



MEGA MILLIONS RULES

PART I ADMINISTRATION

Section 1.0 These rules establish the procedures and requirements for operating and playing Mega Millions, a lotto game run by the Mega Millions Lotteries including the Multi-State Lottery Association (hereinafter referred to as “MUSL”), of which the Vermont State Lottery is a member. Generally, the Mega Millions game shall be operated in accordance with any agreement between the State of Vermont and MUSL, the Constitution, the By-Laws of the Multi-State Lottery Association, the Multi-State Lottery Association Rules and applicable Vermont law.

PART II MEGA MILLIONS GAME RULES

Section 2.0 — DEFINITIONS.

The following definitions apply unless the context requires a different meaning or is otherwise inconsistent with the intention of the rules adopted by the Product Group.

2.1 "Agent" or "retailer" means a person or entity licensed by the Lottery to sell lottery tickets.

Proposed

2.2 "Computer pick" means the random selection of two-digit numbers by the computer system, which appear on a ticket and are played by a player in the game. Computer pick has the same meaning as "quick pick" or "easy pick", which is used in the Tri-State game rules.

2.3 "Drawing" means the formal process of selecting winning numbers which determine the number of winners for each prize level of the game.

2.4 "Executive Director" means the Executive Director of the Vermont State Lottery appointed by the Vermont Lottery Commission.

2.5 "Finance & Audit Committee" shall mean the committee established by the Multi-State Lottery Association Agreement.

2.6 "Game board" or "boards" means that area of the play slip, also known as a "panel" which contains two sets of numbered squares to be marked by the player, the first set containing fifty-six (56) squares, number one (1) through fifty-six (56) and the second set containing forty-six (46) squares, number one (1) through forty-six (46). Game board has the same meaning as "panel" as used in other Lottery materials.

2.7 "Game ticket" or "ticket" means a lottery ticket produced by a lottery terminal which meets the specifications defined in the rules of the Lottery and Section 7.0 (Ticket Validation) or is a properly and validly registered subscription play.

2.8 "Jackpot" or "Grand Prize" means the top prize of the Mega Millions game. The annuity Grand Prize is an amount that would be paid in twenty-six (26) annual installments.

2.9 "Lottery" or "the Lottery" means the Vermont State Lottery.

2.10 "Mega Millions Finance Committee" means a Committee of the Mega Millions Lotteries which determines the Grand Prize Jackpot amount and the cash value option rate.

2.11 "Mega Millions Lottery or Lotteries" means those lotteries which have joined under the Mega Millions Lottery Agreement; the group of lotteries that has reached a Cross-Selling Agreement with the MUSL Product Group for the selling of the Mega Millions Game.

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

2.13 "MUSL Board" means the governing body of the MUSL which is comprised of the chief executive officer of each Party Lottery.

Proposed

2.14 "On-Line Lottery Game" means a lottery game wherein a player selects numbers out of a larger predetermined set or sets of numbers.

2.15 "Party lottery" or "Member Lottery" means a state lottery or lottery of a political subdivision or entity which has joined the MUSL and, in the context of the Product Group Rules, which has joined in selling the Mega Millions game.

2.16 "Play" or "bet" means the six (6) numbers, the first five (5) from a field of fifty-six (56) numbers and the last one (1) from a field of forty-six (46) numbers, that appear on a ticket as a single lettered selection and are to be played by a player in the game.

2.17 "Product Group" means the group of lotteries which has joined together to offer the Mega Millions lottery game product pursuant to the terms of its Cross-Selling Agreement with the Mega Millions Lotteries, the Multi-State Lottery Agreement and the Group's own rules.

2.18 "Play slip" or "bet slip" means a card used in marking a player's game plays and containing one or more boards.

2.19 "Set Prize" means all other prizes except the Grand Prize that are advertised to be paid by a single cash payment and, except in instances outlined in these rules, will be equal to the prize amount established by the MUSL Board for the prize level.

2.20 "Subscription" means a Mega Millions bet recorded on the Lottery's central computer system, under the name and address of a subscriber, for a specified range of draw dates.

2.21 "Terminal" means a device authorized by the Lottery to function in an on-line, interactive mode with the Lottery's computer system for the purpose of issuing lottery tickets and entering, receiving, and processing lottery transactions, including purchases, validating tickets, and transmitting reports.

2.22 "Winning numbers" means the six (6) numbers, the first five (5) from a field of fifty-six (56) numbers and the last one (1) from a field of forty-six (46) numbers, randomly selected at each drawing, which shall be used to determine winning plays contained on a game ticket.

Section 3.0 - GAME DESCRIPTION.

