sales in prizes in any single fiscal year. Unclaimed prizes will not be considered in this calculation.~~

~~E.B. "Jackpot Prize" means a pari-mutuel Pprize that is advertised to be paid with per-winner annuities or as a lump sum cash payment, unless otherwise specified by the Lottery.~~

~~F. "Jackpot Game Shares" means the total number of matching combinations within each prize category as determined for each drawing.~~

~~G.C. "Number" means any playPlay integer from one (1) through forty (40) inclusive.~~

H.D. "Play" means the six (6) numbers selected on each Game Board and printed on the Ticket.

I. ~~"Play slip" means a mark sense game card used by players of Lotto to select plays. There shall be ten game grids, or boards, on each play slip identified as A, B, C, D, E, F, G, H, I, and J. A play slip has no pecuniary value and shall not constitute evidence of ticket purchase or of numbers selected.~~

J. ~~"PATP Terminal" or Play at the Pump Terminal" means a gasoline pump having the capability to sell PATP Tickets.~~

K. ~~"PATP Ticket" means a Quick Pick Jackpot Game Ticket issued electronically by a Jackpot Game Licensee to a player via a Play at the Pump Terminal, which item(s) or group of number(s) are electronically associated to the debit card used by the Player to purchase the ticket. The receipt for the purchase of the PATP Ticket is only a receipt for the Player's records. The receipt does not constitute a Jackpot Game Ticket and shall not be used to redeem any prize.~~

L.K. ~~"PATP Validation" means the process of determining whether a Player's debit card has a winning Jackpot Game Ticket associated with it.~~

M.L. ~~"Roll-over" means the amount from the direct pPrize Ccategory contribution from previous Ddrawing(s) in the first Jackpot Pprize (Jackpot) Ccategory that is carried forward to the first Jackpot Pprize Ccategory (Jackpot) for the next Ddrawing.~~

10.A.3 Price of "LottoColorado Lotto" Ticket

The price of each LottoColorado Lotto Playplay shall be Two Dollars (\$24.00), ~~but may be adjusted at the Director, or designee's, discretion.~~

10.A.4 Play for "LottoColorado Lotto"

~~A. Type of play: A LottoColorado Lotto player must select six (6) numbers perin each Pplay; six (6) numbers out of forty (40). A winning Pplay is achieved only when the following combinations of numbers selected match, in any order, three (3), four (4), five (5), or six (6) of the winning Nnumbers drawnselected by the player match, in any order, the six winning numbers drawn by the Lottery.~~

~~B. The player can use Play Slips, as described in Section 10.A.8.C to make number selections. The Jackpot Gaming Terminal reads the Play Slip and issues a Ticket with corresponding Play(s). If a Play Slip is not available, the Licensee may enter the selected numbers via the keyboard. If offered by the Lottery, a player may leave all or a portion of his/her Play selections to a random number generator operated by the computer, commonly referred to as a Quick Pick or partial Quick Pick.~~

~~Each Ticket has a randomly selected multiplier value of 2X, 3X, 4X, or 5X that applies to all non-jackpot Prizes.~~

~~A. Method of play:~~

~~1. Manual The Jackpot Game retailer may enter the player's selected numbers via the keyboard on the Jackpot Game terminal.~~

~~2. Play Slip The player may use an original play slip provided by the Lottery to make number selections. The Jackpot Game terminal will read the play slip and issue a ticket with corresponding plays.~~

~~a. Facsimiles of play slips, copies of play slips, or other materials that have not been printed or approved by the Lottery shall not be used to enter a play.~~

- b. ~~No device shall be connected to a Jackpot Game terminal to enter plays, except as may be approved by the Lottery.~~
 - c. ~~Unapproved play slips or other devices may be seized by the Lottery.~~
 - d. ~~The play slip must be marked by hand. Machine printed play slips used to enter plays must be approved by the Director. Unapproved machine printed play slips may be seized by the Lottery.~~
 - e. ~~Nothing in this regulation shall be deemed to prevent a person with a physical disability who would otherwise be unable to mark a play slip manually from using any device intended to permit such person to make such a mark (for his/her sole personal use or benefit).~~
3. ~~Quick Pick—The Jackpot Game retailer can create ticket(s) using the Jackpot Game terminal where the play has been created using a random number generator operated by the Jackpot Game terminal.~~
 4. ~~Partial Quick Pick—A player may leave a portion of his/her play selections to a random number generator operated by the Jackpot Game terminal. The partial quick pick option can be used with a play slip or manual entry by the retailer.~~

10.A.5 Prizes For “LottoColorado Lotto”

A. ~~The Jackpot Prize shall be determined on a pari-mutuel basis. The Prize money allocated to the Jackpot Prize Category shall be divided equally by the number of Plays matching all six (6) of the winning Numbers. All other Prizes awarded shall be paid as set Prizes with the following odds of winning a Prize. The prize amounts for each drawing paid to each Lotto player who selects a matching combination of numbers will vary due to a pari-mutuel calculation. The prize amounts are based on the total amount in the prize category for that Lotto drawing distributed equally over the number of matching combinations in each prize category.~~

<u>WINNING COMBINATIONS</u>	<u>BASE PRIZE CATEGORY</u>	<u>2X PRIZE CATEGORY</u>	<u>3X PRIZE CATEGORY</u>	<u>4X PRIZE CATEGORY</u>	<u>5X PRIZE CATEGORY</u>	<u>ODDS OF WINNING</u>
<u>All six (6) numbers in a Play</u>	<u>Jackpot</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>1 in 3,838,380</u>
<u>Any five (5) numbers in a Play</u>	<u>\$250</u>	<u>\$500</u>	<u>\$750</u>	<u>\$1,000</u>	<u>\$1,250</u>	<u>1 in 18,816</u>
<u>Any four (4) numbers in a Play</u>	<u>\$25</u>	<u>\$50</u>	<u>\$75</u>	<u>\$100</u>	<u>\$125</u>	<u>1 in 456</u>
<u>Any three (3) numbers in a Play</u>	<u>\$3</u>	<u>\$6</u>	<u>\$9</u>	<u>\$12</u>	<u>\$15</u>	<u>1 in 32</u>
<u>MULTIPLIER ODDS</u>	<u>N/A</u>	<u>1 in 2</u>	<u>3 in 10</u>	<u>1 in 10</u>	<u>1 in 10</u>	<u>N/A</u>
<u>OVERALL ODDS</u>						<u>1 in 30</u>
<u>MATCHING COMBINATIONS</u>		<u>PRIZE CATEGORY</u>		<u>ODDS OF WINNING (ONE PLAY)</u>		

All six matching numbers in one play	First Prize (Jackpot)	1: 5,245,785
Any five but not six matching numbers in one play	Second Prize	1: 24,286
Any four but not five or six matching numbers in one play	Third Prize	1:555
Any three but not four, five, or six matching numbers in one play	Fourth Prize	1: 36

A.B. The projected aggregate prizes as a percentage of sales for ~~Lotto~~ "Colorado Lotto" is ~~fifty-five (55.5%)~~ Fifty-two and Seven-tenths Percent (52.7%). This projection does not include unclaimed prizes.

B.C. Prize Categories

1. ~~First Jackpot~~ Prize ~~(Jackpot)~~ – The Jackpot will start ~~each time~~ at an annuitized ~~future~~ value of ~~at least One Million Dollars (\$1,000,000) million~~ for the first ~~drawing~~ Drawing after it is won. The total ~~Prize~~ category Category contribution for a ~~drawing~~ Drawing may include the following:
 - a. A direct ~~Prize~~ category Category contribution of twenty-five percent (25%) of ~~net sales~~ Net Sales for the ~~drawing~~ Drawing, which may be adjusted as authorized by the ~~D~~director.
 - b. A base contribution of \$500,000. The ~~Lotto~~ "Colorado Lotto" base contribution may be adjusted as authorized by the Director if increased sales warrant a higher starting jackpot.
 - c. A roll-over contribution as defined in Paragraph 10.A.2. ~~Ej~~ of this Rule 10.A.
 - d. An indirect ~~prize~~ Prize category Category contribution authorized by the Director.
2. Second Prize – The second ~~prize~~ Prize category Category may include the following:
 - a. ~~The set base prize amount (\$250) times the number of Shares for the Prize Category. A direct prize category contribution of two percent (2%) of the net sales for the drawing.~~
 - b. An indirect ~~prize~~ Prize category Category contribution as authorized by the Director.

A ~~prize~~ Prize amount Amount shall be calculated by ~~multiplying the base prize amount (\$250) times the multiplier value displayed on the winning ticket, dividing the prize category contribution by the number of shares for the prize category. A share is the matching combination, in one play, of any five of the six numbers drawn (in any sequence).~~
3. Third Prize – The third ~~prize~~ Prize category Category may include the following:
 - a. ~~The set base prize amount (\$25) times the number of Shares for the Prize Category. A direct prize category contribution of seven and one-half percent (7.5%) of the net sales for the drawing.~~
 - b. An indirect ~~prize~~ Prize category Category contribution as authorized by the Director.

A ~~prize~~ Prize amount Amount shall be calculated by ~~multiplying the base prize amount (\$25) times the multiplier value displayed on the winning ticket, dividing the prize category contributions by the number of shares for the prize category. A share is the matching combination, in one play, of any four of the six numbers drawn (in any~~

~~sequence).~~

4. Fourth Prize – The fourth ~~prize~~Prize ~~category~~Category may include the following:
 - a. ~~a. The set base prize amount (\$3) times the number of Shares for the Prize Category~~A direct prize category contribution of ten percent (10%) of the net sales for the drawing.
 - b. An indirect ~~prize~~Prize ~~category~~Category contribution as authorized by the Director.

~~A prize amount shall be calculated by dividing the prize category contributions by the number of shares for the prize category. A share is the matching combination, in one play, of any three of the six numbers drawn (in any sequence).~~

A Prize Amount shall be calculated by multiplying the base prize amount (\$3) times the multiplier value displayed on the winning ticket

5. Additional Lottery Prizes may be awarded as authorized by the Director from the Indirect Prize Category contribution.
- ~~6. All prize amounts will be rounded down to the nearest dollar except that no prize amount shall be less than one dollar (\$1).~~

10.A.6 Payment of Prizes

- A. The holder of a winning ~~ticket~~Ticket may win only one ~~prize~~Prize per ~~play~~Play in connection with the winning ~~N~~Numbers drawn and shall be entitled only to the highest ~~P~~prize ~~C~~category won by those ~~N~~Numbers.
- B. Players will be given the option of receiving their ~~share~~Share of the ~~first-Jackpot P~~prize ~~(Jackpot)~~ over a period of ~~twenty-five (25)~~ years through a fixed progressive ~~twenty-five (25)~~-year annuity with the initial payment made by the Lottery on the date of claim and ~~twenty-four (24)~~ additional payments made yearly on the anniversary of the first payment, or a one-time lump sum payment equal to fifty percent (50%) of their ~~share~~Share of the annuitized ~~jackpot~~Jackpot Prize A amount.
- C. The annuitized future value of the ~~first~~ ~~(Jackpot) P~~prize ~~C~~category shall be twice the cash value of the total ~~Jackpot P~~prize ~~C~~category contribution as defined in ~~Paragraph section~~ Paragraph section 10.A.5.c.1.
- D. To determine the annuitized future value of each ~~jackpot share~~ ~~(prize~~Prize ~~amount~~Amount), the annuitized future value of the ~~P~~prize ~~C~~category is divided by the ~~shares~~Shares. A ~~S~~share is the matching combination, in one ~~play~~Play, of all six numbers drawn (in any sequence).
- E. If the annuitized future value of each ~~jackpot share~~ ~~(prize~~Prize ~~amount~~Amount) results in an initial ~~or first~~ payment of ~~Ten T~~housand ~~D~~ollars (\$10,000) or more and the annuity option has been selected, the ~~prize~~Prize ~~amount~~Amount shall be a fixed progressive ~~twenty-five (25)~~-year annuity. The initial annuity payment shall be paid by the Lottery at the time of claim and be 2.5% of the future value of the annuity. Each subsequent annual payment; ~~(#two (2))~~ through ~~twenty-five~~(25) shall increase by 3.7% of the previous annual payment.
- F. Players who select the annuitized payment shall have the ability to change their ~~prize~~Prize payment selection from annuitized payment to lump sum payment for up to ninety days (90) from the original date of claim. This period may be extended at the discretion of the Director or ~~the Director's~~ designee. If a player chooses the lump sum payment after the initial annuitized payment is made to the player by the Lottery, the player will receive the remaining amount of the original cash value ~~prize~~Prize, less taxes, in a single second payment.
- G. If the annuitized future value of each ~~jackpot share~~ ~~(prize~~Prize ~~amount~~Amount) results in an initial ~~or first~~ payment of less than ~~Ten T~~housand ~~D~~ollars (\$10,000) the annuity option will not be allowed and the ~~prize~~Prize ~~amount~~Amount will be paid in one ~~(1)~~ payment.

10.A.7 Drawings

- A. The "Colorado Lotto" Drawings shall be held twice each week on Wednesday and Saturday evenings, unless the Drawing schedule is changed by the Lottery. In the event of an act of Force Majeure the Drawing shall be rescheduled at the discretion of the Director or designee.
- B. The Drawings will be conducted by Lottery officials and comply with all Colorado Lottery Statutes, Rules and Regulations, and Drawing Guidelines.
- C. Each Drawing shall determine, at random, six (6) winning Numbers in accordance with Drawing guidelines. Any Numbers drawn are not declared winning Numbers until the Drawing is certified by the Lottery in accordance with section 10.A.7.E. The winning Numbers shall be used in determining all "Colorado Lotto" Prize Winners for that Drawing. If a Drawing is not certified, another Drawing will be conducted to determine certified Prize Winners.
- D. Each Drawing shall be witnessed by an independent auditor as required in C.R.S. 44-40-109(2)(d). All Drawing equipment used shall be examined prior to and immediately after, a Drawing. All Drawings, inspections, and tests shall be recorded.
- E. A Drawing shall not be invalidated because the numbers drawn create excessive Prize liability for the Lottery.

