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IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

Blackhawk Network, Inc.,
an Arizona corporation,

Plaintiff,

vs.

SL Card Company Inc. d/b/a Linq3, an
Arizona corporation

Defendant.

Case No. _____

COMPLAINT

**(Commercial Court Assignment
Requested)**

Tier 2

1. Plaintiff Blackhawk Network, Inc. ("Blackhawk"), files this Complaint to redress the breaches of contract leading to the theft of its Intellectual Property by Defendants SL Card Company Inc. ("SL Card") d/b/a Linq3 ("Linq3"), an Arizona corporation. Linq3 was owned by L3 Innovations LLC f/k/a Linq3 Technologies, LLC ("Linq3-DE").

THE PARTIES

2. Plaintiff Blackhawk Network, Inc. ("Blackhawk") is an Arizona corporation with its principal place of business located at 6220 Stoneridge Mall Rd., Pleasanton, CA 94588. Blackhawk also has an office at 16610 N. Black Canyon Hwy, Phoenix, AZ 85053.

1 3. Defendant SL Card Company Inc. (“SL Card”) d/b/a Linq3 (“Linq3”) is an
2 Arizona corporation with its registered agent in Maricopa County, Arizona and principal place
3 of business located at 3060 Peachtree Road NW, Suite 1500, Atlanta, GA 30305.

4 4. Linq3 was owned by Linq3-DE. Linq3-DE is a Delaware corporation with its
5 principal place of business located at 3060 Peachtree Road NW, Suite 1500, Atlanta, GA
6 30305. On March 12, 2019, Interactive Communications International, Inc. (“InComm”), a
7 Florida corporation with its principal place of business located at 250 Williams Street, Suite
8 5-2002, Atlanta, Georgia, 30303, announced the acquisition of Linq3-DE/Linq3. InComm
9 purchased the assets of Linq3-DE, including Linq3, through a series of corporate vehicles
10 including (but not limited to) Linq3 Technologies, LLC f/k/a Linq3 Acquisition, LLC
11 (“Linq3-FL”), e2Interactive, Inc. (“e2Interactive”), and HI Technology Corp. f/k/a InComm
12 Holdings, Inc. (“HI Technology”). Linq3-FL is a Florida corporation with its principal office
13 at 250 Williams Street, Suite 5-2002, Atlanta, Georgia, 30303. Both e2Interactive and HI
14 Technology Corp. are Georgia corporations with their principal office address of 250
15 Williams Street, Suite 5-2002, Atlanta, Georgia, 30303. Linq3, Linq3-FL, e2Interactive,
16 InComm, and HI Technology share common officers, directors, employees, attorneys, and
17 resources; they are also entities that are in active concert with Linq3.

18 **JURISDICTION AND VENUE**

19 5. Personal jurisdiction is proper in Arizona because Linq3 is an Arizona
20 corporation with its registered agent in Maricopa County.

21 6. Jurisdiction and venue are proper before this Court under A.R.S. § 12-123 and
22 A.R.S. § 12-401, respectively, because Linq3 has a registered agent in Maricopa County.

23 **FACTUAL ALLEGATIONS**

24 7. In 2017-18, Blackhawk was working with its contractual partner, Linq3, to
25 develop a ticketless, internet-based lottery product. Separate from and prior to this
26 relationship, Blackhawk had acquired the intellectual property rights to an in-store lottery
27 ticket product, known as “QuickTicket™.” Blackhawk owns three United States patents and
28

1 a Canadian patent covering QuickTicket™. QuickTicket™ allows customers to purchase an
2 actual lottery ticket in the form of a card that hangs on a display hook in a store, have the
3 lottery ticket activated by a cashier and entered into the next lottery drawing.

4 8. Blackhawk's patents disclose an embodiment of QuickTicket™ (known as
5 "QuickTicket™ V2"), which allows the lottery numbers to be pre-printed on the ticket and
6 draw information is not on the point-of-sale receipt. Once activated by the cashier, the
7 QuickTicket™ V2 lottery ticket would be entered into the next lottery drawing, and the
8 customer could scratch off the ticket to reveal her lottery numbers.

9 9. Blackhawk's contract with Linq3, the Product Distribution Agreement
10 ("Distribution Agreement"), included provisions that: (1) ensured Blackhawk's intellectual
11 property remained with Blackhawk; and (2) prohibited Linq3 from disclosing Blackhawk's
12 confidential information. Pursuant to the Distribution Agreement, Blackhawk shared
13 proposed commercial embodiments of QuickTicket™ V2 with Linq3. A copy of the
14 Distribution Agreement is attached as Exhibit A to this Complaint.

15 10. Unbeknownst to Blackhawk, Linq3-DE (SL Card's parent entity at that time)
16 filed a patent application that included claims and descriptions of Blackhawk's QuickTicket™
17 V2 product. Linq3-DE also applied to register the trademark "QuickTicket" for its own use.
18 Months later, Linq3-DE asked Blackhawk to acquire Linq3-DE or it would sell itself to a
19 Blackhawk competitor. After rejecting Blackhawk's offer, the assets of Linq3-DE, including
20 Linq3, were acquired by Blackhawk's chief competitor, who has since pitched state lotteries
21 in Texas and Arizona (among others) with its pilfered version of QuickTicket™ V2.

22 11. These actions are in violation of the parties' Distribution Agreement and have
23 irreparably harmed Blackhawk, who was second to market with its own product and does not
24 even has primary ownership of the intellectual property for its own product. Therefore,
25 Blackhawk seeks injunctive relief (and not damages) to redress Blackhawk's injuries.

26 **A. Blackhawk Network**

27 12. Founded in 2001, Blackhawk is a leading prepaid payment network utilizing
28

1 proprietary technology to offer a broad range of branded gift cards, electronic gift cards,
2 reloadable debits cards and other prepaid phone cards and financial service products across a
3 global network of distribution partners.

4 13. In simplest terms, Blackhawk is a distributor of third-party branded gift cards.
5 Blackhawk distributes branded gift cards (*e.g.*, Apple iTunes, Barnes & Noble, Gap, Lowes,
6 Panera Bread, and many others) on behalf those clients for sale at retail partner stores across
7 the country (*e.g.*, Ahold, Albertsons, Food Lion, Kroger, Office Depot, Safeway, and Whole
8 Foods Market).

9 14. For Blackhawk's gift card clients, Blackhawk provides the largest distribution
10 network of gift cards in the United States and in Canada. For Blackhawk's retail partners,
11 Blackhawk provides a broad and diverse portfolio of third-party branded gift cards, an
12 important product category for their stores that can drive traffic and customer loyalty. When
13 a gift card is purchased at the point-of-sale at a retail partner, an activation request is sent to
14 Blackhawk. Blackhawk serves as a central hub, receiving those activation requests from
15 thousands of retail partner stores and routing those transactions to card processors, who
16 maintain the accounts associated with each gift card. Those card processors than send a
17 confirmation transaction back to Blackhawk, and Blackhawk routes those confirmation
18 transactions back to the point of sale. Prior to activation, the related account associated with
19 each gift card is not yet active or available for use.

20 15. For consumers, Blackhawk provides convenience by offering a wide variety of
21 third-party branded gift cards at the consumers' favorite retail locations, such as grocery and
22 convenience stores, where customers are provided a one-stop shop for gift card needs. For
23 example, a consumer can go to a single local grocery store to buy gift cards from hundreds of
24 different companies, while the consumer is shopping for groceries. Moreover, grocery stores
25 typically offer a multi-lane environment, meaning they have multiple checkout lanes. And
26 Blackhawk's technology allows for these gift cards to be purchased and activated from any
27 checkout lane.
28

1 16. Relevant to this action is Blackhawk’s use of its network to help sell lottery
2 products. Lottery products have been sold traditionally at specialized kiosks in retail stores
3 with a lottery terminal, where consumers would have to wait in line to purchase lottery tickets
4 and wait for their lottery ticket to be printed. By mid-2018, Blackhawk launched a first version
5 of QuickTicket™ lottery products, where consumers could buy a pre-printed lottery ticket in
6 a checkout lane in a multi-lane environment and have the lottery ticket activated at the “point-
7 of-sale” and entered into a lottery drawing. Doing so would remove the lottery’s reliance on
8 the use of specialized lottery terminals to sell their lottery tickets. Instead, lottery tickets could
9 be sold throughout the store and activated at any checkout counter, just like a gift card.

10 **B. Blackhawk’s QuickTicket™ Patents**

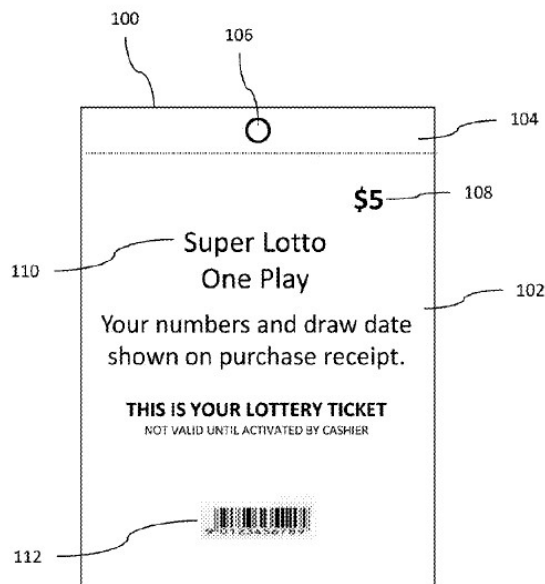
11 17. QuickTicket™ is a physical, pre-printed lottery ticket that would allow it to be
12 placed on a display hook in a retail outlet. The clerk scans the bar code on the ticket at the
13 point-of-sale to “activate” the ticket through the use of Blackhawk’s existing network. The
14 transaction would then be routed to a lottery computer, which would verify the transaction,
15 and activate the ticket for the next drawing. QuickTicket™ is the customer’s actual lottery
16 ticket, rather than any printed receipt.

17 18. Blackhawk’s QuickTicket™ was first commercialized in Canada for the
18 Ontario Lottery and Gaming Corporation (“OLG”). Blackhawk, through its Canadian
19 subsidiary, has been providing activation services for OLG’s implementation of
20 QuickTicket™ since June 1, 2017. Examples of the first embodiment of QuickTicket™
21 product sold by OLG are the “Lotto 6/49” product and the “Lotto MAX” product:



1 19. A U.S. patent application for QuickTicket™ was filed on April 6, 2015.
2 Blackhawk acquired all rights to the QuickTicket™ patent application and all continuations,
3 continuations-in-part, and foreign equivalents on September 21, 2016. The patent application
4 was granted as U.S. Patent No. 9,865,135 (“the ’135 patent”) on January 9, 2018. Blackhawk
5 owns another QuickTicket™ Patent, U.S. Patent 10,769,894 (“the ’894 patent”). The ’894
6 patent was issued by the United States Patent and Trademark Office on September 8, 2020.

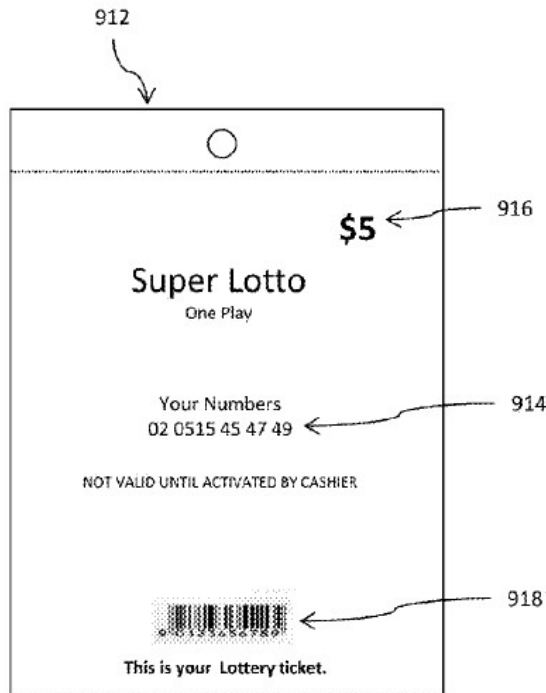
7 20. The ’135 patent and the ’894 patent are each entitled “Methods for selling pre-
8 printed online lottery tickets,” and each includes a description of a first embodiment of
9 QuickTicket™. The ’135 patent and the ’894 patent each further provide an example of the
10 first embodiment of QuickTicket™ in Figure 1:



21 The ’135 patents also has claims directed to the first embodiment of QuickTicket™.

22 21. The ’135 patent and the ’894 patent each also provide a second embodiment, in
23 pertinent part, describing QuickTicket™ V2. The ’135 patent and the ’894 patent each further
24 provide in Figure 9 an example of QuickTicket™ V2, with the lottery number pre-printed on
25 the lottery ticket:

26 ///



The '135 patent and the '894 patent each describe an example of a QuickTicket™ V2, with the lottery number pre-printed on the lottery ticket.

22. The '894 patent has claims directed to QuickTicket™ V2, including claims 33 and 44.

C. Blackhawk's Distribution Agreement with Linq3

23. Blackhawk and Linq3 executed the Distribution Agreement effective January 1, 2017, to develop a new product called the "Play Now Product" that would allow certain lottery players in the United States to play lottery games through a real-time, "ticketless" transaction. *See* Ex. A. The "Play Now Product" is defined in the Distribution Agreement as "a consumer solution for real-time, ticketless lottery transactions," that the "Play Now Product card" is sold in a store, the Play Now Product card is activated via a transaction at the point of sale, that the "holder of such Play Now Product card requests to Play the Lottery Products represented by the Play Value of such Play Now Product card by sending the applicable text message instruction to Linq3 in accordance with the terms and conditions of such Play Now Product card."

1 24. “Intellectual Property” is defined in the Distribution Agreement as “any patents,
2 patent rights, copyrights, trade secrets, trademarks, trade names, service marks, rights in
3 software, and all other intellectual property, and all applications and rights to apply for
4 registration or protection rights pertaining thereto.”

5 25. “Preexisting Intellectual Property” is defined in the Distribution Agreement as
6 “all Intellectual Property that a Party owned or had the exclusive right to use as of immediately
7 prior to the Effective Date.” The Effective Date of the Distribution Agreement is January 1,
8 2017.

9 26. “Linq3” is defined in the Distribution Agreement as “SL Card Company Inc.,
10 an Arizona corporation.”

11 27. “Linq3 Technologies” is defined in the Distribution Agreement as “Linq3
12 Technologies LLC, a Delaware limited liability company and the owner of all of the issued
13 and outstanding capital stock of Linq3,” *i.e.*, Linq3-DE.

14 28. Section 10 of the Distribution Agreement addresses Intellectual Property
15 Rights. Section 10.1, entitled “Retention of Respective Rights,” provides, in pertinent part
16 that:

17 As between Blackhawk and Linq3, Blackhawk owns (i) Blackhawk's
18 Preexisting Intellectual Property and any modifications, derivatives, or
19 improvements made thereto; and (ii) any new Intellectual Property it creates
20 both independent of, and in connection with, its performing Services or
21 delivering Deliverables pursuant to this Agreement that does not contain Linq3
22 Preexisting Intellectual Property or Linq3 Intellectual Property or any derivative
23 works thereof. For the avoidance of doubt, all Intellectual Property rights in the
24 Play Now Product, including in the specifications, features, and functionality of
25 the Play Now Product (and any enhancements to the Play Now Product made
26 under this Agreement), and any and all rights to the “PLAY NOW” name (or
27 any successor brand or product name to be used on or in connection with the
28 Play Now Product) shall be owned exclusively by Linq3.

29 29. Pursuant to the Distribution Agreement, the '135 patent, the '894 patent, the
QuickTicket™ products, and the QUICKTICKET™ mark all qualify as Blackhawk's

1 Preexisting Intellectual Property and any modifications, derivatives, or improvements made
2 thereto.

3 30. Section 10.2 provides each party a license to use the other party's Intellectual
4 Property only in connection with delivery of the "Play Now Product:"

5 In the event Blackhawk's Intellectual Property and/or Preexisting Intellectual
6 Property is incorporated into the Deliverables that it delivers under this
7 Agreement or is necessary for Linq3 to utilize the Deliverables, Blackhawk
8 hereby grants to Linq3 a royalty-free, worldwide, non-exclusive license (with
9 rights of sub-license and assignment upon Blackhawk's prior written consent)
10 to market and use Blackhawk's Intellectual Property and/or Preexisting
11 Intellectual Property solely to the extent such are incorporated into the
12 Deliverables solely during the Term and solely in connection with the Play Now
13 Product and in accordance with the terms of this Agreement.

14 31. Section 10.3 states that Linq3 has no rights to any of Blackhawk Preexisting
15 Intellectual Property or Blackhawk Intellectual Property and that Linq3 is restricted from
16 making or selling any derivative works of such intellectual property: "Linq3 understands and
17 agrees that no license, right, title or interest in any Blackhawk Preexisting Intellectual
18 Property or Blackhawk Intellectual Property is granted hereunder and Linq3 will not gain by
19 virtue of this Agreement any rights of ownership in any Intellectual Property or Preexisting
20 Intellectual Property owned by Blackhawk. Linq3 shall not make, have made, sell, offer to
21 sell, use, disclose, reproduce, distribute, perform, display, modify, copy or create derivative
22 works of any Blackhawk Preexisting Intellectual Property or Blackhawk Intellectual Property
23 in any form or forum without Blackhawk's prior written consent."

24 32. Section 8 of the Distribution Agreement addresses Confidential Information,
25 which is defined in Section 8.1:

26 For purposes hereof, "Confidential Information" of a disclosing Party shall
27 mean all confidential and/or proprietary information or material which (i) gives
28 such disclosing Party some competitive business advantage or the opportunity
of obtaining such advantage or the disclosure of which could be detrimental to
the interests of such disclosing Party; and/or (ii) which is either (A) marked
"Confidential," "Restricted," or "Proprietary Information" or with other similar
marking, (B) known by the Parties to be considered confidential and
proprietary, or (C) from all the relevant circumstances should reasonably be

1 assumed to be confidential and proprietary. Notwithstanding anything to the
2 contrary contained herein, Confidential Information of a disclosing Party shall
3 not include information which the receiving Party can demonstrate: (i) is or
4 becomes generally available to the public by any means other than a breach of
5 the obligations of the receiving Party under this Agreement; (ii) was previously
6 known to the receiving Party or rightly received by the receiving Party from a
7 third party not subject to an obligation of confidentiality; or (iii) is
8 independently developed by the receiving Party without reference to
9 information derived from the disclosing Party.