3.1 Mega Millions is a five (5) out of fifty-six (56) plus one (1) out of forty-six (46) on-line lottery game, drawn every Tuesday and Friday, which pays the Grand Prize, at the election of the player made in accordance with these rules or by a default election made in accordance with these rules, either on an annual pari-mutuel basis or as a cash value option using a rate determined by the Mega Millions Finance Committee on a pari-mutuel basis. Except as provided in these

rules, all other prizes are paid on a set cash basis. To play Mega Millions, a player shall select five (5) different numbers, from one (1) through fifty-six (56) and one (1) additional number from one (1) through forty-six (46), for input into a terminal. The additional number may be the same as one of the first five numbers selected by the player. Tickets can be purchased for one dollar (U.S. \$1.00), including any specific statutorily-mandated tax on a Party Lottery to be included in the price of a lottery ticket, either from a terminal operated by an agent (i.e., a clerk-activated terminal) or from a terminal operated by the player (i.e., a player activated terminal). If purchased from an agent, the player may select a set of five numbers and one additional number by communicating the six (6) numbers to the agent, or by marking six (6) numbered squares in any one game board on a play slip and submitting the play slip to the agent or by requesting "computer pick" from the agent. The agent will then issue a ticket, via the terminal, containing the selected set or sets of numbers, each of which constitutes a game play. Tickets can be purchased from a player-activated terminal by use of a touch screen or by inserting a play slip into the machine. Tickets may also be purchased through a lottery subscription system as provided in Rule 3.6.

3.2 Claims. A ticket (subject to the validation requirements set forth in Section 7.0 (Ticket Validation)) shall be the only proof of a game play or plays and the submission of a winning ticket to the issuing Party Lottery or its authorized agent shall be the sole method of claiming a prize or prizes. A play slip has no pecuniary or prize value and shall not constitute evidence of ticket purchase or of numbers selected. A terminal produced paper receipt has no pecuniary or prize value and shall not constitute evidence of ticket purchase or of numbers selected.

3.3 Cancellations Prohibited. A ticket may not be voided or canceled by returning the ticket to the selling agent or to the lottery, including tickets that are printed in error. No ticket which can be used to claim a prize shall be returned to the Lottery for credit. Tickets accepted by retailers as returned tickets and which cannot be re-sold shall be deemed owned by the bearer thereof.

3.4 Player Responsibility. It shall be the sole responsibility of the player to verify the accuracy of the game play or plays and other data printed on the ticket. The placing of plays is done at the player's own risk through the on-line agent who is acting on behalf of the player in entering the play or plays.

3.5 Entry of Plays. Plays may only be entered manually using the lottery terminal keypad or touch screen or by means of a play slip provided by the Lottery and hand-marked by the player or by such other means approved by the Lottery. Retailers shall not permit the use of facsimiles of play slips, copies of play slips, or other materials that are inserted into the terminal's play slip reader that are not printed or approved by the Lottery. Retailers shall not permit any device to be connected to a lottery terminal to enter plays, except as approved by the Lottery.

3.6 Registration of Plays. Subscription plays may be registered by the Lottery at a lottery processing site which meets the requirements established by the Product Group and the Security and Integrity Committee.

Section 4.0 —PRIZE POOL

4.1 Prize Pool. The prize pool for all prize categories shall consist of up to fifty-one percent (51%) of each drawing period's sales, including any specific statutorily-mandated tax on a Party Lottery to be included in the price of a lottery ticket, after the prize reserve accounts are funded to the amounts set by the Product Group, but may be higher or lower based upon the number of winners at each prize level, as well as the funding required to meet a guaranteed Annuity Grand Prize as may be required by Rule 6.1. Any amount remaining in the prize pool or reserves at the end of this game shall be carried forward to a replacement game or expended in a manner as directed by the Product Group in accordance with state law.

4.2 Prize Reserve Accounts. An amount up to one percent (1%) of a Party Lottery's sales, including any specific statutorily-mandated tax on a Party Lottery to be included in the price of a lottery ticket, shall be added to a Party Lottery's Grand Prize Pool contribution and placed in trust in one or more prize reserve accounts held by the Product Group at any time that the Party Lottery's share of the prize reserve account(s) is below the amounts designated by the Product Group. The Product Group, with approval of the Finance & Audit Committee, may establish a maximum balance for the prize reserve account(s). The Product Group may determine to expend all or a portion of the funds in the accounts for the payment of prizes or special prizes in the game; subject to the approval of the Finance and Audit Committee. The shares of a Party Lottery may be adjusted with refunds to the Party Lottery from the prize reserve account(s) as may be needed to maintain the approved maximum balance and shares of the Party Lotteries. Any amount remaining in a prize reserve account at the end of this game shall be carried forward to a replacement prize reserve account or expended in a manner as directed by the Product Group in accordance with state law.