10.A.710.A.8 Sales of Tickets-Purchases

- A. ~~Lotte~~"Colorado Lotto" Tickets may be purchased ~~only~~ from a Lottery retailer Licensee authorized ~~by the Director~~ to sell In-State Jackpot ~~T~~Game tickets.
- B. ~~Lotte~~"Colorado Lotto" Tickets shall show, at a minimum, the ~~numbers~~ player's selection of numbers, the ~~boards~~ number of Plays, the ~~drawing~~ Drawing date, and Validation and reference numbers.
- C. Plays may be entered manually using the Jackpot Gaming Terminal keypad or by means of a Play Slip provided by the Lottery. Facsimiles of Play Slips, copies of Play Slips, or other materials which are inserted into the Jackpot Gaming Terminal's Play Slip reader and which are not printed or approved by the Lottery shall not be used to enter a Play. No device shall be connected to a Jackpot Gaming Terminal to enter Plays, except as may be approved by the Lottery. Unapproved Play Slips or other devices may be seized by the Lottery.
 - 1. All Plays shall be marked on the Play Slip by hand. No machine-printed Play Slips shall be used to enter Plays. Machine-printed Play Slips may be seized by the Lottery. ~~The Lottery shall not directly and knowingly sell a combination of tickets to any person or entity that would guarantee such purchaser a win.~~
- D. "Colorado Lotto" Tickets may not be cancelled.

A player may cancel a ticket and receive a refund of the purchase price for any draw provided the following criteria are met:

 - 1. The legible ticket is returned to the Jackpot Game retailer from whom the player purchased;
 - 2. It is returned within one (1) hour of purchase;
 - 3. The retailer is open;
 - 4. The Jackpot Game system is available for wagering; and
 - 5. The Jackpot Game system has not converted to the next drawing period.

~~6. PATP transaction cannot be cancelled after purchase.~~

~~10.A.8 Drawings~~

- ~~A. The Lotto drawings shall be held as scheduled by the Director and as indicated in the Drawing Guidelines. In the event of an act of Force Majeure the drawing shall be rescheduled at the Director's, or the Director's designee, discretion.~~
- ~~B. The drawings will be conducted by Lottery officials and comply with Colorado Revised Statutes.~~
- ~~C. Each drawing shall determine, at random, six winning numbers in accordance with Drawing Guidelines. Any numbers drawn are not declared winning numbers until the drawing is certified by the Lottery in accordance with paragraph 10.A.8d. The winning numbers shall be used in determining all Lotto winners for that drawing. If a drawing is not certified, another drawing will be conducted to determine actual winners.~~

~~The drawing shall not be invalidated based on the liability of the Lottery.~~

~~10.A.9 Advance Play~~

~~Advance Play provides the opportunity to purchase "Colorado Lotto" tickets for more than one (1) consecutive drawing. Advance Play tickets shall be available for purchase in variable increments. The Advance Play feature shall be available at the discretion of the Lottery Director.~~

~~10.A.10 Licensee Commission~~

- ~~A. In addition to the six percent (6%) Commission or three percent (3%) commission for PATP Terminals, set forth in Paragraph 10.13 of Rule 10, the Director may provide such additional compensation to the licensees as is deemed appropriate by the Director to further the sale of Lotto tickets, so long as such additional compensation is made equally available to all licensees and does not exceed a total of seven tenths of one percent (0.7%) of the total amount received by the Division from all Lotto tickets sold or disbursed as of the date the Director determines to provide such additional compensation. The seven tenths of one percent (0.7%) described above shall consist of the following:~~
- ~~1. Two tenths of one percent (0.2%) of sales from Lotto tickets lawfully sold or disbursed by a Jackpot Game retailer shall be accrued to pay Jackpot Game retailers a one percent (1%) cashing bonus for each Lotto prize redeemed by retailers up to and including \$599.99. A cashing bonus for an automatically validated winning PATP Ticket shall be paid to the vendor administering the sale of the winning PATP Ticket and not the licensee.~~
 - ~~2. Up to one half of one percent (0.5%) of sales from Lotto tickets lawfully sold or disbursed by a Jackpot Game retailer shall be accrued to pay Jackpot Game retailers a marketing performance bonus.~~
- ~~B. In order to receive the marketing performance bonus, each Jackpot Game retailer must meet the following criteria:~~
- ~~1. A retailer must be a licensed retailer on the date the marketing performance bonus is declared;~~
 - ~~2. A retailer must meet or exceed the requirements of the Marketing Performance Bonus Plan for the period for which the marketing performance bonus is declared; and~~
 - ~~3. The requirements of the Marketing Performance Bonus Plan to be met by Jackpot Game retailers shall be established by the Lottery Director or his/her designee.~~
- ~~C. In the event there is a residual resulting from the accrual of the seven tenths of one percent~~

~~(0.7%) of sales after the bonuses described in 10.A.10.a.1 and 2 have been expensed, the Director may provide additional compensation to licensees as described in 10.A.10.a or may revert the excess amount thereby decreasing the bonus expense.~~

DEPARTMENT OF REVENUE

Colorado Lottery

LOTTERY RULES AND REGULATIONS

1 CCR 206-1

RULE 14.A ~~COLORADO LOTTERY~~ MULTI-STATE JACKPOT GAME, “POWERBALL®”

BASIS AND PURPOSE ~~FOR OF AMENDED~~ RULE 14.A

The purpose of ~~Amended~~ Rule 14.A is to provide ~~specific game~~ details and requirements for the Colorado Lottery Multi-State Jackpot Game “~~Powerball~~POWERBALL®” such as ~~sale of Tickets, type of play, payment of Prizes, and method for selecting and validating winning numbers~~ Tickets, drawings, and the allocation of revenues. The statutory basis for Rule 14.A is ~~foundare in~~ C.R.S. 44-40-101, 44-40-109 (1)-(a) and (2), ~~and~~ 44-40-113, and 44-40-114.

14.A.1 General Provisions

~~Amended Rule 14.A~~

- A. ~~A~~ ~~The Colorado Lottery m~~Multi-Sstate Jackpot ~~G~~game to be known as “~~Powerball~~POWERBALL®” ~~is shall be authorized to be~~ conducted pursuant to by the ~~Director~~ under the following Rules and Regulations and ~~under~~ such further instructions and directives as the ~~Colorado Lottery~~ Director and Colorado Lottery Commission may issue. ~~in furtherance thereof.~~ If a conflict arises between Rule 14 ~~Multi-State Jackpot Lottery Games~~ and this Rule 14.A, Rule 14.A shall apply. ~~If a conflict arises between this Rule 14.A and the “Powerball®” Official Game Rule provided by the Multi-State Lottery Association, the “Powerball®” Official Game Rule shall apply.~~
- B. ~~All MUSL (Multi-State Lottery Association) guidelines and MUSL Board decisions must be approved by the Colorado Lottery (hereafter referred to as Lottery) and the Lottery Commission, prior to implementation.~~
- C. ~~The Director will be a voting member of the MUSL Board during the timeframe in which the Lottery shall be a member of MUSL. The Director will also be a voting member of any MUSL Specific Product Group the Lottery joins.~~
- D. ~~At any time the Lottery Director determines that any provisions of MUSL or of MUSL’s Specific Game Playing Rules do not sufficiently provide for the security and integrity necessary to protect the Colorado Lottery, he/she shall recommend to the Lottery Commission that the Lottery end its membership with MUSL or with the specific Product Group. Upon concurrence by the Lottery Commission, membership can end at any time.~~

14.A.2 Definitions

In addition to the definitions provided in ~~Paragraph section~~ 1.2 of Rule 1 ~~General Rules, Regulations, and Definitions and and section 14.2 of~~ Rule 14 ~~Multi-State Jackpot Lottery Games;~~ and unless the context in this Rule 14.A otherwise requires:

- A. ~~“Advance Play” means the ability to purchase tickets for more than one drawing.~~
- B. ~~“Breakage” means the results of rounding prize amounts down to the nearest whole dollar.~~
- C. ~~“Drawing” means the event that occurs wherein the official “POWERBALL®” numbers are drawn.~~
- D-A. ~~“Game Board(s)” or “Board(s)” means that area of the p~~Play ~~S~~slip that contains a set of two (2)

grids. The first grid contains sixty-nine (69) squares, numbered one (1) through sixty-nine (69), and the second grid contains twenty-six (26) squares, numbered one (1) through twenty-six (26).

~~E.B.~~ "Grand Prize" means a pari-mutuel P-prize that is advertised to be paid with per-winner annuities or as a lump sum cash payment, unless otherwise specified by the Lottery.

~~F.~~ "Grid" means the area of a play slip that contains a set of numbered squares to be marked by the player.

~~G.~~ "Matching Combinations" means the numbers on a play that coincide with the numbers randomly selected at a drawing for which that play was purchased.

~~H.~~ "MUSL" means the Multi-State Lottery Association, a government-benefit association wholly owned and operated by the Party Lotteries.

~~I.C.~~ "MUSL Board" means the governing body of MUSL, which is comprised of the chief executive officer of each Party Lottery.

~~J.D.~~ "Number" means any playPlay integer from one (1) through sixty-nine (69) inclusive.

~~K.E.~~ "Play" means the six (6) numbers selected on each Game Board and printed on the Ticket.

~~L.~~ "Play slip" means a mark sense game card used by players of "POWERBALL®" to select plays. A play slip has no pecuniary value and shall not constitute evidence of ticket purchase or of numbers selected.

~~M.~~ "Prize Amount" means the pari-mutuel and/or set prize values established for a game.

~~N.~~ "Prize Category" means and refers to a specific prize within the prize pool.

~~O.F.~~ "Prize Pool" means a defined percentage of sales as specified in this rule.

~~P.~~ "PATP Terminal" or "Play at the Pump Terminal" means a gasoline pump having the capability to sell PATP Tickets.

~~Q.~~ "PATP Ticket" means a Quick Pick Ticket issued electronically by a Jackpot Game Licensee to a player via a Play at the Pump Terminal which item(s) or group of number(s) are electronically associated with the debit card used by the player to purchase the ticket. The receipt for the purchase of the PATP Ticket is only a receipt for the Player's records. The receipt does not constitute a Jackpot Game Ticket and shall not be used to redeem any prize.

~~R.~~ "PATP Ticket Validation" means the process of determining whether a Player's debit card has a winning Jackpot Ticket associated with it.

~~S.~~ "Quick Pick" or "Partial Quick Pick" means a number or numbers that are randomly generated by the computer when all or a portion of the player's selections have been left blank.

~~T.~~ "Roll over" means the amount from the direct prize category contribution from previous drawing(s) in the Grand Prize category, that is not won, that is carried forward to the Grand Prize category for the next drawing.

~~U.~~ "Set Prize" means all other prizes except the Grand Prize that are advertised to be paid by a single cash payment and, except in instances outlined in these rules, will be equal to the prize amount established within the Specific Game Playing Rules.

~~V.G.~~ "Set Prize Pool" means an account held by MUSL that holds the temporary balances, transferred to MUSL from Pparty Lotteries, which results from having fewer-than-expected winnerPrize Winners in the set-prizeSet Prize Categories. This money is paid out to P-party Lotteries in subsequent drawingDrawings that have more winnerPrize Winners than are statistically expected in the set-prizeSet Prize Categories.

W. ~~“Share(s)” means the total number of matching combinations within each prize category as determined for each drawing.~~

X. ~~“Winning Numbers” means the six (6) numbers, the first five (5) from a field of sixty-nine (69) numbers and the last one (1) from a separate field of twenty-six (26) numbers, randomly selected at each drawing, which shall be used to determine winning plays contained on a multi-state Jackpot Game ticket.~~

14.A.3 Price of **“POWERBALLPowerball®” Play/BoardTickets**

The price of each **“POWERBALLPowerball®” play/boardPlay** shall be Two Dollars (\$2.00).

14.A.4 ~~Ticket Purchases~~

A. ~~“POWERBALL®” tickets may be purchased only from a Lottery licensee authorized by the Director to sell multi-state Jackpot Game tickets.~~

B. ~~“POWERBALL®” tickets shall show, at a minimum, the player’s selection of numbers, the boards played, drawing date and validation and reference numbers. The Lottery shall not directly and knowingly sell a combination of tickets to any person or entity that would guarantee such purchaser a winning ticket.~~

C. ~~Plays may be entered manually using the Jackpot Game terminal by a ticket generation option or by means of a play slip provided by the Lottery. Facsimiles of play slips, copies of play slips, or other materials which are inserted into the terminal’s play slip reader and which are not printed or approved by the Lottery shall not be used to enter a play. No device shall be connected to a Jackpot Game terminal to enter plays, except as may be approved by the Lottery. Unapproved play slips or other devices may be seized by the Lottery.~~

D. ~~All plays made in the game shall be marked on the play slip by hand. No machine-printed play slips shall be used to enter plays. Machine-printed play slips may be seized by the Lottery. Nothing in this regulation shall be deemed to prevent a person with a physical handicap who would otherwise be unable to mark a play slip manually from using any device intended to permit such person to make such a mark (for his/her sole personal use or benefit).~~

14.A.5 ~~14.A.4~~ **Play for “POWERBALLPowerball®”**

A. A **“POWERBALLPowerball®”** player must select six (6) numbers ~~in per each Pplay;~~ five (5) numbers out of sixty-nine (69) plus one (1) out of twenty-six (26). A winning Pplay is achieved only when the following combinations of numbers selected ~~by the player~~ match, in any order, the five (5) plus one (1) winning number Winning Numbers drawn ~~by the Lottery~~. Those combinations are 5+1, 5+0, 4+1, 4+0, 3+1, 3+0, 2+1, 1+1, and 0+1.

