

MEMORANDUM OF LOTTERY CONTRIBUTION

by

THE TREASURER

OF THE STATE OF NEW JERSEY,

for the benefit of

TEACHERS' PENSION AND ANNUITY FUND,

PUBLIC EMPLOYEES' RETIREMENT SYSTEM,

and

POLICE AND FIREMEN'S RETIREMENT SYSTEM

JULY 5, 2017

TABLE OF CONTENTS

Page

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

1.1 Definitions 1
1.2 Interpretation..... 4

**ARTICLE 2
CONTRIBUTION OF LOTTERY ENTERPRISE; TRANSFER OF ASSETS**

2.1 Lottery Contribution; Transfer of Assets; Liabilities 4
2.2 Non-Assignable Assets 5
2.3 Shared Contract 6
2.4 Rights in Assigned Contracts and Contract Rights..... 6
2.5 Transfer of Intellectual Property 6
2.6 Bill of Transfer 7
2.7 Assignment 7
2.8 Intellectual Property to be Utilized in Furtherance of the Contribution.....7

**ARTICLE 3
NO CONSIDERATION**

**ARTICLE 4
OPERATION OF THE LOTTERY ENTERPRISE**

**ARTICLE 5
ALLOCATION**

**ARTICLE 6
CONDITIONS TO DOI ACKNOWLEDGEMENT**

**ARTICLE 7
CONDITIONS TO THE TREASURER’S CONTRIBUTION**

**ARTICLE 8
TRANSITION PERIOD AND PROCEDURES; UNDERTAKINGS FOLLOWING THE
EFFECTIVE DATE**

8.1 Transition Period and Procedures 9
8.2 Affirmative Undertakings 9

**ARTICLE 9
EXPIRATION; RETURN OF THE LOTTERY ENTERPRISE**

9.1 Expiration and Return of the Lottery Enterprise 10

TABLE OF CONTENTS
(continued)

Page

ARTICLE 10
MISCELLANEOUS

10.1	No Third-Party Beneficiaries.....	11
10.2	Counterparts.....	12
10.3	Notices	12
10.4	Governing Law	12
10.5	Amendments and Waivers	12
10.6	Severability	12
10.7	Incorporation of Schedules	12

Schedules

SCHEDULE I – Assigned Contracts and Contract Rights

SCHEDULE II – Retained Liabilities

SCHEDULE III – Contributed Assets

SCHEDULE IV – Retained Assets

SCHEDULE V – IP to be Utilized in Furtherance of Contribution

MEMORANDUM OF LOTTERY CONTRIBUTION

This MEMORANDUM OF LOTTERY CONTRIBUTION (“MOLC”) is made, executed and delivered as of the date first appearing on the cover page hereof and is effective as of 11:59 pm (“Effective Time”) on June 30, 2017 (“Effective Date”) by the Treasurer (“Treasurer”) of the State of New Jersey (“State”), and acknowledged by the Director of the Division of Investment (“DOI”). Capitalized terms not defined in this introductory paragraph or in the Background are defined in Section 1.1 of this MOLC.

BACKGROUND:

The Treasurer, in accordance with the Constitution and laws of the State, and particularly the Lottery Enterprise Contribution Act, L. 2017, c. 98, as the same may be amended or modified from time to time (the “Act”), is directed to contribute the Lottery Enterprise for the benefit of the Teachers’ Pension and Annuity Fund (“TPAF”), the Public Employees’ Retirement System (“PERS”), and the Police and Firemen’s Retirement System (“PFRS”) and which shall be deposited into Common Pension Fund L (“Fund L”), a common trust fund created and formed for the benefit of TPAF, PERS and PFRS, consistent with the terms hereof and the Act, for a period of thirty (30) years, and to execute and deliver this MOLC on behalf of the Treasury and the Lottery Division, and to undertake and do all actions and things herein provided or ancillary or necessary to achieve the Contemplated Actions;

The Director of the DOI is directed to acknowledge the receipt of the lottery contribution and this MOLC;

The Lottery Enterprise must be operated, managed and controlled by the Lottery Division pursuant to State and federal law; and

Pursuant to Section 4(k) of the Act, at the expiration of the Term the Lottery Enterprise, as it then exists, will be returned to the Lottery Division at no cost.

In furtherance of the foregoing, the Treasurer makes, executes and delivers, and the Director of the DOI acknowledges the following:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions. Unless otherwise specified or the context otherwise requires, for the purposes of this MOLC the following terms have the following meanings:

“Act” has the meaning set forth in Background.

“Assigned Contracts and Contract Rights” means the contracts and contract rights, if any, set forth on Schedule I attached hereto or assigned pursuant to Section 2.7.

“Assumed Liabilities” has the meaning set forth in Section 2.1(b).

“Beneficial Rights” has the meaning set forth in Section 2.2.

“Business Day” means a day other than a Saturday, Sunday or legal holiday on which banking institutions in the State are authorized or required by law to close.

“Constitution” means the New Jersey State Constitution.

“Contemplated Actions” means all of the actions contemplated by the Act and this MOLC.

