

SUBJECT: GENERAL INFORMATION

12.1 GENERAL INFORMATION

- 12.1.1 The GLA gives the AGLC the authority to conduct and manage video lotteries.
- 12.1.2 A Video Lottery Terminal (VLT) retailer or Video Gaming Entertainment Room (VGER) retailer must hold a Class A Minors Prohibited liquor licence and is bound by the terms of the Video Lottery Retailer Agreement. Only qualified Class A Minors Prohibited liquor licensed facilities that are in operation and open for business may apply for VLTs.
- 12.1.3 Retailers must operate within the terms and conditions outlined in the Video Lottery Retailer Agreement and Board policies specified in this handbook.
- 12.1.4 The AGLC may not enter into a Video Lottery Retailer Agreement with retailers respecting VLTs in the following communities:
- a) County of Lethbridge No. 26;
 - b) Town of Lacombe;
 - c) Municipal District of Opportunity No. 17;
 - d) Regional Municipality of Wood Buffalo;
 - e) Town of Canmore;
 - f) Town of Coaldale;
 - g) Town of Stony Plain;
 - h) Town of Cardston;
 - i) Town of Sylvan Lake; and
 - j) Town of Rocky Mountain House.
- 12.1.5 In the event a community which does not currently offer VLTs makes application for VLTs, the AGLC will consider, among other factors, support or lack of support whether in the form of a plebiscite or otherwise when deciding whether to place VLTs in a community. The AGLC may deny VLTs in that community if,

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in the AGLC's opinion, the community does not support the installation.

- 12.1.6 Upon formal notification of the results of a plebiscite from Council whereby a majority of the voters (more than 59% of persons voting per Section 95 of the *Local Authorities Election Act*) vote in favour of removing VLTs, the Minister, through a policy directive under Section 7 of the GLA, may authorize the AGLC to remove the VLTs in the community.
- 12.1.7 Effective July 1, 2006 Automated Teller Machines (ATMs) will be required to be a minimum of 15 feet from the nearest VLT.

SUBJECT: APPLICATION REQUIREMENTS TO BECOME A VLT RETAILER

12.2 APPLICATION REQUIREMENTS TO BECOME A VLT RETAILER

- 12.2.1 Only qualified Class A Minors Prohibited liquor licensees whose licensed premises are in operation and open for business may apply for VLTs. (Refer to Section 4.3 for Class A Minors Prohibited liquor licence requirements).
- 12.2.2 Licensees may apply to become a VLT retailer by contacting:
- a) the AGLC Hotline (see Section 12.20); or
 - b) by writing or faxing an application to the AGLC.
- 12.2.3 For new VLT retailer applicants, only one Class A Minors Prohibited liquor licence per facility is eligible for VLTs.
- 12.2.4 All applicants must complete and submit the following application requirements (see Section 12.21):
- a) Video Lottery Retailer Application;
 - b) Certificate of Insurance;
 - c) Financial Requirements – in the form of a successful credit evaluation by the AGLC or irrevocable letter of credit in an amount determined by the AGLC;
 - d) Authorization for Prearranged Payment and a Void Cheque;
 - e) Site Requirement – New Installations Only;
 - f) Video Lottery Retailer Agreement; and
 - g) Video Lottery Floor Plan.
- 12.2.5 Video Lottery Retailer Application:
- a) A retailer application must be completed and signed by an authorized signatory of the applicant.
 - b) Applicant corporations and partnerships must be legal entities registered to operate in the Province of Alberta.
 - c) The person or persons forming a sole proprietorship or partnership must be Canadian citizen(s) or be authorized to

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work in Canada in order to be party to the Retailer Agreement.

12.2.6 Certificate of Insurance:

- a) Retailers are required to maintain adequate insurance as outlined in the Retailer Agreement; and proof of insurance must be provided in the form of an AGLC Certificate of Insurance completed by the retailer's insurance company or broker.
- b) The legal entity must be the "name insured" on the insurance policy.
- c) The AGLC must be named an "additional insured" on the insurance policy.
- d) Property insurance is required for all VLTs, signs and fixtures provided by the AGLC; coverage shall be on an "all risk" replacement cost basis. The amount of coverage required is outlined on the AGLC Certificate of Insurance; and
- e) Comprehensive or commercial general liability insurance is required – not less than \$1,000,000 inclusive per occurrence against bodily injury & property damage including loss thereof. Such insurance is required to cover personal injury and employees as additional insureds.

12.2.7 Financial Requirements for VLT Retailers:

- a) A VLT retailer must provide an irrevocable letter of credit to cover the AGLC's risk for monetary loss or have their legal entity undergo a credit evaluation to determine if the need for an irrevocable letter of credit may be waived.
- b) A VLT retailer that is a sole proprietorship or partnership is not eligible for a credit evaluation except as outlined in Section 12.2.7c). Otherwise VLT retailers that are a sole proprietorship or partnership must provide an irrevocable letter of credit to meet the financial security requirement (see Section 12.3).
- c) A VLT retailer that is a sole proprietorship or partnership that has operated for more than 24 months and that has

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established operations under a trade name, may be considered for a credit evaluation.

- d) A VLT retailer that is a registered corporation or registered partnership is eligible for a credit evaluation if it has operated for more than 24 months.
- e) A VLT retailer must provide two (2) comparative years of financial statements prepared by a third party (i.e. CA, CMA or CGA).
- f) Banking information must be provided on a Credit Evaluation Information form to be completed by an authorized signatory for the VLT retailer and the appropriate financial institution.
- g) Credit evaluation results are maintained in the VLT retailer master file and referenced for all future applications; and
- h) A VLT retailer who fails the credit evaluation is required to provide security in the form of an irrevocable letter of credit (see Section 12.3).

12.2.8 Authorization for Prearranged Payment and Void Cheque:

An authorized signatory must complete an Authorization for Prearranged Payment form and provide confirmation in the form of a void cheque or a letter from the bank to allow for processing of the invoice from the retailer's bank account.

12.2.9 Site Requirement – New Installations Only:

- a) A Site Requirement form must be completed and signed by an authorized signatory for all new VLT retailers to ensure the location complies with the electrical requirements needed for the VLTs and related equipment.
- b) The electrical requirements required are dedicated electrical circuits (115 – 120 volt isolated ground receptable) at the following three (3) locations:
 - i) VLT location: one (1) dedicated electrical circuit for every four (4) VLTs.
 - ii) VMT and modem location: at the main bar. Also requires a double duplex outlet; and

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iii) Demarcation point: where the telephone line enters the building.

12.2.10 Video Lottery Retailer Agreements:

Retailers to sign and return two (2) sets of the original Video Lottery Retailer Agreements.

12.2.11 Video Lottery Floor Plan:

Retailers to sign and return original Video Lottery Floor Plan.

12.2.12 An AGLC Representative will be available to discuss VLT placement within prospective VLT Locations and assist with the completion of the floor plan.

12.2.13 Prior to the placement and/or installation of VLTs or any related equipment, an AGLC Representative will:

- a) visit, view and ensure each of the required security standards have been met (see Section 12.17.2); and
- b) provide a sign that must be posted in an area that is visible to the public stating: "This location has applied for VLTs".

SUBJECT: IRREVOCABLE LETTER OF CREDIT

12.3 IRREVOCABLE LETTER OF CREDIT

12.3.1 A retailer must apply to a financial institution for an irrevocable letter of credit.

12.3.2 The amount of the irrevocable letter of credit is determined by the AGLC [equivalent to two (2) weeks average net invoice for the location or \$3,000 per VLT]. In the case of a sale, the irrevocable letter of credit will only be divulged once the AGLC has received Change of Operator notification forms from both the seller and buyer (see Sections 12.4.8 and 12.4.9)

12.3.3 The irrevocable letter of credit must:

- a) identify the retailer's legal entity as the "applicant" or "customer";
- b) name the AGLC as "the beneficiary";
- c) state the dollar amount of the letter of credit;
- d) be in effect for a minimum one (1) year from the date of issue (letters with automatic extensions are preferred); and
- e) state "Partial drawings are permitted".

12.3.4 If a retailer is a person or persons, the irrevocable letter of credit stays in place until the Retailer Agreement is terminated except as outlined in Section 12.2.7c).

12.3.5 If a retailer is a registered corporation or partnership, the irrevocable letter of credit stays in place for a minimum of one (1) year, after which the retailer can request a new credit evaluation be performed if they can meet the specified requirements outlined in Sections 12.12.8 and 12.12.9.