B. The player ~~will can~~ use Pplay Sslips, as ~~provided described~~ in Paragraph section 14.A.48 of this Rule 14.A, to make number selections. The Jackpot Game Terminal ~~will reads~~ the Pplay Sslip and issues a Tticket with corresponding Pplay(s). If a Pplay Sslip is not available, the ~~Jackpot Game L~~ licensee may enter the selected numbers via the keyboard. If offered by the Lottery, a player may leave all or a portion of his/her Pplay selections to a random number generator operated by the computer Jackpot Gaming Terminal, commonly referred to as a Quick Pick or partial Quick Pick. ~~“QUICK PICK” or “PARTIAL QUICK PICK.”~~

14.A.6 ~~14.A.5~~ **Prizes For “POWERBALLPowerball®”**

A. Odds of winning a Pprize are displayed in the table below:

<u>MATCHING-WINNING COMBINATIONS</u>	<u>PRIZE_CATEGORY</u>	<u>ODDS OF WINNING (ONE PLAY)</u>
--------------------------------------	-----------------------	-----------------------------------

All five (5) of first set plus one (1) of second set	Grand Prize	1:292,201,338.0000
All five (5) of first set plus none of second set	Second Prize	1:11,668,053.5200
Any four (4) of first set, but not five, plus one (1) of second set	Third Prize	1:913,129.1813
Any four (4) of first set, but not five, plus none of second set	Fourth Prize	1:36,525.1673
Any three (3) of first set, but not four or five, plus one (1) of second set	Fifth Prize	1:14,494.1140
Any three (3) of first set, but not four or five, plus none of second set	Sixth Prize	1:579.7646
Any two (2) of first set, but not three, four, or five, plus one (1) of second set	Seventh Prize	1:701.3281
Any one (1) of first set, but not two, three, four, or five, plus one (1) of second set	Eighth Prize	1:91.9775
None of first set plus one (1) of second set	Ninth Prize	1:38.322339
Overall odds of winning any prize		1:24.8671

- B. The ~~P~~prize ~~pool~~Pool contribution for all ~~P~~prize ~~C~~categories shall consist of fifty percent (50%) of each ~~D~~drawing period's sales, unless, as described in ~~Paragraph-section~~ 14.10A.97.D of this Rule 14.A, the ~~P~~prize reserve and pool accounts are not funded at the balances set by the "POWERBALLPowerball®" Product Group. All prize payouts are made with the following expected ~~P~~prize payout percentages, although the ~~P~~prize payout percentage per drawing may vary.

PRIZE POOL

Prize Category PRIZE CATEGORY	Prize Amounts PRIZE AMOUNTS	Allocation of Prize Pool ALLOCATION OF PRIZE POOL	Prize Pool Percentage of Sales PRIZE POOL PERCENTAGE OF SALES
Grand Prize	Announced Jackpot	68.0131%	34.0066%
Second Prize	\$1,000,000	8.5558%	4.2279%
Third Prize	\$50,000	5.47567%	2.7378%
Fourth Prize	\$100	0.2738%	0.1369%
Fifth Prize	\$100	0.6899900%	0.3450%
Sixth Prize	\$7	1.2074%	0.6037%
Seventh Prize	\$7	0.9982%	0.49940%
Eighth Prize	\$4	4.34898%	2.1744%
Ninth Prize	\$4	10.43743%	5.2187%
TOTAL PAYOUT		100.00%	50.00%

- C. Prize Categories - The Grand Prize shall be determined on a pari-mutuel basis. The ~~prize money allocated to the~~ Grand Prize ~~category~~ shall be divided equally by the number of ~~G~~game ~~Playsboards~~ matching all five (5) of the first set plus one (1) of the second set. Except as provided in 14.A.97.E.4. below, all other ~~p~~Prizes ~~Amounts~~ awarded shall be paid as ~~S~~set ~~P~~Prizes with the foregoing expected ~~P~~prize payout percentages.

14.A.6 Payment of Prizes

~~Grand Prizes shall be paid at the election of the Ticket Holder either by a single cash payment or in a series of annuity payments. The Ticket Holder becomes entitled to the Prize at the time the Prize is validated as a~~

Prize Winner. However, the Grand Prize is paid by the Lottery upon receipt of funds from MUSL no earlier than fifteen (15) calendar days of Validation of the Grand Prize Ticket; and when the player makes their final selection of cash or annuity, no later than sixty (60) days after Validation of the Grand Prize Ticket. An election made after the Ticket Holder becomes entitled to the Prize is final and cannot be revoked, withdrawn or otherwise changed. The Validation record will be kept secured and on file at the Lottery until the Ticket Holder makes a payment election. If the Ticket Holder does not make a payment election within sixty (60) days after Validation, then the Prize shall be paid as an annuity Prize.

~~Grand Prizes shall be paid, at the election of the Ticket Holder by a single cash payment or in a series of annuity payments. The Ticket Holder becomes entitled to the Prize at the time the Winning Ticket is validated as a Prize Winner. The election to take the cash payment or annuity payments may be made at the time the Prize is validated or within 60 days after the Ticket Holder becomes entitled to the Prize. An election made after the Ticket Holder becomes entitled to the Prize is final and cannot be revoked, withdrawn or otherwise changed. If the Ticket Holder does not make the election at the time the Prize is validated and requests the 60-day election period, the Lottery will cancel the Prize warrant that was generated during Validation. The Validation record will be kept secured and on file at the Lottery office until the Ticket Holder makes an election. If the Ticket Holder does not make the payment election within 60 days after Validation, then the Prize shall be paid as an annuity Prize.~~

1. Shares of the Grand Prize shall be determined by dividing the cash available in the Grand Prize Pool equally among all plays matching all five (5) of the first set plus one (1) of the second set of drawn Numbers. Winner(s) who elect a cash payment shall be paid their Share(s) in a single cash payment. The annuitized option Prize shall be determined by multiplying a Prize Winner's Share of the Grand Prize Pool by the MUSL annuity factor. Neither MUSL nor the Party Lotteries shall be responsible or liable for changes in the advertised or estimated annuity Prize Amount and the actual amount purchased after the Prize payment method is actually known to MUSL. In certain instances announced by the "Powerball®" Product Group, the Grand Prize shall be a guaranteed amount and shall be determined pursuant to section 14.A.6.E. of this Rule 14.A. If individual Shares of the cash held to fund an annuity are less than Two Hundred and Fifty Thousand Dollars (\$250,000), the "Powerball®" Product Group, in its sole discretion, may elect to pay the Prize Winners Share of the cash held in the Grand Prize Pool.
2. All annuitized Prizes shall be paid annually in thirty (30) graduated payments with the initial payment being made in cash, to be followed by twenty-nine (29) payments funded by the annuity.
3. Funds for the initial payment of an annuitized Prize or the lump sum cash Prize shall be made available by MUSL for payment by the Lottery no earlier than the fifteenth calendar day (or the next banking day if the fifteenth day is a holiday) following the Drawing. If necessary, when the due date for the payment of a Prize occurs before the receipt of funds in the Prize Pool trust sufficient to pay the Prize, the transfer of funds for the payment of the full lump sum cash amount may be delayed pending receipt of funds from the Party Lotteries. The Lottery may elect to make the initial payment from its own funds after Validation, with notice to MUSL.
4. The Grand Prize Amount held by MUSL for subsequent payment to an annuity Prize Winner shall be transferred to the Lottery and the Lottery shall have payment to the annuity Prize Winner on the anniversary date, or if such date falls on a non-business day the first day following the anniversary date, of the Drawing.
5. In the event of the death of a Lottery Prize Winner during the annuity payment period, the "Powerball®" Product Group, in its sole discretion, upon the petition of the estate of the Lottery Prize Winner (the "Estate") to the Lottery, and subject to federal, state, or district applicable laws, may accelerate the payment of all of the remaining Lottery proceeds to the Estate. If the "Powerball®" Product Group makes such a determination,

then securities and/or cash held to fund the deceased Lottery Prize Winner's annuitized Prize may be distributed to the Estate. The identification of the securities to fund the annuitized Prize shall be at the sole discretion of the "Powerball®" Product Group.

- A. The Director's decision with respect to the Validation and payment of Set Prizes, whether during a "Powerball®" game or any Drawing related thereto, shall be final and binding upon all participants in the Lottery.
- B. All Set Prizes (excluding the Grand Prize) shall be paid by the Lottery. The Lottery may begin paying Set Prizes after receiving authorization to pay from the MUSL Central Office.
- C. Annuitized payments of the Grand Prize or a share of the Grand Prize may be rounded to facilitate the purchase of an appropriate funding mechanism. Breakage on an annuitized Grand Prize win shall be added to the first cash payment to the Prize Winner(s).
- D. Set Prizes, which, under these rules, may become pari-mutuel Prizes, may be rounded down so that Prizes can be paid in multiples of whole dollars. Breakage resulting from rounding these Prizes shall be carried forward to the Prize Pool for the next Drawing.
- E. If the Grand Prize is not won in a Drawing, the Prize money allocated for the Grand Prize shall Roll-Over and be added to the Grand Prize Pool for the following Drawing.
- F. The "Powerball®" Product Group may offer guaranteed minimum Grand Prize Amounts or minimum increases in the Grand Prize Amount between Drawings or make other changes in the allocation of Prize money where the "Powerball®" Product Group finds that it would be in the best interest of the game. If a minimum Grand Prize Amount or a minimum increase in the Grand Prize Amount between Drawings is offered by the "Powerball®" Product Group, then the Grand Prize Shares shall be determined as follows:
 - 1. If there are multiple Grand Prize winners during a single Drawing, each selecting the annuitized option Prize, then a Prize Winner's Share of the guaranteed annuitized Grand Prize shall be determined by dividing the guaranteed annuitized Grand Prize by the number of Prize Winners.
 - 2. If there are multiple Grand Prize winners during a single Drawing and at least one of the Grand Prize Winners has elected the annuitized option Prize, then the best bid submitted by MUSL's pre-approved qualified brokers shall determine the cash pool needed to fund the guaranteed annuitized Grand Prize.
 - 3. If no Prize Winner of the Grand Prize during a single Drawing has elected the annuitized option Prize, then the amount of cash in the Grand Prize Pool shall be an amount equal to the guaranteed annuitized amount divided by the average annuity factor of the most recent three best quotes provided by MUSL's pre-approved qualified brokers submitting quotes.
 - 4. In no case shall quotes be used which are more than two n(2) weeks old and if less than three (3) quotes are submitted, then MUSL shall use the average of all quotes submitted. Changes in the allocation of Prize money shall be designed to retain approximately the same Prize allocation percentages, over a year's time, set out in these rules.

14.A.7 Drawings

- A. The "Powerball®" Drawings shall be held twice each week on Wednesday and Saturday evenings, unless the Drawing schedule is changed by the MUSL Board. In the event of an act of Force Majeure the Drawing shall be rescheduled at the discretion of the MUSL Board.
- B. Each Drawing shall determine, at random, six (6) winning Numbers in accordance with Drawing Procedures. Any Numbers drawn are not declared the Winning Combination until the Drawing is certified by MUSL in accordance with the "Powerball®" Drawing Procedure. The Winning Combination shall be used in determining all "Powerball®" Winners for that Drawing. If a

Drawing is not certified, another Drawing will be conducted to determine certified Prize Winners.

- C. Each Drawing shall be witnessed by an independent auditor as required in C.R.S. 44-40-109(2)(d). All Drawing equipment used shall be examined prior to and immediately after a Drawing. All Drawings, inspections, and tests shall be recorded on videotape.
- D. The Drawing shall not be invalidated because the Numbers drawn creating an excessive Prize liability for the Lottery.
- E. The Drawing procedures shall provide that a minimum of fifty-nine (59) minutes elapse between the close of the game Ticket sales and the time of the Drawing for those Tickets sold.
- F. All Drawings shall be open to the public.

14.A.8 Sale of Tickets

- A. "Powerball®" Tickets may be purchased from a Licensee authorized to sell Multi-State Jackpot Tickets.
- B. "Powerball®" Tickets shall show, at a minimum, the player's selection of Numbers, the number of Plays, the Drawing date, and Validation Numbers.
- C. Plays may be entered manually using the Jackpot Gaming Terminal keypad or by means of a Play Slip provided by the Lottery. Facsimiles of Play Slips, copies of Play Slips, or other materials which are inserted into the Jackpot Gaming Terminal's Play Slip reader and which are not printed or approved by the Lottery shall not be used to enter a Play. No device shall be connected to a Jackpot Gaming Terminal to enter Plays, except as may be approved by the Lottery. Unapproved Play Slips or other devices may be seized by the Lottery.
 - 1. All Plays shall be marked on the Play Slip by hand. No machine-printed Play Slips shall be used to enter Plays. Machine-printed Play Slips may be seized by the Lottery.
- D. "Powerball®" Tickets may not be cancelled.
 - 1. If the "Powerball®" Game is cancelled by the "Powerball®" Product Group prior to the occurrence of all Drawings for which Plays have been sold, the Lottery may provide a refund mechanism for such Plays to the Players, and the Lottery shall not be required to remit its Prize Pool contributions for any such refunded Plays.

14.A.9 Advance Play

Advance Play provides the opportunity to purchase "Powerball®" Tickets for more than one (1) consecutive Drawing. Advance Play Tickets shall be available for purchase in variable increments. The Advance Play feature shall be available at the discretion of the Director.

14.A.10 Prize Reserve and Prize Pool Accounts

- A. The MUSL Board manages two (2) Prize reserve accounts associated with the "POWERBALL®" Product Group. The MUSL Board holds the reserves in trust on behalf of the Party Lottery, and interest is earned by the Party Lottery. When a Party Lottery becomes a member of the "POWERBALL®" Product Group, the MUSL Board determines an initial contribution to be made by the Party Lottery to the reserves. In accordance with the payment plan established between the Party Lottery and MUSL, the Party Lottery must deposit with the MUSL Board the specified amounts. All deposits are reported on Party Lottery records as "Cash Held by MUSL" or "Pre-Paid Prize Expense with MUSL".
 - 1. Prize Reserve Account (PRA) is used to guarantee payment of valid, but unanticipated, grand-prize Grand Prize claims that may result from a system error or for any other reason the normal contributions from sales are not adequate.