“Contributed Assets” means all right, title and interest of the Treasury and the Lottery Division in, to and under those specific assets listed on Schedule III attached hereto, and all other assets and rights incidental or necessary to achieve the Contemplated Actions and convey the Lottery Enterprise.

“DOI” has the meaning set forth in the introductory paragraph.

“Effective Date” has the meaning set forth in the introductory paragraph.

“Effective Time” has the meaning set forth in the introductory paragraph.

“Encumbrance” means any mortgage, lien, judgment, execution, pledge, charge, security interest, restriction, easement, claim, trust, deemed trust or encumbrance of any nature whatsoever, whether arising by operation of Legal Requirements or otherwise created.

“Fund L” has the meaning set forth in Background.

“Governmental Authority” means any domestic office or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including without limitation any governmental authority, agency, department, board, commission, court, tribunal, judicial body or instrumentality of the United States or the State or any state, or any municipality, county, locality or other political subdivision of the United States, the State or any state.

“IP” or “Intellectual Property” means all trademarks or trade names (including applications) (whether common-law or registered) and their associated goodwill, copyrights (whether published or unpublished), trade secrets, know-how, and all other intellectual property rights of any kind relating to the Lottery Enterprise owned by or assigned to the Lottery Division, whether now existing or subsequently created.

“IP License” means a royalty-free, exclusive license with all substantial rights and the right to sublicense, by Fund L to the Lottery Division for the Term of the Intellectual Property transferred to Fund L pursuant to Section 2.5.

“Legal Requirement” means any federal, state, local, municipal or other administrative order, constitution, law, ordinance, principle of common law, regulation, or statute. Unless specified otherwise, references to a Legal Requirement are considered to be a reference to (i) the Legal Requirement as it may be amended from time to time, (ii) all regulations and rules pertaining to or promulgated pursuant to such Legal Requirement, and (iii) all future Legal Requirements pertaining to the same or similar subject matter.

“Lottery Division” means the Division of the State Lottery within Treasury.

“Lottery Enterprise” has the meaning set forth in Section 3 of the Act.

“Lottery Law” means P.L.1970, c.13 (C.5:9-1 et seq.), as such legislation may be amended, or supplemented by additional legislation from time to time.

“Lottery License” means a retailer license granted by the Lottery Division pursuant to section 5:9-7(a)(9) of the Lottery Law and regulations thereunder to sell lottery tickets and other lottery products in the State.

“Lottery Retailer” means a retailer location holding one or more Lottery Licenses.

“MOLC” has the meaning set forth in the introductory paragraph.

“Operations Account” has the meaning set forth in Section 6(c) of the Act.

“Ordinary Course of Business” means the ordinary course of business consistent with past custom and practice of the Lottery Enterprise.

“PERS” has the meaning set forth in the Background.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, any other business entity or a Governmental Authority.

“PFRS” has the meaning set forth in the Background.

“Proceeding” means any action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative, investigative, or informal) commenced, brought, conducted, or heard by or before, or otherwise involving any Governmental Authority or arbitrator.

“Retained Assets” has the meaning set forth in Section 3 of the Act, including the assets set forth on Schedule IV attached hereto.

“Retained Liabilities” has the meaning set forth in Section 3 of the Act, including all liabilities set forth on Schedule II attached hereto.

“Retirement System” or “Retirement Systems” means each of the following State governmental organizations: TPAF, PERS, and PFRS, and all of them collectively.

“Return Date” has the meaning set forth in Section 9.1(a).

“Return Transition Period” has the meaning set forth in Section 9.1(b).

“Shared Contract” has the meaning set forth in Section 2.3.

“State Contracts” means the agreements relating to the Lottery Enterprise, including the Assigned Contracts and Contract Rights, to which either the Treasury or the Lottery Division (or the Division of Purchase and Property on their behalf) is a party.

“State” has the meaning set forth in the introductory paragraph.

“Term” means the period commencing on the day following the Effective Date and expiring on the thirtieth (30th) anniversary of the Effective Date.

“TPAF” has the meaning set forth in the Background.

“Transition Period” has the meaning set forth in Section 8.1(a).

“Treasurer” has the meaning set forth in the introductory paragraph.

“Treasury” means the New Jersey Department of the Treasury.

1.2 Interpretation.

- (a) Number and Gender. In this MOLC words in the singular include the plural and vice versa and words in one gender include all genders.
- (b) Headings. The division of this MOLC into articles, sections and other subdivisions are for convenience of reference only and shall not affect the construction or interpretation of this MOLC. The headings in this MOLC are not intended to be full or precise descriptions of the text to which they refer and shall not be considered part of this MOLC.
- (c) Meaning of Notice. In this MOLC, the word “notice” means “written notice” unless specified otherwise.

ARTICLE 2

CONTRIBUTION OF LOTTERY ENTERPRISE; TRANSFER OF ASSETS

2.1 Lottery Contribution; Transfer of Assets; Liabilities.

- (a) Upon the terms and subject to the conditions of the Act and this MOLC, effective at the Effective Time, (i) the Treasurer hereby (1) contributes to Fund L the Lottery Enterprise, for and during the Term, and (2) assigns, transfers and otherwise conveys to Fund L the Contributed Assets, free and clear of all Encumbrances other than Assumed Liabilities for and during the Term, and (ii) the Director of the DOI acknowledges receipt of the contribution of the Lottery Enterprise and the assignment, transfer and conveyance of the Contributed Assets to Fund L, subject to the Assumed Liabilities, for and during the Term. Thereafter, during the Term, all assets, tangible and intangible, acquired in connection with the Lottery Enterprise shall be owned by Fund L.