12.3.6 Retailers that are a registered corporation or partnership are required to renew their irrevocable letter of credit each year until a successful credit evaluation is performed on their legal entity; letters with automatic extensions are preferred.

12.3.7 The AGLC may draw upon the letter of credit at anytime to satisfy any amounts owing and unpaid to the AGLC pursuant to the Retailer Agreement.

SUBJECT: NEW OPERATORS OF EXISTING VLT LOCATIONS

12.4 NEW OPERATORS OF EXISTING VLT LOCATIONS

- 12.4.1 The Retailer Agreement is not transferable and is terminated when a location is sold, leased, assigned, or otherwise transferred to the control of another person.
- 12.4.2 When a licensee sells, transfers or assigns the business where VLTs are located, the AGLC may enter into a new Retailer Agreement with the new licensee subject to the new licensee meeting all eligibility requirements.
- 12.4.3 New retailers of existing VLT locations may be approved to retain the current number of VLTs in the location.
- 12.4.4 The AGLC may adjust the number of VLTs to remain in the existing location pursuant to the assessment criteria set out in Section 12.8.
- 12.4.5 A Retailer Agreement will not be entered into with a new licensee when the location's performance has fallen within the bottom two (2)% of the network in the previous year (see Section 12.8.6).
- 12.4.6 If a retailer has a new liquor licence issued for the location they must re-submit all documentation noted in Section 12.2.4 to continue operating VLTs.
- 12.4.7 For uninterrupted video lottery operation, new licensees of VLT locations should allow two (2) weeks for application processing. VGER applicants refer to Section 13.
- 12.4.8 In the case of a sale of the business, the existing operator must mail or fax a letter to the AGLC providing the following information:
- a) the purchaser's name;
 - b) the date of sale; and
 - c) the existing operator's approval allowing the AGLC to provide information, as required, to the purchaser in order to complete the sale.

SUBJECT: NEW OPERATORS OF EXISTING VLT LOCATIONS

NOTE: Instead of a letter, the seller may submit the "Sellers Notification – Change of Operator" form (see Section 12.21.9).

12.4.9 In the case of a sale as listed in Section 12.4.8, the new operator must mail or fax a letter to the AGLC providing the following information:

- a) the seller's name; and
- b) the date of purchase.

NOTE: Instead of a letter, the purchaser may submit the "Buyers Notification – Change of Operator" form (see Section 12.21.10).

12.4.10 A new liquor licence and all requirements for a Retailer Agreement must be met before VLTs are activated.

12.4.11 All VLT requirements must be received two (2) days prior to the new liquor licence being issued (see Section 12.2.4).

12.4.12 If a new operator wishes to relocate the VLTs, in conjunction with the possession date, refer to Section 12.9.

12.4.13 If a new operator wishes to renovate the location, in conjunction with the possession date, refer to Section 12.10.

12.4.14 Change of operators will only be scheduled during regular business hours of the AGLC.

SUBJECT: TRAINING

12.5 TRAINING

- 12.5.1 The retailer must ensure all employees responsible for operating the VLTs have received training.
- 12.5.2 Training must include the validation of cashout tickets, general maintenance of the VLTs and the mandatory Responsible Gaming Program training (see Section 12.6).
- 12.5.3 Requests for training should be made by contacting the AGLC Hotline (see Section 12.20).

SUBJECT: RESPONSIBLE GAMBLING PROGRAM

12.6 RESPONSIBLE GAMBLING PROGRAM

12.6.1 The Responsible Gambling Program for retailers involves two (2) mandatory components and two (2) voluntary components.

a) Mandatory Components:

i) All staff having any involvement with VLTs must participate in the Responsible Gambling Program awareness training within three (3) months of commencement of employment.

- Retailers and staff must register in the AGLC on-line instructional program called "Reel Facts." The course is to be taken on-line with an exam at the completion of the course. The *Reel Facts* website address is <http://reelfacts.aglc.ca>.

Note: For those retailers who do not have internet access, Hotline is to be contacted (see Section 12.20) for details on how to complete the course.

- Following the successful completion of the course, staff will receive a completion certificate card. The card must be made available to AGLC staff upon request.
- Retailers and staff who have previously taken the "Winning Moments" training program and hold a green certificate card will have until January 1, 2010 to register and complete the "Reel Facts" training program.

ii) All required signs must be posted, be current and be in good condition. The list of mandatory signs may change based on the requirements of the AGLC (see Section 12.18.4). For more information on the required signs contact the AGLC Hotline or VLT Representative (see Section 12.20). Non-compliance is a violation of the Retailer Agreement (see Section 12.18.5).

SUBJECT: RESPONSIBLE GAMBLING PROGRAM

b) Voluntary Components:

- i) Retailers and one (1) senior staff member may participate in an AADAC and AGLC Social Responsibility initiative or program as determined each year by the AGLC; and
- ii) Retailers may provide a server intervention product that includes the AADAC problem gambling message and help-line phone number.

12.6.2 Retailers new to the network will have three (3) months to comply with the Responsible Gambling Program requirements.

12.6.3 Retailers who have not complied with these requirements within the time frames indicated above will be given one (1) warning letter. If after three (3) months from the date of the warning letter, the retailer has not complied, the Retailer Agreement may be terminated and all the VLTs will be removed from the premises.

12.6.5 Retailers who have two (2) or more occurrences of non-compliance within a three (3) year period may have their Retailer Agreement terminated and all of the VLTs removed from the premises.

12.6.6 Retailers completing both mandatory and voluntary components are eligible to receive an annual award, sponsored by AADAC and the AGLC, as follows:

- a) an advertisement in their local newspaper recognizing the establishment as having taken part in the Responsible Gambling Program; and
- b) a wall plaque that identifies the establishment as being recognized as a socially responsible gambling venue.

REFERENCE:

Policy 1.52

SUBJECT: VLT ALLOCATION

12.7 VLT ALLOCATION

- 12.7.1 The Video Lottery Network is limited to a maximum of 6,000 installed VLTs.
- 12.7.2 If the Video Lottery Network has reached the limit specified in Section 12.7.1, other eligible licensees who have applied for VLTs will be placed on a Video Lottery Retailer Applicant Waitlist. Applicants on the waitlist:
- a) must possess a valid and active Class A Minors Prohibited liquor licence;
 - b) must be open and operating the licensed premises; and
 - c) are allocated VLTs through attrition in the order in which their applications are received (according to a “first come, first served” ranking).
- 12.7.3 VLT applicants that reach the top of the waitlist but do not provide all of their requirements (see Section 12.2) within a specified time limit will have their Video Lottery Retailer Application denied and will not be placed back on the waitlist unless they re-apply.
- 12.7.4 Applicants on the waitlist who have their liquor licence terminated will be removed from the waitlist and their application will be denied.
- 12.7.5 Applicants on the waitlist whose location is sold, leased, assigned relocated or otherwise transferred to the control of another person, will be removed from the waitlist and their application will be denied.
- 12.7.6 A new VLT retailer will, upon initial installation, receive three (3) VLTs.
- 12.7.7 A VLT retailer may have, subject to availability and consumer demand, a maximum of ten (10) VLTs installed in its licensed premises.

SUBJECT: VLT ALLOCATION

- 12.7.8 The AGLC will determine the type of VLTs provided to eligible VLT locations and may adjust the number and type provided to the locations from time to time.
- 12.7.9 The AGLC will contact retailers who qualify for additional VLTs.
- 12.7.10 VLT retailers with fewer than ten (10) VLTs may be allocated up to two (2) additional VLTs based on terminal availability and consumer demand, up to the maximum of ten (10) VLTs.
- 12.7.11 A VLT retailer with ten (10) VLTs will be notified by the AGLC if the location is eligible to become a VGER and may be allocated an additional five (5) VLTs subject to terminal availability and consumer demand as set out in Section 13.
- 12.7.12 The allocation of available VLTs to existing VLT locations will be based on a "best first" approach. The VLT locations eligible to obtain additional VLTs will be those with the highest consumer demand based on NSPTW as determined through the most recent assessment (see Section 12.8).
- 12.7.13 A retailer that has had VLTs removed due to a violation or a contravention of the Retailer Agreement is not eligible for add-ons during the period of the removal, and for six (6) months after the violation period has been served (see Section 12.19).
- 12.7.14 A retailer who has received additional VLTs in a quarter for performance, or has undergone a change of operator, is not eligible for additional VLTs in the following quarter.
- 12.7.15 The AGLC will provide the VLTs, fixtures, and supplies as deemed necessary for the operation of VLTs at any VLT location.