2. Set Prize Reserve Account (SPRA) is used to fund deficiencies in the payment of the ~~Set cash~~ prizes.
- B. The MUSL Board manages multiple ~~prize pool~~ Prize Pool accounts associated with the “~~POWERBALL~~Powerball®” ~~P~~product ~~G~~group. The ~~Powerball~~Powerball® Product Group sets the contribution rates for the following ~~prize pool~~ Prize Pool accounts.
1. Grand Prize Pool is used to fund the current Grand Prize.
 2. Set Prize Pool is used to fund the Set Prizes and holds the temporary balances that may result from having fewer than expected ~~winner~~Prize Winner(s) in the Set Prize (~~aka low-tier prize~~) ~~C~~categories.
 3. ~~Set-a~~Side ~~p~~Pool is used to fund the payment of the awarded minimum starting annuity Grand Prizes and minimum annuity Grand Prize increase, if necessary as may be set by the ~~Powerball~~Powerball® Product Group.
 4. Grand Prize Carry Forward Pool is used to fully fund the starting minimum annuityGrand Prize, as may be set by the ~~Product Group~~Powerball® Product Group, if such funds are available.
- C. The above ~~P~~prize reserve accounts and the ~~s~~Set-a~~a~~Side ~~p~~Pool shall have maximum balance amounts that are set by the ~~Product Group~~Powerball® Product Group, which are subject to review by the MUSL Board Finance and Audit Committee.
- D. The maximum contribution rate to the Grand Prize Pool shall be 68.0131% of the ~~P~~prize ~~P~~pool (34.0066% of sales). An amount up to five percent (5%) of a Party Lottery’s sales may be deducted from a Party Lottery’s Grand Prize Pool contribution and placed in trust in one or more ~~P~~prize ~~P~~pool accounts and prize reserve accounts held by the “Powerball®” Product Group (~~hereinafter the “prize pool and reserve deduction”~~) at any time that the ~~P~~prize ~~P~~pool accounts and Party Lottery’s share of the ~~P~~prize reserve accounts(s) is below the amounts designated by the “Powerball®” Product Group. An additional amount up to twenty percent (20%) of a Party Lottery’s sales may be deducted from a Party Lottery’s Grand Prize Pool contribution and placed in trust in the Grand Prize Carry Forward Pool (CFP) to be held by the “Powerball®” Product Group at a time as determined by the “Powerball®” Product Group.
- E. The set ~~P~~prize ~~P~~pool shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the ~~set~~Set ~~p~~Prizes awarded in the current draw. If the total of all ~~p~~Party ~~L~~otteries’ ~~set~~Set ~~P~~prizes (as multiplied by the respective Power Play multiplier if applicable) awarded in a ~~D~~rawing exceeds the percentage of the ~~P~~prize ~~P~~pool allocated to the ~~set~~Set ~~P~~prizes, then the amount needed to fund the ~~set~~Set ~~p~~Prizes awarded shall be drawn from the following sources, in the following order:
1. ~~T~~he amount allocated to the ~~Powerball~~Powerball® ~~s~~Set Prizes and carried forward from previous draws, if any;
 2. ~~I~~f the ~~set~~Set ~~P~~prize ~~P~~pool is not sufficient to pay the ~~set~~Set ~~P~~prizes awarded, an amount from the ~~set~~Set ~~P~~prize reserve account is used, if available, not to exceed an amount established by MUSL;-
 3. ~~e~~Other amounts as agreed to by the “Powerball®” Product Group in their sole discretion; ~~and~~
 4. If after these sources are depleted, sufficient funds do not exist to pay the ~~set~~Set ~~P~~prizes awarded, then the highest ~~set~~Set ~~P~~prize shall become a pari-mutuel ~~P~~prize. If the amount of the highest ~~set~~Set ~~P~~prize, when paid on a pari-mutuel basis, drops to or below the next highest ~~set~~Set ~~P~~prize and there are still not sufficient funds to pay the remaining ~~set~~Set ~~P~~prizes awarded, then the next highest ~~set~~Set ~~P~~prize shall become a pari-mutuel ~~P~~prize. This procedure shall continue down through all ~~set~~Set ~~P~~prize levels, if necessary, until all ~~set~~Set-~~Set~~ ~~P~~prize levels become pari-mutuel ~~P~~prize levels.

- F. The Product Group "Powerball®" Product Group may determine to expend all or a portion of the funds in the Powerball "Powerball®" Prize Pool accounts (except the Grand Prize pool account and the Grand Prize Carry Forward Pool) and the Prize reserve accounts, (1) for the purpose of indemnifying the Party Lotteries and Licensee Lotteries in the payment of Prizes to be made by the Selling Lotteries; and (2) for the payment of Prizes or special Prizes in the game, limited to Prize Pool and Prize reserve contributions from Lotteries participating in the special Prize promotion, subject to the approval of the Board's Finance & Audit Committee. The Grand Prize Carry Forward Pool may only be expended to pay Powerball "Powerball®" Prizes.
- G. Any amount remaining in the Prize Pool accounts or Prize reserve accounts at the end of this "Powerball®" Game shall be returned to the Party Lotteries participating in the accounts after the end of all claim periods of all Selling Party Lotteries, carried forward to a replacement game, or otherwise expended in a manner at the election of the individual Members of the Product Group "Powerball®" Product Group in accordance with jurisdiction statute.
- H. All liabilities for a "Powerball®" Prize are discharged upon payment of a Prize. A Prize claimant agrees, as its sole and exclusive remedy that claims arising out of a "Powerball®" Play can only be pursued against the selling Party Lottery which issued the Play. Litigation, if any, shall only be maintained within the jurisdiction in which the "Powerball®" Play was purchased and only against the selling Party Lottery that issued the Play. No claim shall be made against any other participating Lottery or against the MUSL.

Nothing in these Rules shall be construed as a waiver of any defense or claim the selling Party Lottery which issued the Play, any other participating Lottery or MUSL may have in any litigation, including in the event a player or Prize claimant pursues litigation against the selling Party Lottery, any other Participating Lottery or MUSL, or their respective officers, directors or employees.

All decisions made by a selling Party Lottery, including the declaration of Prizes and the payment thereof and the interpretation of "Powerball®" Rules, shall be final and binding on all Play purchasers and on every person making a Prize claim in respect thereof, but only in the jurisdiction where the "Powerball®" Play was issued.

Unless the laws, rules, regulations, procedures, and decisions of the Party Lottery which issued the Play provide otherwise, no Prize shall be paid upon a Play purchased, claimed, or sold in violation of these Rules or the laws, rules, regulations, procedures, and decisions of that selling Lottery; any such Prize claimed but unpaid shall constitute an unclaimed Prize under these Rules and the laws, rules, regulations, procedures, and decisions of that selling Lottery.

14.A.7—Prize Payment

- A. ~~The Grand Prize is paid by the Lottery upon receipt of funds from MUSL no earlier than fifteen (15) calendar days of validation of the Grand Prize ticket; and when the player makes their final selection of cash or annuity no later than sixty (60) days after validation of the Grand Prize ticket.~~
1. ~~Grand Prizes shall be paid, at the election of the ticket bearer by a single cash payment or in a series of annuity payments. The ticket bearer becomes entitled to the prize at the time the prize is validated as a winner. The election to take the cash payment or annuity payments may be made at the time the prize is validated or within 60 days after the ticket bearer becomes entitled to the prize. An election made after the ticket bearer becomes entitled to the prize is final and cannot be revoked, withdrawn or otherwise changed. If the ticket bearer does not make the election at the time the prize is validated and requests the 60-day election period, the Lottery will cancel the prize warrant that was generated during validation. The validation record will be kept secured and on file at the Lottery office until the ticket bearer makes an election. If the ticket bearer does not make the payment election within 60 days after validation, then the prize shall be paid as an annuity prize.~~

2. ~~Shares of the Grand Prize shall be determined by dividing the cash available in the Grand Prize pool equally among all boards matching all five (5) of the first set plus one (1) of the second set of drawn numbers. Winner(s) who elect a cash payment shall be paid their share(s) in a single cash payment. The annuitized option prize shall be determined by multiplying a winner's share of the Grand Prize pool by the MUSL annuity factor. Neither MUSL nor the party lotteries shall be responsible or liable for changes in the advertised or estimated annuity prize amount and the actual amount purchased after the prize payment method is actually known to MUSL. In certain instances announced by the Product Group, the Grand Prize shall be a guaranteed amount and shall be determined pursuant to Paragraph 14.A.8.E. of this Rule 14.A. If individual shares of the cash held to fund an annuity are less than \$250,000, the Product Group, in its sole discretion, may elect to pay the winners their share of the cash held in the Grand Prize pool.~~
 3. ~~All annuitized prizes shall be paid annually in thirty (30) graduated payments with the initial payment being made in cash, to be followed by twenty-nine (29) payments funded by the annuity.~~
 4. ~~Funds for the initial payment of an annuitized prize or the lump sum cash prize shall be made available by MUSL for payment by the Lottery no earlier than the fifteenth calendar day (or the next banking day if the fifteenth day is a holiday) following the drawing. If necessary, when the due date for the payment of a prize occurs before the receipt of funds in the prize pool trust sufficient to pay the prize, the transfer of funds for the payment of the full lump sum cash amount may be delayed pending receipt of funds from the party lotteries. The Lottery may elect to make the initial payment from its own funds after validation, with notice to MUSL.~~
 5. ~~The Grand Prize amount held by MUSL for subsequent payment to an annuity winner shall be transferred to the Lottery and the Lottery shall have payment to the annuity winner on the anniversary date, or if such date falls on a non-business day the first day following the anniversary date, of the selection of the jackpot winning numbers.~~
 6. ~~In the event of the death of a lottery winner during the annuity payment period, the "POWERBALL®" Product Group, in its sole discretion, upon the petition of the estate of the lottery winner (the "Estate") to the Lottery, and subject to federal, state, or district applicable laws, may accelerate the payment of all of the remaining lottery proceeds to the Estate. If the Product Group makes such a determination, then securities and/or cash held to fund the deceased lottery winner's annuitized prize may be distributed to the Estate. The identification of the securities to fund the annuitized prize shall be at the sole discretion of the Product Group.~~
- B. ~~The Director's decision with respect to the validation and payment of set prizes, whether during a "POWERBALL®" game or any drawing related thereto, shall be final and binding upon all participants in the Lottery.~~
- C. ~~All set prizes (all prizes except the Grand Prize) shall be paid by the Lottery. The Lottery may begin paying set prizes after receiving authorization to pay from the MUSL central office.~~
- D. ~~Annuitized payments of the Grand Prize or a share of the Grand Prize may be rounded to facilitate the purchase of an appropriate funding mechanism. Breakage on an annuitized Grand Prize win shall be added to the first cash payment to the winner or winners.~~
- E. ~~Set Prizes, which, under these rules, may become pari-mutuel prizes, may be rounded down so that prizes can be paid in multiples of whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the prize pool for the next drawing.~~
- F. ~~If the Grand Prize is not won in a drawing, the prize money allocated for the Grand Prize shall rollover and be added to the Grand Prize pool for the following drawing.~~
- G. ~~The "POWERBALL®" Product Group may offer guaranteed minimum Grand Prize amounts or~~

~~minimum increases in the Grand Prize amount between drawings or make other changes in the allocation of prize money where the "POWERBALL®" Product Group finds that it would be in the best interest of the game. If a minimum Grand Prize amount or a minimum increase in the Grand Prize amount between drawings is offered by the "POWERBALL®" Product Group, then the Grand Prize shares shall be determined as follows:~~

- ~~1. If there are multiple Grand Prize winners during a single drawing, each selecting the annuitized option prize, then a winner's share of the guaranteed annuitized Grand Prize shall be determined by dividing the guaranteed annuitized Grand Prize by the number of winners.~~
- ~~2. If there are multiple Grand Prize winners during a single drawing and at least one of the Grand Prize winners has elected the annuitized option prize, then the best bid submitted by MUSL's pre-approved qualified brokers shall determine the cash pool needed to fund the guaranteed annuitized Grand Prize.~~
- ~~3. If no winner of the Grand Prize during a single drawing has elected the annuitized option prize, then the amount of cash in the Grand Prize pool shall be an amount equal to the guaranteed annuitized amount divided by the average annuity factor of the most recent three best quotes provided by MUSL's pre-approved qualified brokers submitting quotes.~~
- ~~4. In no case shall quotes be used which are more than two weeks old and if less than three quotes are submitted, then MUSL shall use the average of all quotes submitted. Changes in the allocation of prize money shall be designed to retain approximately the same prize allocation percentages, over a year's time, set out in these rules.~~

14.A.814.A.11 Prize Accounts

- A. The Lottery shall transfer to the MUSL in trust an amount as determined to be its total proportionate share of the ~~prize~~Prize account less actual ~~Set~~ prizePrize liability. If this results in a negative amount, the MUSL ~~Ce~~central ~~Oe~~office shall transfer funds to the Lottery.
- B. Grand Prize ~~amount~~Amounts held by MUSL shall be transferred to the Lottery immediately after the Lottery validates the Grand Prize claim and after MUSL has collected the ~~prize~~Prize ~~Pp~~ool ~~Ss~~hares from all ~~Party member lotteries~~Lotteries.
- C. All funds to pay a ~~grand prize~~Grand Prize that go unclaimed shall be returned to the Lottery by MUSL in proportion to sales by the Lottery for the ~~grand prize~~Grand Prize in question after the claiming period set by the Lottery selling the winning ~~ticket~~Ticket expires.