10 33. Section 8.2 generally limits the disclosure of the disclosing Party's Confidential
11 Information except for implementation of the agreement or sharing with certain enumerated
12 third parties that agree to be bound by similar confidentiality treatment to the Confidential
13 Information.

14 34. Section 8.4 confirms that "Blackhawk's Confidential Information shall remain
15 the sole and exclusive property of Blackhawk."

16 35. Similar obligations exist in Section 17, entitled "Publicity Restrictions." That
17 section states that "Neither Party shall acquire any right to use, and shall not use, without the
18 other Party's prior written consent any artwork, designs, trade names, copyrighted materials,
19 trademarks or service marks of the other Party: (a) in any advertising, publicity, press release,
20 client list, presentation or promotion; (b) to express or to imply any endorsement of a Party
21 or such Party's services; or (c) in any manner other than expressly in accordance with this
22 Agreement."

23 36. Section 14.2 addresses termination for cause events, and defines a breach of
24 Confidentiality and Intellectual Property Rights to be a material breach of the Distribution
25 Agreement:

26 If either Party materially breaches or defaults in the performance of any of its
27 obligations under this Agreement, which breach or default (a) if of a
28 nonmonetary nature, is not cured within thirty (30) days after written notice is
given to the defaulting Party specifying the breach or default...then the Party
not in default may, by giving written notice thereof to the defaulting Party,
terminate this Agreement or the applicable SOW with respect to which there is
a default, as of a date specified in such notice of termination and shall have no
obligation to provide Transition Services following such termination. For the

1 purpose of this Section 14.2, a material breach or default of this Agreement shall
2 include but not be limited to, a monetary default, a material breach of Section 8
3 (Confidentiality), breach of Section 10 (Intellectual Property Rights), or breach
4 of Section 15 (Exclusivity).

5 37. Section 13 provides “that a breach of any term of the Sections entitled
6 ‘Confidentiality,’ ‘Intellectual Property Rights,’ or ‘Exclusivity’ will cause irreparable harm
7 to the other Party for which monetary damages will not be an adequate remedy, and, therefore,
8 each Party shall be entitled to injunctive relief in addition to any remedies it may have
9 hereunder or in law.”

10 38. Section 16 provides for arbitration “[e]xcept for actions seeking specific
11 performance or injunctive relief.”

12 39. Pursuant to Section 21.2 of the Distribution Agreement, the Distribution
13 Agreement “shall bind and inure to the benefit of each Party’s permitted successors and
14 assigns.” As a result, InComm is also bound by the Distribution Agreement.

15 40. Section 21.4 provides that the Distribution Agreement is governed by Delaware
16 state law.

17 41. Daniel Cage signed the agreement on behalf of Linq3, and identified himself as
18 Director/President.

19 42. Linq3-DE is also a signatory to the Distribution Agreement, solely for purposes
20 of Section 15.1 and 21.12 of the Distribution Agreement.

21 43. Daniel Cage signed the agreement on behalf of Linq3-DE, and identified
22 himself as President, Founder of Linq3-DE.

23 **D. Blackhawk Introduces QuickTicket™ to Linq3**

24 44. The Play Now Product/Lottery Card did not succeed. Among other reasons,
25 Blackhawk and Linq3 had approached the Texas State Lottery Commission regarding the Play
26 Now Product but the Texas lottery did not want that product.

27 45. However, Blackhawk was already providing a point of sale activated pre-
28 printed lottery ticket solution—QuickTicket™—for OLG that did not require use of a mobile

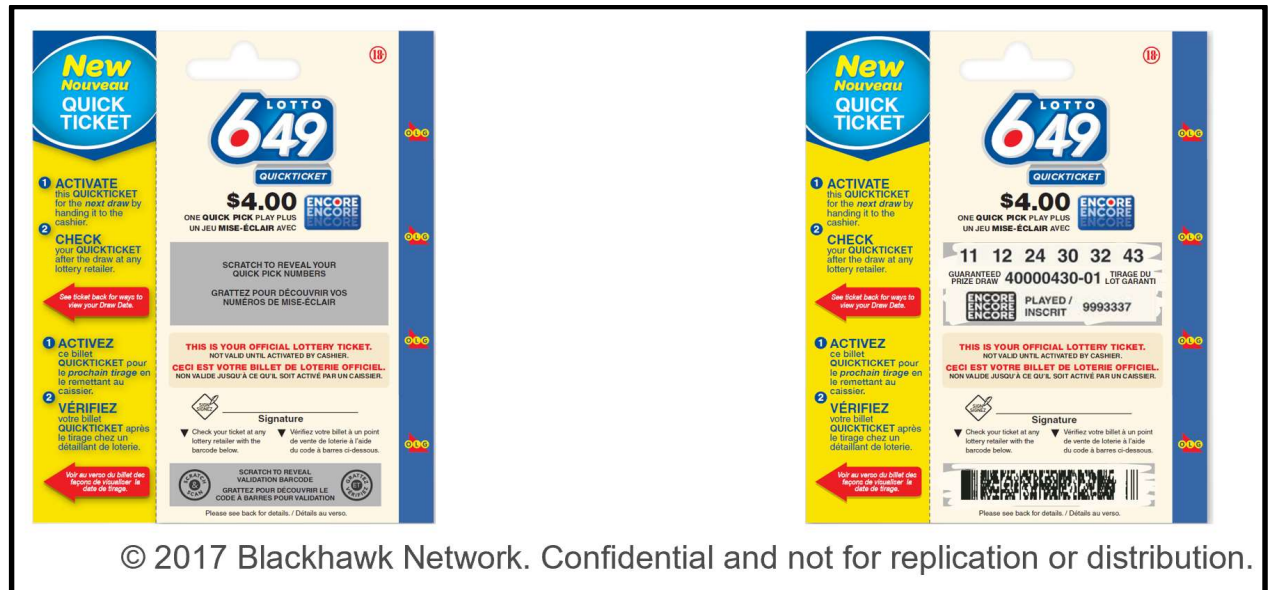
device. Therefore, Blackhawk believed it would be a viable solution in Texas and in other states.

46. On December 13, 2017, Blackhawk gave to Linq3, including Daniel Cage, a PowerPoint presentation marked “Confidential” entitled “QUICKTICKET.” The presentation disclosed that Blackhawk was providing activation services to OLG under the QUICKTICKET™ mark. QUICKTICKET™ leveraged the use of existing gift card technologies to sell and market lottery products without requiring an additional point-of-service integration at retailers, such as a kiosk dedicated to lottery products. The presentation described QUICKTICKET™, its unique features, and purchase flow to Linq3.

47. The slide deck also disclosed a proposed commercial version of QuickTicket™ V2:



48. At the bottom of this slide, Blackhawk illustrated QuickTicket™ V2 (enlarged below), which showed QuickTicket™ with pre-printed lottery numbers covered by a protective coating that would be scratched off after purchase:



49. On May 11, 2018, Blackhawk had a telephonic meeting with Linq3, which included Linq3's Daniel Cage and John Houseal, to discuss potential new products. In conjunction with this meeting, Blackhawk provided another PowerPoint where it proposed a commercial version of "QuickTicket V2 USA":

QuickTicket V2 USA

New version of BHN's Lottery Product in Canada
Gift card without mobile component at checkout for PowerBall and MegaMillions

Concept:
Issue a scratch off draw ticket in Blackhawk retailers, in check lane. This ticket would be merchandised and would contain quick picks printed on ticket, covered with opaque coating which reveals quick picks when scratched off.

Consumer flow:

- 1) Consumer would purchase Power Ball and Mega Million scratch off tickets in lane.
- 2) The cashier would scan a c128 barcode issued by BHN to activate the lottery play and the Quick Picks would be entered into the next draw.
- 3) After purchase, the consumer would scratch off the opaque coating revealing quick pick board numbers.

QUICKTICKET **\$4**

+ \$0.89 play benefit
TOTAL PRICE \$4.89

This is your official lottery ticket.
Scratch to reveal your quick pick board.

Quick Pick Board

#	#	#	#	#
#	#	#	#	#
#	#	#	#	#
#	#	#	#	#

Validation barcode. Play in the next draw upon activation.

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1 50. Daniel Cage was Linq3's Director/President and John Houseal was Linq3's
2 Chief Product Officer.

3 51. On information and belief, Travis Smith, Linq3's Chief Technology Officer,
4 received the same information regarding the proposed commercialization of Blackhawk's
5 QuickTicket™ V2.

6 52. Blackhawk and Linq3 later agreed that QuickTicket™ V2 was one of the top
7 product ideas that should be considered to sell to the state lotteries, including the Texas and
8 Arizona lotteries.

9 **E. Without Authorization, Linq3-DE Files for Patents and a Trademark on**
10 **QuickTicket™**

11 53. On November 20, 2017, Linq3's parent, Linq3-DE, filed U.S. Patent
12 Application No. 15/818,569. The '569 application was directed towards the unsuccessful
13 "Play Now" mobile solution. Daniel Cage, John Houseal, and Travis Smith are named
14 inventors in the application. This was before Blackhawk met with Linq3 and provided
15 PowerPoint presentations detailing the QuickTicket™ products. Unsurprisingly, the patent
16 application contained no information regarding physical lottery ticket that could be purchased
17 at retail stores.

18 54. On June 18, 2018—the same day Blackhawk and Linq3 met with Texas Lottery
19 officials to pitch Blackhawk's QuickTicket™ V2 product—Linq3-DE filed a continuation-
20 in-part of its '569 application, Application No. 16/010,398 ("the '398 application"). This '398
21 application added nearly 10 new drawings, and approximately six additional columns of
22 information, and disclosed new embodiments including a physical lottery ticket—none of
23 which had been disclosed in the '569 application or any other application in the family history
24 of the '398 application. This application lists Daniel Cage, John Houseal, and Travis Smith
25 as named inventors, all who were recipients of Blackhawk's intellectual property.

26 55. Several figures in Linq3-DE's '398 application looked extremely similar to the
27 information Blackhawk provided to Linq3, including Daniel Cage, John Houseal, and Travis
28 Smith, in the earlier presentations, including:

**EXAMPLES OF BLACKHAWK
QUICKTICKET™ V2
PRESENTED TO LINQ3**



**FIGURES LINQ3-DE ADDED TO ITS PATENT
APPLCIATION IN JUNE 2018**

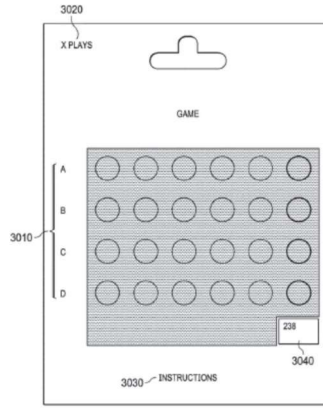


FIG. 30

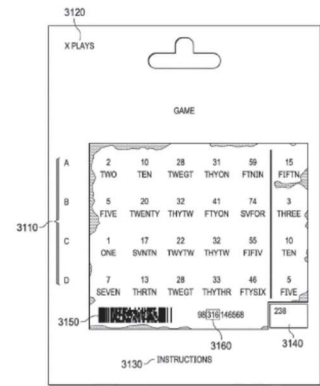


FIG. 31

'398 application, Figs. 30, 31



FIG. 32

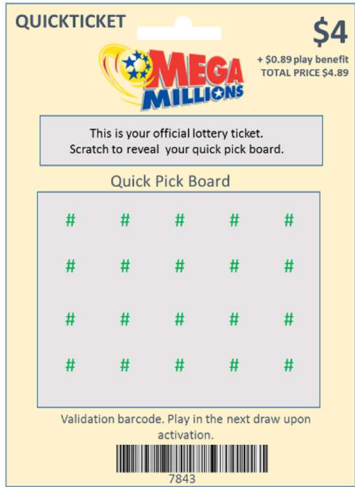
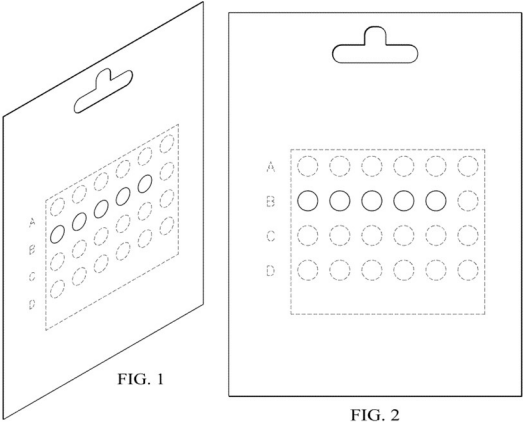
'398 application, Fig. 32

56. The text supporting these figures describes specifically that these were physical gaming cards, “with a structure or shape of the card [that] may be similar to that of a gift card.... The numbers may be covered and not visible and may become visible in response to

1 user interaction with one or more portions of the card (e.g., scratching off the surface of the
2 card . . .).”

3 57. Blackhawk did not provide permission for the '398 application, which
4 contained Blackhawk’s intellectual property, to be filed. On March 12, 2019, the '398
5 application was granted as U.S. Patent No. 10,229,561. Blackhawk’s QuickTicket™ V2
6 product is included in claims 59-85 of the '561 patent.

7 58. On August 22, 2018, Linq3-DE filed U.S. Patent Application No. 29/660,720
8 (“the '720 application”), which claims the benefit of the '398 application. The '720
9 application issued as U.S. Patent No. D877,812 on March 10, 2020 (“the '812 patent”).
10 Daniel Cage, John Houseal, and Travis Smith are the only named inventors of the '812 patent,
11 all who were recipients of Blackhawk’s intellectual property. The '812 patent is entitled
12 “Quick Ticket for Lottery” and is a design patent. The figures in the '812 patent look
13 extremely similar to information Blackhawk provided Linq3 in the earlier presentations:

EXAMPLE OF BLACKHAWK QUICKTICKET™ V2 PRESENTED TO LINQ3	FIGURES LINQ3-DE INCLUDED IN ITS '812 PATENT
	 '812 Patent, Figs. 1 & 2

26 59. Blackhawk did not provide permission for filing of the application for the '812
27 patent, which contained Blackhawk’s intellectual property.
28

1 60. On June 7, 2018, Linq3-DE filed a U.S. trademark application for
2 QUICKTICKET. Blackhawk did not give permission for the filing of this U.S. Trademark
3 application. The validity of this application has been challenged in a separate action in the
4 United States Patent and Trademark Office.

5 **F. Subsequent Events**

6 61. Linq3-DE asked Blackhawk to buy it, including the intellectual property that
7 Linq3-DE had obtained through Linq3's breaches of the Distribution Agreement. Ultimately,
8 the relationship between Blackhawk and Linq3 fell apart. On March 12, 2019, InComm
9 announced the acquisition of Linq3-DE/Linq3. In March 2019, e2Interactive filed a number
10 of other patent applications that claim the benefit of other applications derived from the
11 material Linq3 took wrongly from Blackhawk.

12 62. e2Interactive filed U.S. Patent Application No. 16/298,871 ("the '871
13 application") on March 11, 2019, which is a continuation of the '398 application. The '871
14 application contains the same specification as the '398 application, and as a result, contains
15 Blackhawk's intellectual property. The '871 application issued as U.S. Patent No. 10,943,438
16 ("the '438 patent") on March 9, 2021. Daniel Cage, John Houseal, and Travis Smith are listed
17 as inventors, all who were recipients of Blackhawk's intellectual property.

18 63. e2Interactive filed U.S. Patent Application No. 16/351,275 ("the '275
19 application") on March 12, 2019, which is also a continuation of the '398 application. The
20 '275 application contains the same specification as the '398 application, and as a result,
21 contains Blackhawk's intellectual property. The '275 application issued as U.S. Patent No.
22 10,943,432 ("the '432 patent") on March 9, 2021. Daniel Cage, John Houseal, and Travis
23 Smith are listed as inventors, all who were recipients of Blackhawk's intellectual property.

24 64. e2Interactive filed U.S. Patent Application No. 17/196,196 ("the '196
25 application") on March 9, 2021, which is a continuation of the '871 application, which is a
26 continuation of the '398 application. The '196 application contains the same specification as
27 the '871 application and the '398 application, and as a result, contains Blackhawk's
28

1 intellectual property. The '196 application is currently pending at the United States Patent
2 and Trademark Office. Daniel Cage, John Houseal, and Travis Smith are listed as inventors,
3 all who were recipients of Blackhawk's intellectual property.

4 65. e2Interactive filed U.S. Patent Application No. 17/196,211 ("the '211
5 application") on March 9, 2011, which is a continuation of the '275 application, which is a
6 continuation of the '398 application. The '211 application contains the same specification as
7 the '275 application and the '398 application, and as a result, contains Blackhawk's
8 intellectual property. The '211 application is currently pending at the United States Patent
9 and Trademark Office. Daniel Cage, John Houseal, and Travis Smith are listed as inventors,
10 all who were recipients of Blackhawk's intellectual property.

11 66. Blackhawk did not authorize or give permission for the '871 application, '275
12 application, '196 application, and '211 application to be filed.

13 67. The Texas Lottery Commission held hearings on August 7, 2019, where it
14 explained that Defendant's version of QuickTicket—*i.e.*, QuickTicket™ V2, would soon be
15 released in Texas and sourced from InComm. Texas has since posted on its website images
16 of sample "QuickTicket" products that look just like QuickTicket™ that Blackhawk disclosed
17 to Linq3.

18 68. On August 14, 2019, Blackhawk notified Linq3 that it was in material breach
19 of the Distribution Agreement.