- (b) Upon the terms and subject to the conditions of the Act and this MOLC, effective at the Effective Time, Fund L shall assume the liabilities and obligations which relate to the Lottery Enterprise and arise following the Effective Time and during the Term (collectively, the “Assumed Liabilities”) and thereafter Fund L shall discharge or perform, solely through its Operations Account, as and when due, the Assumed Liabilities.
- (c) The Assumed Liabilities shall not include, and the Treasury and the Lottery Division shall perform and discharge as and when due, any liabilities or obligations of the Treasury and the Lottery Division (i) with respect to the Treasury and the Lottery Division’s obligations under the Act and this MOLC, (ii) arising out of the operation of the Lottery Enterprise on or prior to the Effective Time, (iii) with respect to State Contracts that are not Assigned Contracts and Contract Rights, and (iv) any liability or obligation under any Assigned Contract and Contract Right to the extent such liability or obligation arises from or relates to any breach of such Assigned Contract and Contract Right by the Treasury and the Lottery Division prior to the Effective Date.
- (d) The Effective Date is June 30, 2017, the last day of the State’s 2017 fiscal year, and has been selected based upon important logistical, business, and accounting considerations.

2.2 Non-Assignable Assets. Notwithstanding anything set forth in this MOLC to the contrary, no Contributed Assets shall be deemed transferred or assigned to Fund L pursuant to this MOLC if the attempted transfer or assignment thereof to Fund L at the Effective Time, without the consent or approval of another Person, would currently be ineffective or constitute a material breach of any State Contract or a material violation of any Legal Requirement or would in any other way have a material adverse effect on the rights of the Treasury and the Lottery Division (or Fund L as assignee of such Contributed Assets) and such consent or approval (or waiver thereof) is not obtained on or prior to the Effective Time.

In each such case, to the extent possible, pending receipt of such consent or approval (a) the beneficial interest in or to such Contributed Assets (collectively, the “Beneficial Rights”) shall in any event pass as of the Effective Time to Fund L under this MOLC and the Treasury and the Lottery Division shall act for Fund L in receipt of any benefits, rights or interests received relating to the Beneficial Rights and (b) Fund L shall assume the liabilities of the Treasury and the Lottery Division related to such Contributed Assets (to the extent such liabilities are Assumed Liabilities hereunder) for the Treasury and the Lottery Division and, if applicable, DOI, on behalf of Fund L, shall discharge the liabilities of the Treasury and the Lottery Division related to such Contributed Assets (to the extent such liabilities are Assumed Liabilities hereunder) for the Treasury and the Lottery Division. The Treasury and the Lottery Division shall use reasonable efforts (and bear all costs and liabilities), to obtain or secure any and all consents or approvals that may be necessary to effect the legal and valid transfer or assignment of any such Contributed Assets underlying the Beneficial Rights. The Treasury and the Lottery Division shall make or complete such assignments and transfers as soon as reasonably practicable and cooperate with DOI and Fund L in any other reasonable arrangement designed to provide for Fund L the Beneficial Rights, for the account of Fund L, of any and all

rights of the Treasury and the Lottery Division against the other party to any State Contract included in such non-assignable Contributed Assets, and to provide for the discharge by Fund L of any liabilities under such Contributed Assets (to the extent such liabilities are Assumed Liabilities hereunder).

2.3 Shared Contract. If any State Contract is found to relate to the Lottery Enterprise, on the one hand, and the Retained Assets and Retained Liabilities, on the other hand (any such State Contract, a “Shared Contract”), then the parties understand and acknowledge that, after the Effective Date, and as promptly as practicable, the parties shall cooperate with each other, in all reasonable respects, to create and enter into an arrangement pursuant to which either (a) Fund L in the case of a Shared Contract that is not an Assigned Contract, or (b) the Treasury and the Lottery Division, in the case of a Shared Contract that is an Assigned Contract, may receive its share of the material rights and benefits and assume, discharge and indemnify for its proportionate share of the obligations under, such Shared Contract. Each of the parties understands and acknowledges that if it is not reasonable, appropriate or practical to create and enter into such arrangement, no party shall be liable to any other party pursuant to the terms of this Section 2.3.

2.4 Rights in Assigned Contracts and Contract Rights. To the extent an Assigned Contract and Contract Right relates to a liability not included within the Assumed Liabilities, DOI, on behalf of Fund L, will cooperate with the Treasury and the Lottery Division, in all reasonable respects, to create and enter into an arrangement pursuant to which the Treasury and the Lottery Division will receive substantially all of the material rights and benefits from such Assigned Contracts and Contract Rights with respect to such liability not included within the Assumed Liabilities. Fund L or DOI, on behalf of Fund L, as the case may be, shall not be required to make any material change to the Lottery Enterprise, expend any material funds or incur any other material burden, liability or loss in order to comply with its obligations set forth in this Section 2.4.

