

NORTH CAROLINA EDUCATION LOTTERY POLICIES AND PROCEDURES MANUAL

CHAPTER 2- GAME RULES

2.04K- CAROLINA KENO GAME RULES

GENERAL RULES

- A. The purpose of Carolina Keno is to responsibly generate revenue for the NCEL and ultimately specified education programs in North Carolina through the operation of a specially-designed lottery game that will award prizes to ticket holders matching specified combinations of numbers randomly selected in drawings at four (4) minute or less intervals.
- B. During each Carolina Keno drawing, twenty (20) Winning Numbers between one (1) and eighty (80) will be selected.
- C. Definitions

Authorized Claim Center - Any NCEL Retailer or NCEL Office, based upon the prize claim limits as established by the NCEL.

Carolina Keno Play Slip - A computer-readable form, printed and issued by the NCEL, used in purchasing an Official Carolina Keno Ticket, that indicates the amount the Purchaser will play on the ticket, the number of "spots" to be played ranging from one (1) through ten (10), the number of drawings in which the ticket will be played, the play area containing eighty (80) areas/spaces numbered one (1) through eighty (80) and the selection of the Multiplier add-on feature by marking the Multiplier box.

Claimant and Claim - Any person or entity submitting a claim form and such claim form is received by a NCEL Office within the one hundred eightieth (180th) day from the Carolina Keno drawing date to collect a prize for an Official Carolina Keno Ticket. A Claimant may be the Purchaser, the person or entity named on a signed Official Carolina Keno Ticket, the bearer of an unsigned Official Carolina Keno Ticket or any other person or entity who may seek entitlement to a Carolina Keno prize payment in accordance with these Rules, the North Carolina Lottery Act, NCEL policies and procedures. No Claimant may assert rights different from the rights acquired by the original Purchaser at the time of purchase. A submitted claim does not guarantee payment.

Drawing – The formal process of randomly selecting, by computer, twenty (20) numbers from a field of one (1) to eighty (80) which determines the winning Carolina Keno Plays.

Exchange Carolina Keno Ticket – A computer-generated ticket, produced on official paper stock by a NCEL Retailer or NCEL Office in an authorized manner, to replace a Carolina Keno game ticket that had been purchased for play in multiple drawings and was validated before the last drawing appearing on the ticket. Once printed, an Exchange Carolina Keno Ticket serves as an Official Carolina Keno Ticket.

Multiplier – A feature that gives players the opportunity to multiply their potential winnings by 1, 2, 3, 4, 5, or 10 times the original winning amount. The Multiplier will be chosen with a probability of the following: 1x (40%), 2x (42.5%), 3X (6.25%), 4X (6.25%), 5X (3.75%), and 10X (1.25%). The Multiplier applies to all prize levels.

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Official Carolina Keno Ticket - A game ticket, produced on official paper stock by a NCEL Retailer or NCEL Office in an authorized manner, bearing the player or computer selected spots/numbers per drawing, game name, amount of wager per drawing, the number of drawing or the range of multiple, consecutive drawings for which the ticket may be eligible, multiplier (if purchased), validation data, and such other information as required by the NCEL.

Purchaser(s) - Player(s) of Carolina Keno who purchase tickets in accordance with these Rules, the North Carolina Lottery Act, NCEL policies and procedures.

NCEL Retailer - A person or entity authorized by the NCEL to sell Carolina Keno or other NCEL games.

Quick Pick, Auto Pick or Easy Pick - A player option in which Carolina Keno spot/number selections are determined at random by computer software.

Spot – The amount of numbers a Purchaser may play for a game, ranging from one (1) spot/number to ten (10) spots/numbers.

Winning Numbers – The twenty (20) numbers, from one (1) to eighty (80), that are randomly selected at each drawing which shall be used to determine winning Carolina Keno plays contained on Official Carolina Keno Tickets.