20 69. The Texas Lottery launched QuickTicket the week of November 11, 2019. The
21 Texas Lottery stated in its press release that the "Texas Lottery players have the first-in-the-
22 nation chance to get their Powerball and Mega Millions tickets while in the checkout lane at
23 participating Texas Dollar General Stores by purchasing a QUICKTICKET." The same press
24 release acknowledged that the Ontario Lottery Gaming Corporation had previously launched
25 "the lottery industry's first QUICKTICKET," which is a direct reference to Blackhawk's
26 QuickTicket™ intellectual property. The same press release included a quote from InComm's
27 Senior Vice President Tim Richardson stating, "We're revolutionizing the lottery experience
28

1 for players, retailers and lotteries alike.” The Texas Lottery QuickTicket is sold at Dollar
2 General stores in Texas, which are InComm retailers.

3 70. Arizona has since marketed a competing QuickTicket product called
4 “Quickcard,” complete with (1) sample images that look just like the QuickTicket™ V2 that
5 Blackhawk disclosed to Defendant and (2) a description of how the QuickTicket™ V2 that
6 Blackhawk disclosed to Defendant. Quickcard is sold at CVS and Dollar General stores in
7 Arizona, both of which are InComm retailers.

8 71. Blackhawk’s QuickTicket™ V2, wrongfully taken by Linq3, has also been
9 marketed to the Oklahoma Lottery.

10 72. InComm, who purchased Linq3, markets Blackhawk’s QuickTicket™ V2 and
11 the QuickTicket trademark through InComm’s website.

12 73. Linq3 has not cured any of its material breaches and, instead, disputes that it
13 had even committed a material breach of the Distribution Agreement.

14 **COUNT I**
15 **(Breach of Contract against Linq3)**

16 74. Blackhawk repeats and re-alleges each and every allegation of the Complaint
17 as it set forth herein.

18 75. Blackhawk entered into the Distribution Agreement with Linq3 on January 1,
19 2017. Prior to the Distribution Agreement, Blackhawk acquired the patent rights to
20 Blackhawk’s QuickTicket™, an in-lane lottery ticket product and process invented and
21 disclosed in Blackhawk’s ’135 patent, which was filed in the United States Patent and
22 Trademark Office in 2015, years prior to the Distribution Agreement, and therefore meets the
23 definition of Blackhawk’s Preexisting Intellectual Property.

24 76. The QuickTicket™ V2, a second embodiment of QuickTicket™, is a product
25 also disclosed in the ’135 patent that pre-dates Linq3-DE’s claim of inventorship.

26 77. The QuickTicket™ product and process was disclosed in Blackhawk’s ’135
27 also specifically claimed in Blackhawk’s ’894 patent, which is a continuation of the ’135
28 patent.

1 78. Therefore, QuickTicket™ V2 qualifies as Blackhawk's Preexisting Intellectual
2 Property under the Distribution Agreement.

3 79. A commercial version of QuickTicket™ V2 disclosed confidentially by
4 Blackhawk to Linq3 in December 2017 and May 2018 PowerPoints, all of which pre-date
5 Linq3-DE's '389 application filed in June 2018.

6 80. After these confidential disclosures, Linq3 took Blackhawk's QuickTicket™
7 invention without Blackhawk's consent. Linq3-DE then secretly filed Blackhawk's
8 QuickTicket™ and QuickTicket™ V2 inventions in Linq3-DE's '398 application.

9 81. Linq3-DE further secretly filed a number of patent applications, all which
10 included Blackhawk's QuickTicket™ and QuickTicket™ V2 inventions and all without
11 Blackhawk's consent.

12 82. The companies that purchased Linq3 are now marketing QuickTicket™ V2
13 product, without Blackhawk's prior written consent.

14 83. These actions constitute breaches of the Distribution Agreement, including but
15 not limited to Section 10 of the Distribution Agreement. Alternatively and/or in addition to
16 the section 10 breaches, these actions constitute breaches of the Distribution Agreement,
17 including but not limited to Section 8 of the Distribution Agreement.

18 84. Blackhawk has been harmed irreparably by these actions.

19 85. Therefore, Linq3 has breached the Distribution Agreement.

20 **RELIEF SOUGHT**

21 NOW, THEREFORE, Blackhawk demand judgement as follows:

22 A. An injunction prohibiting Linq3, its officers, agents, servants, employees,
23 attorneys, and other persons or entities who are in active concert or participation with them,
24 from making, have made, selling, offer to sell, using, disclosing, reproducing, distributing,
25 performing, displaying, modifying, copying or creating the QuickTicket™ and/or
26 QuickTicket™ V2 technology, including the QuickTicket™ and/or QuickTicket™ V2
27 technology contained in the '561 patent, and any subsequent patent application that claims
28

1 the benefit of the '561 patent including but not limited to the '812 patent;

2 B. An injunction prohibiting Linq3, its officers, agents, servants, employees,
3 attorneys, and other persons or entities who are in active concert or participation with them,
4 from further use and/or dissemination of Blackhawk's confidential information relating to
5 QuickTicket™ and the return and/or destruction of all property derived, created, made, or in
6 any way reliant on Blackhawk's confidential information relating to QuickTicket™;

7 C. Sole ownership of the '561 patent, '812 patent, '438 patent, '432 patent, '196
8 application, and '211 application.

9 D. Sole ownership of any subsequent patent application that is a continuation or
10 continuation-in-part of the '561 patent and '812 patent, and any subsequent patent application
11 that claims the benefit of the '561 patent or '812 patent;

12 E. An injunction prohibiting Linq3, its officers, agents, servants, employees,
13 attorneys, and other persons or entities who are in active concert or participation with them,
14 from making, have made, selling, offer to sell, using, disclosing, reproducing, distributing,
15 performing, displaying, modifying, copying or creating the QuickTicket™ mark;

16 F. Sole ownership of the QuickTicket™ mark;

17 G. Attorneys' fees and costs as permitted by law.

18 DATED this 23rd day of May, 2022.

19
20 **MESSNER REEVES LLP**

21 By: /s/ David A. Selden

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Inc.*

EXHIBIT A

PRODUCT DISTRIBUTION AGREEMENT

This Product Distribution Agreement ("**Agreement**") is entered into as of January 1, 2017 (the "**Effective Date**"), by and between Blackhawk Network, Inc., an Arizona corporation ("**Blackhawk**"), SL Card Company Inc., an Arizona corporation ("**Linq3**") (each of Blackhawk and Linq3, as "**Party**" or, collectively, the "**Parties**") and, for purposes of Sections 15.1 and 21.12 hereof, Linq3 Technologies LLC, a Delaware limited liability company and the owner of all of the issued and outstanding capital stock of Linq3 ("**Linq3 Technologies**"). For the purposes of this Agreement, "**Blackhawk**" shall mean Blackhawk Network, Inc. and its Affiliates (as defined below).

WHEREAS, Linq3 and/or its Affiliates, in collaboration with Lotteries and their operators, have developed certain protocols and processes that allow for the sale of Lottery Products on various unmanned point of sale ("**POS**") terminals or other similar devices located at authorized locations.

WHEREAS, Blackhawk is in the business of partnering with retailers and third-party brands to provide gift cards and other pre-paid digital products via the Alliance Partner Network.

WHEREAS, in connection with the Lottery Products, Linq3 and/or its Affiliates have also developed related software and authored, conceived and/or developed related Preexisting Intellectual Property and processes from time to time to commercialize its products and services.

WHEREAS, Blackhawk and Linq3 desire to facilitate data exchanges between certain protocols and processes of Linq3 and certain technology that Blackhawk provides in connection with the Alliance Partner Network to develop a new consumer product (to be called the "**Play Now Product**" as further described herein) on the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual undertakings and promises set forth in this Agreement as well as other consideration, the sufficiency of which is hereby acknowledged, the Parties agree and intend to be legally bound as follows:

1. Definitions.

"**Accept**," "**Acceptance**," "**Acceptance Criteria**," "**Acceptance Notice**," and "**Acceptance Date**" have the meanings set forth in Section 6.

"**Activate(d)**" means enabled for purchases of, and capable of being used to play, Lottery Products. "**Activation**" means the completed process through which a Play Now Product is Activated and occurs at such time as a Play Now Product is presented for payment and scanned at POS.

"**Added Value**" means, with respect to a Play Now Product, the value of the Linq3 services provided to the holder of a Play Now Product in connection with the Activation, Play and Redemption of such Play Now Product. The Added Value for any Play Now Product is equal to the difference between the Consumer Purchase Price and the Play Value for such Play Now Product.

"**Affiliate**" means, with respect to an entity, any other entity or person controlling, controlled by, or under common control with, such entity. The term "control" for purposes of this definition means possessing, directly or indirectly, the power to direct or cause the direction of the management policies or material operations of an entity or person, whether through ownership of voting securities, by contract or other objective criteria.

"Alliance Partner" means any brick and mortar retail merchant that participates through written agreements with Blackhawk, either directly or indirectly through a third party distributor, in the retail sale of products distributed by Blackhawk as part of the Alliance Partner Program. A list of the Alliance Partners as of the Effective Date is attached as Exhibit C.

"Alliance Partner Network" means Blackhawk's distribution network of Alliance Partners in the United States (and its territories).

"Alliance Partner Program" means the marketing programs operated by Blackhawk or its Affiliates, related to the distribution of branded stored value prepaid cards, ticket cards, phone cards and phone products, and other products or services, as may be amended from time to time or discontinued in whole or in part by Blackhawk in its sole discretion.

"Alliance Partner Share" means the money retained by the Approved Alliance Partner in connection with sales of Play Now Products. The Alliance Partner Share shall be negotiated between each Approved Alliance Partner and Blackhawk, but shall not be more than five percent (5%) of the Play Value unless agreed to by Linq3.

"Alliance Partner Store" means an individual brick and mortar Alliance Partner retail outlet.

"Applicable Law" means, with respect to any person or entity, federal, state or local laws, rules, regulations or ordinances applicable to such person or entity, including, but not limited to, the rules, regulations and policies of any Lottery (including any multi-jurisdictional lottery authority or the equivalent) in which Play Now Products are to be offered and sold.

"Approved Alliance Partner" means an Alliance Partner that has agreed to, and has been approved by Linq3 and Blackhawk in writing or via e-mail to, sell Play Now Products in its Approved Alliance Partner Stores (and such approval has not been revoked or otherwise rescinded by Linq3 or Blackhawk).

"Approved Alliance Partner Store" means an individual brick and mortar Approved Alliance Partner retail outlet that is permitted to sell Play Now Products under Applicable Law (including all approvals from the Lottery in the state and/or territory in which such Alliance Partner Store is located).

"Approved State" means each state and/or territory in which the Play Now Product has been approved for sale by the applicable Lottery as of the Determination Date, whether or not any specific Alliance Partners or Alliance Partner Stores in such state or territory have received any further required Lottery approvals to sell Play Now Products.

"Available Store" means each Alliance Partner Store located in an Approved State, whether or not such Alliance Partner Store has received any specific Lottery approvals that may be required to sell Play Now Products in such Approved State, but excluding the Alliance Partner Stores of those Alliance Partners identified with an asterisk (*) on Exhibit C attached hereto.

"Blackhawk Territory" means those states and territories in the United States in which Lottery Products are sold and within which Blackhawk operates the Alliance Partner Program. For the avoidance of doubt, no countries or territories other than the United States (and its territories) are part of the Blackhawk Territory for purposes of this Agreement.

"Change Order" has the meaning set forth in Section 3.

"Claim" means an action, allegation, cause of action, cease and desist letter, charge, citation, claim, demand, directive, lawsuit or other litigation or proceeding, or written notice of any of the foregoing.

"Consumer Purchase Price" means the total purchase price for a Play Now Product. The Consumer Purchase Price for any Play Now Product equals the Play Value plus the Added Value for such Play Now Product.

"Convenience Store" means a small brick and mortar retail store selling a limited variety of food and over-the-counter pharmaceutical items, usually with extended hours of operation (e.g., 7-11).

"Damages" means assessments, fines, bona fide settlements, costs, damages (including consequential, indirect, special, incidental or punitive damages, subject to Section 11 herein below), expenses (including without limitation reasonable attorneys' fees, expenses and costs), judgments, liabilities, losses, or penalties incurred in connection with a Claim.

"Delinquent Alliance Partner" has the meaning set forth in Section C.1 of Exhibit B.

"Deliverables" has the meaning set forth in Section 2.

"Determination Date" means the date that is the earlier of (i) twenty-four (24) months after the date the first Play Now Product is sold under this Agreement and (ii) thirty (30) months after the Effective Date (or if either such date is not a month-end, then the last day of the month in which that date otherwise occurred).

"Drug Store" means a brick and mortar retail store that primarily sells a full line of prescription drugs and over-the-counter medicines (e.g., Walgreen's, CVS, and RiteAid).

"Exclusivity Period" means the period beginning on the Effective Date and ending on the date that is the earlier of (i) the date on which Blackhawk delivers to Linq3, or Linq3 delivers to Blackhawk, written notice of its election to terminate the Exclusivity Period as a result of the occurrence of the Exclusivity Termination Trigger Event (provided that any such notice of termination must be delivered (if at all) within thirty (30) days following the Determination Date) and (ii) the date of any termination or expiration of this Agreement in accordance with its terms.

"Exclusivity Termination Trigger Event" shall occur if, as of the Determination Date, there are less than six thousand (6,000) Available Stores in the Blackhawk Territory.

"Grocery Store" means a brick and mortar retail store that primarily sells groceries, excluding Drug Stores, Mass Merchandisers and Convenience Stores.

"Home Improvement Store" means a high-volume, large-format brick and mortar retail store that sells a wide variety of equipment, materials, and building supplies for residential construction and improvement (e.g., Home Depot and Lowe's).

"Intellectual Property" means any patents, patent rights, copyrights, trade secrets, trademarks, trade names, service marks, rights in software, and all other intellectual property, and all applications and rights to apply for registration or protection rights pertaining thereto.

"Linq3 Marks" means the trademarks, service marks, trade names and logos used on or in connection with Play Now Products.

"Lottery" means a state lottery commission (or other governmental or quasi-governmental equivalent).

"Lottery Payment Amount" means, with respect to any Play Now Product, the amount that Linq3 is required to pay to the applicable Lottery in connection with the Play of such Play Now Product, as specified in the applicable written agreement between Linq3 and such Lottery (which, for purposes of this Agreement, includes the amount that Linq3 is required to pay out from time to time to Players in respect of Lottery winnings of less than \$600 but which is then netted against the amount that Linq3 is required to pay the applicable Lottery).

"Lottery Product" means any state and/or multi-state lottery product sold or offered for sale by one or more Lotteries.

"Mass Merchandiser" means a high-volume brick and mortar retail store selling a wide variety of consumer products such as health and beauty care, apparel, small appliances and paper household goods in a large format retail space (e.g. Target, Walmart, Sam's Club, BJ's Wholesale, and Costco).

"Office Supply Store" means a brick and mortar retail store that primarily sells a full line of equipment and supplies for home and commercial offices (e.g. Staples, Office Depot).

"Personnel" has the meaning set forth in Section 4.2.

"Play" means, as the context requires, to use an Activated Play Now Product to purchase Lottery Products and play the applicable lottery game, or the process through which a Play Now Product is used to purchase Lottery Products and via which the applicable lottery game is played.

"Play Now Product" has the meaning set forth in Section 2.

"Play Value" means, with respect to a Play Now Product, the dollar amount of Lottery Products for which the Play Now Product can be Played.

"Player" means, with respect to a Play Now Product that has been Activated, the person actually Playing such Play Now Product. For example, the Player is the Purchaser if the Purchaser Activates the Play Now Product and Plays the Lottery him or herself. If the Purchaser gives the Play Now Product as a gift to a different person, and such different person uses it to Play, then such different person is the Player.

"POS" shall have the meaning set forth in the Recitals.

"Potential Approved Alliance Partner" means an Alliance Partner (i) that has expressed interest in selling Play Now Products; and (ii) that Linq3 wishes to sell Play Now Products.

"Preexisting Intellectual Property" means all Intellectual Property that a Party owned or had the exclusive right to use as of immediately prior to the Effective Date.

"Prepaid Card Network Operator" means a third-party distributor of a broad range of prepaid gift, telecom and debit cards through brick and mortar retail merchants that operates a proprietary payment network to facilitate activation, authorization, redemption and settlement transactions through direct connections to the card processing systems of such brick and mortar retail merchants. For the avoidance of doubt, a "Prepaid Card Network Operator" is intended to refer to and describe a major direct competitor of Blackhawk's core third party gift card distribution business as of the Effective Date and shall not include,

by way of example, any credit card issuer or association, any member bank thereof, or any payment processor (including through one or more intermediaries).

"Purchaser" means a consumer who purchases a Play Now Product.

"Redeem" means to redeem winnings in respect of Lottery Products that were Played using a Play Now Product. **"Redemption"** means the process through which such winnings are redeemed and via which the applicable Player is paid.

"Reject" has the meaning set forth in Section 6.2.

"Remittance Amount" means an amount equal to the Consumer Purchase Price less the Alliance Partner Share.

"Remittance Shortfall" means, for any payment from an Approved Alliance Partner to Blackhawk with respect to sales of Play Now Products during any period, the difference between (i) the amount such Approved Alliance Partner owed Blackhawk with respect to Play Now Products sold during that period and (ii) the amount the Approved Alliance Partner actually paid Blackhawk pursuant to that invoice.

"Remittance Shortfall Recovery" means the amount of a Remittance Shortfall later paid to Blackhawk by an Approved Alliance Partner. To the extent Applicable Law does not require otherwise, payments to Blackhawk by Delinquent Alliance Partners shall be allocated in a manner no less favorable to Linq3 than proportionally (i.e., the percentage of a payment received from a Delinquent Alliance Partner allocated to money owed Linq3 shall be no less than the percentage of the Delinquent Alliance Partner's total debt to Blackhawk in respect of money due third parties that relates to sales of Play Now Products).

"Required Lottery Approvals" means, with respect to each Lottery Partner, (i) approval by such Lottery Partner of a remittance schedule with such Lottery Partner that allows Linq3 to remit funds to the applicable Lottery in respect of sales of Play Now Products through Approved Alliance Partners after (and not before) having received funds from Blackhawk with respect to such sales in accordance with the remittance schedule described in Exhibit B attached hereto, and (ii) all other licenses, permits, consents, approvals and/or contracts required under Applicable Law for the sale of Play Now Products as a Lottery Product of such Lottery Partner through Approved Alliance Partners shall have been obtained or entered into (but with it being understood that in no event shall any directors (or managers), officers or owners of Linq3 or Blackhawk be required to agree to be personally liable for any amounts owed to any Lottery as a condition to receiving any Required Lottery Approvals).