Proposed

4.3 Expected Prize Payout Percentages. The Grand Prize shall be determined on a pari-mutuel basis. Except as provided in these rules, all other prizes awarded shall be paid as set cash prizes with the following expected prize payout percentages, which does not include an additional amount held in prize reserves:

Number of Matches Per Play	Prize Payment	Prize Pool Percentage Allocated to Prize
All five (5) of first set plus one (1) of second set.	Grand Prize	63.60%
All five (5) of first set and none of second set.	\$250,000	12.80%
Any four (4) of first set plus one (1) of second set.	\$10,000	2.90%
Any four (4) of first set and none of second set.	\$150	1.96%
Any three (3) of first set plus one (1) of second set.	\$150	2.18%
Any two (2) of first set plus one (1) of second set.	\$10	2.38%
Any three (3) of first set plus none of second set.	\$7	4.58%
Any one (1) of first set plus one (1) of second set.	\$3	4.26%
None of first set plus one (1) of second set.	\$2	5.34%

(a) The prize money allocated to the Grand Prize category shall be divided equally by the number of winning plays on tickets winning the Grand Prize.

(b) The prize pool percentage allocated to the set prizes (the cash prizes of \$250,000 or less) shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the set prizes awarded in the current draw.

(c) **Liability Cap.** Should total prize liability for all lotteries selling the Mega Millions game (exclusive of jackpot prize carry forward) exceed 300 percent (300%) of draw sales or 50 percent (50%) of draw sales plus \$50,000,000 (fifty million dollars), whichever is less, (both hereinafter referred to as the "Liability Cap"), the second through fifth prizes (\$250,000, \$10,000, \$150, and \$150 prize levels) shall be paid on a pari-mutuel basis, provided, however, that in no event shall the pari-mutuel prize be greater than the official advertised prize. The amount to be used for the allocation of such pari-mutuel prizes (two through five) shall be the liability cap less the amount paid for the jackpot prize and prize levels six through nine (\$10, \$7, \$3 and \$2 prize levels). To fund their portion of the Liability Cap, the Party Lotteries may utilize: (i) the amount allocated to the set prizes and carried forward from previous draws, if any, and (ii) an amount from the reserve accounts.

In the event the Liability Cap is met, the amount to fund the Grand/Jackpot Prize together with the amounts to fund prize levels six (6) through nine (9) shall be first paid from the Liability Cap amount. The balance of the Liability Cap, after deducting the Grand/Jackpot Prize and payment for prize levels six (6) through nine (9) (hereinafter referred to as the "Liability Cap Balance"), shall be

Proposed

applied to prize levels two (2) through five (5) on a pari-mutuel basis in accordance with the following formula:

Prize Level two (2) (normally \$250,000) shall be an amount equal to 64.53% of the Liability Cap Balance divided by the number of winners in Prize Level two (2);

Prize Level three (3) (normally \$10,000) shall be an amount equal to 14.63% of the Liability Cap Balance divided by the number of winners in Prize Level three (3); and

Prize Levels four (4) and five (5) (normally \$150) shall be an amount equal to 20.84% of the Liability Cap Balance divided by the number of combined winners in Prize Levels four (4) and five (5).

(d) Except as may be required by Rule 6.1, the official advertised Grand Prize annuity amount is subject to change based on sales forecasts and/or actual sales. Additionally, this prize amount may be rounded up to the next highest affordable multiple of one million dollars, at the discretion of the Party Lotteries.

(e) Subject to the laws and rules governing each Party Lottery, the number of prize categories and the allocation of the prize fund among the prize categories may be changed at the discretion of the Mega Millions Lotteries, for promotional purposes. Such change shall be announced by Mega Millions Lotteries.

Proposed

Section 5.0 -- PROBABILITY OF WINNING. The following table sets forth the probability of winning and the probable distribution of winners in and among each prize category, based upon the total number of possible combinations in Mega Millions.

Number of Matches Per Ticket	Probability Distribution	Probable/Set Prize Amount
	Winners Probability	
All five (5) of first set plus one (1) of second set	1 1:175,711,536.00	Grand Prize
All five (5) of first set and none of second set	45 1: 3,904,700.80	\$250,000
Any four (4) of first set plus one (1) of second set	255 1: 689,064.85	\$10,000
Any four (4) of first set and none of second set	11,475 1: 15,312.55	\$150
Any three (3) of first set plus one (1) of second set	12,750 1: 13,781.30	\$150
Any two (2) of first set plus one (1) of second set	208,250 1: 843.75	\$10
Any three (3) of first set and none of second set	573,750 1: 306.25	\$7
Any one (1) of first set plus one (1) of second set	1,249,500 1: 140.63	\$3
None of first set plus one (1) of second set	2,349,060 1: 74.80	\$2
Overall	4,405,086 1: 39.89	

Section 6.0 -- PRIZE PAYMENT

6.1 Grand Prizes.

(a) The portion of the prize money allocated from the current Mega Millions prize pool for the Grand Prize, plus any previous portions of prize money allocated to the Grand Prize category in which no matching tickets were sold and monies from a reserve needed to fund a guaranteed grand prize will be divided equally among all jackpot prize winners in all participating lotteries. The annuity Grand Prize amount will be paid in 26 annual installments. If a Mega Millions Lottery law or rule requires that the official advertised annuity prize amount shall be the basis for determining the amount to be awarded for the Mega Millions Grand Prize; a play matching all five of the five Mega Millions winning numbers drawn for field 1 and the one Mega Millions winning number drawn for field 2, then it shall be funded by the Selling Lotteries. However, if the sales support a