2.5 Transfer of Intellectual Property. Subject to the IP License and any existing licenses or sublicenses previously granted to third parties in the Intellectual Property, the Treasurer hereby conveys, transfers, assigns, and delivers to Fund L, absolutely for and during the Term, all right, title, and interest in the Intellectual Property, wherever and however arising, in connection therewith or otherwise pertaining thereto by applicable law of any jurisdiction, by international treaties and conventions in the United States and otherwise throughout the world, as listed in Schedule III, to be held and enjoyed by Fund L for its own use and enjoyment, and for the use and enjoyment of its licensees, including the rights to any and all royalties, fees, income, payments and other proceeds now or hereafter due or payable with respect to any and all of the foregoing, and any and all claims, with respect to any of the foregoing, for damages and injunctive relief for past, present and future infringement, dilution, misappropriation, violation, misuse, breach or default, with the right but no obligation to sue for such legal and equitable relief and to collect, or otherwise recover, any such damages, to be used as fully and entirely as such rights would have been held and enjoyed by the Treasury and the Lottery Division had this assignment not been made. The Treasury and the Lottery Division hereby represent and warrant to Fund L that they have the full right to convey the Intellectual Property herein assigned and that they have not executed, and will not execute, any agreement in conflict with this Section 2.5. The Treasury and the Lottery Division hereby will take such actions and execute such

documentation as may be required by any domestic or foreign intellectual property registrar or regulatory agency to transfer ownership of the Intellectual Property from the Treasury and the Lottery Division to Fund L. The Treasury and the Lottery Division hereby also will execute such further assignments and related documents with respect to the Intellectual Property as shall reasonably be required to effectively transfer ownership of the Intellectual Property. To the extent any of the Intellectual Property cannot presently be assigned under applicable law pursuant to this Section 2.5, the Treasury and the Lottery Division shall not sell, assign or transfer to any third party or register or use in any manner (except to take necessary steps to obtain registration of unassignable Intellectual Property) or otherwise dispute or challenge Fund L's registration or use of such unassignable Intellectual Property. In the event any such unassignable Intellectual Property subsequently become assignable, the Treasury and the Lottery Division shall promptly take all necessary action to assign such Intellectual Property to Fund L.

2.6 Bill of Transfer. At any time following the Effective Time and from time to time, the Treasury and the Lottery Division will do, execute, acknowledge and deliver, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably required in order to assign, transfer, set over, convey, assure and confirm unto and vest in Fund L, title to any tangible personal property obtained, used or usable in connection with the Lottery Enterprise. The Treasury and the Lottery Division make no representation or warranty with respect to any assets being contributed hereby except as specifically set forth in this MOLC.

2.7 Assignment. At any time following the Effective Time and from time to time, the Treasury and the Lottery Division will do, execute, acknowledge and deliver, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably required in order to assign, transfer, set over, convey, assure and confirm unto and vest in Fund L, any contracts or contract rights obtained, used or usable in connection with the Lottery Enterprise. The Treasury and the Lottery Division make no representation or warranty with respect to any assets being contributed hereby except as specifically set forth in this MOLC.

2.8 Intellectual Property to be Utilized in Furtherance of the Contribution. Intellectual Property listed on Schedule V is to be used in furtherance of the contribution of the Lottery Enterprise.

ARTICLE 3 NO CONSIDERATION

The Lottery Enterprise is being contributed to Fund L as a gratuitous transfer without consideration, for the public benefit and for the benefit of TPAF, PERS and PFRS.

ARTICLE 4 OPERATION OF THE LOTTERY ENTERPRISE

During the Term of the lottery contribution, the Lottery Enterprise shall be operated in accordance with the Act, the Lottery Law and other applicable Legal Requirements. Notwithstanding the foregoing, any function or responsibility of the Lottery Division may be performed for the Lottery Division by one or more vendors if so performed under the supervision

of the Lottery Division and in accordance with the terms and conditions of a written services agreement.

**ARTICLE 5
ALLOCATION**

The allocation of the Lottery Enterprise by Fund L for the entire Term to each of TPAF, PERS and PFRS shall be as set forth in Section 5(b) of the Act.

**ARTICLE 6
CONDITIONS TO DOI ACKNOWLEDGEMENT**

DOI's acknowledgment of the contribution of the Lottery Enterprise and this MOLC on behalf of Fund L is subject to the following:

- (a) no Proceeding shall be pending before any Governmental Authority wherein an unfavorable injunction, judgment, order, decree, ruling, or charge would (i) prevent consummation of any of the Contemplated Actions, (ii) cause any of the Contemplated Actions to be rescinded following consummation (and no such injunction, judgment order, decree, ruling, or charge shall be in effect), or (iii) adversely affect the right of Fund L to own the Lottery Enterprise and/or the Contributed Assets (and no such injunction, judgment, order, decree, ruling, or charge shall be in effect);
- (b) The Treasury shall have executed and delivered to Fund L this MOLC; and
- (c) The Effective Date is on or before December 31, 2017.