REFERENCE

Policy 1.53

SUBJECT: PERFORMANCE STANDARDS

12.8 PERFORMANCE STANDARDS

- 12.8.1 VLT distribution will be optimized by reallocating VLTs from existing locations to qualified locations based on consumer demand and consideration of regional market conditions.
- 12.8.2 Net sales per terminal week (NSPTW) is used to determine the consumer demand at a VLT location. The AGLC will consider NSPTW for a minimum of 26 consecutive weeks in the assessment.
- 12.8.3 The AGLC will assess the consumer demand at each VLT location on a quarterly basis (i.e. January, April, July and October of each year).
- 12.8.4 VLT locations that generate NSPTW in the bottom five (5)% of all locations in the Video Lottery Network will be given written notice of the assessment result within 15 days of the assessment having been made.
- 12.8.5 On the third assessment in any one (1) year period in which the location's NSPTW continues to be in the bottom five (5)% of all retailers in the network, the AGLC may adjust the number and type of VLTs installed at a location with four (4) or more VLTs by having up to two (2) of the VLTs removed.
- 12.8.6 A retailer with three (3) or fewer VLTs that generate NSPTW in the bottom two (2)% of all retailers in the network is subject to the removal of one (1) terminal. The retail location will be exempt from removal in the following quarter following notification of being in the bottom two (2)%. Following the exemption, if the retail location falls in the bottom two (2)% for the quarter, the retailer will be subject to removal of one (1) terminal. This process will be followed for subsequent periods. Upon removal of the final terminal, the VLT Agreement will be terminated.
- 12.8.7 No Retailer Agreement will be terminated when:
- a) there is only one (1) retailer in the community as defined under the *Municipal Government Act* (as defined in Policy 1.51.3) and as specified in the Retailer Agreement; or

SUBJECT: PERFORMANCE STANDARDS

- b) the Retailer Agreement was executed within the previous six (6) months of the date of assessment.

12.8.8 All VLTs removed under Sections 12.8.5 and 12.8.6 are allocated to existing VLT locations.

12.8.9 A retailer whose Retailer Agreement is terminated due to non-performance cannot apply for a new Retailer Agreement for six (6) months from the date of termination of the existing Agreement.

12.8.10 A retailer who has had VLTs removed in a quarter due to non-performance is exempt from removal in the following quarter.

12.8.11 Due consideration may be given to retailers whose assessment of consumer demand may have been directly affected by regional economic or other extenuating circumstances. Examples include, but are not limited to:

- a) temporary road closures;
- b) plant closures; and
- c) prolonged adverse weather conditions such as drought or flooding.

SUBJECT: RELOCATION/TEMPORARY RELOCATION

12.9 RELOCATION/TEMPORARY RELOCATION

12.9.1 For the purposes of this section:

- a) "Relocation" is defined as the permanent physical relocation of VLTs and/or the VMT requiring electrical or communication rewiring to a new location within the same premise.
- b) "Temporary Relocation" is defined as the temporary relocation of VLTs and/or the VMT to allow for physical improvements to the premise (i.e. painting, carpet laying, or construction).

12.9.2 A relocation of an existing retailer to a different premises will result in the termination of the Retailer Agreement except under specific reasonable circumstances (i.e., fire, uncontrollable or unexpected event, force majeure or circumstances approved by the AGLC).

12.9.3 A retailer must notify the AGLC in writing of any relocation or temporary relocation. The retailer must mail or fax a letter to the AGLC.

12.9.4 Charges may apply for the relocation or temporary relocation of VLTs, VMTs or related equipment (see Section 12.14.1b).

12.9.5 A minimum of two weeks notification is required, otherwise priority charges for relocations and temporary relocations may apply. Retailers should contact the AGLC Hotline.

12.9.6 The AGLC will arrange for the installation of all telecommunication requirements. The retailer is responsible for meeting all electrical requirements (see Section 12.2.9b) and paying the associated costs.

12.9.7 All relocations and temporary relocations must be completed by an employee of the AGLC or an authorized agent. Any damages incurred due to an unauthorized relocation will result in a charge for the replacement or restoration of the damaged VLT or equipment.

12.9.8 Relocations and temporary relocations will only be scheduled during regular business hours of the AGLC.

SUBJECT: RENOVATIONS/CLOSURE DUE TO FIRE, FLOOD, ETC.

12.10 RENOVATIONS/CLOSURE DUE TO FIRE, FLOOD, ETC.

- 12.10.1 In this part, “renovation” is defined as physical improvements to the premises (i.e., painting, carpet laying, or construction).
- 12.10.2 The AGLC must be notified in advance in writing, of any renovations and notified in writing of any damage to the premises caused by fire, flood or other causes, which may result in the premises being closed. The retailer must mail or fax a letter to the AGLC.
- 12.10.3 If the premises will be closed for an extended period of time, but less than one year, the VLTs will be temporarily removed.
- 12.10.4 VLTs will be re-installed as soon as possible, subject to availability, once the renovations or repairs are complete and the premises is open for business.
- 12.10.5 A retailer who is planning to undertake any structural change(s) or repairs to the VLT location must contact the AGLC and obtain approval before making any change(s) (see Section 9.4).
- 12.10.6 If the premises is closed for a period of more than one year, the AGLC may terminate the Retailer Agreement.
- 12.10.7 If a relocation of VLTs or VMT is required refer to Section 12.9.

SUBJECT: REMUNERATION

12.11 REMUNERATION

12.11.1 Retailers are provided a sales commission, based on a percentage of net sales (cash-in less cash-out) per week.

12.11.2 The retailer's commission rate is 15% of net sales and is paid weekly.

SUBJECT: FINANCIAL OBLIGATION

12.12 FINANCIAL OBLIGATION

- 12.12.1 All monies received from Video Lottery games, less winnings paid, are the property of the AGLC.
- 12.12.2 The required weekly invoice amount is provided to the retailer via the VMT every Monday, with the exception of holidays, which will result in an invoice being generated on the next business day.
- 12.12.3 The exact amount invoiced by the AGLC must be deposited in the retailer's designated bank account prior to the end of the Monday banking business day and must be unencumbered when the preauthorized payment is processed through that account.
- 12.12.4 Retailers must contact the AGLC Hotline to change the bank account.
- 12.12.5 Failure to meet the deposit requirement in Section 12.12.3 which results in nonsufficient funds (NSF), or any other returned item by the financial institution, may result in the termination of the Retailer Agreement and the following will apply:
- a) payment for any returned item must be received within 24 hours of notification in the manner designated by the AGLC or the terminals will be disabled;

an irrevocable letter of credit (LOC) will be required immediately in an amount determined by the AGLC (equivalent to two (2) weeks average net invoice for the location or \$3,000 per VLT). The LOC must be in effect for a minimum of 24 months from the date of the returned item (see Section 12.3); and
 - b) all returned items are subject to a service charge determined by the AGLC.
- 12.12.6 Retailers who fail to meet the deposit requirements in Section 12.12.5 may have their Retailer Agreement terminated resulting in the VLTs and related equipment being removed.

SUBJECT: FINANCIAL OBLIGATION

- 12.12.7 Retailers who experience no further payment problems after two (2) years from the date of their NSF and/or returned item may contact the AGLC and request an evaluation of their credit to determine if the need for an LOC still exists. The AGLC will evaluate the retailer's credit using financial statements prepared by a third party on the retailer's behalf, including recent banking information and credit history.
- 12.12.8 Retailers that provide an LOC in the name of their registered corporation as part of the application process may request after one (1) full year of operation:
- a) a re-evaluation of their company, if it failed the initial credit evaluation; or
 - b) an evaluation of their company, if financial statements were not available at the time the retailer submitted its application.
- 12.12.9 To facilitate a credit evaluation, the retailer must provide two (2) comparative years of financial statements prepared by a third party (i.e., CA, CMA or CGA) and banking information for the most recent 12 month period.
- 12.12.10 The AGLC will return the LOC to the retailer's financial institution when the retailer successfully completes the credit evaluation.
- 12.12.11 The AGLC will advise retailers who do not meet credit evaluation standards that the LOC must remain in effect.

