

Approved by: Chief Executive Officer	Approved on: 12-7-10 Revised on: 11-2-15, 2-15-16, 6-24-19 4-30-25 Procedural change on: 2-11-20	Page 1 of 2
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NORTH CAROLINA EDUCATION LOTTERY POLICIES AND PROCEDURES MANUAL

CHAPTER 8 – SALES

8.01B - MULTIPLE TERMINAL LOCATIONS

PURPOSE

To establish guidelines for when a Retailer Location (defined below) may have more than one Lottery Terminal. For purposes of this policy, a “Lottery Terminal” does not include vending Lottery machines.

POLICY

The NCEL may, at its sole discretion, authorize additional Lottery Terminals at a single retail location (one TIN or EIN) (“Retailer Location”) based on the Lottery Scratch Off and Draw Game Ticket Sales at such location as outlined below. The NCEL shall adhere to the following criteria with respect to additional Lottery Terminals.

1. Installation of an additional Lottery Terminal at a Retailer Location shall be based primarily upon the Retailer’s total Scratch Off Game and Draw Game Ticket sales at that Retailer Location. If a Retailer achieves a minimum average total Scratch Off Game and Draw Game Ticket sales of \$20,000 per week for a period of four (4) weeks at the Retailer Location, the NCEL may consider installing a second Lottery Terminal at that location. An average of \$7,000 of the total weekly sales for the four (4) consecutive weeks must be from draw games and an average of \$12,000 in total validations for the four (4) consecutive weeks for the Retailer Location.
2. A third Lottery Terminal may be considered if the Retailer achieves twice the designated sales and validation criteria as set forth above.
3. There is a maximum of three (3) Lottery Terminals per Retailer Business Location.
4. When a jackpot for any draw game reaches \$300 million or greater, the multiple terminal review process will be suspended until the jackpot resets.
5. Under certain circumstances and for business reasons, the NCEL may, at its sole discretion, establish other criteria for determining a Retailer’s qualifications for installation of any additional Lottery Terminals.
6. If the Retailer fails to maintain the minimum average weekly total Scratch Off Game and Draw Game Ticket sales of \$20,000 (or \$40,000 for three Lottery Terminals) per week in any thirteen (13) week period, as designated by the NCEL, the NCEL will notify the Retailer that such Retailer Location has not met the minimum sales requirements. Upon notification, the Retailer will have an additional thirteen (13) weeks (“Grace Period”) to raise its average total Scratch Off Game and Draw Game Ticket sales to the required minimums. If a Retailer Location fails to meet the minimum average total Scratch Off

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Game and Draw Game Ticket sales requirement by the end of the Grace Period, the NCEL may require the removal and return of the additional Lottery Terminal.

7. After the removal of the additional Lottery Terminal, the Retailer must wait a period of six (6) months before the NCEL will evaluate whether the Retailer may qualify for an additional Lottery Terminal.

For two (2) or more Retailers that share the same physical address, depending upon the circumstances, the NCEL may permit the multiple retail locations (with different TINs or EINs) to qualify, individually, as a lottery Retailer and each have a Draw Game Lottery Terminal. Each Retailer must satisfy the following criteria:

1. Each Retailer Location (business entity) must have a separate Internal Revenue Tax Name (EIN), NC Department of Revenue Sales and Use Identification and be registered with the NC Secretary of State even though located at the same physical location. Each business will independently undergo all required background investigations for Retailer applicants and must be approved before being awarded a second terminal at the existing physical location.
2. Each Retailer Location will be subject to the same criteria for review and selection and each is subject to NCEL regulations. The NCEL is not subject to any agreement between a lessor and lessee.