**ARTICLE 7
CONDITIONS TO THE TREASURER'S CONTRIBUTION**

The Treasurer's contribution of the Lottery Enterprise is subject to the following:

- (a) no Proceeding shall be pending before any Governmental Authority wherein an unfavorable injunction, judgment, order, decree, ruling, or charge would (i) prevent consummation of any of the Contemplated Transactions, (ii) cause any of the Contemplated Transactions to be rescinded following consummation (and no such injunction, judgment order, decree, ruling, or charge shall be in effect), or (iii) adversely affect the right of Fund L to own the Lottery Enterprise and/or the Contributed Assets and to operate the Lottery Enterprise (and no such injunction, judgment, order, decree, ruling, or charge shall be in effect);
- (b) DOI shall have acknowledged receipt of the contribution and this MOLC; and
- (c) The Effective Date is on or before December 31, 2017.

ARTICLE 8
TRANSITION PERIOD AND PROCEDURES; UNDERTAKINGS FOLLOWING THE
EFFECTIVE DATE

8.1 Transition Period and Procedures.

- (a) To avoid disruptions in the smooth operation of the Lottery Enterprise, the Lottery Division may for a period of up to 180 days following the Effective Date (the "Transition Period"), continue to use its current accounts as the repository of proceeds and the payment of expenses. As soon as practicable following the Effective Date and prior to the end of the Transition Period, the Lottery Division shall transition to utilizing the Operations Account as the repository of proceeds and the payment of expenses. On or prior to the end of the Transition Period, all funds in the current accounts that are properly allocable to the period following the Effective Date (pursuant to paragraph (b)) shall be transferred to the Operations Account.
- (b) During the Transition Period, the Lottery Division shall determine which assets, liabilities, proceeds and expenses are properly allocable to the period ending on the Effective Time on the Effective Date and are therefore for the account of the Treasury, and which assets, liabilities, proceeds and expenses are properly allocable to the period following the Effective Date and are therefore for the account of Fund L.
- (c) Notwithstanding paragraphs (a) and (b), as of the Effective Time on the Effective Date, the Lottery Enterprise shall be contributed to Fund L and Fund L shall thereafter for the Term be entitled to all net proceeds thereof.
- (d) During the Transition Period, the Lottery Division shall fully cooperate with the DOI and Fund L to ensure the orderly transition of the Lottery Enterprise and the Contributed Assets to Fund L on the Effective Date, including, but not limited to, timely payment of all costs, expenses and amounts incurred in connection with the Lottery Enterprise.

8.2 Affirmative Undertakings.

- (a) General. If at any time after the Effective Time any further actions are necessary to carry out the purposes of this MOLC, each of the Treasurer, the Director of the DOI, and the Lottery Division, as applicable, will take such further actions (including the execution and delivery of such further instruments and documents) necessary to effectuate the lottery contribution.
- (b) Remittance of Misdirected Payments.
 - (i) If Fund L receives a payment that relates to the operation of the Lottery Enterprise at any time prior to the Effective Time, such payment shall be the sole property of the Treasury and the Lottery Division and not Fund L, and the Director of the DOI shall cause Fund L shall remit such

payment(s) to the Lottery Division no later than 30 days after the receipt of such payment.

- (ii) If the Treasury or Lottery Division receives a payment that relates to the operation of the Lottery Enterprise or the Contributed Assets at any time on or after the Effective Time, such payment shall be the sole property of Fund L and not the Treasury or the Lottery Division, and such recipient shall deliver such payment(s) to Fund L within 30 days after receipt of such payment.
- (c) Effective Time Books and Records. Following the Effective Date, the Lottery Division shall cooperate in supplementing and revising the Schedules to this MOLC to properly reflect the actual assets and liabilities of the Lottery Enterprise as of the Effective Time.

ARTICLE 9 EXPIRATION; RETURN OF THE LOTTERY ENTERPRISE

9.1 Expiration and Return of the Lottery Enterprise. Upon expiration of the Term, the following shall occur:

- (a) On the expiration date (the “Return Date”), DOI shall cause Fund L to surrender, deliver, assign and transfer to the Lottery Division the Lottery Enterprise and the assets of the Lottery Enterprise, as they exist on the Return Date, free and clear of any Encumbrances other than liabilities being assumed, as they exist on the Return Date, without the payment of any consideration by the Treasury and the Lottery Division. DOI shall cause Fund L to assign to the Treasury and the Lottery Division all of Fund L’s right, title and interest in, to and under all or any contracts related to the Lottery Enterprise and the Contributed Assets that are effective as of the Return Date. DOI shall promptly deliver to the Treasury and the Lottery Division all records, information and other documents or instruments related to the Lottery Enterprise and the Contributed Assets that are then in the possession of DOI. DOI shall cooperate with the Treasury and the Lottery Division to ensure the orderly transition of the Lottery Enterprise and the Contributed Assets back to the Treasury and the Lottery Division on the Return Date, including providing the Treasury and the Lottery Division with access to all relevant information and documentation requested by the Treasury or the Lottery Division and executing and delivering any document, instrument or certificate the Treasury or the Lottery Division deem necessary to effect the foregoing.
- (b) To avoid disruptions in the smooth operation of the Lottery Enterprise, the Lottery Division may for a period of up to 180 days following the Return Date (the “Return Transition Period”), continue to use the Operations Account as the repository of proceeds and the payment of expenses. As soon as practicable following the Return Date and prior to the end of the Return Transition Period, the Lottery Division shall transition to utilizing an account specified by the Lottery Division as the repository of proceeds and the payment of expenses. On or

prior to the end of the Return Transition Period, all funds in the Operations Accounts that are properly allocable to the period following the Return Date (pursuant to paragraph (c)) shall be transferred to the account specified by the Lottery Division.