SUBJECT: PRIZE REDEMPTION

12.13 PRIZE REDEMPTION

- 12.13.1 The retailer shall make payment of all winnings players are entitled to receive upon validated authorization to pay.
- 12.13.2 A cash-out ticket must immediately be validated and paid when presented.
- 12.13.3 Retailers must keep an appropriate float to ensure that they are able to pay-out the authorized prize amount.
- 12.13.4 Failure to pay-out prizes can result in the termination of the Retailer Agreement, resulting in the removal of the VLTs and related equipment.
- 12.13.5 Cash-out tickets are valid for seven (7) days and must be redeemed at the VLT Location where they were issued.
- 12.13.6 Customers presenting cash-out tickets after the validation period expires must be directed to call the AGLC (see Section 12.20).

SUBJECT: BILLABLES

12.14 BILLABLES

- 12.14.1 The retailer will be responsible for the following costs:
- a) any lost, stolen, and missing monies relating to the operation of the VLTs;
 - b) the costs associated with the relocation of VLTs, VMTs or related equipment;
 - c) the replacement costs for damaged or stolen equipment; and
 - d) the replacement costs for lost or stolen keys, including new locks.
- 12.14.2 The retailer must immediately notify the AGLC Hotline (see Section 12.20) in the event of any loss or damage to VLTs, VMTs and related equipment, or keys.
- 12.14.3 For information regarding replacement and relocation costs, contact the AGLC Hotline (see Section 12.20).
- 12.14.4 Costs billed by the AGLC are net 30 day terms.

SUBJECT: HOURS OF OPERATION

12.15 HOURS OF OPERATION

- 12.15.1 VLTs may operate when the Class A Minors Prohibited liquor licence is in effect, to a maximum of 17 hours per day within the hours of 10:00 a.m. to 3:00 a.m., seven (7) days a week.
- 12.15.2 VLT operating hours are registered in the central computer system and cannot be changed without an advance written request to the AGLC Hotline (see Section 12.20) by an authorized signatory or manager.
- 12.15.3 VLTs are to be operational only during regular business hours that the licensed premise is open to the public.
- 12.15.4 VLTs found to be operational when the location is not open to the public will be disabled. The location will have the VLTs enabled following a correction of the operating hours by an authorized signatory or manager.

SUBJECT: GAME STRUCTURE

12.16 GAME STRUCTURE

- 12.16.1 A variety of games are offered on the VLTs and have a prize pay-out of approximately 92%.
- 12.16.2 4,000 credits or \$1,000 is the maximum that can be won per single game or spin. Game instructions and pay-out tables are available on each terminal.
- 12.16.3 VLTs will automatically produce a cash-out ticket of \$1,250 when 5,000 credits are attained. Players will receive one (1) cash-out ticket and any outstanding credits will remain on the terminal until acted on (played or cashed-out).
- 12.16.4 All game chips are tested prior to installation in the VLTs by an approved independent gaming laboratory to verify the prize pay-out percentage conforms to the approved range.
- 12.16.5 Any VLT malfunction voids all plays and voids all pay-outs. All player disputes are to be directed to the Gaming Irregularities complaint line (see Section 12.20). Gaming Irregularities reported to the AGLC will be handled by Inspectors who will investigate all complaints.

SUBJECT: SECURITY STANDARDS

12.17 SECURITY STANDARDS

- 12.17.1 Inspectors will conduct regular inspections and advise the retailer and staff on all aspects of security.
- 12.17.2 VLTs must be placed within an area that meets the following conditions:
- a) there must be a direct line of sight from the main liquor service area to the VLT area;
 - b) additional security requirements may be required in the form of either a CCTV monitoring system or the strategic placement of mirrors as approved by the AGLC;
 - c) if VLT keys are accessed by more than one (1) individual, the keys should be stored in a locked area. It is suggested a sign in/out log of the keys be maintained;
 - d) VLT paper supplies should be stored in a locked and cool area; and
 - e) VLT float should be kept separate from other cash in a lockable cash box located in a secure area. The float should be routinely verified and balanced at change of shift and closing. Separate floats may be used for large payouts.
- 12.17.3 The retailer shall:
- a) promptly report any violations or any facts or circumstances that may result in criminal wrongdoing on the part of employees or the public to the Gaming Irregularities complaint line or AGLC Hotline (see Section 12.20);
 - b) if requested by the player, escort players with large sums of money to their vehicle; and
 - c) if requested by the player, make large payments by cheque.

SUBJECT: PROMOTIONAL MATERIAL

12.18 PROMOTIONAL MATERIAL

- 12.18.1 Retailers must obtain written approval from the AGLC for advertising. Failure to do so may result in the removal of the advertisements and/or penalties up to and including the termination of the Retailer Agreement and the removal of the VLTs and related equipment.
- 12.18.2 Advertising of video lottery is limited to notification that VLTs are available for play at the VLT location. Any advertising that may be interpreted as an “inducement to play” is not allowed.
- 12.18.3 All interior or exterior advertising is subject to review by the AGLC prior to placement. Retailers should contact the AGLC Hotline (see Section 12.20) for approval prior to posting any such item(s).
- 12.18.4 Retailers must post the following signage provided by the AGLC:
- a) Responsible Gambling;
 - b) Attention Video Lottery Players;
 - c) Robbery Prevention Procedures (for staff use only, in the bar area and out of public view);
 - d) Video Surveillance notice (VGERs only);
 - e) any other information the AGLC may, from time to time, request the retailer to post in the room.
- 12.18.5 Failure to post signs as directed by the AGLC may result in penalties up to and including the termination of the Retailer Agreement and the removal of the VLTs and related equipment.
- 12.18.6 All intended promotional and/or directional signage within a premises must be submitted to the AGLC Hotline for approval prior to posting of any such item(s).

SUBJECT: VIOLATIONS OF AGLC POLICIES

12.19 VIOLATION OF AGLC POLICIES

- 12.19.1 Violation of AGLC policies applicable to VLT retailers may result in the removal of one (1) or more of the VLTs and/or termination of the Retailer Agreement. The retailer will be advised in writing by the AGLC of the violation and the penalty.
- 12.19.2 If the Retailer Agreement is terminated, the retailer will not be eligible for a new Retailer Agreement at the VLT Location where the violation occurred for a minimum of six (6) months.
- 12.19.3 If a retailer has one (1) or more terminals removed due to a violation, it may request, in writing, to the AGLC to have the VLTs returned after the probation period has been served. The retailer's name will be added to the waitlist until VLTs become available.
- 12.19.4 Nude entertainment is not permitted in, nor is it permitted to be viewed from, a licensed room in which there are VLTs whether or not the VLTs are enabled, disabled and/or covered up. This viewing restriction includes staff, entertainers and patrons (see Section 9.9).
- 12.19.5 Employees are not permitted to play VLTs while on duty.
- 12.19.6 Offering promotions or giveaways to patrons in respect of VLTs without written consent from the AGLC is not permitted.
- 12.19.7 Retailers must maintain an age-controlled environment. Minors are not permitted to play VLTs (see Section 8.1).
- 12.19.8 Installation and/or presence of grey machines (illegal gaming devices) are not permitted.
- 12.19.9 Relocating VLTs without written consent from the AGLC is not permitted (see Section 12.9).
- 12.19.10 The AGLC prohibits any person from tampering with a VLT and/or VMT.
- 12.19.11 Retailers must maintain integrity in the operation and care of the VLTs.

SUBJECT: VIOLATIONS OF AGLC POLICIES

- 12.19.12 Retailers must post current signs supplied by the AGLC as outlined in Section 12.18.4.
- 12.19.13 Retailers must have an appropriate float on hand to ensure patrons can be paid-out upon validating a cash-out ticket (see Section 12.13.3).
- 12.19.14 Granting credit or providing cash advances on credit cards by retailers is not permitted as outlined in the Retailer Agreement.
- 12.19.15 Retailers must pay invoices on the specified date (see Section 12.12.3).
- 12.19.16 No person apparently intoxicated by liquor or a drug shall be permitted to play VLTs.
- 12.19.17 Retailers must participate in the Responsible Gaming Program awareness training (see Section 12.6).