- D. The sale and/or purchase of Carolina Keno Tickets may be conducted only at such locations as the NCEL Chief Executive Officer and Executive Director ("CEO") shall contract with and/or license and must comply with all governing laws, policies and rules of the NCEL.
- E. Ticket Price
 - 1. The price of an Official Carolina Keno Ticket is determined by the amount of money a Purchaser chooses to wager on each play, multiplied by the number of drawings in which the ticket will be played. A Purchaser may purchase a Carolina Keno ticket for a single drawing for \$1.00, \$2.00, \$3.00, \$5.00, or \$10.00. The price of a Carolina Keno ticket in multiple, consecutive drawings is the price of a ticket for a single drawing, as selected by the Purchaser, multiplied by the number of consecutive drawings in which the ticket will be played.
 - 2. The Multiplier option may be purchased at double the base ticket cost per play, or multiples thereof in the case of a multi-draw, at the discretion of the purchaser.
 - 3. Subject to the laws and regulations governing the NCEL, Retailers may authorize the sale of Official Carolina Keno Tickets at a discount for promotional purposes, provided that such discounted sales shall be reported to the NCEL at full gross sales value.
- F. Play Characteristics and Restrictions
 - 1. Official Carolina Keno Tickets may be purchased from 05:04 a.m. (ET) until 01:44 a.m. (ET), or as otherwise established by the NCEL, and within each Retailer's hours of operation.

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2. Official Carolina Keno Tickets may be canceled on the same day the tickets were issued, only by the same terminal where the tickets were issued, and only if the first drawing for which the ticket was eligible has not yet occurred. Exchange Carolina Keno Tickets cannot be canceled.
3. If a Purchaser has drawings remaining on a ticket at the close of the Carolina Keno draw day at 01:44 a.m. (ET), the remaining drawing(s) will take place at the start of the next draw day beginning at 05:04 a.m. (ET).
4. Purchasers may submit a manually completed Carolina Keno Play Slip to a Retailer to have issued an Official Carolina Keno Ticket. Carolina Keno Play Slips shall be available at no cost to the Purchaser and shall have no pecuniary or prize value, nor constitute evidence of purchase or spot/number selections. The use of mechanical, electronic, computer-generated or any other non-manual method of marking Play Slips is prohibited.
5. Purchasers may utilize the NCEL's player operated sales terminals/self-service terminals, where available, for the purchase of Keno Tickets, and may make number selections by inserting a completed Keno Play Slip into the player operated sales/self-service terminal's optical mark reader where available or selecting a Quick Pick option, where available.
6. Purchasers may present to a retailer a previously purchased Carolina Keno ticket for Repeat Play using the ticket play barcode to purchase a new ticket with the exact Carolina Keno spots/numbers and number of drawings played.
7. It shall be the sole responsibility of the Purchaser to verify the accuracy and condition of the data printed on the Official Carolina Keno Ticket at the time of purchase.
8. The NCEL shall not be responsible for lost or stolen Official Carolina Keno Tickets.

G. Time of Drawing

Carolina Keno drawings shall be conducted seven (7) days per week, at four (4) minute intervals or less, with the first drawing of the day to be conducted at 5:04 a.m. (ET) and the last drawing of the day to be conducted at 01:44 a.m. (ET), or at such times and upon such intervals to be determined by the NCEL.

- I. Drawing Methods: Carolina Keno base game draws 20 numbers at each 4-minute draw interval via a certified random number generator ("RNG") from a pool of the numbers of 1 through 80. The RNG is a computer program certified by an independent third party for randomness in the selection of drawn numbers. The Carolina Keno multiplier number is randomly selected from a pool of 80 numbers consisting of thirty-two (32) "1X," thirty-four (34) "2X," five (5) "3X," five (5) "4X," three (3) "5X," and one (1) "10X" prior to each Carolina Keno base game drawing.

J. Carolina Keno Prize Structure

Carolina Keno prizes for each drawing shall be determined based on the spots/numbers selected, the spots/numbers matched, and the amount(s) wagered, subject to the liability caps set out in

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Section K below. Set prizes based on the \$1.00 wager and probability of winning are set out in the tables below. To determine the prize for wagers over \$1.00, multiply the prize amount by the wager amount shown on the ticket, subject to the liability caps set out in Section K below.