- (c) During the Return Transition Period, the Lottery Division shall determine which assets, liabilities, proceeds and expenses are properly allocable to the period ending prior to the Return Date and are therefore for the account of Fund L, and which assets, liabilities, proceeds and expenses are properly allocable to the period starting on and following the Return Date and are therefore for the account of the State.
- (d) Consistent with this Section 9.1:
 - (i) The Lottery Division shall, on the Return Date, assume full responsibility for the operation of the Lottery Enterprise, including, but not limited to, timely payment of all costs, expenses and amounts incurred in connection with the Lottery Enterprise.
 - (ii) Fund L shall be liable for all liabilities, costs, expenses and other amounts for which it is liable or responsible hereunder incurred up to and including the Return Date which were not paid as of the Return Date. The Treasury and the Lottery Division shall be liable for all liabilities, costs, expenses and amounts incurred in connection with the Lottery Enterprise after the Return Date.
 - (iii) The Lottery Division, as the manager of the Operations Account, may take such reasonable actions as it deems desirable in anticipation of the Return Date so as to minimize disruptions in the operation of the Lottery Enterprise and payments from the Operations Account to an account maintained by the Lottery Division.
 - (iv) Notwithstanding anything to the contrary in Article IX, in no event may funds be transferred from the Operations Account to an account maintained by the Lottery Division if such funds are or may be considered funds belonging to Fund L and the Retirement Systems.
 - (v) Provisions similar to Sections 2.5, 2.6, 2.7, 2.8 and 8.2 shall apply.

This Section 9.1 shall survive the expiration or any earlier expiration of this MOLC.

ARTICLE 10 MISCELLANEOUS

10.1 No Third-Party Beneficiaries. This MOLC shall not confer any rights or remedies upon any Person other than the Treasury, DOI, Lottery Division, and Fund L, and their respective successors and permitted assigns.

10.2 Counterparts. This MOLC may be executed and/or acknowledged in one or more counterparts (including by means of facsimile or electronic mail), each of which shall be deemed an original but all of which together will constitute one and the same instrument.

10.3 Notices. All notices, requests, and other communications hereunder shall be in writing. Any notice, request, or other communication hereunder shall be deemed duly given (a) when delivered personally to the recipient, (b) one Business Day after being sent to the recipient by reputable overnight courier service (charges prepaid), (c) one Business Day after being sent to the recipient by facsimile transmission or electronic mail, or (d) four Business Days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below:

If to the Department of the Treasury:
New Jersey Department of the Treasury
P.O. Box 002
125 W. State Street
Trenton, New Jersey 08625-0002
Attn: Treasurer

If to Fund L or DOI:

New Jersey Division of Investment
P.O. Box 290
50 West State Street, Ninth Floor
Trenton, New Jersey 08608-0290
Attn: Director

The Treasurer or Director of the DOI may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other parties' notice in the manner herein set forth.

10.4 Governing Law. This MOLC shall be governed by and construed in accordance with the domestic laws of the State without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than the State.

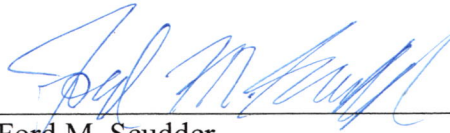
10.5 Amendments and Waivers. No amendment of any provision of this MOLC shall be valid unless the same shall be in writing.

10.6 Severability. Any term or provision of this MOLC that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

10.7 Incorporation of Schedules. The Schedules identified in this MOLC are incorporated herein by reference and made a part hereof.

IN WITNESS WHEREOF, the Treasurer has executed and delivered this MOLC as of the Effective Date, and the Director of DOI has acknowledged the lottery contribution to Fund L and this MOLC as of the Effective Date.


TREASURER, STATE OF NEW JERSEY



Ford M. Scudder

ACKNOWLEDGED:

**NEW JERSEY DEPARTMENT OF THE TREASURY,
DIVISION OF INVESTMENT**



Christopher McDonough,

Director

SCHEDULE I
Assigned Contracts and Contract Rights

None.

SCHEDULE II
Retained Liabilities


All liabilities set forth in the State of New Jersey, Department of the Treasury, Division of the State Lottery's independently audited Financial Statements and Supplemental Information dated as of June 30, 2017, including, but not limited to, the liabilities disclosed within the Statements of Net Position contained therein.

SCHEDULE III
Contributed Assets

1. All registered and unregistered trademarks and their associated goodwill, copyrights, logos, tradenames and similar property, as more fully identified on Schedule III.1.