SUBJECT: CONTACTS

12.20 CONTACTS

12.20.1 Retailers needing assistance please call the AGLC Hotline at:

AGLC Hotline
1-800-561-4415
Fax: (403) 740-7014

12.20.2 To report Gaming Irregularities please call 1-800-742-7818.

12.20.3 For assistance and information on Problem Gambling please call the AADAC Helpline at 1-866-332-2322.

12.20.4 For AGLC Office numbers please see Section 2.2.

SUBJECT: SAMPLE FORMS

12.21 SAMPLE FORMS

- 12.21.1 Video Lottery Retailer Application;
- 12.21.2 Authorization for Prearranged Payment;
- 12.21.3 Certificate of Insurance;
- 12.21.4 Credit Evaluation Information (used if applying for credit);
- 12.21.5 Video Lottery Retailer Agreement;
- 12.21.6 Video Lottery Floor plan;
- 12.21.7 Site Requirements (for new installations only); and
- 12.21.8 Amendment to Retailer Master File/Agreement Ticket/Video Lottery.
- 12.21.9 Sellers Notification – Change of Operator
- 12.21.10 Buyers Notification – Change of Operator

VIDEO LOTTERY RETAILER APPLICATION

NEW INSTALLATION

CHANGE OF OPERATOR

Class 'A' Minors Prohibited Liquor License #: _____

Please Complete All Sections (please print)

I. RETAIL LOCATION (PREMISE)

Location Name: _____

Room Name (if applicable): _____

Address: _____

City: _____ Province: _____ Postal Code: _____

Legal land description if rural location: _____

Phone #: () _____ Fax #: () _____ E-mail: _____

II. MANAGER(S) / ASSISTANT MANAGER(S) / ON-SITE CONTACT(S)

<u>Name</u>	<u>Title</u>
_____	_____
_____	_____
_____	_____

III. HOURS OF OPERATION

(24-Hour Clock)	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Open							
Close							

IV. REGISTERED COMPANY OPERATING THE LOCATION

Corporate Name: _____

Mailing Address (if different than retail location): _____

City: _____ Province: _____ Postal Code: _____

Phone #: () _____ Fax #: () _____ E-mail: _____

V. DIRECTOR(S) / SHAREHOLDER(S) / SIGNING AUTHORITIES

List Director(s)/Shareholder(s) who have signing authority for the registered company above:

<u>Name</u>	<u>Title</u>	<u>Home Phone #</u>	<u>Cell #</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Does the above Registered Company currently have, or has it ever had a Lottery Ticket Centre Retailer Agreement or a Video Lottery Retailer Agreement? Y / N

If yes, please provide Retailer name and number: _____

Consent for Credit Check

The applicant authorizes the Alberta Gaming and Liquor Commission to obtain credit or general information reports about the applicant or any partner, officer or shareholder of the applicant which may assist the Alberta Gaming and Liquor Commission. Misrepresentation or failure to reveal information may be deemed cause for refusal or revocation of an agreement and/or possible criminal prosecution. The application and issuing of a retailer agreement is subject to Alberta Gaming and Liquor Commission approval. Non-approval voids the application.

Date: _____ Authorized Signature: _____

Print Name: _____

The information you are providing on this application form is collected under the authority of the *Gaming and Liquor Act*, Gaming and Liquor Regulation, and the *Freedom of Information and Protection of Privacy (FOIP) Act*, section 33(c). This information is strictly for the use of the Alberta Gaming and Liquor Commission in assessing your eligibility. Your personal information is protected by Alberta's FOIP Act and can be reviewed upon request. If you have any questions about the collection or use of the information, please contact:

Alberta Gaming and Liquor Commission
50 Corriveau Avenue
St. Albert, Alberta
T8N 3T5
Telephone: 780-447-8600 Toll-free: 1-800-272-8876

**AUTHORIZATION FOR PRE-ARRANGED PAYMENT
(VIDEO LOTTERY RETAILER AUTO-PAY)**

The undersigned Video Lottery Retailer hereby authorizes the Alberta Gaming and Liquor Commission (AGLC) as per Section 2q) of the Video Lottery Retailer Agreement to debit by paper or electronic entry, from the account shown below the Net Due owed by the Video Lottery Retailer. Each debit shall be the same as if the undersigned had personally issued a cheque (or order) in favor of the AGLC.

BANK NAME _____

BRANCH NAME _____

BRANCH ADDRESS _____

CITY _____ PROVINCE _____ POSTAL CODE _____

PHONE NUMBER _____ FAX NUMBER _____

VOID CHEQUE REQUIRED

(Or a letter from the bank verifying the account information)

For Office Use Only		
	RETAILER NUMBER <input style="width: 100%; height: 20px;" type="text"/>	
INSTITUTION CODE <input style="width: 100%; height: 20px;" type="text"/>	TRANSIT NUMBER <input style="width: 100%; height: 20px;" type="text"/>	ACCOUNT NUMBER <input style="width: 100%; height: 20px;" type="text"/>

PREARRANGED PAYMENT EFFECTIVE DATE _____

VIDEO LOTTERY RETAILER'S CORPORATE NAME _____

VIDEO LOTTERY RETAILER'S LOCATION NAME _____

The undersigned Video Lottery Retailer hereby agrees to waive the 10 day pre-notification requirement as set out in the Canadian Payment Association - Rule H1. This authority is to remain in full effect until such time as the Video Lottery Retailer Agreement is terminated by the AGLC, or the Video Lottery Retailer requests termination in writing of the Video Lottery Retailer Agreement, or until the AGLC no longer employs this arrangement, for whatever reason, for receipt of payments from the Retailer.

Dated this _____ day of _____, _____

Authorized Signatory

Name of Signatory (PRINT)

AGLC (White) RETAILER (Canary)

AGLC as Loss Payable

The insurance policy must identify the Alberta Gaming and Liquor Commission (AGLC), as a “**Loss Payable and Named Insured**” with respect to all equipment.

Alberta Gaming & Liquor Commission
50 Corriveau Avenue
St. Albert, Alberta
T8N 3T5

VIDEO REQUIREMENTS

General Liability

- ◆ Comprehensive or Commercial General Liability - not less than \$1,000,000 inclusive per against bodily injury & property damage including loss thereof. Such insurance should cover personal injury and employees as additional insureds.

Property Insurance

- ◆ Property Insurance is required for all VLTs, fixtures and signs provided by the AGLC; coverage shall be on an “All Risk” replacement cost basis and the AGLC shall be added as a loss payable & named insured.

Breakdown of Property

- ◆ \$15,400 per VLT,
- ◆ \$75 per VLT for locks
- ◆ \$20 Keys
- ◆ \$3,500 per Coin Sorter
- ◆ \$893 Modem
- ◆ \$550 per VMT
- ◆ \$500 Cabling
- ◆ \$155 Barcode reader.

TICKET REQUIREMENTS

General Liability

- ◆ Comprehensive or Commercial General Liability - not less than \$1,000,000 inclusive per against bodily injury & property damage including loss thereof. Such insurance should cover personal injury and employees as additional insureds.

Property Insurance

- ◆ Property Insurance is required for all Lottery Ticket Terminals, fixtures and signs provided by the AGLC; coverage shall be on an “All Risk” replacement cost basis and the AGLC shall be added as a loss payable & named insured.
- ◆ \$10,000 for Ticket Terminal and related equipment.

Use of Information

The information you are providing on this form is collected under the authority of the *Gaming and Liquor Act*, Gaming and Liquor Regulation, and the *Freedom of Information and Protection of Privacy (FOIP) Act*, section 33(c). The information is strictly for the use of the Alberta Gaming and Liquor Commission in assessing your eligibility. Your personal information is protected by Alberta’s FOIP Act and can be reviewed upon request. If you have any questions about the collection or use of the information, please contact:

Alberta Gaming and Liquor Commission
50 Corriveau Avenue
St. Albert, Alberta
T8N 3R5
Telephone: 780-447-8600 Toll-free: 1-800-272-8876



CREDIT EVALUATION INFORMATION

Forward to the attention of: Retail Networks Fax # (780) 447-8910

**To be completed ONLY if providing two (2) years of comparative financial statements.
 If not, refer to the Information Package - Financial Requirements Section B.**

Banking information submitted must be an existing account that has been utilized for more than 12 months.