"Restricted Retailer" means (A) any Grocery Store, Drug Store, Home Improvement Store, Office Supply Store, Mass Merchandiser or Convenience Store and (B) any brick and mortar Alliance Partner not otherwise included within clause (A) above. For purposes of clarity, restaurants and bars are not Restricted Retailers, unless they are located on the premises of a Restricted Retailer, in which case: (i) if the restaurant or bar is owned and controlled by the Restricted Retailer, or operated by the Restricted Retailer, and covered by and included within the written Alliance Partner agreement between Blackhawk and such Approved Alliance Partner, then the restaurant or bar is a Restricted Retailer; and (ii) if the restaurant or bar is not owned and controlled by the Restricted Retailer, or operated by the Restricted Retailer, or is not covered by and included within the written Alliance Partner agreement between Blackhawk and such Approved Alliance Partner, then the restaurant or bar is not a Restricted Retailer.

"Services" has the meaning set forth in Section 2.

“**Site Fee**” means a per-location, per-day fee charged by Linq3 to a Lottery in connection with the sale of Play Now Products at such location.

“**SOW**” has the meaning set forth in Section 2.

“**Term**” has the meaning set forth in Section 14.1.

“**Transaction Expenses**” means all costs and expenses actually incurred by Linq3 in connection with the Activation, Play and Redemption of Play Now Products, including, without limitation, text messaging costs, redemption expense for winning plays and payment processor costs (if applicable) and all other costs and expenses (including gross receipts and similar taxes) incurred by Linq3 on a transaction-by-transaction basis or based on volume of transactions (or, in the case of gross receipts or similar taxes, based on sales or revenues).

“**Transition Services**” has the meaning set forth in Section 14.5.

2. Play Now Product Description. Blackhawk and Linq3 shall work together to develop a consumer solution for real-time, ticketless lottery transactions by leveraging certain existing Linq3 products and Linq3 protocols and processes and other Linq3 Preexisting Intellectual Property, and certain technology that Blackhawk provides in connection with the existing point-of-sale technology and infrastructure of Approved Alliance Partners, to sell Lottery Products in Approved Alliance Partner Stores, as described more fully in Exhibit B as attached hereto and incorporated herein (the “**Play Now Product**”). In connection with the development of the Play Now Product, each Party may from time to time provide certain services (“**Services**”) and may from time to time deliver certain deliverables (“**Deliverables**”) in accordance with the terms of this Agreement and one or more mutually agreed upon statements of work substantially in the form that is attached hereto as Exhibit A (each, a “**SOW**”). For purposes of clarity, the Play Now Product shall not be considered a Deliverable. The Parties shall perform the planning and integration work required in order to develop, implement and commercialize the Play Now Product and establish a commercial deployment schedule as more specifically detailed in Exhibit B. Additionally, Linq3 and Blackhawk will each assign project Representatives at the management level for strategic leadership responsible for ensuring that all duties and obligations under this Agreement relating to the Play Now Product are properly performed, as more specifically detailed in Section 3. The Parties hereby acknowledge and agree that certain aspects of the Play Now Product are subject to the approval of certain governmental and/or quasi-governmental authorities, including, without limitation, the applicable Lotteries.

3. Play Now Product Development and Change Orders. Through mutual consultation, each Party shall use commercially reasonable efforts to develop its own hardware and software (which it shall retain exclusive ownership of) necessary to implement the Play Now Product. Except as otherwise specifically set forth herein or agreed to in writing by the Parties, each Party shall be responsible for its own internal and third-party operational costs incurred as a result of this Agreement and the Play Now Product. Additionally, the Parties hereby acknowledge and agree that each Lottery has approval over anything that appears on a screen or card or can be perceived by a Player in connection with such Lottery’s Lottery Products, and both Parties agree that they shall collaborate and create such proposed content subject to the approval of the Lotteries. All agreed-upon future developments and implementations in connection with the Play Now Product will be conducted pursuant to one or more consecutively numbered SOWs. Each SOW will set forth the scope of the development and implementation, the obligations of the Parties with respect to such development and implementation, the anticipated costs and expenses for the development and implementation, and the agreed upon allocation of such costs and expenses between the Parties. Either Party may desire to make significant custom modifications to the Services that were not contemplated by the Parties when the SOW was created. If so, the Party requesting such modification(s) will submit a written

change order to the Party performing such services, describing such changes in appropriate detail ("**Change Order**"). No Change Order shall be effective unless agreed by both Parties.

4. Play Now Product Leadership and Personnel.

4.1 Representatives. Each Party will designate a representative in the applicable SOW and in connection with Exhibit B for the purposes of sending and receiving communications, including without limitation, instructions, approvals, submissions, business-related notices, or any other communications or transactions between the Parties ("**Representative**").

4.2 Personnel. Each Party shall engage its employees and/or third-party consultants and subcontractors (collectively or individually referred to as "**Personnel**") to perform its obligations under this Agreement. Notwithstanding the foregoing, if either Party delegates the performance of its obligations hereunder to a third party consultant or subcontractor it may do so only upon the prior written consent of the other Party (which consent shall not be unreasonably withheld, conditioned or delayed). To the extent a Party subcontracts the performance of any portion of its obligations, such Party shall be responsible, and fully liable to the other Party for the acts, errors or omissions by its subcontractors and such subcontractor's compliance with this Agreement. For the avoidance of doubt, this Section 4.2 shall not obligate Linq3 to seek or obtain consent from Blackhawk in connection with directly or indirectly receiving services from, or integrating with, text message providers, data processors, payment processors or Lottery operators.

5. Independent Contractor Status. The Parties agree that each Party is an independent contractor and not an employee, agent, joint venturer or partner of the other Party. Nothing in this Agreement shall be interpreted or construed as creating the relationship of employer and employee between the Parties and/or their respective Personnel. Each Party acknowledges that neither the other Party nor its Personnel are its employees for state or federal tax purposes or any other purpose. Except as set forth in Section 15, each Party and its Personnel shall retain the right to perform services for others during the Term of this Agreement and each Party also reserves the right to obtain services of a similar or identical nature from any other person or entity. Each Party acknowledges that neither it nor any of its Personnel shall be eligible to enroll for and/or receive benefits under any of the other Party's employee benefit plans including without limitation vacation, bonus, any employee pension benefit plan, any employee welfare benefit plan, or any stock option or stock purchase plan, and that the foregoing shall apply to each Party (and its Personnel) even if such Party (or any of its Personnel) is subsequently reclassified by any court or governmental agency as a common-law employee for periods during which Services were performed under this Agreement.

6. Acceptance.

6.1 Acceptance Criteria. Services shall be subject to acceptance testing by each Party to verify that they satisfy the acceptance criteria mutually agreed to by the parties ("**Acceptance Criteria**"), as developed in accordance with the applicable SOW. Such Acceptance Criteria shall be based, at a minimum, on conformance of the Services to the specifications set forth in the applicable SOW. In the event the Parties fail to agree upon Acceptance Criteria, the acceptability of the Services shall be based solely on each Party's reasonable satisfaction therewith.

6.2 Acceptance Testing. When the Party performing a Service notifies the Party receiving a Service that it has completed a Service, or a milestone (if any), the receiving Party will test or evaluate the related Services to determine whether such Services comply in all material respects with the Acceptance Criteria. Upon completion of review and testing, the receiving Party shall promptly notify the performing Party whether it has accepted such Services ("**Accept**" or "**Acceptance**"), or whether it has identified discrepancies with the Acceptance Criteria ("**Reject**"). The receiving Party may Accept or Reject the entire or a component of the Services in its sole discretion. If the receiving Party Rejects a Service, such receiving

Party shall provide a written list of items that must be corrected. On receipt of the receiving Party's notice, the performing Party shall immediately commence all reasonable efforts to complete, as quickly as possible, such necessary corrections, repairs and modifications to the Services as will permit them to be ready for re-testing and review, but in no event shall such corrective measures exceed twenty (20) days. The testing and evaluation process shall resume, as set forth above.

6.3 Acceptance Notice. If the receiving Party Accepts the Services, it shall issue a written "Acceptance Notice". The date of such Acceptance Notice shall be deemed the "Acceptance Date". If the receiving Party determines that the Services, as revised, still do not comply in all material respects with the Acceptance Criteria, the receiving Party may either (1) afford the performing Party the opportunity to repeat the correction and modification process as set forth above, or (2) depending on the nature and extent of the failure in the receiving Party's sole judgment, terminate the applicable SOW in accordance with Section 14 (Term and Termination) as a non-curable default with respect to the Services that are not performing or conforming as required herein. The foregoing correction and modification procedure shall be repeated until the Services, based on the receiving Party's good faith determination, passes the applicable Acceptance Criteria, or the receiving Party elects to terminate as described above.

7. Insurance.

7.1 Policy Limits. Without limiting either Party's indemnification obligations as provided herein and as a material condition of this Agreement, each Party shall obtain, pay for, and maintain in full force and effect during the Term of this Agreement and for a period of two (2) years thereafter, insurance with limits, coverages, terms, and conditions at least as broad as shown below:

(a) Workers' compensation and employers' liability insurance with limits equal to the greater of (x) the amount required by California, Georgia or New York law (whichever is highest) and (y) one million dollars (\$1,000,000) per person subject to an aggregate limit of one million dollars (\$1,000,000) per annum;

(b) Commercial general liability insurance with limits not less than three million dollars (\$3,000,000) combined single limit per occurrence for bodily injury, death, and property damage, including personal injury, contractual liability, independent contractors, broad-form property damage, and products and completed operations coverage; and

(c) Professional liability insurance with limits not less than three million dollars (\$3,000,000) annual aggregate for all claims each policy year.

7.2 Insurance Coverage Requirement. If either Party fails to keep in effect at all times the insurance coverages required under this Section 7, the other Party shall, in addition to and cumulative with any other remedies available at law, equity, or hereunder, be entitled to procure the insurance required hereunder and offset the cost of such insurance against any amounts due and payable to the failing Party.

7.3 Certificate of Insurance. Upon written request by the other Party, each Party shall provide policy extracts and policy form numbers to clarify an insurance certificate. Each Party shall cause the forgoing policies to name the other Party as an additional insured and shall provide for thirty (30) days' prior written notice to the other Party in the event of cancellation, lapse, material change or expiration of each such policy. Upon the request of the other Party, each Party shall furnish the requesting Party with a certificate of insurance evidencing the insurance required hereunder.

8. Confidentiality.

8.1 Confidential Information – Definition. For purposes hereof, “Confidential Information” of a disclosing Party shall mean all confidential and/or proprietary information or material which (i) gives such disclosing Party some competitive business advantage or the opportunity of obtaining such advantage or the disclosure of which could be detrimental to the interests of such disclosing Party; and/or (ii) which is either (A) marked “Confidential,” “Restricted,” or “Proprietary Information” or with other similar marking, (B) known by the Parties to be considered confidential and proprietary, or (C) from all the relevant circumstances should reasonably be assumed to be confidential and proprietary. Notwithstanding anything to the contrary contained herein, Confidential Information of a disclosing Party shall not include information which the receiving Party can demonstrate: (i) is or becomes generally available to the public by any means other than a breach of the obligations of the receiving Party under this Agreement; (ii) was previously known to the receiving Party or rightly received by the receiving Party from a third party not subject to an obligation of confidentiality; or (iii) is independently developed by the receiving Party without reference to information derived from the disclosing Party.

8.2 Confidential Information – Obligations. Each receiving Party agrees not to disclose or make available in any form the disclosing Party’s Confidential Information to any third party or to use the disclosing Party’s Confidential Information for any purpose other than the evaluation, negotiation, performance, implementation and enforcement of this Agreement and as otherwise specified in this Agreement. Each receiving Party agrees to take commercially reasonable steps to ensure that Confidential Information of the disclosing Party received hereunder is not disclosed or distributed by its employees, agents, representatives or contractors in violation of the provisions of this Agreement. Notwithstanding anything to the contrary contained herein and for the avoidance of doubt, each Party shall have the right to disclose the terms of this Agreement (and other related Confidential Information that is reasonably necessary to disclose) to any of its: (i) directors; (ii) officers; (iii) employees; (iv) advisors; (v) attorneys; (vi) regulators (including, in the case of Linq3 only, any Lottery or pursuant to any “State Open Records” requirements or the like); (vii) debt financing sources; (viii) actual or potential investors (in the case of Linq3 only); (ix) actual or potential acquirers; (x) agents; and (xi) other representatives, in all cases (other than any disclosure pursuant to any “State Open Records” requirements or the like) so long as they agree to be bound by confidentiality obligations no less protective than those contained herein; provided, that in the case of any disclosure to regulators (including, but not limited to, any Lottery), the disclosing Party shall only be required to request that the applicable regulator will afford confidential treatment to the disclosed information.

8.3 Required Disclosures. In the event any Confidential Information of a disclosing Party is requested or required to be disclosed by a receiving Party under the terms of a valid and effective subpoena or order issued by a court of competent jurisdiction, or by a demand or information request from an executive or administrative agency or other governmental authority (including pursuant to any “State Open Records” requirements or the like), the receiving Party requested or required to disclose such Confidential Information shall, unless prohibited by the terms of a subpoena, order, or demand or other Applicable Law, promptly notify the disclosing Party of the existence, terms and circumstances surrounding such demand or request and consult with the disclosing Party on the advisability of taking legally available steps to resist or narrow such demand or request, and, if disclosure of such Confidential Information is required, shall exercise commercially reasonable efforts (at the sole cost and expense of the disclosing Party) to narrow the scope of disclosure and obtain an order or other reliable assurance that confidential treatment will be accorded to such Confidential Information. To the extent the receiving Party is prohibited from notifying the disclosing Party of a subpoena, order or demand, by the terms of same or other Applicable Law, the receiving Party shall exercise commercially reasonable efforts to narrow the scope of disclosure (at the sole cost and expense of the disclosing Party).

8.4 Ownership. Linq3's Confidential Information shall remain the sole and exclusive property of Linq3. Blackhawk's Confidential Information shall remain the sole and exclusive property of Blackhawk.

8.5 Survival; Obligations after Expiration or Termination. This Section 8 shall remain in full force and effect during the Term of this Agreement and for a period of two (2) years after expiration or termination of this Agreement (or for Confidential Information that constitutes a Party's trade secret, indefinitely for so long as such Confidential Information remains a trade secret). Upon a Party's (the "**Requesting Party**") written request following expiration or termination of this Agreement for any reason, the other Party (the "**Receiving Party**") will promptly:

(a) return or (at the Receiving Party's option) destroy all originals and copies of all documents and materials it has received to the extent containing Confidential Information; and

(b) return or (at the Receiving Party's option) destroy all originals and copies of all summaries, records, descriptions, modifications, negatives, drawings, adoptions and other documents or materials, whether in writing or in machine-readable form, prepared by the Receiving Party or prepared under its direction or at its request from the documents and materials referred to in Section 8.5(a).

To the extent that the Receiving Party opts to destroy any such documents or materials referred to in Section 8.5(a) or Section 8.5(b), the Receiving Party will provide the Requesting Party with written confirmation of such destruction signed by an authorized representative of the Receiving Party. Notwithstanding the foregoing obligations in this Section 8.5, each Receiving Party shall be entitled to retain one copy of all such documents and materials in its legal files for use solely in connection with any litigation, arbitration or like action between the Parties or involving one or both Parties related thereto.

8.6 Existing Obligations. This Section 8 supersedes the Mutual Nondisclosure Agreement, dated as of October 3, 2015, by and between the Parties (the "**Nondisclosure Agreement**"). The Nondisclosure Agreement is hereby terminated and of no further force or effect.

9. Representations, Warranties and Covenants.

9.1 Requisite Authority and Ability to Execute Agreement. Each Party represents and warrants to the other Party that: (i) such Party has the full corporate (or equivalent) right, power and authority to enter into this Agreement and to perform its obligations and duties and exercise of its rights hereunder; (ii) the execution of this Agreement by such Party, and the performance by such Party of its obligations and duties and exercise of its rights hereunder, do not and will not violate or conflict with any agreement to which such Party is a party or by which it is otherwise bound; and (iii) such Party acknowledges that the other Party makes no representations, warranties or agreements related to the subject matter hereof which are not expressly provided for in this Agreement.

9.2 Compliance with Laws. Each Party will comply in all material respects with all Applicable Law in performing its duties and obligations under this Agreement. For purposes of clarity, Linq3 shall be responsible for ensuring the Play Now Product complies in all material respects with all Applicable Law related to the provision of Lottery Products (subject to terms and conditions negotiated with the applicable Lottery including in connection with obtaining Required Lottery Approvals). Blackhawk shall be responsible for ensuring that actions that fall within the roles and responsibilities of Blackhawk under this Agreement comply in all material respects with Applicable Law.

9.3 Additional Warranties by Linq3. Linq3 represents and warrants that it is the owner of, or a licensee with right to sublicense (to the extent required under this Agreement), the Linq3 Marks. In

addition, Linq3 further represents and warrants that throughout the Term and for as long as Play Now Products may continue to be Activated, Played and Redeemed pursuant to Section 14.5 herein below: (i) Linq3 will comply with the Play Now Product Terms and Conditions; (ii) unless otherwise required by Applicable Law, Play Now Products may only be used to Play Lottery Products and cannot be redeemed for cash (other than for refunds and cancellations in accordance with Exhibit B to this Agreement); and (iv) no more than \$2,000 (including the maximum initial Play Value of the Play Now Product and any additional Play Value that can be added) can be associated with (i.e., loaded and reloaded onto) any Play Now Product in any one day.

9.4 Disclaimer of Warranties. EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT OR IN ANY SOW, THERE ARE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, OR MERCHANTABILITY. NEITHER PARTY WARRANTS THAT THE OPERATION OF THE TECHNOLOGY, DELIVERABLES, OR SERVICES THAT SUCH PARTY PROVIDES WILL BE UNINTERRUPTED OR DEFECT-FREE. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY A PARTY OR ITS AUTHORIZED REPRESENTATIVES, COURSE OF PERFORMANCE, OR COURSE OF DEALING SHALL CREATE A WARRANTY.