Proposed

jackpot that is at least \$12 million, as an annuity, lower than the advertised annuity prize amount, then the resulting annuity prize amount to be paid will be the highest fully funded million plus \$12 million, as an annuity, or the advertised jackpot, whichever is lower. In no event, however, as may be required by a Mega Millions Lottery law or rule, shall the jackpot paid be less than the official advertised annuity prize amount of the immediately prior drawing. When there is only one winning Mega Millions ticket for the annuity prize, no Grand Prize paid in 26 annual installments shall be less than \$12 million.

(b) If in any Mega Millions drawing there are no Mega Millions plays which qualify for the Grand Prize category, the portion of the prize fund allocated to such Grand Prize category shall remain in the jackpot prize category and be added to the amount allocated for the Grand Prize category in the next consecutive Mega Millions drawing.

(c) Grand prizes shall be paid, at the election of the player made no later than 60 days after the player becomes entitled to the prize, with either a per winner annuity or cash payment. If the payment election is not made by the player within 60 days after the player becomes entitled to the prize, then the prize shall be paid as an annuity prize. The election to take the cash payment may be made within 60 days after the player becomes entitled to the prize. An election made after the winner becomes entitled to the prize is final and cannot be revoked, withdrawn or otherwise changed.

(d) In the event of a prize winner who selects the cash value option, the prize winner's share will be paid in a single payment upon completion of internal validation procedures. The cash option amount shall be determined by the Product Group.

(e) Annual payment option jackpot prizes shall be paid in 26 annual installments upon completion of internal validation procedures. The initial payment shall be paid upon completion of internal validation procedures. The subsequent 25 payments shall be paid annually to coincide with the month of the Federal auction date at which the bonds were purchased to fund the annuity. All such payments shall be made within seven days of the anniversary of the annual auction date.

(f) If individual shares of the cash held to fund an annuity is less than \$250,000, the Product Group, in its sole discretion, may elect to pay the winners their share of the cash held in the Grand Prize pool. All annuitized prizes shall be paid annually in twenty-six (26) payments with the initial payment being made in cash, to be followed by twenty-five (25) payments funded by the annuity. Prize payments may be rounded down to the nearest one thousand dollars (\$1,000).

(g) Funds for the initial payment of an annuitized prize or the lump sum cash prize shall be made available by MUSL for payment by the Party Lottery on a schedule approved by the Product Group. If necessary, when the due date for the payment of a prize occurs before the receipt of funds in the prize pool trust sufficient to pay the prize, the transfer of funds for the payment of the full lump sum cash amount may be delayed pending receipt of funds from the Party Lotteries or other lotteries participating in the Mega Millions Game. A Party

Lottery may elect to make the initial payment from its own funds after validation, with notice to MUSL.

(h) In the event of the death of a lottery winner sold by a Party Lottery during the annuity payment period, the MUSL Finance & Audit Committee, in its sole discretion excepting a discretionary review by the Product Group, upon the petition of the estate of the lottery winner (the "Estate") to the lottery of the jurisdiction in which the deceased lottery winner purchased the winning ticket, and subject to federal, state, district or territorial applicable laws, may accelerate the payment of all of the remaining lottery proceeds to the Estate. If such a determination is made, then securities and/or cash held to fund the deceased lottery winner's annuitized prize may be distributed to the Estate. The identification of the securities to fund the annuitized prize shall be at the sole discretion of the Finance & Audit Committee or the Product Group.

6.2 Low-Tier Cash Prize Payments. All low-tier cash prizes (all prizes except the Grand Prize) shall be paid in cash through the Party Lottery which sold the winning ticket(s). A Party Lottery may begin paying low-tier cash prizes after receiving authorization to pay from the MUSL central office.

6.3 Prizes Rounded. Annuitized payments of the Grand Prize or a share of the Grand Prize may be rounded to facilitate the purchase of an appropriate funding mechanism. Breakage on an annuitized Grand Prize win shall be added to the first cash payment to the winner or winners. Prizes other than the Grand Prize, which, under these rules, may become single-payment, pari-mutuel prizes, may be rounded down so that prizes can be paid in multiples of whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the prize pool for the next drawing.

6.4 Rollover. If the Grand Prize is not won in a drawing, the prize money allocated for the Grand Prize shall roll over and be added to the Grand Prize pool for the following drawing.

6.5 [Reserved for Future Use]

6.6 Limited to Highest Prize Won. The holder of a winning ticket may win only one prize per play in connection with the winning numbers drawn, and shall be entitled only to the prize won by those numbers in the highest matching prize category.