APPLICANT INFORMATION AND APPROVAL TO RELEASE INFORMATION

Corporate Name: _____

Operating As: _____

Applicant Name: _____

Address: _____

_____ Applicant Authorized Signature

Telephone: _____ Fax: _____

_____ Date

FINANCIAL INSTITUTE INFORMATION (to be completed by a financial institution utilized for more than 12 months)

Bank Name: _____

Address: _____

Telephone: _____ Fax: _____

_____ Branch Contact

_____ Institution Representative Signature

DEPOSITS AND OVERDRAFTS

Date Account Opened (min. 12 months)

Account Number	Outstanding Amount	Balance	Number of NSF's in Past 12 Months
_____	_____	_____	_____
_____	_____	_____	_____

BANK LOANS

Original Loan Amount	Outstanding Amount	Status (current, arrears)	Collateral
_____	_____	_____	_____
_____	_____	_____	_____

Declaration

The Alberta Gaming and Liquor Commission will use the above provided information at its own risk. We hereby release the above Financial Institution from any loss or injury that may arise from the use of this information

Please be aware that your bank may levy a service charge for providing the Alberta Gaming and Liquor Commission with this information, and that you are responsible for these charges.

Please fax completed form to: (780) 447-8910

The information you are providing on this application form is collected under the authority of the *Gaming and Liquor Act*, Gaming and Liquor Regulation, and the *Freedom of Information and Protection of Privacy (FOIP) Act*, section 33(c). The information is strictly for the use of the Alberta Gaming and Liquor Commission in assessing your eligibility. Your personal information is protected by Alberta's FOIP Act and can be reviewed upon request. If you have any questions about the collection or use of the information, please contact:

Alberta Gaming and Liquor Commission
50 Corriveau Avenue
St. Albert, AB T8N 3T5
Telephone: 780-447-8600 Toll-free: 1-800-272-8876

VIDEO LOTTERY RETAILER AGREEMENT

THIS AGREEMENT MADE THIS DAY OF , 20__

BETWEEN:

**Alberta Gaming and Liquor Commission,
50 Corriveau Avenue,
St. Albert, Alberta
T8N 3T5**
a corporation constituted under the *Gaming and Liquor Act* (Alberta)
(the "Commission")

-and-

a corporation, incorporated or continued by or registered under the laws of the Province of Alberta
(the "Video Lottery Retailer"),

WHEREAS, pursuant to Section 207 of the *Criminal Code* R.S.C. 1985, c.C-46, it is lawful for the Province of Alberta to conduct and manage lottery schemes;

AND WHEREAS pursuant to the provisions of the *Gaming and Liquor Act* (Alberta), the Commission has been authorized by the Province of Alberta to conduct and manage video lotteries, in the Province of Alberta;

AND WHEREAS subject to the terms and conditions hereinafter contained, the Commission has agreed to install one or more Video Lottery Terminals, together with certain fixtures and signs relating thereto within or about the Video Lottery Retailer's business premises known as:

and located at

(the "Premises").

NOW THEREFORE in consideration of the foregoing, and the terms and conditions hereinafter set forth, the parties hereto covenant and agree as follows:

DEFINITIONS

1. In this Agreement, the following terms shall have the following meanings:
 - a) "Central Computer System" means the computer to which all the Commission VLTs are connected and which records all data relating to the operation of each of the VLTs so connected;
 - b) "Credits" means the amount of money determined by a VLT to be payable to a player as a result of the player's operation of the VLT;
 - c) "Fixtures" means the validation management terminal, bar code scanner, cabling and auxiliary equipment related to the operation of VLTs;
 - d) "Player" means a person who plays a Video Lottery Terminal;
 - e) "Video Lottery Terminal" means a gaming terminal that is used, or could be used, to play a game which upon insertion of money, a person by chance may receive a payout in the form of a paper slip that may be redeemed for money;
 - f) "VLT" means a Video Lottery Terminal.

VIDEO LOTTERY RETAILER COVENANTS

2. The Video Lottery Retailer hereby agrees with the Commission:
 - a) to attend or to appoint one or more employees acceptable to the Commission who will attend such training sessions as the Commission shall from time to time require, in order to ensure that the Video Lottery Retailer and their employees are properly trained in the operation of the VLTs and for the performance of such other services as the Video Lottery Retailer is required to perform hereunder;
 - b) commencing on the agreed date to provide, at the Video Lottery Retailer's expense, in the area of the Premises selected by the Commission an electrical 115 or 120 volt, 60 cycle single phase, dedicated circuit with a 3-wire grounded outlet(s) on a separate 15 amp or 20 amp breaker(s) in locations as directed by the Commission (dedicated circuit from the breaker box) that is designed to provide electrical service twenty-four (24) hours per day. Except as otherwise provided herein, the Commission will not be responsible for any costs whatsoever incurred by the Video Lottery Retailer in connection with the installation and removal of electrical wiring and outlets;
 - c) to provide a telephone in such proximity to the location of the Fixtures and/or VLTs installed by the Commission, so that an individual who is operating or repairing the Fixtures and/or VLTs may simultaneously carry on a telephone conversation for the purposes of receiving instruction with respect to the operation or maintenance of the Fixtures and/or VLTs;
 - d) to be responsible for the payment of all utility charges in connection with the operation of VLTs, Fixtures, signs, and telephone;
 - e) to be responsible for the physical security of and to exercise due diligence in the operation and care of the VLTs, Fixtures and signs, and to immediately notify the Commission of any malfunction, loss, or damage to VLTs, Fixtures or signs;
 - f) to have required trained staff available for payment of winnings to Players during all hours and days that the Premises are open for business;
 - g) not to change the hours during which the Premises are open for business without giving prior written notice to the Commission;
 - h) to install, post and display prominently at such location within or about the Premises signs or promotional material as prescribed by the Commission relating to video lottery as may from time to time be designated or provided by the Commission and to use no signs or promotional material relating to video lottery excepting that which is provided or approved by the Commission;
 - i) to not use any VLT to conduct a tournament or other promotional event without the prior written approval of the Commission;

- j) to provide services hereunder in accordance with terms and conditions, rules and regulations, policies, standards and guidelines provided by the Commission;
- k) to provide reasonable courtesy to Players and at such standards as may be reasonably expected of a prudent business person;
- l) not to, without the prior written consent of the Commission, in any way promote any other gaming activity or engage in any activities in competition with the lottery games participated in by the Commission;
- m) to provide the location at the Premises approved by the Commission for installation of any VLT, Fixture or sign;
- n) not to move the VLTs or Fixtures and signs from the location of installation without the written approval of the Commission;
- o) to be responsible to the Commission for the cost of repairing any Fixtures or signs destroyed, damaged, lost or stolen while on the Premises and in the care of the Video Lottery Retailer and for the cost of any repair to the VLTs other than repair necessitated by normal wear and tear or by defect in the manufacturing or by defective maintenance service provided by the Commission or by the Commission's employees, agents or contractors;
- p) to ensure Players receive payment of all winnings to which Players are entitled;
- q) to make deposits of all monies less winnings paid and remuneration as per paragraph 6 of this Agreement in a bank account from time to time designated by the Commission at the times designated by the Commission. Notwithstanding anything to the contrary herein contained in this Agreement, the Video Lottery Retailer further agrees, when requested by the Commission, to pay by certified cheque payable to the "Alberta Gaming and Liquor Commission" any amount due from the Video Lottery Retailer to the Commission with respect to playing of VLTs in the Premises. The Video Lottery Retailer acknowledges that all monies received from video lottery games less winnings paid and remunerations as per paragraph 6 of this Agreement are the property of the Commission and that the Video Lottery Retailer receives, holds and deals with the same as bare trustee for the Commission;
- r) to bear the risk of loss and be responsible for lost, stolen and missing monies relating to the operations of the VLTs;
- s) to undergo and permit a complete security screening, including financial reliability, by the Commission, or any other person, firm or agency performing a security screening service at the request of the Commission;
- t) to allow the Commission, and any person, firm or corporation acting on its behalf, access to the Premises from time to time for the purposes of installing or repairing VLTs, Fixtures, or signs, and for the purposes of investigating any public complaints, criminal or otherwise, and for the purposes of ensuring compliance of the Video Lottery Retailer with this Agreement and the terms and conditions, rules and regulations, policies, standards and guidelines of the Commission;
- u) to acknowledge that he is not an employee, agent, representative, joint venture or partner of the Commission and shall not represent or hold himself out to be other than an independent contractor pursuant to this Agreement;
- v) not to offer loans, grant credit or provide advances on credit cards to enable a person to play VLTs;
- w) not to permit a person under the age of 18 years to play a VLT; to maintain an age controlled (18+) environment for VLTs;
- x) to prohibit staff from playing the VLTs while on duty;
- y) to maintain current and accurate records of all amounts of monies paid into any VLT by players, of all credits paid to players from any VLT, and of all withdrawals of monies removed from any VLT in conformity with the terms and conditions, rules and regulations, policies, standards and guidelines of the Commission. Such records shall be available and may be removed upon request from the Premises as so required by the Commission for inspection and/or audit;
- z) not to use the term "casino" in or in respect of the Premises or any aspect of the Video Lottery Retailer's business, including the Premises' or the business' signs, advertising or promotional material;
- aa) to replace ribbons and ticket stock, adjust printers and coin mechanisms as instructed by the Commission in the VLT as may from time to time be required and to perform no other mechanical or electrical maintenance thereon unless directed to do so by the Commission;
- bb) if required by the Commission, to obtain, at their expense, financial security on such terms and in such amount as may be required by the Commission, to cover the obligations of the Video Lottery Retailer hereunder to the Commission;
- cc) to hold harmless the Commission from any and all third party claims, demands, or actions for which the Video Lottery Retailer is legally responsible, including those arising out of negligence, wilful harm, or crimes by the Video Lottery Retailer or the Video Lottery Retailer's employees or agents. This hold harmless shall survive this Agreement;
- dd) to indemnify the Commission from any and all costs as a result of a breach by the Video Lottery Retailer of any provisions of this Agreement or of the terms and conditions, rules and regulations, policies, standards and guidelines of the Commission;
- ee) to maintain the projected or anticipated volume of net sales and comply with the profitability guidelines and consumer demand criteria provided by the Commission from time to time;
- ff) to be responsible for the on-site security of any VLT, Fixture, sign or other property of the Commission on the Premises, and, without limiting the generality of the foregoing, the Video Lottery Retailer shall not nor shall permit a person to:
 - (i) remove a VLT from the Premises or place a VLT in the Premises without the prior written consent of the Commission;
 - (ii) manipulate or attempt to manipulate a VLT in an effort to influence the outcome or payout;
 - (iii) to activate or attempt to activate a VLT by fraudulent means;
- gg) that the Video Lottery Retailer shall, without limiting the obligations or liabilities herein and at the Video Lottery Retailer's own expense, provide and maintain the following insurance in forms and amounts acceptable to the Commission:
 - (i) comprehensive or commercial general liability in an amount not less than \$1,000,000 inclusive per occurrence against bodily injury and property damage including loss of use thereof. Such insurance shall include blanket contractual liability, personal injury, and employees as additional insured's;
 - (ii) property insurance on all VLTs, Fixtures and signs provided by the Commission. Coverage shall be on an "all risks" replacement cost basis and the Commission shall be added as loss payable and named insured;
 - (iii) all required insurance shall be endorsed to provide the Commission with 30 days advance written notice of cancellation or material change;
 - (iv) the Video Lottery Retailer shall provide the Commission with evidence of all required insurance in the form of a completed AGLC Certificate of Insurance;
- hh) to comply with the terms and conditions, rules and regulations, policies, standards and guidelines of the Commission respecting video lottery and the provisions of this Agreement.