**SCHEDULE III.1
Intellectual Property**

Word Mark	GIVE YOUR DREAMS A CHANCE
Good and Services	IC 041. US 100 101 107. G & S: Lottery services. FIRST USE: 20050323. FIRST USE IN COMMERCE: 20050323
Standard Characters Claimed	
Mark Drawing Code	(4) STANDARD CHARACTER MARK
Serial Number	78596319
Filing Date	March 28, 2005
Current Basis	1A
Original Filing Basis	1A
Published for Opposition	December 20, 2005
Registration Number	3068231
Registration Date	March 14, 2006
Owner	(REGISTRANT) New Jersey State Lottery CORPORATION NEW JERSEY Brunswick A venue Circle One Lawrence Park Complex Lawrenceville NEW JERSEY 08648 (LAST LISTED OWNER) STATE OF NEW JERSEY , DIVISION OF THE STATE LOTTERY DIVISION OF THE STATE GOVERNMENT OF NEW JERSEY NEW JERSEY BRUNSWICK A VENUE CIRCLE LAWRENCEVILLE NEW JERSEY 08648
Assignment Recorded	ASSIGNMENT RECORDED
Attorney of Record	Darren B. Cohen
Type of Mark	SERVICE MARK
Register	PRINCIPAL
Affidavit Text	SECT 15. SECT 8 (6-YR).
Live/Dead Indicator	LIVE
Word Mark	PICK SIX LOTTO

Goods and Services	IC 041. US 100 101 107. G & S: Lottery services. FIRST USE: 20000901. FIRST USE IN COMMERCE: 20000901
Mark Drawing Code	(3) DESIGN PLUS WORDS LETTERS AND/OR NUMBERS
Design Search	05.03.07- Clover, four-leaf
Code	26.01 .02 - Circles, plain single line; Plain single line circles
Serial Number	76300789
Filing Date	August 15, 2001
Current Basis	1A
Original Filing Basis	1A
Published for Opposition	November 12, 2002
Registration Number	2682705
Registration Date	February 4, 2003
Owner	(REGISTRANT) New Jersey State Lottery CORPORATION NEW JERSEY One Lawrence Park Complex Brunswick A venue Circle Lawrenceville NEW JERSEY 08648 (LAST LISTED OWNER) STATE OF NEW JERSEY , DIVISION OF THE STATE LOTTERY DIVISION OF THE STATE GOVERNMENT OF NEW JERSEY NEW JERSEY BRUNSWICK A VENUE CIRCLE ONE LAWRENCE PARK COMPLEX LAWRENCEVILLE NEW JERSEY 08648
Assignment Recorded	ASSIGNMENT RECORDED
Attorney of Record	Lawrence D. Bradley
Disclaimer	NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "LOTTO" APART FROM THE MARK AS SHOWN
Type of Mark	SERVICE MARK
Register	PRINCIPAL
Affidavit Text	SECT 15. SECT 8 (6-YR).
Live/Dead Indicator	LIVE
Word Mark	
Good and Services	IC 041. US 100 101 107. G & S: Lottery services. FIRST USE:

	19950701. FIRST USE IN COMMERCE: 19950701
Mark Drawing Code	(2) DESIGN ONLY
Design Search Code	01.17.11 -Maps of states of the United States, excluding Texas 05.03.07 - Clover, four-leaf 26.01.02- Circles, plain single line; Plain single line circles
Serial Number	76488045
Filing Date	February 7, 2003
Current Basis	1A
Original Filing Basis	1A
Published for Opposition	September 30, 2003
Registration Number	2797284
Registration Date	December 23, 2003
Owner	(REGISTRANT) New Jersey State Lottery CORPORATION NEW JERSEY One Lawrence Park Complex Brunswick A venue Circle Lawrenceville NEW JERSEY 08648 (LAST LISTED OWNER) STATE OF NEW JERSEY , DIVISION OF THE STATE LOTTERY DIVISION OF THE STATE GOVERNMENT OF NEW JERSEY NEW JERSEY BRUNSWICK A VENUE CIRCLE ONE LAWRENCE PARK COMPLEX LAWRENCEVILLE NEW JERSEY 08648
Assignment Recorded	ASSIGNMENT RECORDED
Attorney of Record	Stephen J. jeffires
Disclaimer	O CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE the representation of the outline of the state ofNew Jersey APART FROM THE MARK AS SHOWN
Type of Mark	SERVICE MARK
Register	PRINCIPAL
Affidavit Text	ECT 15. SECT 8 (6-YR).
Live/Dead Indicator	LIVE

Word Mark	NEW JERSEY LOTTERY
Good and Services	IC 041 . US 100 101 107. G & S: Lottery services. FIRST USE: 19700000. FIRST USE IN COMMERCE: 19700000
Standard Characters Claimed	
Mark Drawing Code	(4) STANDARD CHARACTER MARK
Serial Number	76712022
Filing Date	July 23, 2012
Current Basis	1A
Original Filing Basis	1A
Published for Opposition	January 1, 2013
Registration Number	4303115
Registration Date	March 19, 2013
Owner	(REGISTRANT) State Of New Jersey, Division of the State Lottery DIVISION OF THE STATE GOVERNMENT OF NEW JERSEY NEW JERSEY One Lawrence Park Complex Brunswick Avenue Circle Lawrenceville NEW JERSEY 08648
Attorney of Record	Stephen J. Jeffries
Disclaimer	NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "LOTTERY" APART FROM THE MARK AS SHOWN
Type of Mark	SERVICE MARK
Register	PRINCIPAL-2(F)
Live/Dead Indicator	LIVE