10. Intellectual Property Rights.

10.1 Retention of Respective Rights. As between Blackhawk and Linq3, Linq3 (and/or Linq3 Technologies) owns (i) Linq3's Preexisting Intellectual Property and any modifications, derivatives, or improvements made thereto; and (ii) any new Intellectual Property it creates both independent of, and in connection with, its performing Services or delivering Deliverables pursuant to this Agreement that does not contain Blackhawk Preexisting Intellectual Property or Blackhawk Intellectual Property or any derivative works thereof. As between Blackhawk and Linq3, Blackhawk owns (i) Blackhawk's Preexisting Intellectual Property and any modifications, derivatives, or improvements made thereto; and (ii) any new Intellectual Property it creates both independent of, and in connection with, its performing Services or delivering Deliverables pursuant to this Agreement that does not contain Linq3 Preexisting Intellectual Property or Linq3 Intellectual Property or any derivative works thereof. For the avoidance of doubt, all Intellectual Property rights in the Play Now Product, including in the specifications, features, and functionality of the Play Now Product (and any enhancements to the Play Now Product made under this Agreement), and any and all rights to the "PLAY NOW" name (or any successor brand or product name to be used on or in connection with the Play Now Product) shall be owned exclusively by Linq3.

10.2 License Grant. In the event Linq3's Intellectual Property and/or Preexisting Intellectual Property is incorporated into the Deliverables that it delivers under this Agreement or is necessary for Blackhawk to utilize the Deliverables, Linq3 hereby grants to Blackhawk a royalty-free, worldwide, nonexclusive license (with rights of sub-license and assignment upon Linq3's prior written consent) to market and use Linq3's Intellectual Property and/or Preexisting Intellectual Property solely to the extent such are incorporated into the Deliverables solely during the Term and solely in connection with the Play Now Product and in accordance with the terms of this Agreement. In the event Blackhawk's Intellectual Property and/or Preexisting Intellectual Property is incorporated into the Deliverables that it delivers under this Agreement or is necessary for Linq3 to utilize the Deliverables, Blackhawk hereby grants to Linq3 a royalty-free, worldwide, non-exclusive license (with rights of sub-license and assignment upon Blackhawk's prior written consent) to market and use Blackhawk's Intellectual Property and/or Preexisting Intellectual Property solely to the extent such are incorporated into the Deliverables solely during the Term and solely in connection with the Play Now Product and in accordance with the terms of this Agreement.

10.3 Reservation of Rights. Except as expressly set forth herein, Linq3 understands and agrees that no license, right, title or interest in any Blackhawk Preexisting Intellectual Property or Blackhawk Intellectual Property is granted hereunder and Linq3 will not gain by virtue of this Agreement any rights of ownership in any Intellectual Property or Preexisting Intellectual Property owned by Blackhawk. Linq3 shall not make, have made, sell, offer to sell, use, disclose, reproduce, distribute, perform, display, modify, copy or create derivative works of any Blackhawk Preexisting Intellectual Property or Blackhawk Intellectual Property in any form or forum without Blackhawk's prior written consent. Blackhawk reserves all rights not expressly granted in this Agreement. Except as expressly set forth herein, Blackhawk understands and agrees that no license, right, title or interest in any Linq3 Preexisting Intellectual Property or Linq3 Intellectual Property is granted hereunder and Blackhawk will not gain by virtue of this Agreement any rights of ownership in any Intellectual Property or Preexisting Intellectual Property owned by Linq3. Blackhawk shall not make, have made, sell, offer to sell, use, disclose, reproduce, distribute, perform, display, modify, copy or create derivative works of any Linq3 Preexisting Intellectual Property or Linq3 Intellectual Property in any form or forum without Linq3's prior written consent. Linq3 reserves all rights not expressly granted in this Agreement.

10.4 Linq3 Marks. With respect to the Play Now Product, Linq3 grants Blackhawk the limited right to use the Linq3 Marks solely as and to the extent expressly set forth in this Agreement (including Exhibit B attached hereto) and any applicable SOW.

11. Limitation of Liability. THE FOLLOWING LIMITATIONS SHALL NOT APPLY TO ANY CLAIM THAT: (A) IS SUBJECT TO INDEMNIFICATION UNDER SECTION 12; (B) ARISES OUT OF A BREACH OF SECTION 8; OR (C) ARISES OUT OF GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR FRAUD. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY TO THIS AGREEMENT, WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE, FOR (1) ANY DAMAGES THAT CONSTITUTE INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES (EVEN IF SUCH DAMAGES ARE FORESEEABLE, AND WHETHER OR NOT A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES) ARISING FROM OR RELATING TO THIS AGREEMENT; OR (2) DIRECT DAMAGES ARISING FROM OR RELATING TO THIS AGREEMENT TO THE EXTENT THAT THE AGGREGATE AMOUNT OF SUCH DAMAGES EXCEEDS \$1,000,000; PROVIDED THAT (X) THE LIMITATIONS IN THIS CLAUSE (2) SHALL NOT APPLY TO ANY AMOUNTS THAT ARE REQUIRED TO BE REMITTED OR PAID IN ACCORDANCE WITH THIS AGREEMENT (INCLUDING EXHIBIT B HERETO) AND (Y) ANY AMOUNTS THAT ARE DUE FROM ONE PARTY TO THE OTHER PARTY HEREUNDER THAT ARE NOT PAID ON A TIMELY BASIS (SUBJECT TO ANY APPLICABLE GRACE PERIODS) SHALL ALSO BEAR INTEREST AT THE RATE OF SIX (6)% PERCENT PER ANNUM ON SUCH AMOUNT, CALCULATED FROM THE DATE SUCH PAYMENT WAS ORIGINALLY DUE.

12. Indemnification.

12.1 By Linq3. Linq3 agrees to defend, indemnify and hold harmless Blackhawk, the Approved Alliance Partners, Approved Alliance Partner Stores, and their respective Affiliates, officers, directors, agents, representatives, contractors and employees (the "**Blackhawk-Related Parties**") from and against any and all third-party Claims and Damages related thereto arising out of or related to: (a) Linq3's performance of the Services and/or delivery of the Deliverables hereunder; (b) any breach of any of the covenants, representations, warranties, or obligations of Linq3 under this Agreement; (c) Linq3's fraud, gross negligence, or willful misconduct; (d) Linq3's breach of Applicable Law; or (e) any Claim by a third-party alleging that a Blackhawk-Related Party's use of Linq3 Preexisting Intellectual Property, Linq3 Intellectual Property, or the Linq3 Marks as and to the extent permitted under this Agreement infringes a patent, copyright, or trade secret of such third party; provided, however, to the extent that Blackhawk

acquires equipment, hardware or software from a third party vendor, Blackhawk acknowledges and agrees that Blackhawk is relying solely upon the indemnification and warranties, if any, provided by such vendor for third-party Claims and Damages solely relating to such equipment, hardware, or software. In the event any products or services embodying any Linq3 Preexisting Intellectual Property, Linq3 Intellectual Property or Linq3 Marks become, or in the reasonable opinion of mutually selected outside counsel are likely to become, the subject of an infringement claim or allegation, Linq3 may, in addition to indemnifying the Blackhawk-Related Parties as provided in this Section 12.1: (1) at Linq3's expense, secure the right to continue using such products or services; or (2) at Linq3's expense, replace or modify such products or services to make them non-infringing. If neither of the foregoing is commercially reasonable, then Linq3 shall have the right to terminate this Agreement (with no obligation to provide Transition Services) upon sixty (60) days' written notice to Blackhawk, and Blackhawk will promptly discontinue use of, and return to Linq3, the potentially infringing product and Linq3 shall reimburse the Blackhawk-Related Parties for their reasonable unrecoverable expenses resulting from such termination. Optionally, Blackhawk may provide royalty-free substitute equivalent Services at Blackhawk's sole expense and sole risk of infringement.

12.2 By Blackhawk. Blackhawk agrees to defend, indemnify and hold harmless Linq3, the Lotteries, and their respective Affiliates, officers, directors, agents, representatives, contractors and employees (the "**Linq3-Related Parties**") from and against any and all third-party Claims and Damages related thereto arising out of or related to: (a) Blackhawk's performance of the Services and/or delivery of the Deliverables hereunder; (b) any breach of any of the covenants, representations, warranties, or obligations of Blackhawk under this Agreement; (c) Blackhawk's fraud, gross negligence, or willful misconduct; (d) Blackhawk's breach of Applicable Law; or (e) any Claim by a third-party alleging that a Linq3-Related Party's use of products or services embodying any Blackhawk Preexisting Intellectual Property or Blackhawk Intellectual Property as and to the extent permitted under this Agreement infringes a patent, copyright or trade secret of such third party; provided, however, to the extent that Linq3 acquires equipment, hardware or software from a third party vendor, Linq3 acknowledges and agrees that Linq3 is relying solely upon the indemnification and warranties, if any, provided by such vendor for third-party Claims and Damages solely relating to such equipment, hardware, or software. In the event any products or services embodying any Blackhawk Preexisting Intellectual Property or Blackhawk Intellectual Property become, or in the reasonable opinion of mutually selected outside counsel are likely to become, the subject of an infringement claim or allegation, Blackhawk may, in addition to indemnifying the Linq3-Related Parties as provided in this Section 12.2: (1) at Blackhawk's expense, secure the right to continue using such products or services; or (2) at Blackhawk's expense, replace or modify such products or services to make them non-infringing. If neither of the foregoing is commercially reasonable, then Blackhawk shall have the right to terminate this Agreement (with no obligation for Linq3 to provide Transition Services) upon sixty (60) days written notice to Linq3, and Linq3 will promptly discontinue use of, and return to Blackhawk, the potentially infringing product and Blackhawk shall reimburse the Linq3-Related Parties for their reasonable unrecoverable expenses resulting from such termination. Optionally, Linq3 may provide royalty-free substitute equivalent Services at Linq3's sole expense and sole risk of infringement.

12.3 By Blackhawk with respect to Approved Alliance Partners. Blackhawk will use commercially reasonable efforts to include provisions in all agreements with Approved Alliance Partners (which shall not include renegotiating current contracts) that: (A) name Linq3 as a third party beneficiary and (B) obligate such Approved Alliance Partner to defend, indemnify, and hold harmless Linq3-Related Parties from and against any and all third party Claims and Damages arising out of or related to such Approved Alliance Partner's or Approved Alliance Partner Stores': (i) breach or alleged breach of Applicable Law; (ii) breach or alleged breach of any representations, warranties, or obligations under the Approved Alliance Partner's agreement with Blackhawk; and (iii) fraud, gross negligence, or willful misconduct, except in each of (i), (ii), and (iii) to the extent caused by Linq3's negligence, fraud, or willful misconduct (items (i), (ii), and (iii), "**Alliance Partner Breaches**"). Upon Linq3's written or e-mail request

regarding one or more specific Alliance Partners, Blackhawk will inform Linq3 as to whether its agreement with such Alliance Partner(s) does or does not include the provisions set forth above ("**AP Indemnity Provisions**") and/or if such provisions are subject to a limitation of liability in favor of such entity. In addition, if Blackhawk is not able to include the provisions set forth above in an agreement with an Approved Alliance Partner, then should Linq3 be subject to third-party Claims or Damages related thereto as a result of that Approved Alliance Partner's acts or omissions, Blackhawk will use reasonable best efforts to obtain for Linq3 indemnification, defense, and hold harmless rights equivalent to those in the first sentence of this Section 12.3 from the applicable Approved Alliance Partner.

12.4 Indemnification Procedure. The Party seeking indemnification, as the indemnitee, shall provide the other Party, as the indemnitor, prompt written notice of any third party Claim for which indemnity is sought. If the indemnitor is notified in writing by the indemnitee of such a Claim, the indemnitor shall promptly hire experienced and competent counsel, and will have sole control of the defense and all negotiations for the compromise or settlement of such a Claim, and shall pay any Damages in respect of such Claim and reimburse the indemnitee for its reasonable expenses incurred in cooperation with and providing assistance to the indemnitor; provided, however, that (x) the indemnitor shall consult with the indemnitee from time to time at the indemnitee's reasonable request on all substantive matters related to defending such Claim, including by keeping the indemnitee reasonably apprised of any developments and consulting with the indemnitee prior to making any substantive filings (including by providing the indemnitee with drafts of such filings and a reasonable time period for review thereof), and (y) the indemnitor may not settle any such Claim without the indemnitee's consent if the proposed settlement would be in the indemnitee's name or impose pecuniary or other liability or an admission of fault or guilt on the indemnitee or would require the indemnitee to be bound by an injunction of any kind. Notwithstanding the foregoing, to the extent that such a Claim is based on an assertion that the indemnitor's intellectual property or marks infringe on any registered patent, copyright or trademark of any non-Party, or the rights to privacy or rights to publicity of any non-Party, the indemnitor shall have the right, at its sole option and expense to procure for the indemnitee the right to continue using such intellectual property or marks, to replace or modify them with non-infringing materials, or to withdraw them from use altogether. Consent to settlement shall not be unreasonably withheld.

13. Remedies.

13.1 Injunctive Relief. Each Party acknowledges and agrees that a breach of any term of the Sections entitled "Confidentiality," "Intellectual Property Rights," or "Exclusivity" will cause irreparable harm to the other Party for which monetary damages will not be an adequate remedy, and, therefore, each Party shall be entitled to injunctive relief in addition to any remedies it may have hereunder or in law.

13.2 Remedies Not Exclusive. The remedies in this Agreement shall not be exclusive of any other remedy either Party may have against the other Party at any time, and shall not limit either Party's ability to seek other remedies available under law or in equity. Remedies shall be cumulative and there shall be no obligation to exercise a particular remedy.

14. Term and Termination.

14.1 Term. This Agreement will commence as of the Effective Date and, unless terminated earlier under the provisions of this Agreement, shall be effective until the fifth anniversary of the Effective Date (the "**Initial Term**"), provided that this Agreement shall automatically renew for additional two (2) year renewal terms (each a "**Renewal Term**") unless either Party notifies the other Party of its intent not to renew at least 120 days prior to the end of the Initial Term or then-current Renewal Term (the Initial Term, together with any Renewal Term(s), the "**Term**").

14.2 Termination for Cause and Other Events. If either Party materially breaches or defaults in the performance of any of its obligations under this Agreement, which breach or default (a) if of a non-monetary nature, is not cured within thirty (30) days after written notice is given to the defaulting Party specifying the breach or default, (b) if of a monetary nature (other than with respect to a failure to timely deliver funds or otherwise make payment under Section C.2 of Exhibit B) and there is no dispute about the invoice or the work or the expense with respect to which an invoice has been issued, is not cured within twenty (20) days after notice is given to the defaulting Party specifying the default, or (c) if of a monetary nature with respect to a failure to timely deliver funds or otherwise make payment under Section C.2 of Exhibit B, is not cured within three (3) business days after notice is given to the defaulting Party specifying the default, then the Party not in default may, by giving written notice thereof to the defaulting Party, terminate this Agreement or the applicable SOW with respect to which there is a default, as of a date specified in such notice of termination and shall have no obligation to provide Transition Services following such termination. For the purpose of this Section 14.2, a material breach or default of this Agreement shall include but not be limited to, a monetary default, a material breach of Section 8 (Confidentiality), breach of Section 10 (Intellectual Property Rights), or breach of Section 15 (Exclusivity). In addition, either Party may terminate this Agreement immediately following written notice to the other Party if the other Party: (i) ceases to do business, (ii) is the subject of any proceeding related to its liquidation, bankruptcy or insolvency (whether voluntary or involuntary) which in the case of an involuntary proceeding is not dismissed within thirty (30) days, or (iii) makes an assignment for the benefit of creditors, and in each such case the terminating Party shall have no obligation to provide Transition Services following such termination.

14.3 Termination as required by Lottery or Otherwise. Either Party reserves the right to suspend or terminate the provision of the Play Now Product hereunder in any state or territory without penalty or liability upon written notice to the other Party if and to the extent: (i) required to do so by any Lottery in such state or territory (including upon the termination of any applicable written agreement between Linq3 and such Lottery), (ii) any violation of any Applicable Law occurs or is alleged by any authorized regulatory or other governmental authority (including any Lottery) in such state or territory, or (iii) the Party reasonably believes upon written advice of counsel that continuing to offer Play Now Products in such state or territory would violate Applicable Law, and, in the case of clauses (ii) and (iii) above, such violation (if capable of cure) is not cured within thirty (30) days following written notice thereof (or such shorter period as may be provided by Applicable Law). In the event of any such termination pursuant to this Section 14.3, the Parties shall have no obligation to provide Transition Services.

14.4 Obligations upon Termination. Upon termination or expiration of this Agreement or of an SOW and subject to the terms of this Agreement, unless otherwise mutually agreed to by the Parties in writing:

(a) Subject to the wind down provisions described in Section 14.5 below, upon termination or expiration of this Agreement for any reason, (i) the licenses granted hereunder shall immediately terminate and each Party shall immediately cease using the Preexisting Intellectual Property and Intellectual Property of the other Party, (ii) each Party shall return to the other all copies and other manifestations of the other Party's Preexisting Intellectual Property and Intellectual Property, and any and all other materials in its possession that had been furnished by the other and (iii) the Parties shall terminate the sale of all Play Now Products sold at all Approved Alliance Partners and Blackhawk shall promptly remove (or cause the Approved Alliance Partners to remove) the Play Now Product cards from display at each retail outlet of the Approved Alliance Partners.

(b) Expiration or termination of this Agreement for any reason will not release either Party from any liabilities or obligations set forth in this Agreement which (i) the Parties have expressly

agreed in writing will survive any such expiration or termination or (ii) remain to be performed or by their nature would be intended to be applicable following any such expiration or termination.

(c) In the case of termination of the Agreement, all SOWs that have not been completed shall be deemed canceled as of the effective date of such termination.