6.7 Prize Claim Period. Prize claims shall be submitted within the period set by the Party Lottery selling the ticket, which in Vermont is one year from the prize eligibility date. The prize eligibility date is the date of the winning draw.

6.8 Prize Assignment. Payment of a prize may be made to a person other than the winner pursuant to Vermont Statutes Annotated, Title 31, Section 658(c), which adopts the payment provisions of Title 31, Section 674L.1.1A-I.

Section 7.0 —TICKET VALIDATION.

7.1 General Requirements for Validation. To be a valid ticket and eligible to receive a prize, a ticket shall satisfy all the requirements established by a Party Lottery for validation of winning tickets sold through its on-line system and any other validation requirements adopted by the Product Group and the MUSL Board. The MUSL and the Party Lotteries shall not be responsible for tickets which are altered in any manner.

7.2 Specific Requirements for Validation of Tickets Sold in Vermont

(a) Under no circumstances will a claim be paid for either the Grand Prize or the Second prize without an official Mega Millions ticket (or subscription) matching all game play, serial number and other validation data residing in the Lottery's gaming system computer and such ticket (or subscription) shall be the only valid proof of the wager placed and the only valid receipt for claiming or redeeming such prize.

(b) To be a valid ticket and eligible to receive a prize, all the following requirements must be satisfied:

(1) The ticket must have been issued by the Lottery through a licensed agent, via a terminal, in an authorized manner. The ticket must be intact and must not be mutilated, altered, reconstructed, or tampered with in any manner.

(2) The ticket data must have been recorded in the Lottery's central computer system at least sixty (60) minutes prior to the drawing; even if it appears that a bet is accepted (by virtue of a printed ticket), any bet placed other than at least sixty (60) minutes prior to the drawing (regardless of when the drawing is held) is void.

(3) The information appearing on the ticket must correspond precisely with the party Lottery's computer record.

(4) The validation data must appear in its entirety, and correspond, using a computer validation file, to the winning game play or plays printed on the ticket. The ticket stock sequential number on the back of the ticket must correspond to the Lottery's inventory records.

(5) The ticket must not be defectively printed, fuzzy, produced in error, counterfeit in whole or in part, altered, unreadable, reconstructed, tampered with in any manner, stolen, blank or partially blank, mis-registered, or defective. The ticket must not be an exact duplicate of another winning ticket.

(6) All information appearing on an apparent winning ticket must correspond to the Lottery's records of winning tickets, and another ticket with identical data shall not have been paid.

(7) The ticket must be intact, fully legible, complete and not miscut, and correspond to the data on file at the Lottery in every respect.

(8) The ticket must pass all other security criteria as determined by the Mega Millions Finance and Operations Procedures Section 15, the Lottery and MUSL.

(9) The ticket must be validated in accordance with the provisions of these rules relating to the procedures for claiming prizes and for the payment thereof.

(10) An apparent winning ticket shall be void unless the ticpaper stock roll which was in use at the time of the bet by, and validly issued to, the agent from whom the ticket was purchased.

(c) In the event that a ticket fails to pass all the criteria set forth in subpart (b) of this rule, the ticket shall be deemed void and ineligible for any prize and shall not be paid. In the event of a dispute or other instance of doubt, the decision of the executive director shall be final and binding. If the executive director determines that the ticket is not eligible to receive a prize, then the executive director may, at the executive director's option, replace an invalid, defective or otherwise erroneous ticket with a ticket of equivalent sales price from any current lottery game. Replacement of the ticket shall be the bearer or claimant's sole and exclusive remedy.

Section 8.0 —TICKET RESPONSIBILITY.

8.1 Signature. Until such time as a subscription play is properly and validly registered with the lottery, or until such time as a signature, or printed name is placed upon a ticket in the area designated for signature, or name, a ticket shall be owned by the bearer of the ticket. When a subscription play is validly and properly registered with the lottery, or when a signature, or name is placed on the ticket in the place designated, the person who has registered the ticket, or if not registered, whose signature, or name appears in such area shall be the owner of the ticket and shall be entitled (subject to the validation requirements in Section 7.0 (Ticket Validation) and state or district law) to any prize attributable thereto.

8.2 Multiple Signatures. The manner of payment of prizes for valid winning tickets bearing multiple signatures, or names shall be determined by the Law of the State of Vermont.

8.3 Stolen Tickets. The Product Group, the MUSL and the Party Lotteries shall not be responsible for lost or stolen tickets.

8.4 Subscription Plays. A receipt for a subscription play has no value and is not evidence of a play. A subscription play is valid when registered with the Lottery in accordance with these rules and the person or persons registering the play shall be the owner of the subscription play.

8.5 The Party Lotteries shall not be responsible to a prize claimant for Mega Millions tickets redeemed in error by a Mega Millions agent, sales agent or retailer.

8.6 Winners are determined by the numbers drawn and certified by the independent auditor responsible for auditing the Mega Millions draw. MUSL and the Party Lotteries are not responsible for Mega Millions winning numbers reported in error.