Word Mark	PICK3
Goods and Services	IC 041. US 100 101107. G & S: Lottery services. FIRST USE: 19870200. FIRST USE IN COMMERCE: 19870200
Mark Drawing Code	(3) DESIGN PLUS WORDS, LETTERS, AND/OR NUMBERS
Design Search Code	01.17.11 - Maps of states of the United States, excluding Texas 05.03.07 - Clover, four-leaf 21.03.01 -Balls including playground balls, beach balls, billiard balls, tennis balls, bingo balls and lottery balls; Beach balls; Billiard balls; Bingo balls; Lottery balls; Paddle balls; Playground balls; Table tennis balls; Tennis balls
Serial Number	76712023
Filing Date	July 23, 2012
Current Basis	1A
Original Filing Basis	1A
Published for Opposition	January 1, 2013
Registration Number	4303116
Registration Date	March 19, 2013
Owner	(REGISTRANT) State Of New Jersey, Division of the State Lottery DIVISION OF THE STATE GOVERNMENT OF NEW JERSEY NEW JERSEY One Lawrence Park Complex Brunswick Avenue Circle Lawrenceville NEW JERSEY 08648
Attorney of Record	Stephen J. Jeffries
Disclaimer	NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE THE WORD AND NUMERAL PICK 3 APART FROM THE MARK AS SHOWN
Description of Mark	The color(s) green, yellow, white and dark gray is/are claimed as a feature of the mark. The mark consists of the word and numeral "PICK 3" in a design form. The word and numeral "PICK 3" are green, outlined in yellow, then outlined in green. Inside the "3" is a white ball with a shadow of the ball in a darker shade of green on the

	right and dark gray shadowing inside the ball on the left. Inside the ball is a green shamrock with a white outline of the State of New Jersey
Type of Mark	SERVICE MARK
Register	PRINCIPAL-2(F)-IN PART
Live/Dead Indicator	LIVE
Distinctiveness Limitation Statement	as to the representation of the State of New Jersey



Word Mark	PICK4
Goods and Services	IC 041 . US 100 101 107. G & S: Lottery services. FIRST USE: 19770600. FIRST USE IN COMMERCE: 19770600
Mark Drawing Code	(3) DESIGN PLUS WORDS, LETTERS, AND/OR NUMBERS
Design Search Code	01 .17.11 -Maps of states of the United States, excluding Texas 05.03.07 - Clover, four-leaf 21.03.01 -Balls including playground balls, beach balls, billiard balls, tennis balls, bingo balls and lottery balls; Beach balls; Billiard balls; Bingo balls; Lottery balls; Paddle balls; Playground balls; Table tennis balls; Tennis balls
Serial Number	76712021
Filing Date	July 23, 2012
Current Basis	1A
Original Filing Basis	1A
Published for Opposition	January 1, 2013
Registration Number	4303114
Registration Date	March 19, 2013
Owner	(REGISTRANT) State Of New Jersey, Division of the State Lottery DIVISION OF THE STATE GOVERNMENT OF NEW JERSEY NEW JERSEY One Lawrence Park Complex Brunswick Avenue Circle Lawrenceville NEW JERSEY 08648
Attorney of Record	Stephen J. Jeffries
Disclaimer	NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE THE WORD AND NUMERAL PICK 4 APART FROM THE MARK AS SHOWN
Description of Mark	The color(s) red, white, yellow, green and dark gray is/are claimed as a feature of the mark. The mark consists of the word and numeral "PICK 4" in a design form. The word and numeral "PICK 4" are red with a yellow outline then a red outline. Inside the "4" is a white ball

	with a darker red shadow to the lower right and dark gray shadowing inside the ball to the left. Inside the ball is a green shamrock with a white outline of the State of New Jersey.
Type of Mark	SERVICE MARK
Register	PRINCIPAL-2(F)-IN PART
Live/Dead Indicator	LIVE
Distinctiveness Limitation Statement	as to the representation of the State

SCHEDULE IV
Retained Assets

All assets set forth in the State of New Jersey, Department of the Treasury, Division of the State Lottery's independently audited Financial Statements and Supplemental Information dated as of June 30, 2017, including, but not limited to, the assets disclosed within the Statements of Net Position contained therein.

SCHEDULE V
IP to be Utilized in Furtherance of Contribution

All IP granted to the Division of the State Lottery pursuant to or in connection with Section 8 of the Services Agreement by and among the New Jersey Department of the Treasury, Division of Purchase and Property, on behalf of the State of New Jersey, the New Jersey Department of the Treasury, Division of State Lottery and Northstar New Jersey Lottery Group, LLC, dated as of June 20, 2013, as amended (the "Services Agreement"), will, during the term of the Services Agreement, be utilized by the Division of the State Lottery on behalf of Fund L.