14.5 Transition Period. Unless otherwise set forth in this Agreement, in the event of the termination or expiration of this Agreement for any reason, for a period of ninety (90) days following such expiration or termination of this Agreement (or such longer time as the Parties may agree in writing), each Party will continue to work with the other Party in good faith and to provide whatever licenses, products, services, or other activities such Party is providing to such other Party pursuant to this Agreement, as of that time, to allow such other Party to wind down its obligations with respect to the Play Now Product, all under the same terms and conditions under this Agreement as are in place at such time (which, for the avoidance of doubt, shall specifically exclude any exclusivity provisions under Section 15 of this Agreement), as may be amended by the Parties (the "Transition Services"). Each Party shall continue to pay the other Party the applicable allocation of funds described in Exhibit B or the applicable SOW earned in connection with the Transition Services.

14.6 Surviving Terms. Sections 5, 8, 10, 11, 12, 13, 14.5, 14.6, 16, 17, 18, 20 and 21 and Sections B.9, C and D of Exhibit B shall survive any termination or expiration of this Agreement. In addition, any provision of this Agreement or any SOW that either (i) explicitly provides for survival or (ii) by its nature is intended to survive shall survive any termination or expiration of this Agreement.

15. Exclusivity.

15.1 During the Exclusivity Period, neither Linq3 nor Linq3 Technologies shall (x) sell, offer for sale or distribute any Lottery Products in the Blackhawk Territory to or through any Prepaid Card Network Operator (other than Blackhawk) or (y) sell, offer for sale or distribute directly or indirectly any Lottery Product in the Blackhawk Territory to any Restricted Retailer (other than pursuant to and in accordance with the terms of this Agreement); provided, however, that (for the avoidance of doubt) the restrictions contained in this Section 15.1 shall not apply to the sale, offer for sale or distribution of Lottery Products: (i) at or through automated teller machines or fuel pumps (including at or through displays or products on either of them), wherever located (including on or near the premises of a Restricted Retailer) and regardless of by whom operated or owned (including by a Restricted Retailer); (ii) at or through point-of-sale devices installed in taxicabs or other for-hire vehicles (including ride-sharing providers); (iii) through any mobile device or mobile (or Internet) channel (including through use of any mobile phone or other Internet-enabled portable electronic device) that does not require as part of payment, Activation, Play or Redemption interfacing with: (A) displays, products or personnel physically located on the premises of any Restricted Retailer that must lead directly to use of such Restricted Retailer's on-premise systems to complete and record a purchase of the Lottery Product; or (B) point-of-sale payment systems physically located on the premises of any Restricted Retailer for such sale, offer for sale or distribution; or (iv) at or through any entity or channel or by any other means not specifically set forth in clause (x) or (y) of this Section 15.1.

15.2 During the Exclusivity Period, Blackhawk shall not sell, offer for sale or distribute (or facilitate or otherwise participate in the sale, offer for sale or distribution of) directly or indirectly any Lottery Product (whether to or through Restricted Retailers or through the Internet or otherwise) other than pursuant to and in accordance with the terms of this Agreement; provided, however, that the restrictions contained in this Section 15.2 shall not apply to: (i) the sale, offer for sale or distribution solely within the State of Michigan of the card described in Exhibit D as the "Michigan Product"; or (ii) the sale, offer for sale or distribution solely within the State of Washington of the card described in Exhibit D as the

"Roundpeak Product." For purposes of clarity, the foregoing limited exceptions to Blackhawk's exclusivity obligations shall not prohibit or reduce or otherwise affect in any respect Blackhawk's right and obligation to distribute Play Now Products in conjunction with Linq3 as contemplated in this Agreement in the States of Michigan and Washington.

16. Arbitration. Except for actions seeking specific performance or injunctive relief, Linq3 and Blackhawk agree to settle by final and binding arbitration any dispute or controversy between Linq3 and Blackhawk and/or any of Blackhawk's or Linq3's officers, employees, directors or agents which in any way arises out of or relates to this Agreement, the Services performed by Linq3 or Blackhawk hereunder, or the relationship between Linq3 and Blackhawk. Such arbitration shall be conducted in San Francisco, California by the American Arbitration Association under the procedures for Large, Complex Commercial Disputes then in effect (the "Rules") and shall be resolved by a panel of three (3) arbitrators selected from the AAA's National Roster pursuant to the rank and strike procedures in the Rules. The Parties may mutually agree to have one (1) arbitrator instead of a panel of three (3) arbitrators. The Parties agree that all papers submitted, documents produced, and transcripts made of any proceedings in any arbitration conducted pursuant to this Section 16, and any resulting award, shall be maintained as confidential and shall not be disclosed to any third party (subject to the exceptions in Section 8.2 and 8.3) without the express consent of the other Party. Except for actions seeking specific performance or injunctive relief, the arbitrators shall have the authority to award any remedy or relief that a Court in the State of Delaware could order or grant. The award by the arbitrator(s) shall be in writing and shall not include the reasoning of the arbitrator(s) for the award and counterpart copies thereof shall be delivered to each Party. Either Linq3 or Blackhawk may initiate arbitration in the manner set forth by the Rules. Any award entered by the arbitrator(s) shall be final and binding on both Parties. Any Party may seek to have a judgment upon the award entered in any court of competent jurisdiction.

17. Publicity Restrictions. During the Term and at all times after the termination or expiration of this Agreement, neither Party shall make any media release or other public announcement relating to or referring to this Agreement without the other Party's prior written consent. Neither Party shall acquire any right to use, and shall not use, without the other Party's prior written consent any artwork, designs, trade names, copyrighted materials, trademarks or service marks of the other Party: (a) in any advertising, publicity, press release, client list, presentation or promotion; (b) to express or to imply any endorsement of a Party or such Party's services; or (c) in any manner other than expressly in accordance with this Agreement. Notwithstanding the foregoing, a Party or any Lottery may make any announcement that is required to be made by a Lottery without the other Party's consent.

18. Records. Each Party shall properly maintain and retain any and all contracts, notes, documents, agreements, copies, files, records, correspondences, books, accounts, invoices, and other documentation relating to the Services and/or Deliverables, and other activities that it performs and/or delivers pursuant to this Agreement ("Records") to the extent and for the duration required by Applicable Law and the Party's customary record retention policies.

19. Limited Background Check. Each Party has the right to require the other Party to submit to and hereby authorizes the other Party to conduct a reference, fingerprint or other criminal background investigation with respect to and to the extent required by regulatory, Lottery and other legal considerations of the Party or its Affiliates or in response to a request from a Lottery or other regulatory body, provided, however, that nothing in this Section 19 shall be construed as an obligation or duty to perform such an investigation. Each Party also acknowledges and agrees that at the other Party's request, to the extent required by regulatory, Lottery and other legal considerations, or in response to a request from a Lottery or other regulatory body, such Party will require the same of any of its third-party consultants and subcontractors who perform Services related to the performance of such Party's obligations under this Agreement.

20. Notices. All notices required by or permitted to be given under this Agreement will be in writing and will be deemed to have been duly given if and when: (i) delivered personally; (ii) mailed by first class certified mail, return receipt requested, postage prepaid; or (iii) sent by a nationally recognized express courier service, postage or delivery charges prepaid; and in all events will be deemed given upon receipt. All notices will be sent to the applicable Party's Representative as set forth below:

If to Linq3 to:

SL Card Company Inc.
3060 Peachtree Road NW, Suite 1500
Atlanta, Georgia 30305
Attn: Daniel Cage

With a copy to:

Linq3 Technologies LLC - Legal Department
3060 Peachtree Road NW, Suite 1500
Atlanta, Georgia 30305
Attn: In-House Counsel

If to Blackhawk to:

Blackhawk Network, Inc.
6220 Stoneridge Mall Road
Pleasanton, CA 94588
Attn: Talbott Roche

With a copy to:

Blackhawk Network, Inc. - Legal Department
6220 Stoneridge Mall Road
Pleasanton, CA 94588
Attn: General Counsel

21. General.

21.1 Exhibits and Addenda. All exhibits, annexes, and addenda which are referenced herein and appended hereto, or are signed by the Parties on or after the date of this Agreement, are hereby incorporated by reference and made a part of this Agreement.

21.2 Assignment. Neither Party may assign this Agreement, or any obligation contained herein, in whole or in part, by operation of law or otherwise, without the prior written consent of the other Party. Any such attempted assignment shall be null and void. Notwithstanding the foregoing, however, each Party shall be entitled without such prior written consent: (i) to assign this Agreement and its rights and obligations under this Agreement (including by sale of its assets, sale of stock, merger, or reorganization) to any Person that acquires all or substantially all of its assets or equity interests or business through a merger, acquisition or other transaction or series of transactions; or (ii) to assign this Agreement or any of its rights or obligations under this Agreement to any Affiliate of such Party; provided, however, that any such acquirer or Affiliate must agree to be bound by all terms and conditions of this Agreement; and provided further that no such assignment by a Party to its Affiliate shall relieve such assigning Party of any of its liabilities or obligations under this Agreement (for which such assigning Party and its Affiliate shall be jointly and severally liable). The Agreement shall bind and inure to the benefit of each Party's permitted successors and assigns.

21.3 Waivers. All waivers hereunder must be made in writing, and no failure or delay by a Party at any time in exercising any right, power or remedy under this Agreement, or to require the other Party's performance of any obligation under this Agreement, shall affect or preclude the right subsequently to exercise any such right, power, or remedy, or to require performance of such obligation.

21.4 Governing Law. The interpretation and enforcement of this Agreement shall be governed by the laws of the State of Delaware, without the conflict of law principles.

21.5 Third Party Beneficiaries. Other than the indemnitees specifically identified in this Agreement for purposes of receiving the benefit of an indemnity specifically set forth in this Agreement, no third party is a third-party beneficiary to this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Product Distribution Agreement as of the Effective Date.

SL CARD COMPANY INC.

By: [Signature]

Print Name: Daniel C. [unclear]

Title: Director / President

BLACKHAWK NETWORK, INC.

By: [Signature]

Print Name: Talbot Rache

Title: President & CEO

LINQ3 TECHNOLOGIES LLC

(solely for purposes of Sections 15.1 and 21.12)

By: [Signature]

Print Name: Daniel C. [unclear]

Title: President, Founder

21.6 Severability. If any provision of this Agreement is held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court of competent jurisdiction finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed written, construed, and enforced as limited.

21.7 Agreement Drafted By All Parties. This Agreement is the result of arm's length negotiations between the Parties and shall be construed to have been drafted by all Parties such that any ambiguities in this Agreement shall not be construed against either Party.

21.8 Counterparts. This Agreement may be executed in one or more counterparts (including by means of facsimile or electronic transmission in portable document format (pdf)), each of which shall be deemed an original, and will become effective and binding upon the parties as of the Effective Date at such time as all the signatories hereto have signed a counterpart of this Agreement.

21.9 Headings. The various section headings of this Agreement are inserted only for convenience of reference and are not intended, nor shall they be construed to modify, define, limit, or expand the intent of the parties as expressed in this Agreement.

21.10 Entire Agreement. This Agreement (including the Exhibits and Annexes attached hereto) is the entire agreement between the Parties with respect to the Play Now Product and related Services and Deliverables, and supersedes any and all prior negotiations, representations and agreements, whether written or oral, between the Parties with respect to the subject matter hereof. Each Party acknowledges that, except as expressly provided in this Agreement, no representations, inducements, promises or agreements, orally or otherwise have been made by any Party. No other agreement, statement or promise not contained in this Agreement, and no changes or modifications to this Agreement, will be effective unless it is in writing and signed by authorized representatives of both Parties.

21.11 Force Majeure. Except for obligations to make payments when due, neither Party ("Non-Performing Party") shall be liable or deemed to be in default for any delay or failure in performance under this Agreement to the extent resulting directly or indirectly from acts of God, or any causes beyond the reasonable control of such Party, including, without limitation, Lottery or governmental issues/decisions affecting Lottery Products, operators/vendors, war, terrorist attack, strike, failure of public utilities, epidemic, destruction of production facilities or insurrection (any or all of the foregoing being defined as "Events of Force Majeure"), and if the Non-Performing Party uses reasonable efforts to avoid such occurrence and minimize its duration and gives prompt written notice to the other Party, then the Non-Performing Party's performance is excused and the time for performance extended for the period of delay or inability to perform due to such Event of Force Majeure, provided that if the Event of Force Majeure continues for sixty (60) days or more in any state or territory, either Party may terminate this Agreement as to such state or territory.

21.12 Guarantee. Linq3 Technologies hereby guarantees the due and punctual payment and performance of all of Linq3's obligations to Blackhawk under this Agreement (including Exhibit B attached hereto).

[Remainder of Page Intentionally Left Blank]

EXHIBIT A
FORM OF STATEMENT OF WORK

See Attached.

A handwritten signature, possibly reading 'J', is located in the bottom right corner of the page.

PRODUCT DISTRIBUTION AGREEMENT

STATEMENT OF WORK #[____]

[_____]

This Statement of Work #[____] ("SOW") is for the portion of the Play Now Product program known as "[_____]" and is made and entered into effective as of the date when signed by the last Party hereto (the "**SOW Effective Date**"), is by and between Blackhawk Network, Inc. an Arizona corporation ("**Blackhawk**") and SL Card Company Inc., an Arizona corporation ("**Linq3**") (each, a "**Party**", and together, "**Parties**"). This Statement of Work shall be subject to the terms and conditions of the Product Distribution Agreement, dated as of December 22, 2016 (the "**Agreement**") by and among Blackhawk, Linq3 and Linq3 Technologies LLC, and any capitalized terms not specifically defined herein shall have the meaning given under the Agreement. In case of any conflict between the Agreement and this SOW, the terms and conditions of the Agreement shall control.

A. Description / Purpose

[]

B. Costs

[]

C. Deliverable and Timelines

[]

D. Acceptance Criteria

[]

E. Ownership of Deliverables

[]

IN WITNESS WHEREOF, the undersigned have executed this Statement of Work #[____] as of the SOW Effective Date.

SL CARD COMPANY INC.

BLACKHAWK NETWORK, INC.

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT B

THE PLAY NOW PRODUCT

A. Description

Blackhawk and Linq3 shall work together to develop a consumer solution for real-time, ticketless lottery transactions by leveraging certain existing Linq3 products and Linq3 protocols and processes and other Linq3 Preexisting Intellectual Property, and certain technology that Blackhawk provides in connection with the existing point-of-sale technology and infrastructure of Approved Alliance Partners, to sell Lottery Products in Approved Alliance Partner Stores.

B. Development, Implementation and Commercialization

During the Term of the Agreement, the Parties shall use their respective commercially reasonable efforts to take all actions necessary or desirable (including, without limitation, by making available its senior management, support personnel and subject matter experts at reasonable times during normal business hours during the Term) to develop, implement and commercialize the Play Now Product as described in this Exhibit B.

1. Initial Activities

(a) Lottery Approvals

Promptly following the Effective Date, Linq3 will initiate discussions with the appropriate officials of each Lottery for which Linq3 has been approved to sell Lottery Products (each, a "**Lottery Partner**") with respect to the Play Now Product (in an order and priority to be determined by Linq3) and, subject to the immediately following paragraphs, shall use its commercially reasonable efforts to encourage the Play Now Product to be approved for sale as a Lottery Product of such Lottery Partner through Approved Alliance Partners. Linq3 will maintain direct interface with all Lotteries and Lottery Partners.

The Parties acknowledge and agree that on a regular basis in the ordinary course of business Linq3 could be required to remit funds to one or more Lotteries in respect of sales of Play Now Products through Approved Alliance Partners prior to having received funds from Blackhawk with respect to such sales (a "**Negative Float**"). If the Required Lottery Approvals have not been obtained with respect to any Lottery Partner solely as a result of such Lottery Partner not agreeing to a payment schedule that does not result in a Negative Float, then Linq3 and Blackhawk will cooperate with one another in good faith to attempt to develop and implement mutually satisfactory alternative arrangements to eliminate the Negative Float in the applicable state or territory (which alternative arrangements may include alternative remittance schedules between the Parties, deposit arrangements or other terms and conditions) so that Play Now Products may be sold through Approved Alliance Partners in such state or territory. If the Parties are not able to agree upon mutually satisfactory alternative arrangements in the applicable state or territory to eliminate such Negative Float, then the Parties shall not sell the Play Now Product in that state or territory until all Required Lottery Approvals are otherwise obtained in that state or territory (and with it being understood that, in such case, such state or territory shall nonetheless remain subject to the exclusivity provisions described in the Agreement unless otherwise provided herein). For the avoidance of doubt, without the prior written consent of Linq3, no sales of Play Now Products shall be made directly or indirectly by any Approved Alliance Partner Store unless all Required Lottery Approvals have been obtained in the state or territory in which such Approved Alliance Partner Store is located.

Notwithstanding anything contained herein to the contrary, Linq3 makes no representations, warranties or assurances with respect to acceptance rates or timelines with respect to receiving any required approvals from the Lotteries and Lottery Partners. The Parties acknowledge that they may be requested to modify the terms set forth or contemplated in the Agreement (including this Exhibit B) in order to obtain the Required Lottery Approvals from Lotteries and Lottery Partners and the Parties will cooperate in good faith in considering such modifications (but with no contractual requirement hereunder to make any such modifications).

(b) Alliance Partner Adoption

Promptly following the Effective Date, Blackhawk will initiate discussions with the Alliance Partners (in an order and priority to be agreed upon between the Parties) with respect to the Play Now Product and shall use its reasonable best efforts to encourage such Alliance Partners to sell the Play Now Products. At all times during the Term of the Agreement, Blackhawk will continue to offer the Play Now Product to all Approved Alliance Partners and will use its reasonable best efforts to cause each of the Approved Alliance Partners to make the Play Now Products available for purchase as described in this Exhibit B. Blackhawk will maintain direct interface with all Alliance Partners. Linq3 shall have the right at any time to suspend or terminate the ability of any Alliance Partner to sell Play Now Products for any reason upon notice to Blackhawk. Blackhawk shall contractually obligate (or otherwise use commercially reasonable efforts to cause) each Approved Alliance Partner to comply with the conditions and obligations specifically imposed on such Approved Alliance Partner in the Agreement (including this Exhibit B) in connection with the offering and sale of Play Now Products, and shall enable Linq3 to take such actions specified in connection with such Approved Alliance Partner, in each case as specified in the Agreement, including, without limitation, the conditions and Linq3 actions specified in B.4 (Delivery, Warehousing and Display of Play Now Products), B.5 (Sale, Activation, Play, and Redemption of Play Now Products), B.6 (Refunds; Cancellation), and B.9 (Handling of Play Now Products Upon Termination or Discontinuance).