Section 9.0 - INELIGIBLE PLAYERS.

9.1 A ticket or share for a MUSL game issued by the MUSL or any of its Party Lotteries shall not be purchased by, and a prize won by any such ticket or share shall not be paid to:

- (a) a MUSL employee, officer, or director,
- (b) a contractor or consultant under agreement with the MUSL to review the MUSL audit and security procedures,
- (c) an employee of an independent accounting firm under contract with MUSL to observe drawings or site operations and actually assigned to the MUSL account and all partners, shareholders, or owners in the local office of the firm, or
- (d) an immediate family member (parent, stepparent, child, stepchild, spouse, or sibling) of an individual described in subsections (a), (b), and (c) and residing in the same household.

9.2 No tickets or subscription may be sold to, or purchased by, individuals who have not attained the age of majority. However, tickets or subscriptions may be given as gifts to minors or any other individuals except as prohibited by Vermont law.

9.3 A ticket or share of the Mega Millions game may not be purchased in any lottery jurisdiction by any Party Lottery board member; commissioner; officer; employee; or spouse, child brother, sister or parent residing as a member of the same household in the principle place of residence of any such person. Prizes shall not be paid to any persons prohibited from playing Mega Millions in a

Proposed

particular jurisdiction by rules, governing law, or any contract executed by the Selling Lottery.

Section 10.0 — APPLICABLE LAW.

In purchasing a ticket in Vermont, the purchaser agrees to comply with and abide by all applicable Vermont laws, rules, regulations, procedures, and decisions of the Lottery. Additionally, the player shall be bound to all applicable provisions in the Mega Millions Finance and Operations Procedures. The player agrees, as its sole and exclusive remedy that claims arising out of a Mega Millions ticket can only be pursued against the Party Lottery of ticket purchase. Litigation, if any, shall only be maintained within the jurisdiction in which the Mega Millions ticket was purchased and only against the Party Lottery that issued the ticket. Nothing in this rule shall be construed as a waiver of any defense or claim a Party Lottery may have in the event a player pursues litigation against the Party Lottery, its officers, or employees. All decisions made by a Party Lottery, including the declaration of prizes and the payment thereof and the interpretation of Mega Millions Rules, shall be final and binding on all purchasers and on every person making a claim in respect thereof, but only in the jurisdiction where the Mega Millions ticket was issued.

PART III – SPECIAL GAME RULES: MEGA MILLIONS MEGAPLIER

Section 11.0 - MEGAPLIER DESCRIPTION.

The Mega Millions Megaplier feature is a limited extension of the Mega Millions game and is conducted in accordance with the Mega Millions game rules and other lottery rules applicable to the Mega Millions game except as may be amended herein. The Megaplier feature will run concurrently with Mega Millions and will continue until discontinued by the Lottery. The feature will offer to the owners of a qualifying play a chance to multiply the amount of any of the eight lump sum Set Prizes (the lump sum prizes normally paying \$2 to \$250,000) won in a drawing. The Grand Prize jackpot is not a Set Prize and will not be multiplied.

Section 12.0 — QUALIFYING PLAY.

A qualifying play is any single Mega Millions play for which the player pays an extra dollar for the Megaplier option play and which is recorded at the Party Lottery's central computer as a qualifying play.

Section 13.0 — PRIZES TO BE MULTIPLIED.

A qualifying play which wins one of eight lowest lump sum Set Prizes will be multiplied by the number selected, either two, three, or four (2, 3, or 4), in a separate random Megaplier drawing announced in a manner approved by the Product Group.

Section 14.0 — MEGAPLIER DRAWS.

MUSL will either itself conduct, or authorize a U.S. Lottery to conduct on its behalf, a separate random “Megaplier” drawing. Before each Mega Millions drawing a single number (2, 3 or 4) shall be drawn. The Mega Millions Group may change one or more of these multiplier numbers for special promotions from time to time.

Section 15.0 — PRIZE POOL.

15.1 Prize Pool. The prize pool for all prize categories shall consist of up to fifty percent (50%) of each drawing period’s sales, including any specific statutorily-mandated tax on a Party Lottery to be included in the price of a lottery ticket, after the Mega Millions prize reserve accounts are funded to the amounts set by the Product Group. Any amount remaining in the prize pool at the end of this game shall be carried forward to a replacement game or expended in a manner as directed by the Product Group in accordance with state law.

15.2 Prize Reserve Accounts. Any amount not used to pay for multiplied prizes may be collected and placed in the rollover account or in trust in one or more prize reserve accounts until the prize reserve accounts reach the amounts designated by the Product Group.