OWNERSHIP OF VLTs, FIXTURES, AND SIGNS

3. The Video Lottery Retailer agrees that the VLTs, Fixtures and signs and anything provided at the expense of the Commission is the sole property of the Commission.

LIMITATION ON THE COMMISSION

4. The Video Lottery Retailer acknowledges that the Commission shall not be liable to the Video Lottery Retailer for any loss or injury resulting from:
 - a) fire or other occurrence resulting from the installation, use or removal of the VLTs, Fixtures, signs or any transmission lines or other facilities installed for the operation of the VLTs, Fixtures and signs;
 - b) failure or malfunction of the VLTs, Fixtures, signs or any transmission lines or other facilities installed for the operation of the

- VLTs, Fixtures and signs;
- c) reasonable defacement of the Premises necessarily associated with installation, repairs or removal of the VLTs, Fixtures, signs or any transmission lines or other facilities installed for the operation of the VLTs, Fixtures and signs;
- d) interruptions or cessations of the operation of any VLT, Fixture and sign on the Premises and any resulting loss of business to the Video Lottery Retailer whether from any VLT or otherwise, whether or not such loss or injury is as a result of the negligence or deliberate act of the Commission, its servants or agents.

THE COMMISSION'S COVENANTS

5. In consideration of all the service to be performed by the Video Lottery Retailer under this Agreement, the Commission agrees that it will:
- a) at its expense provide VLTs for installation in the Premises. The number and type of VLTs provided by the Commission shall be in accordance with policies established by the Commission and the Government of Alberta from time to time. In the event of changes in policy regarding the allocation of VLTs, the Commission may adjust the number or type of VLTs provided to the Premises;
 - b) pay for the initial installation of transmission lines, data lines and VLTs;
 - c) pay for transmission line charges required for the operation of the VLTs;
 - d) provide and install at its expense, point of sale material, Fixtures, signs and such other promotional materials as the Commission may from time to time determine to be appropriate;
 - e) provide at its own expense supplies which the Commission deems necessary for the Video Lottery Retailer's performance of this Agreement.

REMUNERATION

6. The Video Lottery Retailer shall be entitled to no other remuneration with respect to services supplied pursuant to this Agreement except such amounts by way of commission based on a percentage from time to time established by the Commission.

DURATION AND TERMINATION OF AGREEMENTS

7. This Agreement shall be effective from the date hereof until terminated and may be terminated:
- a) by the Video Lottery Retailer on seven (7) day's notice in writing to the Commission;
 - b) by the Commission without cause or reason on seven (7) days notice to the Video Lottery Retailer;
 - c) for cause, by the Commission without notice to the Video Lottery Retailer. Without limiting the generality of the foregoing, the following events shall be deemed to be cause for termination without notice:
 - (i) failure of the Video Lottery Retailer to comply with the terms and conditions, rules and regulations, policies, standards and guidelines of the Commission respecting video lottery or the provisions of this Agreement;
 - (ii) failure of the Video Lottery Retailer to pay monies due to the Commission pursuant to the terms of this Agreement;
 - (iii) suspension, cancellation, or change of status from an age restricted environment (18+) of the Video Lottery Retailer's licence to sell liquor on the Premises;
 - (iv) the Video Lottery Retailer sells, reorganizes, fails to remain actively involved in, or changes the nature of the business conducted by the Video Lottery Retailer or a significant portion thereof or interest therein or if the Video Lottery Retailer is a corporation other than a corporation the shares of which are publicly traded, voting control of the Video Lottery Retailer changes;
 - (v) conviction of the Video Lottery Retailer or any of its principals or senior employees of a criminal or federal offence;
 - (vi) the bankruptcy or insolvency of the Video Lottery Retailer or if a receiver or liquidator is appointed over some or all of the assets of the Video Lottery Retailer or in the event any of the assets of the Video Lottery Retailer are seized or distrained upon;
 - (vii) the Video Lottery Retailer is required to vacate the Premises in which the VLT is located;
 - (viii) the discovery by the Commission of any misrepresentations made by the Video Lottery Retailer on the application form or any other documents required to be submitted to the Commission;
 - (ix) the Video Lottery Retailer or any employees or agents engaging in or permitting any activity in the Premises that is contrary to any municipal bylaw or any Act or regulation of Alberta or Canada or engaging in any activity wherever that detracts from the integrity with which gaming activities are to be conducted in Alberta;
 - (x) the Video Lottery Retailer or any employees or agents hindering, obstructing or impeding a Commission inspector in the performance of the inspector's duties.

- 7.1 Upon the happening of any of the events under 7.c) above, the Commission may, instead of terminating this Agreement, elect to remove one or more VLTs from the Premises.

CONTINUING OBLIGATIONS OF VIDEO LOTTERY RETAILER

8. Notwithstanding the termination of this Agreement for any reason, the Video Lottery Retailer shall be obligated to account to the Commission and pay and deliver to the Commission all monies and property of the Commission. The provisions of this paragraph shall survive the termination of this Agreement and shall remain enforceable until complied with by the Video Lottery Retailer.

PREVAILING FACTS AND RECORDS

9. In the event of any inconsistency between any records generated by the Video Lottery Retailer, by the VLTs or by the Central Computer System, the final record shall in each case be determined by the information and records generated by the Central Computer System and the Video Lottery Retailer shall be bound thereby and account to the Commission on the basis of information generated by the Central Computer System.