10 Spot Game

Prize Level	Match	Odds of Winning: 1/	Prize
1	10	8,911,711	\$100,000
2	9	163,381	\$4,250
3	8	7,384	\$450
4	7	621	\$40
5	6	87	\$15
6	5	19	\$2
7	0	22	\$5

9 Spot Game

Prize Level	Match	Odds of Winning: 1/	Prize
1	9	1,380,688	\$30,000
2	8	30,682	\$3,000
3	7	1,690	\$150
4	6	175	\$25
5	5	31	\$6
6	4	9	\$1

8 Spot Game

Prize Level	Match	Odds of Winning: 1/	Prize
1	8	230,115	\$10,000
2	7	6,232	\$750
3	6	423	\$50
4	5	55	\$12
5	4	12	\$2

7 Spot Game

Prize Level	Match	Odds of Winning: 1/	Prize
1	7	40,979	\$4,500
2	6	1,366	\$100
3	5	116	\$17
4	4	19	\$3
5	3	6	\$1

6 Spot Game

Prize Level	Match	Odds of Winning: 1/	Prize
1	6	7,753	\$1,100
2	5	323	\$50
3	4	35	\$8
4	3	8	\$1

5 Spot Game

Prize Level	Match	Odds of Winning: 1/	Prize
1	5	1,551	\$420
2	4	83	\$18
3	3	12	\$2

4 Spot Game

Prize Level	Match	Odds of Winning: 1/	Prize
1	4	326	\$75
2	3	23	\$5
3	2	5	\$1

3 Spot Game

Prize Level	Match	Odds of Winning: 1/	Prize
1	3	72	\$27
2	2	7	\$2

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2 Spot Game

Prize Level	Match	Odds of Winning: 1/	Prize
1	2	17	\$11

1 Spot game

Prize Level	Match	Odds of Winning: 1/	Prize
1	1	4	\$2

Multiplier Odds						
Multiplier	1	2	3	4	5	10
Odds	1 in 2.5	1 in 2.35	1 in 16	1 in 16	1 in 26.67	1 in 80
Overall odds of receiving a Multiplier 2X or higher are 1 in 1.67						

- K. **Maximum Payout Liability Limit**
The maximum payout liability limit for the match 10 of 10 top prize for a single drawing is five million dollars (\$5,000,000). This excludes the multiplier add on. If the total prizes awarded in a single drawing exceeds the stated limit, the prizes will be paid on a pari-mutuel basis, which means that the maximum five million dollars (\$5,000,000) aggregate prize payout shall be divided equally among such winning plays. For wagers with the Multiplier add on, the maximum liability limit is ten million dollars (\$10,000,000) for a 10 of 10 match, three million dollars (\$3,000,000) for a 9 of 9 match, and one million dollars (\$1,000,000) for a 8 of 8 match.
- L. For each drawing, a Purchaser may only win one prize category per wager and shall be entitled to receive only the highest prize category won by the winning spots/numbers.
- M. **Ticket Validation Requirements**
Carolina Keno Tickets must pass the validation requirements as established in the Draw Game Rules (Policy 2.02).
- N. **Procedure for Claiming and Payment of Prizes**
- Prizes less than \$600 may be claimed at Lottery retailers, the NCEL's Regional Claim offices, NCEL Headquarters or via mail addressed to the North Carolina Education Lottery at P.O. Box 41606, Raleigh, NC 27629-1606.
 - Prizes \$600 to \$99.999 must be claimed at NCEL's Headquarters, a Regional Claim Office or via mail addressed to the North Carolina Education Lottery at P.O. Box 41606, Raleigh, NC 27629-1606.
 - Prizes \$100,000 or greater must be claimed in person at the NCEL's Headquarters.
 - All prizes must be claimed within 180 days from the drawing date. In order to be considered claimed, the ticket and, if applicable, claim form must be received by the end of the business day (ET), as posted by the NCEL, on the 180th calendar day from the drawing date. If the 180th calendar day falls on a day which the NCEL is not open for business, the ticket must be claimed by the end of the NCEL's next business day. The risk of loss or late delivery of a claim package submitted by mail or another carrier

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remains with the Player. Post marks shall not constitute satisfaction of the 180-day requirement.

5. Claimants of a winning Official Carolina Keno Ticket must comply with all prize claim requirements of the NCEL.

M. **Governing Law**

In purchasing a ticket issued for Carolina Keno, the Purchaser agrees to comply with and be bound by all applicable statutes, administrative rules and regulations, and procedures of the State of North Carolina and the NCEL.