Proposed

15.3 Expected Prize Payout. Except as provided in these rules, all prizes awarded shall be paid as lump sum set prizes. Instead of the Mega Millions set prize amounts, qualifying Megaplier plays will pay the amounts shown below when matched with the Megaplier number drawn:

	Prize Amount	2X	3X	4X
Match 5+0	\$250,000	\$500,000	\$750,000	\$1,000,000
Match 4+1	\$10,000	\$20,000	\$30,000	\$40,000
Match 4+0	\$150	\$300	\$450	\$600
Match 3+1	\$150	\$300	\$450	\$600
Match 2+1	\$10	\$20	\$30	\$40
Match 3+0	\$7	\$14	\$21	\$28
Match 1+1	\$3	\$6	\$9	\$12
Match 0+1	\$2	\$4	\$6	\$8

Megaplier does not apply to the Mega Millions Grand Prize.

In certain rare instances, the Mega Millions set prize amount may be less than the amount shown. In such case, the Megaplier prizes will be a multiple of the changed Mega Millions prize amount, announced after the draw. For example, if the Match 5+0 Mega Millions set prize amount of \$250,000 becomes \$150,000 under the rules of the Mega Millions game, then a Megaplier player winning that prize amount with a 4X multiplier would win \$600,000 (\$150,000 x 4).

Section 16.0 — PROBABILITY OF WINNING. The following table sets forth the probability of the various Megaplier numbers being drawn during a single Mega Millions drawing. The Group may elect to run limited promotions that may increase the multiplier numbers.

<i>Megaplier</i>	<i>Probability of Prize Increase</i>
4X - Prize Won Times 4	12 in 21
3X - Prize Won Times 3	7 in 21
2X - Prize Won Times 2	2 in 21

Megaplier does not apply to the Mega Millions Grand Prize.

Section 17.0 — LIMITATIONS ON PAYMENT OF MEGAPLIER PRIZES.

17.1 Prize Pool Carried Forward. The prize pool percentage allocated to the Megaplier set prizes shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the set prizes awarded in the current draw or may be held in a prize reserve account.

17.2 Pari-Mutuel Prizes—All Prize Amounts. If the total of the original Mega Millions set prizes and the multiplied Megaplier set prizes awarded in a drawing exceeds the percentage of the prize pools allocated to the set prizes, then the amount needed to fund the set prizes (including the multiplied set prizes) awarded shall be drawn from the following sources, in the following order: **(i)** the amount allocated to the set prizes and carried forward from previous draws, if any; **(ii)** an amount from the Mega Millions reserve accounts not to exceed the lesser of 300% of draw sales or 50% of draw sales plus \$50 million. If, after these sources are depleted, there are not sufficient funds to pay the set prizes awarded (including multiplied prizes), then the prize levels two through five shall become a pari-mutuel prize, as set out in Rule 4.3(c). The Mega Millions and Megaplier prize pools shall be combined in the rare instance when the set prizes, pursuant to the rules, are paid on a pari-mutuel basis, so that the multipliers, as provided for in the rules, will remain in effect for all prize levels.

Section 18.0 – PRIZE PAYMENT

18.1 Prize Payments. All Megaplier prizes shall be paid in one lump sum through the Party Lottery that sold the winning ticket(s). A Party Lottery may begin paying Megaplier prizes after receiving authorization to pay from the MUSL central office.

18.2 Prizes Rounded. Prizes, which, under these rules, may become pari-mutuel prizes, may be rounded down so that prizes can be paid in multiples of whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the prize pool for the next drawing.

PART IV AGENTS

Section 19.0 - Agents

19.1 Agents selling Mega Millions and Megaplier tickets shall comply with all applicable Vermont laws, rules, regulations, procedures, and decisions of the Lottery and with all applicable MUSL rules, regulations and requirements.

Proposed

19.2 Each agent shall receive 6.00 percent (6%) of gross receipts for Mega Millions and Megaplier tickets sold by that agent as a commission. The 6.00 percent (6%) commission applies to Mega Millions and Megaplier sales only.

PART V SUBSCRIPTIONS

Section 20.0 - Subscriptions

20.1 Specific information required for a subscription

(a) To play by subscription a player shall provide the lottery with the following information:

- (1)** 5 different 2-digit numbers between one (01) and a designated number and one additional 2-digit number between one (01) and a designated number;
- (2)** Name;
- (3)** A Vermont mailing address;
- (4)** Home telephone number;
- (5)** Work telephone number, if applicable;
- (6)** A gift message, if applicable;
- (7)** The number of draws the subscription shall be valid;
- (8)** Indicate Megaplier Option (Yes or No)
- (9)** Affirmation of age eligibility; and
- (10)** Payment method.

(b) If the subscriber selects payment for subscription by check, the check shall be payable to the Vermont Lottery Commission and attached to the subscription application form.

(c) If the player selects payment for the subscription by credit card, the player shall provide the lottery with the following information:

- (1)** Credit card number;

Proposed

- (2) Credit card expiration date;
- (3) Credit card security code;
- (4) Cardholder's name;
- (5) Cardholder's address;
- (6) Cardholder's home telephone number;
- (7) Cardholder's work telephone number, if applicable; and
- (8) Cardholder's signature, if applicable.