14.A.10 Funds Transfer

- A. Funds shall be collected by MUSL from each Party Lottery weekly by wire transfer or other means acceptable to the "POWERBALL~~Powerball~~®" Product Group. The "POWERBALL~~Powerball~~®" Product Group shall determine collection days. The amount to be transferred shall be calculated in accordance with game rules. The draw reports determine whether the member ~~lotteries~~Lotteries owe funds to MUSL or MUSL needs to transfer money to the member ~~lotteries~~Lotteries. Each Party Lottery shall transfer to MUSL an amount as determined by MUSL and the ~~Product Group~~"Powerball®" Product Group to be its total proportionate share of the ~~prize~~Prize account less actual ~~Set~~ prizePrize liability. If this results in a negative amount, the MUSL central office shall transfer funds to the Party Lottery.
- B. The Grand Prize ~~amount~~Amount held by MUSL shall be transferred to the Lottery after the Lottery validates the Grand Prize claim and after MUSL has collected the ~~prize~~Prize ~~Pp~~ool ~~Ss~~hares from all member ~~lotteries~~Lotteries.
- C. The Grand Prize ~~amount~~Amount held by MUSL for subsequent payment to annuity ~~winner~~Prize ~~Winner~~s shall be transferred to the Lottery within seven (7) days preceding the anniversary date of the selection of the ~~jackpot winning number~~Winning Combinations. The Lottery will then make payment to the annuity ~~winner~~Prize Winner.

~~14.A.11~~ Drawings

- ~~A. The "POWERBALL®" drawings shall be held twice each week on Wednesday and Saturday evenings, except that the drawing schedule may be changed by the MUSL Board. In the event of an act of Force Majeure the drawing shall be rescheduled at the discretion of the MUSL Board.~~
- ~~B. Each drawing shall determine, at random, six winning numbers in accordance with drawing guidelines. The Lottery Commission shall review and approve drawing guidelines. Any numbers drawn are not declared winning numbers until the drawing is certified by MUSL in accordance with the "POWERBALL®" drawing guidelines. The winning numbers shall be used in determining all "POWERBALL®" winners for that drawing. If a drawing is not certified, another drawing will be conducted to determine actual winners.~~
- ~~C. Each drawing shall be witnessed by an auditor as required in C.R.S. 44-40-109 (2)(d). All drawing equipment used shall be examined by the auditor immediately prior to, but no sooner than thirty (30) minutes before, a drawing and immediately after, but no later than thirty (30) minutes following the drawing. All drawings, inspections and tests shall be recorded on videotape.~~
- ~~D. The drawing shall not be invalidated due to the numbers drawn creating an excessive prize liability for the Lottery.~~
- ~~E. The drawing procedures shall provide that a minimum of fifty-nine (59) minutes elapse between the close of the game ticket sales and the time of the drawing for those tickets sold. All drawings shall be open to the public.~~

~~14.A.12~~ Advance Play

~~Advance play provides the opportunity to purchase "POWERBALL®" tickets for more than one drawing. Advance play tickets shall be available for purchase in variable increments. The Advance Play feature shall be available at the discretion of the Lottery Director.~~

~~14.A.13~~ 14.A.11 MUSL Accounting and Finance

- ~~A.~~ At the time a Lottery joins the "POWERBALL®" Product Group, MUSL revises the existing budget and assesses the Lottery for the additional costs. Each July, thereafter, MUSL sets the budget for the impending year and assesses each Party Lottery their proportionate share. The Party Lottery receives a copy of these costs and an election form.
- ~~A.B.~~ Each September and March, MUSL re-evaluates the amounts that each Party Lottery must contribute to any Prize Reserves. Any additional contributions to the Prize Reserves are funded by reducing the contribution from sales to the Grand Prize as referred to in 14.A.97.
- ~~B.C.~~ The draw reports determine whether the Lottery owes and needs to transfer funds to MUSL, or MUSL owes and needs to transfer funds to the Lottery. (The procedures and corresponding time lines documenting the timely and effective transfer of funds between the Lottery and MUSL can be found in the Lottery's financial procedures.) Three different transfers are made on a continual basis:
1. Draw receivables transferred from the Lottery to MUSL;
 2. Set prize payments and initial Grand Prize payments transferred from MUSL to the Lottery; and
 3. Subsequent Grand Prize annuity payments from MUSL to the Lottery.

~~14.A.14~~ **Jackpot Game Licensee Commission, Cashing Bonus, Selling Bonus, and Marketing Performance Bonus**

- ~~A. In addition to the Six Percent (6%) Commission or three percent (3%) Commission for PATP Terminals set forth in Rule 14.19, retailers can earn a Cashing Bonus, Selling Bonus and~~

~~Marketing Performance Bonus.~~

- ~~1. Each retailer will receive a cashing bonus of one percent (1%) of each prize paid by the licensee up to and including \$599. A cashing bonus for a validated winning PATP Ticket shall be paid to the vendor administering the sale of the winning PATP Ticket and not the licensee.~~
- ~~2. In order to receive a Selling Bonus, the following criteria must be met:
 - ~~a. A licensee must have sold a grand-prize or second-prize winning multi-state Jackpot game ticket for a drawing for which the announced jackpot prize is at least forty million dollars (\$40,000,000) or more;~~
 - ~~b. Payment of the jackpot-selling bonus will occur once Lottery security has confirmed the selling licensee.~~
 - ~~c. A licensee must be selling multi-state Jackpot Game tickets up to and including the day that the ticket is validated by the Lottery and must be the same licensed licensee who sold the winning ticket.~~
 - ~~d. The Director or designee shall determine the amount of the jackpot-selling bonus for each qualified-prize-winning ticket sold.~~
 - ~~e. A Selling Bonus determined by the sale of a PATP winning Ticket shall be divided equally between the licensee and the vendor administering the sale of the winning PATP Ticket.~~~~
- ~~3. In order to receive a five-tenths of one percent (.5%) Marketing Performance Bonus the following criteria must be met:
 - ~~a. A licensee must be licensed on the date the marketing performance bonus is declared;~~
 - ~~b. A licensee must sell Lottery products up to and including on the final sales day in which the marketing performance bonus is declared;~~
 - ~~c. A licensee must meet or exceed the requirements of the marketing performance bonus plan for the period for which the marketing performance bonus is declared.~~~~

~~B.A. In the event there is a residual resulting from the accrual of the one percent (1%) cashing bonus (14.A.14.A.1) and/or the five-tenths of one percent (.5%) marketing bonus (14.A.14.A.3) have been expensed, the Lottery Director may provide additional compensation to licensees as described in 14.A.14.A.2 or may revert the excess amount thereby decreasing the bonus expense.~~

DEPARTMENT OF REVENUE

Colorado Lottery

LOTTERY RULES AND REGULATIONS

1 CCR 206-1

**RULE 14.B ~~COLORADO LOTTERY~~ MULTI-STATE JACKPOT GAME, “POWERBALL®” -
“POWER PLAY® OPTION”**

BASIS AND PURPOSE OF ~~AMENDED~~ RULE 14.B

The purpose of ~~Amended~~ Rule 14.B is to provide ~~specific game~~ details and requirements for the Colorado Lottery Multi-State Jackpot Game “~~POWERBALL~~Powerball®” “~~POWER PLAY~~Power Play® ~~OPTION~~” ~~option~~ such as ~~sale of Tickets, payment of Prizes, type of play, prizes, method of selecting winning and method for validating winning Tickets, numbers and drawings.~~ The statutory basis for ~~Amended~~ Rule 14.B ~~is found in~~ C.R.S. 44-40-101, 44-40-109 (1)-(a) and (2), and 44-40-113, and 44-40-114.

14.B.1 General Provisions

~~Amended Rule 14.B becomes effective with sales on October 4, 2015, with the first draw October 7, 2015.~~

~~The A Colorado Lottery (Lottery) Mmulti-Sstate Jackpot Ggame known as “PowerballPOWERBALL®” shall have a game option known as “Power PlayPOWER PLAY®”, which allows players the option to pay an additional eOne Ddollar (\$1.00) for a chance to increase any Set Prize they may winwon on that purchaseTicket. This game option is authorized~~

~~“Power Play®” shall be conducted pursuant to the following Rules and Regulations and under such further instructions and directives as the Colorado Lottery Director and Colorado Lottery Commission may issue. If a conflict arises between Rule 14 Multi-State Jackpot Lottery Games, Rule 14.A Multi-State Jackpot Game “Powerball®” and/or this Rule 14.B., Rule 14.B shall apply. If a conflict arises between this Rule 14.B and the “Powerball Power Play®” Official Game Rule provided by the Multi-State Lottery Association, the “Powerball Power Play®” Official Game Rule shall apply to be conducted by the Colorado Lottery Director (Director) under the following Rules and Regulations and under such further instructions and directives as the Director may issue in furtherance thereof. If a conflict arises between Rule 14 and this Rule 14.B, Rule shall apply.~~

- ~~A. The Lottery and the Lottery Commission, prior to implementation, must approve all the Multi-State Lottery Association (MUSL) guidelines and the MUSL Board decisions associated with this “POWER PLAY® OPTION”.~~
- ~~B. The Director will be a voting member of the MUSL Board during the timeframe in which the Lottery shall be a member of the MUSL. The Director will also be a voting member of any MUSL Specific Product Group the Lottery joins.~~
- ~~C. At any time the Director determines that any provisions of the MUSL or of the MUSL’s Specific Game Playing Rules do not sufficiently provide for the security and integrity necessary to protect the Lottery, the Director shall recommend to the Lottery Commission that the Lottery end its membership with the MUSL or with the Specific Product Group. Upon concurrence by the Lottery Commission, membership can end at any time.~~

14.B.2 Definitions

Refer to the definitions provided in section 1.2 of Rule 1 General Rules, Regulations, and Definitions, section 14.2 of Rule 14 Multi-State Jackpot Lottery Games, and section 14.A.2 of Rule 14.A Multi-State Jackpot Game

~~“Powerball®”. Refer to the definitions provided in Paragraph 1.2 of Rule 1, Paragraph 14.2 of Rule 14, and Paragraph 14.A.2 of Rule 14.A.~~

14.B.3 Price of “POWER PLAY® OPTION Power Play®”

~~A. The price of each “POWER PLAY® OPTION Power Play®” play selected shall be an additional One Dollar (\$1.00) per Play.~~

~~1. The “Power Play®” is an add-on to the “Powerball®” 5/69 + 1/26 game. Players who elect to pay an extra One-Dollar (\$1) per “Powerball®” Play will have the opportunity to increase Set Prize winnings (excluding the Grand Prize).~~

~~4.2. A player has the option to will have the licensee manually enter the “POWER PLAY® OPTION” into the Jackpot Game terminal to purchase up to ten “POWERBALL® Powerball®” plays with ten “POWER PLAY® OPTION Power Play®S” Plays for on a single draw Ticket as follows:~~

Number of NUMBER OF “Powerball®” “Powerball®” boards PLAYS	Cost of COST OF “Powerball®” “POWERBALL ®” boards PLA YS	Number of NUMBE R OF “POWER POWER PLAY®- boards OPTION” boardsPLAYS	Cost of COST OF “POWER POWER PLAY®- boards OPTION” boardsPLAY S	Total cost TOTAL COST OF “Powerball®” “POWERBALL®” WITH boards WITH boards- with “POWER PLAY® OPTION” PLAYS
One Board BoardPlay	\$2.00	One Board BoardPlay	\$1.00	\$3.00
Two Board BoardPlays	\$4.00	Two Board BoardPlays	\$2.00	\$6.00
Three Board BoardPlays	\$6.00	Three Board BoardPlays	\$3.00	\$9.00
Four Board BoardPlays	\$8.00	Four Board BoardPlays	\$4.00	\$12.00
Five Board BoardPlays	\$10.00	Five Board BoardPlays	\$5.00	\$15.00
Six Board BoardPlays	\$12.00	Six Board BoardPlays	\$6.00	\$18.00
Seven Board BoardPlays	\$14.00	Seven Board BoardPlays	\$7.00	\$21.00
Eight Board BoardPlays	\$16.00	Eight Board BoardPlays	\$8.00	\$24.00
Nine Board BoardPlays	\$18.00	Nine Board BoardPlays	\$9.00	\$27.00
Ten Board BoardPlays	\$20.00	Ten Board BoardPlays	\$10.00	\$30.00

~~A. The “POWER PLAY® OPTION” is an add-on to the “POWERBALL®” 5/69 + 1/26 game. Players who elect to pay an extra \$1 per “POWERBALL®” play will have the opportunity to increase their set prizes (all prizes except the Grand Prize).~~

14.B.4 Play for “Power Play®”

~~A. There will be no change in the Play for the “Powerball®” 5/69 + 1/26 game.~~

~~B. “Power Play®” is effective only for players who choose “Power Play®” at the time of purchase and pay an additional \$1.00 per “Powerball®” Play.~~

~~1. A player using a Play Slip can select the option of “Power Play®” which will apply to all~~

Plays purchased on the Play Slip. If a Play Slip is not available, the Licensee may select the "Power Play®" option via the keyboard at the time the "Powerball®" Ticket is generated.

C. "Power Play®" multiplier of ten (10) is available when the initial advertised Powerball® Jackpot is between Forty Million Dollars (\$40,000,000) to One Hundred and Fifty Million Dollars (\$150,000,000). When the multiplier of ten (10) is available, the multipliers are weighted as follows:

	<u>POWER PLAY® "10"</u>	<u>POWER PLAY® "5"</u>	<u>POWER PLAY® "4"</u>	<u>POWER PLAY® "3"</u>	<u>POWER PLAY® "2"</u>	<u>TOTAL</u>
<u>Frequency</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>13</u>	<u>24</u>	<u>43</u>
<u>Percentage</u>	<u>2.3255</u>	<u>4.6512%</u>	<u>6.9767%</u>	<u>33.2326%</u>	<u>55.8140%</u>	<u>99.9608%</u>

D. When the initial advertised "Powerball®" Jackpot is greater than One Hundred and Fifty-One Million Dollars (\$151,000,000), the "Powerball®" "Power Play®" multipliers are weighted as follows:

	<u>POWER PLAY® "5"</u>	<u>POWER PLAY® "4"</u>	<u>POWER PLAY® "3"</u>	<u>POWER PLAY® "2"</u>	<u>TOTAL</u>
<u>Frequency</u>	<u>2</u>	<u>3</u>	<u>13</u>	<u>24</u>	<u>42</u>
<u>Percentage</u>	<u>4.7619%</u>	<u>7.1429%</u>	<u>30.9523%</u>	<u>57.1429%</u>	<u>100%</u>

14.B.5 Prizes For "Powerball®" with "Power Play®"

A. Players who choose "Power Play®" will have Set Prizes multiplied. Second Prize will be multiplied by two (2X) and Third through Ninth Set Prize will receive an amount equal to the Set Prize multiplied by the drawn "Power Play®" multiplier.