(c) Systems Integration

Promptly following the designation of an Approved Alliance Partner, Blackhawk shall make available to Linq3 all application program interfaces ("APIs") necessary to facilitate bi-directional communication between the POS systems of such Approved Alliance Partner and Linq3's core system for Lottery functionality and compliance. Blackhawk shall make available its technical personnel to assist Linq3 in integrating with the POS systems of each Approved Alliance Partner as soon as reasonably practicable following designation thereof.

2. The Play Now Product

Blackhawk shall offer the following Play Now Products to Approved Alliance Partners, which shall be initially Playable for the following Lottery Products in the denominations as set forth below:

\$10.89 Consumer Purchase Price: 10-Play Mega Millions
\$20.89 Consumer Purchase Price: 20-Play Mega Millions
\$10.89 Consumer Purchase Price: 5-Play Powerball
\$20.89 Consumer Purchase Price: 10-Play Powerball

and other denominations, Consumer Purchase Prices and/or Lottery Products as agreed upon by Blackhawk and Linq3 in writing or via email from time to time.

The Parties acknowledge and agree that certain states require small dollar value stored-value products (including Play Now Products that have never been Played) to be redeemed for cash upon the cardholder's request. The Parties will not distribute any Play Now Product that would require cash-back redemption in any state.

Within a reasonable time period following the Effective Date (and thereafter following any revisions or modifications to the then-current terms and conditions), Linq3 shall provide Blackhawk with the official terms and conditions for the Play Now Products. Unless otherwise agreed to in writing or e-mail by the Parties, Linq3 shall forward the terms and conditions applicable to the Play Now Products to Blackhawk's designated product implementation representative at least thirty (30) days prior to the communicated deadline for Blackhawk's printing Play Now Products for distribution with revised terms and conditions pursuant to the specific schedule as agreed to in writing or email by the Parties. The Parties acknowledge that certain Lotteries may require modification to the terms and conditions (including on a state by state basis) and the Parties will cooperate to implement any such modifications as so required, including where possible having variations of such terms and conditions to appear on websites rather than physically on the Play Now Product.

Linq3 shall also provide Blackhawk with any designs associated with the Linq3 Marks to be used on the Play Now Products. Updates, if any, to the designs associated with the Linq3 Marks will be provided to Blackhawk within five (5) days following Blackhawk's written or e-mail request or at any new manufacturing of Play Now Products; otherwise Blackhawk will be pre-approved to use the designs associated with the Linq3 Marks most recently submitted by Linq3.

In the event that a Lottery changes the price of a Play such that the per Play cost displayed on the Play Now Card is inaccurate (e.g., Powerball is increased from \$2 per Play to \$3 per Play), the Parties shall cooperate to find a reasonable solution which may include the following:

A. Linq3 may de-Activate all such Activated but un-Played Play Now Products (i.e., make them incapable of being Played). Purchasers will be permitted to send such invalidated cards to Linq3 for a refund to be paid by Linq3 to such Purchaser by check or other method determined by Linq3. Any Damages (including the cost to "pull and replace" obsolete Play Now Product cards at Approved Alliance Partner Stores and losses in respect of refunding the Alliance Partner Share to Purchasers) that arise from changes in the price of Plays shall be borne equally by the Parties.

B. Linq3 may permit Purchasers to make the same number of Plays for Activated, but un-Played Play Now Products at the original price, where the Parties determine that the costs of permitting such Plays are less than the applicable replacement costs and other potential liabilities. Costs associated with permitting such Plays shall be borne equally by the Parties.

3. Manufacturing of Play Now Products

A preliminary mock-up of, and specifications for, the Play Now Product card and carrier are set forth in Annex A to this Exhibit B. As soon as practicable after the Effective Date, a specimen Play Now Product card and carrier shall be manufactured by Blackhawk (the "**Specimen Card**"). The Specimen Card shall be a Deliverable of Blackhawk for purposes of the Agreement. Following approval of the Specimen Card by Linq3, Blackhawk shall manufacture the physical Play Now Products in quantities mutually approved by the Parties in writing or by email from time to time based on good faith projections of the quantities needed to keep Approved Alliance Partners adequately stocked, and will deliver the Play Now Products to Blackhawk's distribution centers or Approved Alliance Partners' distribution centers. Before Blackhawk manufactures Play Now Products, Blackhawk shall inform Linq3 of the costs of production (and provide such supporting detail and break-down relating thereto as Linq3 may reasonably request) and

obtain Linq3's written or e-mail approval. The cost of manufacturing invoiced to Linq3 pursuant to Section C.3(a) below will consist solely of Blackhawk's actual out-of-pocket costs with no additional profit mark-up or overhead allocation or the like (and with Linq3 to receive the benefit of all manufacturing and volume and other discounts and rebates and the like pro rata based on the percentage of Blackhawk's total card manufacturing costs over the relevant period that are related to Play Now Products).

4. Delivery, Warehousing and Display of Play Now Products

Blackhawk will deliver boxes of un-Activated Play Now Products (the "**Originally Packaged Products**"), either directly or through Blackhawk distribution centers, to either Approved Alliance Partner distribution centers or Approved Alliance Partner Stores, as applicable. While the Originally Packaged Products are stored at any Blackhawk Distribution Center or Alliance Partner distribution center, such Originally Packaged Products will remain in the unopened boxes as originally packaged and sealed by Blackhawk, along with other boxes of merchandise, except as required for re-distribution or as otherwise agreed in writing between the Parties.

When the Originally Packaged Products are delivered to Approved Alliance Partner Stores, they will similarly remain in unopened boxes until unsealed, unpackaged and displayed. Promptly following receipt of the Play Now Products, Blackhawk will instruct the Approved Alliance Partner Stores to present them for sale by posting or hanging the un-Activated Play Now Products (i) on a rack adjacent to a check-out stand; (ii) at an end cap; or (iii) on a sales counter Blackhawk will instruct Alliance Partners (i) to give the Play Now Products prominent placement and (ii) to give the Play Now Products priority placement over the products described in Exhibit D. Blackhawk shall encourage Alliance Partners to place the Play Now Products for sale on a rack adjacent to a check-out stand (for Alliance Partners that have displays adjacent to check-out stands). Linq3 acknowledges and agrees that Blackhawk cannot guarantee specific placement. No Play Now Products will be displayed behind any locked or unlocked protective glass or enclosure.

Blackhawk shall use commercially reasonable efforts to cause Approved Alliance Partners not to display or make statements about the Play Now Product, including statements regarding the manner of play, chances of winning, prizes, or ability to obtain refunds, that are different than displays or statements approved by Linq3 or the applicable Lottery.

5. Sale, Activation, Play and Redemption of Play Now Products

When presented with a Play Now Product card at POS, Approved Alliance Partner Store personnel shall collect payment and scan the Play Now Product card (by UPC scanner or other technology approved by Blackhawk and Linq3), thereby registering the sale of the Play Now Product and triggering notification of the sale of such Play Now Product to Blackhawk and (automatically through Blackhawk) to Linq3; provided, that if the Play Now Product is then not approved by Linq3 for sale, the Alliance Partner Store will receive a decline message and shall not sell that Play Now Product.

Upon Linq3's receipt of such triggering notice, Linq3 shall send an acknowledgement of receipt to Blackhawk and, upon Activation, shall issue to the holder of the Play Now Product card the Lottery Products represented by the Play Value of such Play Now Product card; provided, that if the Play Now Product card scanned at the Approved Alliance Partner Store has not previously been Activated, then Linq3 shall record the sale of that Play Now Product card and cause such card to become Activated but shall not issue any Lottery Products in respect of such Play Now Product card unless and until the holder of such Play Now Product card requests to Play the Lottery Products represented by the Play Value of such Play Now Product card by sending the applicable text message instruction to Linq3 in accordance with the terms and conditions of such Play Now Product card. For the avoidance of doubt, the sale of any previously

Activated Play Now Product card shall constitute an automatic request to Play the Lottery Products represented by the Play Value of such Play Now Product card.

With respect to the Approved Alliance Partners, any step in the process of sale, Activation or Play that is under the Alliance Partner's control may be handled by Alliance Partner or a third-party processor engaged by the Alliance Partner, depending on the circumstances.

6. Refunds; Cancellation

No refunds or credits shall be provided by Linq3 or Blackhawk or any Approved Alliance Partner in respect of the Play Now Products (whether before or after they are Activated or Played for Lottery Products) other than as set forth in this Section 6. Approved Alliance Partners may elect to issue refunds to their customers or cancel transactions in respect of such Play Now Products; provided, that, except as set forth below, such Approved Alliance Partner will do so at its sole cost and expense.

Notwithstanding anything to the contrary contained herein, Linq3 agrees that, if so requested by a Purchaser, any Approved Alliance Partner may elect to issue to such Purchaser a reversal of a Play Now Product purchase transaction that would require (a) Linq3, as applicable, to de-Activate an Activated, but un-Played, Play Now Product and (b) Linq3 to provide reimbursement to Blackhawk of the money (if any) received by Linq3 for the Play Now Product for Blackhawk to return to the Approved Alliance Partner issuing such reversal (collectively, "**Cancellation**"); provided, that all of the following conditions are met ("**Cancellation Conditions**"): (i) at the time of Purchaser's Cancellation request, such Play Now Product has one hundred percent (100%) of the Play Value remaining (i.e., it has not been Played); (ii) any coating obscuring any activation numbers printed on the card (or any functional equivalent of such coating of such numbers) has not been "scratched off" or removed in whole or in part; (iii) the initial Play Now Product purchase occurred no more than thirty (30) days prior to purchaser's Cancellation request; and (iv) the aggregate annual reimbursement for Cancellations in the Alliance Partner Stores of any such Approved Alliance Partner shall not exceed one quarter of one percent (0.25%) of aggregate Play Value in expected sales, as reasonably determined by Blackhawk and approved by Linq3, in such Alliance Partner Stores in the then current calendar year. Provided that Blackhawk and Linq3 has each reasonably verified that all Cancellation Conditions have been met, for applicable Play Now Products, Blackhawk shall submit to Linq3 (or its Processor if Linq3 so designates) at least monthly (via electronic submission when available) de-Activation and reversal notices of Play Now Product sales transactions and submit to Linq3 a separate invoice (together with a report as described in Section B.8 of this Exhibit B). After the latest date of such submissions for each Cancelled Play Now Product, Blackhawk may deduct such undisputed invoice amount from payments due Linq3 under Section C of this Exhibit B until such amount is fully paid. Linq3 shall not be required to provide reimbursement to Blackhawk for Cancellation requests for which all Cancellation Conditions have not been met. Blackhawk shall ensure that no Approved Alliance Partner shall be eligible to receive or retain any share of a Play Now Product sale (e.g., the Alliance Partner Share) in connection with a Cancellation.

7. Customer Service

Once a Play Now Product card is properly Activated, Linq3 shall be solely responsible for all Player customer service in connection with the Play of such Play Now Product. Each Party shall provide a customer service contact for the other Party and Approved Alliance Partner personnel to assist in resolving customer disputes or addressing customer questions or problems relating to the Play Now Products. Linq3 shall control all electronic communications and interactions with Players, including the content and configuration of text messages, notifications for Play and Redemption, and Player registration information.

8. Activity Reports

Blackhawk will provide Linq3, in an electronic format, daily reports containing the following details of all Play Now Product transactions at Approved Alliance Partner Stores: the Play Now Product card number, the Consumer Purchase Price of the Play Now Product, the date and time of sale for the Play Now Product card, the store name and number of the applicable Approved Alliance Partner Store where the Play Now Product card was sold, and such other information as may be mutually agreed by the Parties or as may be required by any of the Lotteries.

Upon Linq3's request, Blackhawk will provide Linq3 with periodic estimates of the number of Play Now Products in stock at each of the Approved Alliance Partners; provided, however, that Blackhawk will not be required to provide such estimates more than once per calendar quarter.

From time to time, upon Linq3's reasonable request, Blackhawk will use commercially reasonable efforts to provide Linq3 with a report (to the extent such information is reasonably available) containing a list of (and the number of) then-current Alliance Partner Stores, broken down state-by-state but including only those states that were the subject of Linq3's reasonable request.

9. Handling of Play Now Products Upon Termination or Discontinuance.

Upon either expiration or termination of the Agreement, for so long as Linq3 has an obligation to provide Transition Services, Blackhawk and Approved Alliance Partners may, but shall not be obligated to, sell the Play Now Products currently on display in accordance with the terms of the Agreement. At the time of such expiration or termination, or the end of such period during which Linq3 is obligated to provide Transition Services, or in the case of discontinued or obsolete Play Now Products, or in the case Blackhawk terminates a retailer's participation in the Alliance Partner Program or such retailer terminates its participation, as applicable, then Blackhawk shall either, at Linq3's written or email direction: (i) destroy or recycle (or instruct the Alliance Partners to destroy or recycle) any non-Activated Play Now Products at no expense to Linq3 and provide a certificate of destruction for Linq3 to provide to the applicable Lotteries upon their request; or (ii) return any non-Activated Play Now Products to Linq3 at Linq3's sole expense.

C. Payment Cycle

1. Remittance from Alliance Partners to Blackhawk

Blackhawk shall contract with each Approved Alliance Partner such that each agrees to collect the Consumer Purchase Price for each Play Now Product sold by such Approved Alliance Partner's Approved Alliance Partner Stores and to remit to Blackhawk (by ACH or wire transfer), on at least a weekly basis, the Remittance Amount in respect of all Play Now Products sold by such Approved Alliance Partner (although the Parties' goal is to have Approved Alliance Partners remit payment to Blackhawk on a more frequent, i.e., daily, basis). Blackhawk will use commercially reasonable efforts to enforce the payment obligations of Approved Alliance Partners and to collect any Remittance Shortfalls.

The Parties acknowledge and agree that Blackhawk does not wish to advance money to Linq3 before being paid by the Alliance Partners. Therefore, in order for an Alliance Partner to become an Approved Alliance Partner, such Alliance Partner generally will need to have a remittance schedule with Blackhawk such that money due Linq3 is paid to Blackhawk before Blackhawk must pay it to Linq3. Upon Linq3's request from time to time, Blackhawk will advise Linq3 as to which Approved Alliance Partners and/or Potential Approved Alliance Partners have a remittance schedule with Blackhawk that can support Blackhawk's payment schedule to Linq3 described in Section C.2 of this Exhibit B. Blackhawk will use its commercially reasonable efforts to encourage all Potential Approved Alliance Partners with remittance

schedules that cannot support the Play Now Product to change those schedules for the Play Now Product to support Blackhawk's payment schedule to Linq3 described in Section C.2 of this Exhibit B.

Notwithstanding anything to the contrary contained herein, if Blackhawk does not receive from an Approved Alliance Partner the full aggregate Remittance Amount for the sales of Play Now Products within five (5) business days after such payment is due to Blackhawk under its agreement with such Approved Alliance Partner (such Approved Alliance Partner, a "**Delinquent Alliance Partner**"), then Blackhawk shall promptly provide Linq3 with a written or e-mail notice (a "**Delinquency Notice**") specifying each Delinquent Alliance Partner and the Remittance Shortfall (or anticipated or potential Remittance Shortfall) for such Delinquent Alliance Partner. At any time following receipt of any Delinquency Notice or at any time Linq3 otherwise believes that an Approved Alliance Partner is reasonably likely to or may become a Delinquent Alliance Partner, Linq3 shall have the right in its sole discretion to suspend and/or terminate the sale, Activation and/or Play of any or all Play Now Products sold at or through such Approved Alliance Partner. Linq3 shall promptly notify Blackhawk following any such suspension or termination (with Linq3's notification being referred to herein as an "**Alliance Partner Suspension Notice**"). At any time after Blackhawk's receipt of an Alliance Partner Suspension Notice, Linq3 shall have the right (in its sole discretion) to instruct Blackhawk to (and Blackhawk at its sole cost and expenses shall) promptly remove the Play Now Product cards from display at each retail outlet of the Delinquent Alliance Partner. Without limiting in any respect Linq3's rights under this paragraph, Blackhawk shall also have the right (in its sole discretion and at its sole cost and expenses) to remove the Play Now Product cards from display at each retail outlet of the Delinquent Alliance Partner. The Parties acknowledge and agree that any determination of whether or not to reinstate such Delinquent Alliance Partner's ability to resume selling Play Now Products shall require the written consent of Blackhawk and Linq3.

Except as otherwise set forth herein, Linq3 shall (a) withhold any actions in connection with collection of the missing payments from such Delinquent Alliance Partner and (b) reasonably cooperate with Blackhawk (at Blackhawk's sole cost and expense) in Blackhawk's efforts to perform its obligations under this Section C.1. If more than twenty (20) days pass after Linq3's receipt of a Delinquency Notice and the matter has not been resolved to the reasonable satisfaction of Linq3, Linq3 shall be entitled in its discretion to pursue all available remedies to collect delinquent amounts due from such Delinquent Alliance Partner, and Linq3 may notify Blackhawk that Linq3 itself wishes to pursue collection from the Delinquent Alliance Partner (for delinquent funds that Linq3 will specify in such notice) in which case Blackhawk shall promptly upon receipt of such notice assign to Linq3 Blackhawk's right of collection with respect to such specified delinquent amounts.