(d) The completed subscription form shall be forwarded to the lottery headquarters for processing.

(e) Upon receipt of the subscription application, the lottery shall enter the subscribers' information into a lottery approved subscription database program.

(f) The database program will assign the next available effective draw date for the subscription, as determined by MUSL.

(g) The database program will assign the following identification numbers to the subscription:

- (1) Subscriber number; and
- (2) Subscription number.

(h) The lottery will assign the following identification numbers to the subscription:

- (1) Batch number; and
- (2) Sequence or certificate number.

(i) The lottery shall print a subscription confirmation card which shall list the following information:

- (1) Subscriber name;
- (2) Subscriber address;
- (3) 5, 2-digit numbers and 1, additional 2-digit number;

Proposed

(4) Megaplier Option (Yes or No)

(5) Day, month and year the subscription is effective;

(6) Day, month and year the subscription expires;

(7) A gift message, if applicable;

(8) Subscription number;

(9) Batch number; and

(10) Sequence or certificate number.

(j) The lottery shall forward a subscription confirmation card to the subscriber.

(k) It shall be the sole responsibility of the player to verify the following are correct:

(1) Subscriber name;

(2) Subscriber address;

(3) Subscriber chosen 5, 2-digit numbers and one additional 2-digit number;

(4) Megaplier Option (Yes or No)

(5) Subscription play length; and

(6) Effective and expiration dates.

(l) It shall be the sole responsibility of the subscriber to notify the party lottery of incorrect data on the confirmation card prior to the effective date of the subscription.

(m) A subscription application form has no pecuniary or prize value and shall not constitute evidence of ticket purchase or of numbers selected.

(n) Once a subscription play is registered with the lottery, the registration shall constitute the only acceptable evidence of play for the subscriber.

Proposed

(o) A subscription does not become effective until the effective date listed on the confirmation card, which shall match the effective date listed in the party lottery's subscription database.

(p) Any changes to a subscriber's name or address shall be requested in writing by the subscriber and include the previous name and address. Name and address changes shall require a notarized letter from the subscriber.

(q) There shall be no changes to the subscriber's numbers during the effective dates of the subscription unless authorized by MUSL.

(r) Prizes shall be paid, by check or by expiration date extensions, as determined by MUSL.

(s) Prize checks shall be made payable to the subscription name(s) as recorded in the lottery's central computer system;

(t) Subscriptions, once in effect, cannot be cancelled in whole or in part except as determined by MUSL.

(u) Subscription renewal forms shall be forwarded to the subscriber by the lottery within a time period prior to the subscription's expiration date as determined by MUSL.

(v) The subscription renewal form shall contain the following information:

(1) Subscriber's name;

(2) Subscriber's address;

(3) 5-2 digit numbers and one additional 2-digit number;

(4) Megaplier Option (Yes or No)

(5) Subscriber number;

(6) Subscription number; and

(7) Expiration date including free play extensions, if any.

(w) If the subscriber elects to continue a subscription, the subscriber shall provide the lottery with the following information:

(1) Subscription play length;

(2) Megaplier Option (Yes or No)

Proposed

(3) Change of address, if applicable;

(4) Payment method; and

(5) A change of numbers of 5-2 digit numbers and 1 additional 2-digit number, if applicable.

(x) If the subscriber selects payment for the subscription by credit card, the following information shall be provided to the lottery:

(1) Credit card number;

(2) Credit card expiration date;

(3) Credit card security code

(4) Cardholder's name;

(5) Cardholder's address;

(6) Cardholder's home telephone number;

(7) Cardholder's work telephone number, if applicable; and

(8) Cardholder's signature, if applicable.

(y) If the subscriber selects payment for subscription by check, the check shall be payable to the Vermont Lottery Commission and attached to the subscription renewal form.

(z) The completed subscription renewal form shall be forwarded to the lottery headquarters for processing.

(aa) Upon receipt of the subscription renewal form, the lottery shall enter the subscriber's information into a lottery approved subscription database program.

(ab) The database program will assign the next available effective draw date for the subscription, as determined by MUSL.

(ac) The database program will assign a unique subscription number to the subscription:

(ad) The lottery will assign the following identification numbers to the subscription:

Proposed

- (1) Batch number; and
- (2) Sequence or certificate number.

(ae) The party lottery shall print a subscription confirmation card which shall list the following information:

- (1) Subscriber name;
- (2) Subscriber address;
- (3) 5, 2-digit numbers and 1, additional 2-digit number;
- (4) Megaplier Option (Yes or No)
- (5) Day, month and year the subscription is effective;
- (6) Day, month and year the subscription expires;
- (7) A gift message, if applicable;
- (8) Subscription number;
- (9) Batch number; and
- (10) Sequence or certificate number.

(af) The party lottery shall forward a subscription confirmation card to the subscriber.