The following table displays prizes won if "Power Play®" is chosen and the Set Prizes are not pari-mutuel as defined in section 14.A.10.E of Rule 14.A Multi-State Jackpot Game "Powerball®".

<u>"POWERBALL®" PRIZE CATEGORY</u>	<u>"POWERBALL®" PRIZE AMOUNT</u>	<u>"POWER PLAY®" "2" DRAWN</u>	<u>"POWER PLAY®" "3" DRAWN</u>	<u>"POWER PLAY®" "4" DRAWN</u>	<u>"POWER PLAY®" "5" DRAWN</u>	<u>POWER PLAY® "10" DRAWN</u>
<u>Grand Prize</u>	<u>Jackpot</u>	<u>Jackpot</u>	<u>Jackpot</u>	<u>Jackpot</u>	<u>Jackpot</u>	<u>Jackpot</u>
<u>Second Prize</u>	<u>\$1,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
<u>Third Prize</u>	<u>\$50,000</u>	<u>\$100,000</u>	<u>\$150,000</u>	<u>\$200,000</u>	<u>\$250,000</u>	<u>\$500,000</u>
<u>Fourth Prize</u>	<u>\$100</u>	<u>\$200</u>	<u>\$300</u>	<u>\$400</u>	<u>\$500</u>	<u>\$1,000</u>
<u>Fifth Prize</u>	<u>\$100</u>	<u>\$200</u>	<u>\$300</u>	<u>\$400</u>	<u>\$500</u>	<u>\$1,000</u>
<u>Sixth Prize</u>	<u>\$7</u>	<u>\$14</u>	<u>\$21</u>	<u>\$28</u>	<u>\$35</u>	<u>\$70</u>
<u>Seventh Prize</u>	<u>\$7</u>	<u>\$14</u>	<u>\$21</u>	<u>\$28</u>	<u>\$35</u>	<u>\$70</u>
<u>Eighth Prize</u>	<u>\$4</u>	<u>\$8</u>	<u>\$12</u>	<u>\$16</u>	<u>\$20</u>	<u>\$40</u>

<u>Ninth Prize</u>	<u>\$4</u>	<u>\$8</u>	<u>\$12</u>	<u>\$16</u>	<u>\$20</u>	<u>\$40</u>
--------------------	------------	------------	-------------	-------------	-------------	-------------

B. If the Set Prizes are pari-mutuel as defined in section 14.A.10E of Rule 14.A Multi-State Jackpot Game “Powerball®”, and the player has purchased “Power Play®”, the amount of the pari-mutuel Set Prize will become pari-mutuel for that Drawing.

C. A “Power Play®” Prize Pool established by the MUSL Board shall be used to fund “Power Play®” Prizes. The Prize Pool shall hold the temporary balances that may result from having fewer than expected Prize Winners for “Power Play®”. The source of the Prize Pool is each Party Lottery’s weekly Prize contributions less actual “Power Play®” Prize liability. The weekly Prize contribution percentage is determined by the MUSL Board and may be collected and placed in trust in the Prize Pool for the purpose of paying “Power Play®” Prizes. The Prize payout percentage per draw may vary. The Prize Pool shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the “Power Play®” Prizes awarded in the current draw and held in the Prize Pool.

14.B.6 Payment of Prizes

A. All Set Prizes with “Power Play®” shall be paid by the Lottery. The Lottery may begin paying Set Prizes after receiving authorization to pay from MUSL.

B. All Prizes, including those with “Power Play®”, other than the Grand Prize, which, under these rules, may become pari-mutuel Prizes, may be rounded down so that Prizes can be paid in multiples of whole dollars. Breakage resulting from rounding these Prizes shall be carried forward to the Prize Pool for the next Drawing.

C. The Director’s decision with respect to the Validation and payment of Set Prizes, whether during a “Powerball®” game or any Drawing related thereto, shall be final and binding upon all participants in the Lottery.

14.B.7 Drawings

A. The “Power Play®” Drawings shall be held twice each week on Wednesday and Saturday evenings, unless the Drawing schedule is changed by the MUSL Board. In the event of an act of Force Majeure the Drawing shall be rescheduled at the discretion of the MUSL Board.

B. Each “Power Play®” Drawing shall determine, at random, a single Number in accordance with Drawing procedures. Any Number drawn is not declared a Winning Number until the Drawing is certified in accordance with the “Powerball®” Drawing procedure. The Number drawn shall be used to determine all “Powerball®” “Power Play®” Prize Amounts for that Drawing. If a “Powerball®” Drawing is not certified, the “Power Play®” Number for the Drawing defaults to “5”.

C. Each “Power Play®” Drawing shall be witnessed by an auditor, as required in C.R.S 44-40-109 (2)(d). All Drawing equipment used shall be examined by the auditor immediately prior to, but no sooner than thirty (30) minutes before, a Drawing and immediately after, but no later than thirty (30) minutes following the Drawing.

D. The Drawing shall not be invalidated due to the multiplier drawn creating an excessive prize liability for the Lottery.

E. All “Power Play®” Drawings shall be open to the public.

F. All Drawings, inspections and tests shall be recorded on videotape.

14.B.414.B.8 Ticket Purchases Sale of Tickets

- A. ~~“POWERBALL®/Powerball®” tickets with the “POWER PLAY® OPTION/Power Play®” Tickets may be purchased only from a Lottery Licensee authorized by the Director to sell Multi-State Jackpot Game tickets/Tickets.~~
- B. ~~“POWERBALL®/Powerball®” tickets with the “POWER PLAY® OPTION/Power Play®” Tickets shall show, at a minimum, the player’s selection of Numbers, the boards played/number of Plays, drawing the Drawing date, “POWER PLAY® OPTION/Power Play®” option chosen, and validation and reference Numbers.~~
- C. ~~A purchaser of a “POWERBALL®/Powerball®” Ticket must choose, at the time of purchase, whether or not he/she wants the “POWER PLAY® OPTION/Power Play®”. If the purchaser chooses the “POWER PLAY® OPTION” for the ticket, the cost of the “POWER PLAY® OPTION” will be \$1.00 per board. (See Paragraph 14.B.3 of this Rule 14.B for detailed “POWER PLAY® OPTION” costs.) The~~
1. ~~The “Power Play® Option applies to all board Plays on a single Ticket and cannot be purchased on a board Play-by-board Play basis.~~
- D. ~~“Powerball®” with “Power Play®” Tickets may not be cancelled.~~
1. ~~If the “Powerball®” Game is cancelled by the “Powerball®” Product Group prior to the occurrence of all Drawings for which Plays have been sold, the Lottery may provide a refund mechanism for such Plays to the Players, and the Lottery shall not be required to remit its Prize Pool contributions for any such refunded Plays.~~

14.B.5 Method of play

- A. ~~There will be no change in play for the “POWERBALL®” 5/69 + 1/26 game. The “POWER PLAY® OPTION” is effective only for players who choose the “POWER PLAY® OPTION” at time of purchase and pay an additional \$1.00 per board.~~
- B. ~~The “POWERBALL®” “POWER PLAY® OPTION” drawings shall be held twice each week on Wednesday and Saturday.~~
- C. ~~Each “POWER PLAY” drawing shall determine, at random, a single number in accordance with drawing guidelines. Any number drawn is not declared a winning number until the drawing is certified in accordance with the “POWERBALL®” drawing guidelines. The number drawn shall be used to determine all “POWERBALL®” “POWER PLAY® OPTION” prize amounts for that drawing. If a “POWERBALL®” drawing is not certified, the “POWER PLAY® OPTION” number for the drawing defaults to “5”.~~
- D. ~~“POWER PLAY® OPTION” multiplier of ten (10) is available when the initial advertised POWERBALL® jackpot level is between forty million dollars (\$40,000,000) to one hundred fifty million dollars (\$150,000,000). When the multiplier of ten (10) is available, the multipliers are weighted as follows:~~

	POWER-PLAY® “10”	POWER-PLAY® “5”	POWER-PLAY® “4”	POWER-PLAY® “3”	POWER-PLAY® “2”	TOTAL
Frequency	1	2	3	13	24	43
Percentage	2.3255	4.6512%	6.9767%	33.2326%	55.8140%	99.9608%

- E. ~~When the initial advertised POWERBALL® jackpot is greater than one hundred fifty one million dollars (\$151,000,000), the POWERBALL® “POWER PLAY” multipliers are weighted as follows~~

	POWER-PLAY® “5”	POWER-PLAY® “4”	POWER-PLAY® “3”	POWER-PLAY® “2”	TOTAL
Frequency	2	3	13	24	42
Percentage	4.7619%	7.1429%	30.9523%	57.1429%	100%

- F. ~~Each “POWER PLAY® OPTION” drawing shall be witnessed by an auditor, as required in C.R.S. 44-40-109 (2)(d). All drawing equipment used shall be examined by the auditor immediately prior~~

to, but no sooner than thirty (30) minutes before, a drawing and immediately after, but no later than thirty (30) minutes following the drawing.

G. ~~The drawing shall not be invalidated due to the multiplier drawn creating an excessive prize liability for the Lottery.~~

H. ~~All "POWER PLAY@ OPTION" drawings shall be open to the public.~~

I. ~~All drawings, inspections and tests shall be recorded on videotape.~~

14.B.6 Prizes For "POWERBALL@" with "POWER PLAY@ OPTION" Selected

Players who choose the "POWER PLAY@ OPTION" and pay the extra \$1.00 per board will have their set prizes multiplied. The Second set prize will be multiplied by two (2X) and the Third through Ninth set prize will receive an amount equal to the set prize multiplied by a drawn POWER PLAY@ multiplier. See the following table for prizes won if "POWER PLAY@ OPTION" is chosen and the set prizes are not pari-mutuel as defined in Paragraph 14.A.7.E of Rule 14.A.

"POWERBALL@" Prize Category	"POWERBALL@" Prize Amounts	"POWER-PLAY@" "2" Drawn	"POWER-PLAY@" "3" Drawn	"POWER-PLAY@" "4" Drawn	"POWER-PLAY@" "5" Drawn	POWER-PLAY@" "10" Drawn Amounts
Grand Prize	Jackpot	Jackpot	Jackpot	Jackpot	Jackpot	Jackpot
Second Prize	\$1,000,000	\$ 2,000,000				
Third Prize	\$50,000	\$100,000	\$150,000	\$200,000	\$250,000	\$500,000
Fourth Prize	\$100	\$200	\$300	\$400	\$500	\$1,000
Fifth Prize	\$100	\$200	\$300	\$400	\$500	\$1,000
Sixth Prize	\$7	\$14	\$21	\$28	\$35	\$70
Seventh Prize	\$7	\$14	\$21	\$28	\$35	\$70
Eighth Prize	\$4	\$8	\$12	\$16	\$20	\$40
Ninth Prize	\$4	\$8	\$12	\$16	\$20	\$40

A. ~~If the set prizes are pari-mutuel as defined in Paragraph 14.A.73E of Rule 14.A, and the player has selected and paid for the "POWER PLAY@ OPTION", the amount of the pari-mutuel set prize will become pari-mutuel for that drawing.~~

B. ~~A Power Play Prize Pool (PPP) established by the MUSL Board shall be used to fund Power Play prizes. The PPP shall hold the temporary balances that may result from having fewer than expected winners in the Power Play. The source of the PPP is each Party Lottery's weekly prize contributions less actual Power Play Prize liability. The weekly prize contribution percentage is determined by the MUSL Board and may be collected and placed in trust in the PPP for the purpose of paying Power Play prizes. The prize payout percentage per draw may vary. The PPP shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Power Play prizes awarded in the current draw and held in the PPP.~~

14.B.7 Prize Payment

- ~~A. All set prizes (all prizes except the Grand Prize) with the "POWER PLAY® OPTION" shall be paid by the Lottery. The Lottery may begin paying set prizes after receiving authorization to pay from the MUSL central office.~~
- ~~B. All prizes, including those with the "POWER PLAY® OPTION", other than the Grand Prize, which, under these rules, may become pari-mutuel prizes, may be rounded down so that prizes can be paid in multiples of whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the prize pool for the next drawing.~~

~~14.B.8~~14.B.9 **Advance Play**

~~Advance play provides the opportunity to purchase "Powerball®" Tickets for more than one (1) consecutive Drawing. A purchaser of "Powerball®" Tickets may also purchase the "Power Play®" option for all Advance Play Plays. The "Power Play®" option applies to all Drawings for which the Ticket is purchased and the "Power Play®" option is selected. Players cannot elect the "Power Play®" option on a Drawing-by-Drawing basis when purchasing Advance Play Tickets. The Advance Play feature shall be available at the discretion of the Director.~~

~~Advance play provides the facility to purchase "POWERBALL®" tickets for more than one drawing. A purchaser of "POWERBALL®" tickets may also purchase the "POWER PLAY® OPTION" for all Advance Play plays. At the discretion of the Director advance play tickets shall be available for purchase in increments up to and including 26 drawings. The cost adding the "POWER PLAY® OPTION" to a "POWERBALL®" ticket shall be an additional \$1.00 per board per drawing. E.g.: one "POWERBALL®" play for two drawings with "POWER PLAY® OPTION", \$6.00, one "POWERBALL®" play for four drawings with "POWER PLAY® OPTION", \$12.00. The Option applies to all drawings for which the ticket is purchased and the "POWER PLAY® OPTION" is selected. Players cannot elect the option on a drawing-by-drawing basis when purchasing Advance Play tickets.~~

DEPARTMENT OF REVENUE

Colorado Lottery

LOTTERY RULES AND REGULATIONS

1 CCR 206-1

Rule 14.E ~~_____~~ ~~COLORADO LOTTERY~~ MULTI-STATE JACKPOT GAME, “LUCKY FOR LIFE®”

BASIS AND PURPOSE ~~FOR OF~~ RULE 14.E

The purpose of Rule 14.E is to provide ~~specific game~~ details and requirements for the Colorado Lottery Multi-State Jackpot Game “~~LUCKY FOR LIFE~~Lucky for Life®” such as ~~sale of Tickets, type of play, payment of Prizes, prizes, and method for~~ selecting ~~and Validating~~ winning ~~Tickets, numbers, drawings, and the allocation of revenues.~~ The statutory basis for Rule 14.E is found in ~~are~~ C.R.S. 44-40-101, 44-40-109-(1)-(a) and (2), and 44-40-113 and 44-40-114.