Fifty percent (50%) of the amount of all Remittance Shortfall Recoveries collected from a Delinquent Alliance Partner by Blackhawk shall be promptly (and in any event not later than the third regularly scheduled payment to Linq3 in Section C.2 below following such receipt) remitted to Linq3 pursuant to Section C.2 below for Linq3's own account (in repayment of amounts previously funded by Linq3 in respect of such Delinquent Alliance Partner), and the other 50% of such amount shall be retained by Blackhawk for its own account (in repayment of amounts previously funded by Blackhawk in respect of such Delinquent Alliance Partner). Likewise, fifty percent (50%) of any amounts collected from a Delinquent Alliance Partner by Linq3 shall be retained by Linq3 for its own account (in repayment of amounts previously funded by Linq3 in respect of such Delinquent Alliance Partner), and the other 50% shall be promptly remitted to Blackhawk for its own account (in repayment of amounts previously funded by Blackhawk in respect of such Delinquent Alliance Partner).

Any costs of collection, including reasonable attorneys' fees and disbursements, incurred by a Party in connection with such Party's collection efforts in accordance with this Exhibit B shall be shared by the Parties, ratably allocating to Linq3 the percentage of such costs attributable to the amounts owed for Play

Now Cards compared to the overall amounts sought to be recovered from such Delinquent Alliance Partner, but in no event greater than fifty percent (50%) of such costs.

2. Payments by Blackhawk to Linq3 (Ordinary Course Remittance)

On Tuesday, Wednesday and Friday of each week (each, a "Payment Date"), Blackhawk will pay to Linq3 an amount equal to: (i) the aggregate Remittance Amount for all Play Now Products sold by all Approved Alliance Partners on the days in the table below; less (ii) 50% of the Remittance Shortfall not previously applied (with the effect being that each of Blackhawk and Linq3 bears and ultimately funds 50% of such Remittance Shortfall, subject to clause (iii) below); plus (iii) 50% of any Remittance Shortfall Recoveries not previously applied (with the effect being that Blackhawk and Linq3 share equally any delinquent amounts ultimately paid by Delinquent Alliance Partners). Blackhawk will make payments by ACH or wire transfer of same day funds to such account(s) as may be provided by Linq3 to Blackhawk from time to time according to the following schedule:

<u>Sale of Play Now Product</u>	<u>Money Received by Linq3</u>
Sunday, Monday, Tuesday	Friday (of same week)
Wednesday, Thursday	Tuesday (of following week)
Friday, Saturday	Wednesday (of following week)

If the day in the "Money Received by Linq3" column is a federal holiday, then Blackhawk will send payment so that Linq3 receives it on the first business day following the day in the "Money Received by Linq3" column.

For purposes of clarity, Blackhawk will not know whether there is a Remittance Shortfall until after the payment by the Approved Alliance Partner is made (or not made). Accordingly, Blackhawk will apply any Remittance Shortfall against future payments to Linq3. Likewise, Blackhawk will include Remittance Shortfall Recoveries in future payments to Linq3 as such amounts are recovered.

The Parties agree that all accounting calculations in respect of payments to be made by Blackhawk pursuant to this Section C.2 will be based initially on Blackhawk's then-current accounting and database system. In addition to the activity reports required to be delivered to Linq3 on a daily basis pursuant to Section B.8 of this Exhibit B, Blackhawk shall deliver to Linq3 with each payment a settlement report setting forth (among other things) the quantity of each denomination of Play Now Products sold and the aggregate Remittance Amount paid or payable by the Approved Alliance Partners to Blackhawk for that payment period. Upon Linq3's request, Blackhawk will submit to Linq3 any other information reasonably requested by Linq3 (and not already provided to Linq3) to verify that Blackhawk's calculations and payment amounts are correct. Linq3 will reconcile the figures in that report and from such other information against Linq3's records for Play Now Products that were sold during that week. The Parties agree to work together in good faith to reconcile any accounting discrepancies and to make promptly any payments required to correct any agreed upon discrepancies.

The Parties acknowledge and agree that: (i) certain portions of the payments set forth in this Section C.2 will comprise the Lottery Payment Amounts, and such portions will be remitted or otherwise paid to Linq3 solely so that Linq3 may pay the Lottery Payment Amounts to the applicable Lotteries as ultimate transferees as required by the applicable written agreements between Linq3 and such Lotteries; and (ii) payment of such portions by Blackhawk to Linq3 shall not constitute a transfer to or for the benefit of Linq3 for any purpose, including with respect to any avoidance action under Chapter 5 of the United States Bankruptcy Code, 11 U.S.C. §§ 101–1532. For avoidance of doubt, Blackhawk acknowledges and agrees that it shall not have any beneficial or legal interest in the Lottery Payment Amounts and at all times Blackhawk shall be holding such amounts in trust for the sole benefit of the applicable Lottery. The Parties further acknowledge and agree that time is of the essence in respect of the payments to be made by Blackhawk pursuant to this Section C.2.

3. Other Payments

(a) Reimbursement of Manufacturing Costs

Blackhawk will invoice Linq3 for fifty percent (50%) of the approved cost of manufacturing Play Now Products pursuant to Section B.3 above, and Linq3 shall pay Blackhawk therefor within thirty (30) days following receipt of Blackhawk's invoice.

(b) Transaction Revenue and Expenses

Linq3 shall pay Blackhawk on the twenty-first (21st) of each calendar month (or, if such day is not a business day, then on the next succeeding business day), the Net Contribution for the immediately preceding calendar month. "Net Contribution" means an amount equal to fifty percent (50%) of: (i) the Remittance Amount; less (ii) the Lottery Payment Amount; less (iii) the Transaction Expenses, in each case for Play Now Products Played during the prior calendar month. In the event there is a delay in determining any component of Net Contribution for any period (e.g., the costs of Redemptions are determined in a subsequent month because of delays in the payment of a Lottery win), Net Contribution for such period shall be estimated in good faith by Linq3 and the Parties shall reconcile such calculation in connection with the next month following final determination of the applicable component of Net Contribution.

The Parties agree that all accounting calculations in respect of payments to be made by Linq3 pursuant to this Section C.3(b) will be based initially on Linq3's then-current accounting and database system. Along with each payment, Linq3 will provide Blackhawk with reports setting forth such information as Blackhawk reasonably requires to verify that Linq3's calculations are correct. Such information will include, but will not be limited to, the Lottery Payment Amount for each state or territory and the aggregate Transaction Expenses. The Parties agree to work together in good faith to reconcile any accounting discrepancies and to make promptly any payments required to correct any agreed upon discrepancies. Linq3 may offset any amounts Linq3 owes to Blackhawk under this Section C.3(b) (or any other amounts Linq3 owes Blackhawk under this Agreement) against amounts that Blackhawk owes but has not paid Linq3.

(c) Site Fees

No later than the twenty-first (21st) day of each calendar month (or, if such day is not a business day, then on the next succeeding business day), Linq3 will pay Blackhawk fifty percent (50%) of the Site Fees collected from each state lottery during the preceding calendar month. Linq3 will provide Blackhawk with reports setting forth the Site Fees collected from each state or territory during the preceding calendar month in order to verify that Linq3's calculations are correct.

4. Unplayed Card Account

Linq3 shall establish a segregated account to hold funds that represent the Remittance Amounts for all Play Now Product cards that are purchased but not Played within six (6) weeks (the "Unplayed Card Account"). The Parties agree to retain and work with their outside accounting firms (each of which shall be a nationally recognized "Big-4" firm or such other firm as shall be reasonably acceptable to the other Party) and other nationally recognized advisors and to cooperate in good faith with each other to develop and adopt a mutually acceptable strategy to recognize and maximize "breakage" revenue and distribute funds from the Unplayed Card Account. The Parties shall share the breakage revenue and amounts distributed from the Unplayed Card Account equally. The Parties intend (subject to appropriate input from their respective advisors) to use Blackhawk's experience with breakage recognition in connection with gift card programs as potentially useful guidance when developing their breakage recognition strategy for the Play Now Cards. Linq3 shall provide Blackhawk and Blackhawk's accounting firm with all necessary records in its possession to facilitate the development of the breakage recognition strategy. Each Party acknowledges that it desires to recognize breakage revenue and begin to receive funds from the Unplayed Card Account at the earliest reasonably practicable time, and agrees to use its reasonable efforts to develop mutually satisfactory procedures to distribute the funds held in the Unplayed Card Account in a manner that will minimize the risk that either Party will be required to refund any distributions received from the Unplayed Card Account.

5. Audit Rights

To verify each Party's compliance with the Agreement (including this Exhibit B), a Party shall have the right, during the Term of the Agreement and for seven (7) years thereafter, to inspect and audit the other Party's financial records relating solely to the transactions arising under the Agreement and for the limited purpose of ensuring compliance with the payment and related provisions of the Agreement (including this Exhibit B). Any audit will be conducted: (i) not more than once a year (provided that if an audit reveals an underpayment of more than five percent (5%), the foregoing limit of one (1) audit per year shall be expanded to two (2) per calendar year for the auditing Party), (ii) at the requesting Party's expense (provided that if the audit reveals an underpayment of more than five percent (5%), the audited Party will pay the requesting Party's reasonable audit expenses), (iii) at agreed times and duration, (iv) upon reasonable prior written notice, and (v) in a manner so as to minimize any disruption of the audited Party's or the audited Approved Alliance Partner's normal business activities and, further, any person sent by the requesting Party to conduct an audit hereunder must be obligated in writing to maintain the confidentiality of all audited records.

D. Loss Prevention and Risk of Loss

Promptly upon a Party having actual knowledge of any loss, theft or damage of Play Now Products, including but not limited to any unauthorized issuance or attempted issuance of Play Now Products, or any fraudulently Activated Play Now Products or attempts to fraudulently Activate Play Now Products, it shall notify the other Party thereof in writing or email, along with any related pertinent information. In connection with receipt of such written or email notice, the Parties will promptly cooperate to investigate the foregoing and to attempt to mitigate any harm therefrom (such as by using commercially reasonable efforts to de-Activate the related Play Now Product(s) to the extent they have not been Played).

As between Linq3 and Blackhawk, the Parties acknowledge that liability for Damages, including damage or destruction, with respect to the Play Now Products is as follows:

- (a) Any Damages occurring between the time Blackhawk manufactures the Play Now Products and the time the Play Now Products are delivered to Approved Alliance

Partners and/or Approved Alliance Partner Stores will be the sole responsibility of Blackhawk, except to the extent related to Linq3's breach of the Agreement or Linq3's fraud, willful misconduct or negligence;

- (b) Any Damages arising from inaccurate data transmission to Linq3, to the extent resulting from any third party fraudulently accessing Blackhawk's computer network, database or system (whether resident at or maintained by Blackhawk or any third party on Blackhawk's behalf) shall be the sole responsibility of Blackhawk, except to the extent related to Linq3's breach of the Agreement or Linq3's fraud, willful misconduct or negligence;
- (c) Any Damages arising from inaccurate data transmission to Blackhawk, to the extent resulting from any third party fraudulently accessing Linq3's or its Processor's computer network, database or system (whether resident at or maintained by Linq3 or any third party on Linq3's behalf) shall be the sole responsibility of Linq3, except to the extent related to Blackhawk's breach of the Agreement or Blackhawk's fraud, willful misconduct or negligence; and
- (d) Any losses arising from any fraudulent activity in connection with a Play Now Product after the Play Now Product has been properly Activated shall be the sole responsibility of Linq3, except to the extent related to Blackhawk's breach of this Agreement or Blackhawk's fraud, willful misconduct or negligence.

In accordance with Section 12.3 of the Agreement, Blackhawk will use its reasonable best efforts to contract with each Approved Alliance Partner such that the Approved Alliance Partner assumes responsibility for (A) failed payments (e.g., bad checks, chargebacks) and (B) fraud, theft, or willful misconduct by the Approved Alliance Partner or its employees (items (A) and (B), "Alliance Partner Damages"). Any Alliance Partner Damages not otherwise assumed or paid by the applicable Approved Alliance Partner shall be borne equally by the Parties.

E. License of Linq3 Marks.

Subject to the terms and conditions of the Agreement, Linq3 hereby grants the following limited licenses: (A) to Blackhawk, a non-exclusive, royalty-free license to use the Linq3 Marks solely for the limited purpose of manufacturing the Play Now Products pursuant to the Agreement and (B) to Blackhawk and the Approved Alliance Partners, a non-exclusive, royalty-free license to use the Linq3 Marks solely for the limited purpose of promoting, selling and distributing the Play Now Products pursuant to the Agreement. Any use of the Linq3 Marks shall be subject to approval by Linq3 including as set forth in Section B.2 of this Exhibit B. As between Linq3 and Blackhawk as well as between Linq3 and the Approved Alliance Partners, title to and ownership of the Linq3 Marks shall remain with Linq3. Except as expressly stated in the Agreement, no license, right, title or interest in and to any trademarks of either Party or their respective Affiliates is conveyed or intended to be conveyed by the Agreement. If, after the Effective Date, the name of the consumer product is changed from Play Now Product to a different name, then (x) all references in the Agreement (including this Exhibit B) to the Play Now Product shall be deemed to be references to such new product name and (y) Linq3 shall grant to Blackhawk and the Approved Alliance Partners comparable licenses to such new name as are described in this Section E.

ANNEX A - MOCK-UP AND PRELIMINARY SPECIFICATIONS

1. Initial Mockup

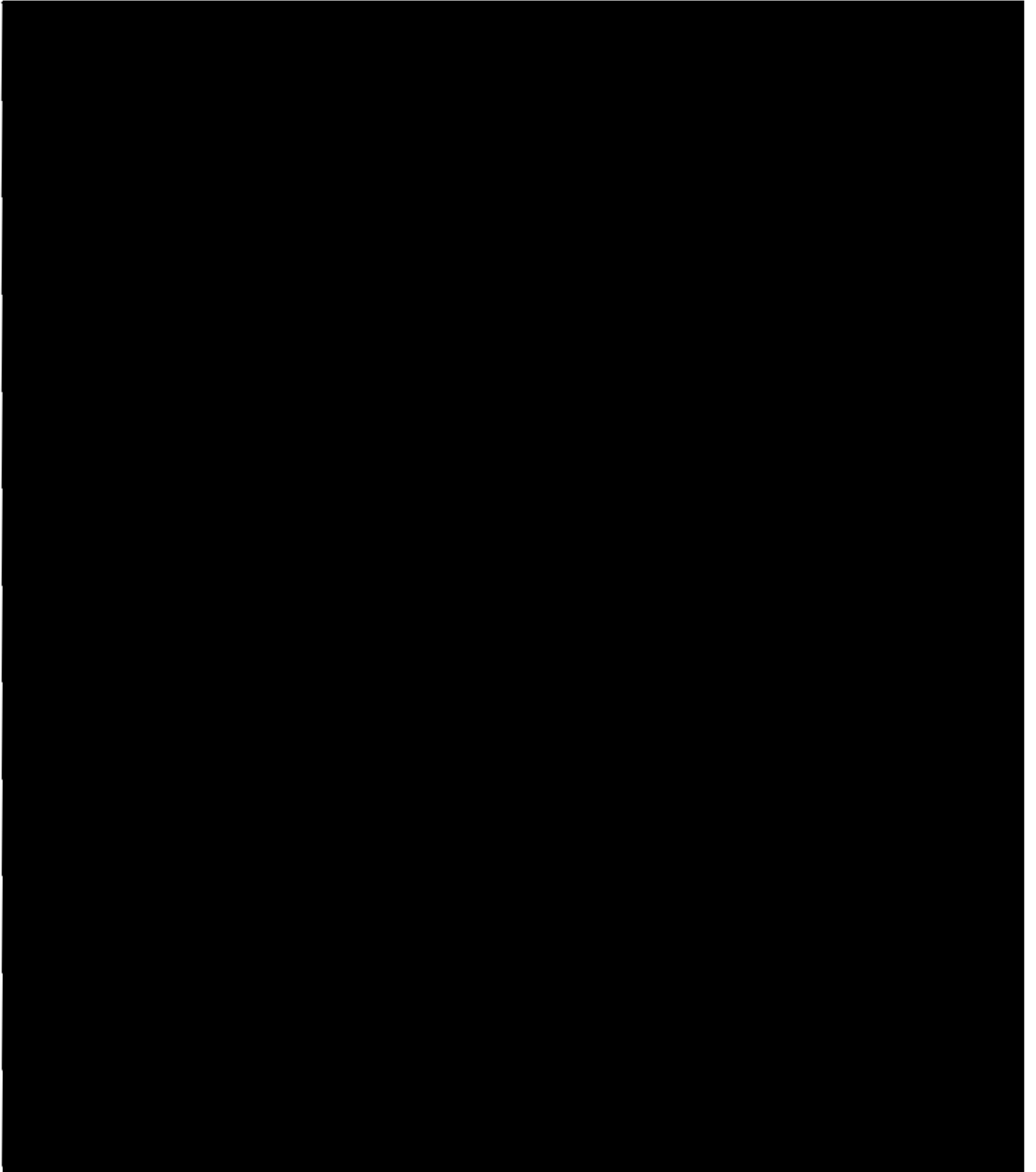
Current working version; subject to change:



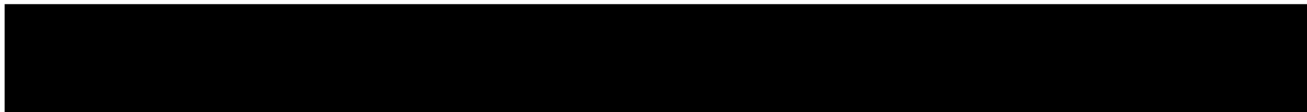
2. Preliminary Specifications for Physical Card

A physical reusable, ticketless lottery product, substantially in the form shown above. Exact content of physical card and carrier to be determined by Linq3 in consultation with Blackhawk. Linq3 may also enable a virtual version of the card that may be displayed on the mobile device of the holder of an Activated card. Such virtual card shall be considered the equivalent of the physical card for purposes of the Agreement.

EXHIBIT C



C-1



C-1

EXHIBIT D
MICHIGAN AND ROUNDPEAK PRODUCTS

The Michigan Product and the RoundPeak Product shall be permitted pursuant to Section 15.2 of the Agreement only for so long as such products comply with the following specifications, requirements, and restrictions:

A. MICHIGAN PRODUCT

A stored-value product redeemable either online or in a physical location for any lottery product of the Michigan Bureau of State Lottery.

B. ROUNDPEAK PRODUCT

A stored-value product redeemable either online or in a physical location for any lottery product of the Washington Lottery.