NOTICE

10. Any notice permitted or required to be given by the Commission to the Video Lottery Retailer may be provided by any reasonable means, such as courier, fax, registered mail, ordinary mail or personal delivery to the Video Lottery Retailer at the Premises. Any notice given by courier or registered mail hereunder shall be deemed to have been received on the second business day following posting of the same. Any notice permitted or required to be given by the Video Lottery Retailer to the Commission may be provided by any reasonable means, such as courier, fax, registered mail, ordinary mail or personal delivery to the head office of the Commission located at 50 Corriveau Ave, St. Albert, Alberta, T8N 3T5, Fax: (780) 447-8910.

ASSIGNMENT

11. This Agreement may be assigned by the Commission. Any assignment or attempted assignment by the Video Lottery Retailer of this Agreement without the prior written consent of the Commission shall render this Agreement null and void.

MISCELLANEOUS

12. If any covenant or term hereof or the application thereof to any person, or to any circumstances, to any extent is held invalid or unenforceable, the remainder of this Agreement or the application of the term, covenant or condition to any person or circumstances, other than those as to which it is held invalid or enforceable, will not be affected thereby and each term, covenant and condition hereof will be valid and enforceable to the full extent permitted by law.
13. This Agreement constitutes the entire Agreement between the Video Lottery Retailer and the Commission and supersedes all prior agreements, oral or written, among the parties hereto or their respective representatives with respect to the matters herein and shall not be modified or amended except by written agreement signed by the parties to be bound hereby; saving and excepting that terms and conditions, rules and regulations, policies, standards and guidelines of the Commission provided by the Commission to the Video Lottery Retailer shall be binding upon the Video Lottery Retailer to the same extent as if incorporated into and forming part of this Agreement.
14. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by the laws of the Province of Alberta.
15. The masculine gender where used herein shall include the feminine or neuter or vice versa and the singular shall include the plural where the context shall require.

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first above written.

Alberta Gaming and Liquor Commission

Signature

Executive Director, Gaming Products and Services

Witness

Per: _____

Signature

If Video Lottery Retailer is a corporation,
affix seal

Print Name

(corporate office address)

SCHEDULE "V" VIDEO LOTTERY FLOOR PLAN

New Installation

New Operator

Relocation

Revision

RETAILER NAME _____	RETAILER NUMBER _____
ROOM NAME (for VLTs) _____	TERRITORY _____
CIVIC ADDRESS _____	LIQUOR LICENCE # _____
_____	TELEPHONE NUMBER _____
ON-SITE CONTACT(S) _____	FAX NUMBER _____
APPROVED # OF VLTS _____	NAME ON PAYSリップ _____

ILLUSTRATE THE FOLLOWING ITEMS BELOW USING THE ASSIGNED NUMBER

- | | | | |
|------------------|----------------------|----------------------|----------------------|
| 1. MAIN BAR AREA | 4. CASH REGISTER | 7. ENTRANCE/DOORWAYS | 10. AMUSEMENT GAME |
| 2. VLT LOCATION | 5. TELEPHONE | 8. WASHROOM | 11. TELEPHONE ROOM |
| 3. VMT | 6. ELECTRICAL OUTLET | 9. POOL TABLE | (DEMARCATIION POINT) |

(FLOOR PLAN)

N
↑

Completed by

Date

Retailer (Licensee) Signature

Date

Authorized AGLC Signature

Date

SITE REQUIREMENTS

Agreement #: _____ Location Name: _____

I have complied with the following electrical requirements:

DEDICATED ELECTRICAL OUTLETS (15 amp circuit, 115 - 120 volt isolated ground receptacle, usually orange in colour) at each of the following three (3) locations:

- VLT location (1 – 15 amp dedicated electrical outlet for every 4 VLTs)
- VMT location (1 – 15 amp dedicated 4-plex electrical outlet, see reverse for diagram)
- AL4 location (1 – 15 amp dedicated electrical outlet). The AL4 (see reverse for diagram) is in the Demarcation room, where the telephone lines enter the building.

The dedicated circuit must only be utilized by the AGLC equipment.

During the Presite Inspection if it is determined that the above requirements have not been met, your install will be postponed.

Section 2b) of the Video Lottery Retailer Agreement states:

"...at the Video Lottery Retailer's expense, in the area of the Premises selected by the Commission an electrical... dedicated circuit..."

Date: _____ Authorized Signature: _____

Print Name: _____

Figure 1 - Double Duplex (4-plex electrical outlet) at VMT Location

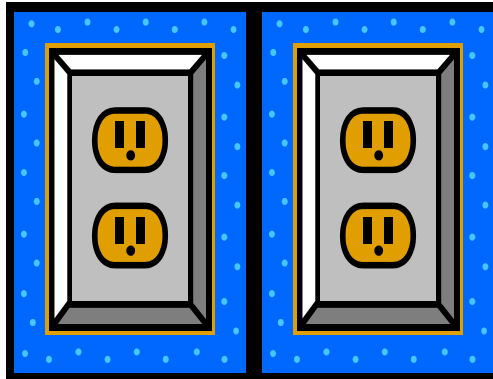


Figure 2 - AL4 – located in the Demarcation Room



**AMENDMENT TO RETAILER MASTER
FILE/AGREEMENT
TICKET / VIDEO LOTTERY**

Location Name _____ Retailer # _____
 Location Address _____ SYS ID# _____
 _____ Territory _____
 Location Phone # _____ Location Fax # _____ Corporate # _____

INFORMATION CHANGES

Data Code	From	To	Effective Date

DATA CODES

Location Name*	01	Corporate Name**	07	Banking Entity	12
Location Address	02	Corporate Address	08	Agent Change	13
Postal Code	03	Telephone Number	09	Corporate File Change	14
Telephone Number	04	Fax Number	10	Other Changes (indicate type)	15
Fax Number	05	Signatory*	11		
Location Contact	06				

*Changes to these codes require an Authorized Signature. **Change to Corporate Name requires a new Lottery Ticket Centre Retailer Agreement.

CHANGES IN HOURS OF OPERATION

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Open							
Close							

Requested by _____ Date _____
 Authorized Signature _____ Date _____

For Office Use Only	
Keyed by _____	Sent to Hotline by _____
Date _____	Date _____



Sellers Notification - Change of Operator Fax to (780) 447-8910, Attention: Entry/Exit

By signing this form, you hereby give the Alberta Gaming and Liquor Commission (AGLC) permission to provide information as required, to the new owner, in order to complete necessary requirements requested by the AGLC.

Please be advised that I _____, owner of
(insert full name)
_____, Operating under _____
(Location Name) (Business Entity name)
will be selling my location, to _____, as of
(purchaser(s) name &/or Business Entity name)
_____.
(Date of change)

Sellers Information:

Retailer No. _____
(example: A1234 or HH00)
Name of Seller (s) (Director/Shareholder) _____
(Print full name)
Signature of Seller(s) _____
(Sign full name)

Freedom of Information and Protection of Privacy Statement

The information provided on this notification form is collected under the authority of the Gaming and Liquor Act, Gaming and Liquor Regulation, and the Freedom of Information and Protection of Privacy (FOIP) Act, Section 33(c). The information is strictly for the use of the Alberta Gaming and Liquor Commission for assessing eligibility. Personal information is protected by Alberta's FOIP Act and can be reviewed on request. If you have any questions about the collection or use of this information contact:

Alberta Gaming and Liquor Commission
50 Corriveau Avenue
St. Albert, Alberta T8N 3T5
Telephone: 780-447-8600 Toll-free: 1-800-272-8876



Buyers Notification - Change of Operator

Fax to (780) 447-8910, Attention: Entry/Exit

Please be advised that I _____, will be
(purchaser(s) name &/or Business Entity name)
purchasing _____, located at _____.
(Location Name) (City)

The possession date is set for _____.
(change of operator date)

Buyers Information:

Company Name buying location _____
(Business Entity/Corporate Name)

Name of Buyer(s) _____
(Print name(s))

Signature of Buyer(s) _____
(Sign name(s))

Contact Information _____

(Mailing Address and contact phone numbers)

Freedom of Information and Protection of Privacy Statement

The information provided on this notification form is collected under the authority of the Gaming and Liquor Act, Gaming and Liquor Regulation, and the Freedom of Information and Protection of Privacy (FOIP) Act, Section 33(c). The information is strictly for the use of the Alberta Gaming and Liquor Commission for assessing eligibility. Personal information is protected by Alberta's FOIP Act and can be reviewed on request. If you have any questions about the collection or use of this information contact:

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St. Albert, Alberta T8N 3T5
Telephone: 780-447-8600 Toll-free: 1-800-272-8867