14.E.1 General Provisions

- A. ~~The A Colorado Lottery m~~Multi-State Jackpot ~~G~~game to be known as “~~LUCKY FOR LIFE~~Lucky for Life®” ~~is shall be authorized to be~~ conducted ~~by the Director under~~pursuant to ~~the following Rules and Regulations and under~~ such further instructions and directives as the ~~Colorado Lottery Director and Colorado Lottery Commission~~ may issue, ~~in furtherance thereof.~~ If a conflict arises between Rule 14 ~~Multi-State Jackpot Lottery Games~~ and this Rule 14.E, Rule 14.E shall apply. ~~If a conflict arises between this Rule 14.E and the “Lucky for Life®” Official Game Rule provided by the New England Lotteries, the “Lucky for Life®” Official Game Rule shall apply.~~
- B. ~~All New England Lotteries guidelines and New England Lotteries decisions must be approved by the Colorado Lottery (hereafter referred to as Lottery) and the Lottery Commission, prior to implementation.~~
- C. ~~As a Licensee Lottery, the Director will be a voting member on game costs prior to commencement of game.~~
- D. ~~At any time the Lottery Director determines that any provisions of NEW ENGLAND LOTTERIES or of NEW ENGLAND LOTTERIES’ Specific Game Playing Rules do not sufficiently provide for the security and integrity necessary to protect the Colorado Lottery, he/she shall recommend to the Lottery Commission that the Lottery end its membership with NEW ENGLAND LOTTERIES or with the specific Product Group. Upon concurrence by the Lottery Commission, membership can end at any time.~~

14.E.2 Definitions

In addition to the definitions provided in ~~Paragraph section~~ 1.2 of Rule 1 ~~General Rules, Regulations, and Definitions~~ and ~~section 14.2 of Rule 14~~ ~~Multi-State Jackpot Lottery Games;~~ and ~~unless the context in this Rule 14.E otherwise requires:~~

- A. ~~“Advance Play” means the ability to purchase tickets for more than one consecutive drawing.~~
- B.A. ~~“Annuitized Payment Option” means~~ ~~payment of the manner in which the a~~ game’s Top Prize or ~~Second~~ Prize ~~Level 2 may be paid~~ in equal payments or installments. The Annuitized Payment Option shall be calculated on an annual basis.
- C. ~~“Breakage” means the results of rounding prize amounts down to the nearest whole dollar.~~
- D.B. ~~“Cash Option” means~~ ~~payment of the manner in which the game’s~~ a Top Prize ~~and~~ ~~Second~~

- Prize ~~Level 2 may be paid~~ in a single cash payment equal to the value of the non-annuitized ~~prize~~Prize.
- ~~E.C.~~ "Clearinghouse Lottery" means the Party Lottery or other duly authorized entity who is responsible for collecting and transferring ~~prize~~Prize payouts on behalf of all Party Lotteries.
- ~~F.~~ "Drawing" means the event that occurs wherein the official "LUCKY FOR LIFE" numbers are drawn.
- ~~G.D.~~ "Game Board(s)" or "Board(s)" means that area of the ~~play slip~~Play Slip that contains a set of two (2) grids. The first grid contains ~~sing~~ forty-eight (48) squares, numbered one (1) through forty-eight (48), and the second grid contains ~~sing~~ eighteen (18) squares, numbered one (1) through eighteen (18).
- ~~H.~~ "Grid" means the area of a play slip that contains a set of numbered squares to be marked by the player.
- ~~I.E.~~ "Liability Limit" means the pre-established threshold, as determined in advance by the New England Lottery Directors for paying Top Prize, ~~Second~~ Prize ~~Level 2~~, and ~~Third~~ Prize ~~Level 3~~ ~~prize~~Prize ~~P~~payments.
- ~~J.~~ "Licensee Lottery" means any lottery which joined the multi-state game "Lucky For Life" as a Party Lottery and is not an originating member of New England Lotteries.
- ~~K.F.~~ "Lifetime Prize" means the natural life of ~~the a~~ single ~~C~~claimant or twenty (20) years if ~~claimed by~~ assigned to an entity ~~or person~~ under C.R.S. 44.40.113(1).
- ~~L.~~ "Matching Combinations" means the numbers on a play that coincide with the numbers randomly selected at a drawing for which that play was purchased.
- ~~M.~~ "MUSL" means Multi-State Lottery Association.
- ~~N.G.~~ "NEW ENGLAND LOTTERIESNew England Lotteries" means ~~the~~ originating ~~six~~ lotteries which are: Connecticut Lottery Corporation, Massachusetts State Lottery Commission, Maine State Liquor and Lottery Commission, New Hampshire Lottery Commission, Vermont Lottery Commission, and Rhode Island Division of Lotteries.
- ~~O.H.~~ "NEW ENGLAND LOTTERIESNew England Lotteries Board" means the governing body of ~~NEW ENGLAND LOTTERIESNew England Lotteries~~, which is comprised of the chief executive officer of each Party Lottery.
- ~~P.I.~~ "Number" means any ~~play~~Play integer from one (1) through forty-eight (48) inclusive.
- ~~Q.J.~~ "Play" means the six (6) ~~number~~Numbers selected on each ~~Game~~ Board and printed on the ~~ticket~~Ticket.
- ~~R.~~ "Play slip" means a mark ~~sense~~ game card used by players of "LUCKY FOR LIFE" to select plays. A play slip has no pecuniary value and shall not constitute evidence of ticket purchase or of numbers selected.
- ~~S.~~ "Prize Amount" means the ~~pari-mutuel and/or set prize values~~ established for a game.
- ~~T.~~ "Prize Category" means and refers to a specific prize within the prize pool.
- ~~U.K.~~ "Prize Pool" means a defined percentage of sales as specified in this rule.
- ~~V.~~ "Quick Pick" or "Partial Quick Pick" means a number or numbers that are randomly generated by the computer when all or a portion of the player's selections have been left blank.
- ~~L.~~ "Published Notice" means notice of the Prize Amount and any changes to the Cash Option,

which shall be posted on the Colorado Lottery Website and/or the Lucky for Life® Website at least thirty (30) days prior to the Drawing for which it is applicable.

~~W.M.~~ “Second Prize” or “Prize Level 2” means a Prize paid on a pari-mutuel basis prize, that is advertised to be paid with individual winner. The Claimant has the option to be paid as an annuityies or as a lump sum cash payment, unless otherwise specified by the Lottery Rules.

~~X.~~ “Set Prize” means all other prizes except the Top Prize, Prize Level 2, and Prize Level 3 that are advertised to be paid by a single cash payment.

~~Y.~~ “Share(s)” means the total number of matching combinations within each prize category as determined for each drawing.

~~Z.N.~~ “Split Prize” means the pre-determined Top Prize, Second Prize Level 2, and Third Prize Level 3 payout that is divided equally among the number/Number of winning ticket/Tickets in each of these three prize level/Prize sCategories.

~~O.AA.~~ “Top Prize” or “Prize Level 1” means a Prize paid on pari-mutuel basis. prize that is advertised to be paid with per winner. The Claimant has the option to be paid as an annuityies or as a lump sum cash payment, unless otherwise specified by the Lottery Rules.

~~BB.~~ “Winning Numbers” means the six (6) numbers, the first five (5) from a field of forty-eight (48) numbers and the last one (1) (Lucky Ball) from a separate field of eighteen (18) numbers, randomly selected at each drawing, which shall be used to determine winning plays contained on a “Lucky For Life” Game ticket.

14.E.3 Price of “LUCKY FOR LIFE/Lucky for Life®” Play/Board/Ticket

The price of each “LUCKY FOR LIFE/Lucky for Life®” play/board/Play shall be Two Dollars (\$2.00).

14.E.4 Ticket Purchases

~~A.~~ “LUCKY FOR LIFE” tickets may be purchased only from a Lottery licensee authorized by the Director to sell multi-state Jackpot Game tickets.

~~B.~~ “LUCKY FOR LIFE” tickets shall show, at a minimum, the player’s selection of numbers, the boards played, drawing date and validation and reference numbers. The Lottery shall not directly and knowingly sell a combination of tickets to any person or entity that would guarantee such purchaser a winning ticket.

~~C.~~ Plays may be entered manually using the Jackpot Game terminal by a ticket generation option or by means of a play slip provided by the Lottery. Facsimiles of play slips, copies of play slips, or other materials which are inserted into the terminal’s play slip reader and which are not printed or approved by the Lottery shall not be used to enter a play. No device shall be connected to a Jackpot Game terminal to enter plays, except as may be approved by the Lottery. Unapproved play slips or other devices may be seized by the Lottery.

~~All plays made in the game shall be marked on the play slip by hand. No machine-printed play slips shall be used to enter plays. Machine-printed play slips may be seized by the Lottery. Nothing in this regulation shall be deemed to prevent a person with a physical handicap who would otherwise be unable to mark a play slip manually from using any device intended to permit such person to make such a mark (for his/her sole personal use or benefit).~~

~~D.~~ “LUCKY FOR LIFE” may not be cancelled.

14.E.5 14.E.4 Play for “LUCKY FOR LIFE/Lucky for Life®”

~~A.~~ A “LUCKY FOR LIFE/Lucky for Life®” player must select six (6) number/Numbers in per each

~~playPlay~~; five (5) ~~numberNumber~~s out of forty-eight (48) plus one (1) out of eighteen (18). A winning ~~playPlay~~ is achieved only when the following combinations of ~~numberNumbers~~ selected ~~by the player~~ match, in any order, the five (5) plus one (1) ~~W~~winning ~~numberNumbers~~ drawn ~~by the Lottery~~. Those combinations are 5+1, 5+0, 4+1, 4+0, 3+1, 3+0, 2+1, 2+0, 1+1, and 0+1.

- B. The player ~~can will~~ use ~~play slipPlay Slips~~, as ~~provided described~~ in ~~SectionParagraph~~ 14.E.8.C4 ~~of this Rule 14.E~~, to make ~~numberNumber~~ selections. The Jackpot Gaming ~~T~~terminal ~~will~~ reads the ~~play slipPlay Slip~~ and issues a ~~ticketTicket~~ with corresponding ~~P~~play(s). If a ~~play slipPlay Slip~~ is not available, the ~~Jackpot Game-I~~licensee may enter the selected ~~numberNumbers~~ via the keyboard. If offered by the Lottery, a player may leave all or a portion of his/her ~~playPlay~~ selections to a random number generator operated by the ~~computerJackpot Gaming Terminal~~, commonly referred to as ~~a Quick Pick or partial Quick Pick. "QUICK PICK" or "PARTIAL QUICK PICK."~~

14.E.5 Prizes For “LUCKY FOR LIFE Lucky for Life®”

A. Odds of winning a prize are displayed in the table below:

<u>MATCHING-WINNING COMBINATIONS</u>	<u>PRIZE CATEGORY</u>	<u>ODDS OF WINNING (ONE PLAY)</u>
All five (5) of first set plus one (1) of second set	Top Prize	1:30,821,472.000
All five (5) of first set plus none of second set	Second Prize	1:1,813,027.765
Any four (4) of first set, but not five, plus one (1) of second set	Third Prize	1:143,355.684
Any four (4) of first set, but not five, plus none of second set	Fourth Prize	1:8,432.687
Any three (3) of first set, but not four or five, plus one (1) of second set	Fifth Prize	1:3,413.231
Any three (3) of first set, but not four or five, plus none of second set	Sixth Prize	1:200.778
Any two (2) of first set, but not three, four or five, plus one (1) of second set	Seventh Prize	1:249.749
Any two (2) of the first set, but not three, four, or five, plus none of the second set	Eighth Prize	1:14.691
Any one (1) of first set, but not two, three, four or five, plus one (1) of second set	Ninth Prize	1:49.950
None of first set plus one (1) of second set	Tenth Prize	1:32.019

B. The prize pool contribution for all prize categories shall consist of fifty-nine percent (59%) of each drawing period's sales. Any amount remaining in the prize pool at the end of this game shall be carried forward to a replacement game or expended in a manner as directed by the Product Group in accordance with state law.

PRIZE POOL

<u>Prize Category</u> <u>PRIZE CATEGORY</u>	<u>Prize Amounts</u> <u>PRIZE AMOUNTS</u>	<u>Prize Pool Percentage of Sales</u> <u>PRIZE POOL PERCENTAGE OF SALES</u>
Top Prize	\$7,000 a week for life	10.2201%
Second Prize	\$25,000 a year for life	11.6380%
Third Prize	\$5,000	1.7439%
Fourth Prize	\$200	1.1859%
Fifth Prize	\$150	2.1973%
Sixth Prize	\$20	4.9806%
Seventh Prize	\$25	5.0050%
Eighth Prize	\$3	10.2103%
Ninth Prize	\$6	6.0060%
Tenth Prize	\$4	6.2463%
<u>TOTAL PAYOUT</u>		59.4335%

C. Prize Categories – ~~Top Prize levels one (1) through three (3)~~ Second (2nd) Prize, and Third (3rd) Prize are split ~~prize level Prize sCategories~~. Fourth (4th) Prize levels four (4) through Tenth (10th) Prize are set ~~prize level Prize sCategories~~.

1. Split ~~prize~~Prizes levels are paid as follows:

- a. Top Prize: One (1) winner receives the full annuity value of ~~S~~seven ~~T~~housand ~~D~~ollars (\$7,000) a week for life, or according to such other schedule of payments set at the discretion of the ~~for~~Lottery, life with the option of taking the cash value.
- (1) The Top Prize cash value is set forth in the “Published Notice” available on the ~~Lottery Jackpot Gaming t~~erminals, the Colorado Lottery Wwebsite, and/or ~~the Lucky for Life~~Lucky for Life® Wwebsite. The cash value can be revised thirty (30) days prior to the first ~~drawing~~Drawing toin which it is applicable.
 - (2) All annuitized payments shall be made for a minimum of twenty(20) years.
 - (3) Two (2) to fourteen (14) Top Prize Wwinners share equally in the pari-mutuel ~~P~~prizePrize of ~~S~~seven ~~T~~housand ~~D~~ollars (\$7,000) a week for life with the option of taking the ~~C~~ash ~~V~~alue divided by the total number of Top Prize ~~w~~Wwinners. The cash option must be taken if the annuitized value is less than ~~F~~five ~~H~~undred ~~D~~ollars (\$500) a week for life.
 - (4) Fifteen (15) or more Top Prize Wwinners share equally in a pari-mutuel ~~p~~Prize of ~~s~~Seven ~~M~~illion ~~O~~ne ~~H~~undred ~~and~~ ~~T~~wenty-~~F~~ive ~~T~~housand ~~D~~ollars (\$7,125,000). No ~~annuity~~Annuitized Payment Option ~~option~~ shall be available at this level.
 - (5) For a single ~~w~~Wager, the ~~measuring-natural~~ life of ~~the~~a Top Prize Winner shall be used to determine the duration over which the Top Prize is paid, ~~shall be the natural life of the individual determined by the Selling Lottery to be the Top Prize Winner.~~ If more than one (1) Person is at the Top Prize Winner under a single Wager, the Top Prize will be paid over- ~~is being claimed by more than one (1) natural person or by a legal entity,~~ the measuring life for that Top Prize Winner shall be twenty (20) years.
- b. Second Prize Level 2: One (1) to twenty (20) Wwinners receives the full annuity value of ~~T~~wenty-~~F~~ive ~~T~~housand ~~D~~ollars (\$25,000) a year for life with the option of taking the cash value.
- (1) The ~~Top-Second~~ Prize cash value is set forth in the “Published Notice” available on the ~~Jackpot Gaming T~~Lottery terminals, the Colorado Lottery Wwebsite, and/or ~~the Lucky for Life~~Lucky for Life® Wwebsite. The cash value can be revised thirty (30) days prior to the first ~~drawing~~Drawing in which it is applicable.
 - (2) All annuitized payments shall be made for a minimum of twenty(20) years.
 - (3) Twenty-~~O~~ne (21) or more Second Prize Level 2 wWwinners share equally in the pari- mutuel ~~prize~~Prize of ~~N~~ine ~~M~~illion ~~and~~ ~~F~~our ~~H~~undred ~~T~~housand ~~D~~ollars (\$9,400,000). No ~~annuity~~Annuitized Payment Option ~~option~~ shall be available at this level.
 - (4) The minimum ~~prize~~Prize value for Second Prize Level 2 prizes shall not be less than any lower ~~Prize Level~~Prize Category ~~prize~~Prize paid in

that respective ~~drawing~~Drawing.

- (5) For a single ~~w~~Wager, the measuring life of a Second Prize Winner used to determine the duration over which the Second Prize is paid, shall be the natural life of the individual ~~determined by the Selling Lottery to be the Second Prize Winner~~. If the Second Prize under a single ~~w~~Wager is being claimed by more than one (1) ~~natural P~~person or by a legal entity, the measuring life for that Second Prize Winner shall be twenty (20) years.

c. ~~Third Prize Level 3~~: One (1) to one thousand (1,000) ~~Third Prize Level 3~~Winners will receive ~~F~~five ~~T~~thousand ~~D~~dollars (\$5,000).

- (1) One thousand and one (1,001) or more ~~Third Prize Level 3~~winners will equally share ~~equally in~~ a pari-mutuel ~~prize~~Prize of ~~F~~five ~~M~~million ~~D~~dollars (\$5,000,000).

- ~~(2)~~ — The minimum ~~Prize value for a Third Prize Level 3 prize~~Prize value shall not be less than ~~t~~Two ~~H~~undred ~~D~~dollars (\$200). ~~The prize money allocated to the Top Prize category shall be divided equally by the number of game boards matching all five (5) of the first set plus one (1) of the second set.~~

2. Set ~~prize level~~Prize s~~Categories~~ are a guaranteed ~~prize~~Prize and will not be paid as pari-mutuel.

14.E.7 14.E.6 Prize Payment of Prizes

A. All ~~prize~~Prizes shall be paid by the Lottery. ~~At the discretion of the Lottery, Prizes may be paid prior to receiving authorization from the Clearinghouse Lottery~~The Lottery may begin paying set prizes after receiving authorization to pay from the MUSL.

B. Top Prize payments will be made according to payment selection.

1. If ~~the Annuity~~the Annuitized Paymenty ~~O~~ption is selected the initial payment ~~is will be~~ made at the time of ~~the claim, after the verification of the Prize Amount.~~ All subsequent payments will be made on a weekly basis from the date the ~~prize~~Prize is claimed.

- a. Annuitized payments of the Top Prize or a share of the Top Prize may be rounded to facilitate the purchase of an appropriate funding mechanism. Breakage on an annuitized Top Prize win shall be added to the first payment to the winner or winners.

2. If the ~~c~~Cash ~~O~~ption is selected the ~~prize~~Prize ~~will shall~~ be paid at the time of the claim, after the verification of the Prize Amount, no sooner than twenty (20) business days, but no later than sixty (60) days after validation of the Top Prize ticket.

C. Second Prize payments will be made according to payment selection.

1. If the ~~Annuitized Paymenty~~O~~ption is selected the initial payment is made at the time of claim. All subsequent payments will be made on an annual basis.~~

- a. Annuitized payments of the Second Prize or a share of the ~~Top Second~~Prize may be rounded to facilitate the purchase of an appropriate funding mechanism. Breakage on an annuitized Second Prize win shall be added to the first payment to the winner or winners.

2. If the Cash ~~O~~Cash ~~O~~ption is selected the ~~prize~~Prize will be paid at the time of the claim, after the verification of Prize Amount, no sooner than twenty (20) business days, but no later

~~than sixty (60) days after validation of the Second Prize ticket.~~

14.E.8 Funds Transfer

- A. ~~Funds shall be collected by MUSL from each Party Lottery as needed to cover prizes by wire transfer or other means acceptable to the NEW ENGLAND LOTTERIES. The NEW ENGLAND LOTTERIES shall determine collection days. The amount to be transferred shall be calculated in accordance with game rules. The draw reports determine whether the Party Lotteries owe funds to MUSL or MUSL needs to transfer money to the Party Lottery. Each Party Lottery shall transfer to MUSL an amount as determined by MUSL to be its total proportionate share of the prize accounts. If this results in a negative amount, the MUSL central office shall transfer funds to the Party Lottery.~~
- B. ~~The Top Prize amount held by MUSL shall be transferred to the Lottery after the Lottery validates the Top Prize claim and after MUSL has collected the prize pool shares from all Party Lotteries.~~

14.E.7 Drawings

- A. The ~~“LUCKY FOR LIFE Lucky for Life®”~~ Drawings shall be held twice each week on Monday and Thursday evenings, ~~unless except that the drawingDrawing schedule may is be~~ changed by the ~~NEW ENGLAND LOTTERIES New England Lotteries~~. In the event of an act of Force Majeure the ~~drawingDrawing~~ shall be rescheduled at the discretion of the ~~NEW ENGLAND New England Lotteries LOTTERIES~~.
- B. Each ~~drawingDrawing~~ shall determine, at random, six ~~(6) W~~ winning ~~numberNumbers~~ in accordance with ~~drawing Drawing guidelinesprocedures. The Lottery Director shall review and approve drawingDrawing guidelines.~~ Any ~~numberNumbers~~ drawn are not declared ~~W~~ winning ~~numberNumbers~~ until the ~~drawingDrawing~~ is certified by ~~NEW ENGLAND LOTTERIES New England Lotteries~~ in accordance with the ~~“LUCKY FOR LIFE Lucky for Life®” drawingDrawing guidelinesprocedure.~~ The ~~W~~ winning ~~numberNumbers~~ shall be used in determining all ~~“LUCKY FOR LIFE Lucky for Life®” W~~ winners for that ~~drawingDrawing~~. If a ~~drawingDrawing~~ is not certified, another ~~drawingDrawing~~ will be conducted to determine ~~actual certified PrizeW~~ winners.
- C. Each ~~drawingDrawing~~ shall be witnessed by an ~~independent~~ auditor as required in C.R.S. 44-40-109-(2)(d). All ~~drawingDrawing~~ equipment used shall be examined ~~by the auditor immediately prior to and immediately after, a drawingDrawing, and immediately after.~~ All ~~drawingDrawings~~, inspections, and tests shall be recorded on videotape.
- D. ~~The A drawingDrawing shall not be invalidated because the Numbers drawn create excessive Prize liability for the Lottery. due to the numbers drawn creating an excessive prize liability for the Lottery.~~
- E. ~~The drawingDrawing procedures shall provide that a minimum of sixty (60) minutes elapse between the close of the game ticketTicket sales and the time of the drawingDrawing for those ticketTickets sold.~~
- F. ~~All drawingDrawings shall be open to the public.~~

14.E.8 Sale of Tickets

- A. ~~“Lucky for Life®” Tickets may be purchased from a Licensee authorized to sell Multi-State Jackpot Tickets.~~
- B. ~~“Lucky for Life®” Tickets shall show, at a minimum, the player’s selection of Numbers, the amount of Plays, the Drawing date, and Validation numbers.~~
- C. ~~Plays may be entered manually using the Jackpot Gaming Terminal keypad or by means of a~~

Play Slip provided by the Lottery. Facsimiles of Play Slips, copies of Play Slips, or other materials which are inserted into the Jackpot Gaming Terminal's Play Slip reader and which are not printed or approved by the Lottery shall not be used to enter a Play. No device shall be connected to a Jackpot Gaming Terminal to enter Plays, except as may be approved by the Lottery. Unapproved Play Slips or other devices may be seized by the Lottery.

1. All Plays shall be marked on the Play Slip by hand. No machine-printed Play Slips shall be used to enter Plays. Machine-printed Play Slips may be seized by the Lottery.

D. "Lucky for Life®" Tickets may not be cancelled.

14.E.10 14.E.9 Advance Play

- A. Advance playPlay provides the opportunity to purchase "LUCKY FOR LIFELucky for Life®" tickets for more than one (1) consecutive drawingDrawing. Advance Play Tickets shall be available for purchase in variable increments. The Advance Play feature shall be available at the discretion of the LotteryDirector.
- B. The cash value may be adjusted during the life of an Advance Play ticketTicket per the "Published Notice" as referenced in 14.E.56.C.1.a.(1)(i).

14.E.11 14.E.10 NEW ENGLAND LOTTERIES New England Lotteries Accounting and Finance

- A. At the timeWhen a Lottery joins the "LUCKY FOR LIFE"Lucky For Life®" Product Group, NEW-ENGLAND LOTTERIESNew England Lotteries shall revises the existing budget and assesses the Lottery for the additional costs. Each July, thereafter, NEW-ENGLAND LOTTERIESNew England Lotteries sets the budget for the impending year and assesses each Lottery their proportionate share. The Lottery receives a copy of these costs and an election form.
- B. The draw reports determine whether the Lottery owes and needs to transfer funds to the MUSL, or the MUSL owes and needs to transfer funds to the Lottery. (The procedures and corresponding time lines documenting the timely and effective transfer of funds between the Lottery and the MUSL can be found in the Lottery's financial procedures.) Prize payments are transferred between the MUSL and the Lottery as required to cover prize payments.

14.E.12 Jackpot Game Licensee Commission, Cashing Bonus, Selling Bonus, and Marketing Performance Bonus

- A. In addition to the Six Percent (6%) Commission set forth in Rule 14.19, retailers can earn a Cashing Bonus, Selling Bonus and Marketing Performance Bonus.
1. Each retailer will receive a cashing bonus of one percent (1%) of each prize paid by the licensee up to and including five hundred and ninety nine dollars (\$599).
 2. In order to receive a Selling Bonus, the following criteria must be met:
 - a. A licensee must have sold a Top Prize or Prize Level 2 prize winning multi-state Jackpot game ticket;
 - b. Payment of the Jackpot selling bonus will occur once Lottery security has confirmed the selling licensee.
 - c. A licensee must be selling multi-state Jackpot Game tickets up to and including the day that the ticket is validated by the Lottery and must be the same licensed licensee who sold the winning ticket.
 - d. The Director or designee shall determine the amount of the Jackpot selling bonus for each qualified prize-winning ticket sold.

~~3. In order to receive a five tenths of one percent (.5%) Marketing Performance Bonus the following criteria must be met:~~

~~a. A licensee must be licensed on the date the marketing performance bonus is declared;~~

~~b. A licensee must sell Lottery products up to and including on the final sales day in which the marketing performance bonus is declared;~~

~~c. A licensee must meet or exceed the requirements of the marketing performance bonus plan for the period for which the marketing performance bonus is declared.~~

~~B. In the event there is a residual resulting after the accrual of the one percent (1%) cashing bonus (14.E.12.1) and/or the five tenths of one percent (.5%) marketing bonus (14.E.12.3), the Lottery Director may provide additional compensation to licensees as described in 14.E.12.2 or may revert the excess amount resulting in a lower bonus expense.~~