

AGENDA
KANSAS LOTTERY GAMING FACILITY REVIEW BOARD
9 am, Tuesday, September 15, 2009
Kansas City Kansas Community College Theatre
7250 State Ave, Kansas City, Kansas

A. CALL TO ORDER

B. APPROVAL OF THE AGENDA

C. BOARD ITEMS

1. Request 60-day extension from the governor for the south central and northeast gaming zones

Staff Presentation: Jay Hall
Attached: Staff Memo

2. Regarding the proposed management contract between Penn Hollywood Kansas and the Kansas Lottery Commission for the northeast gaming zone
 - a. Presentation by Kansas Lottery Commission (30 minutes)
 - b. Presentation by Penn Hollywood Kansas (75 minutes)
 - c. Presentation by the Unified Government, the endorsing authority for the proposal (15 minutes)

The board reserves the right to question each entity without any time limitation.

3. Regarding the proposed management contract between Kansas Entertainment LLC and the Kansas Lottery Commission for the northeast gaming zone
 - a. Presentation by Kansas Lottery Commission (30 minutes)
 - b. Presentation by Kansas Entertainment LLC (75 minutes)
 - c. Presentation by the Unified Government, the endorsing authority for the proposal (15 minutes)

The board reserves the right to question each entity without any time limitation.

D. PUBLIC COMMENTS (90 minutes)

Persons interested in making comments to the board may do so during this time. Those speaking must provide their name, address and, if affiliated with a specific group, identify that group. They also will be asked on behalf of which proposal or proposals they wish to speak or if they are making general comments. Each person will have two minutes to address the board.

E. OTHER MOTIONS

- F. STAFF REPORTS
 - 1. Executive Director
 - 2. Director of Administration

G. ADJOURNMENT

Kansas Lottery Gaming Facility Review Board

STAFF AGENDA MEMORANDUM

DATE OF MEETING: September 15, 2009

AGENDA ITEM: Request 60-day extension from the governor for the south central and northeast gaming zones

PRESENTER: Jay Hall, Review Board Liaison

ISSUE SUMMARY: The Expanded Lottery Act gives the Lottery Gaming Facility Review Board 60 days within which to make its determination regarding the “best possible contract” in each gaming zone. K.S.A. 74-8736(f) That 60-day clock began August 29 for the northeast and south central zones. The Review Board has agreed to a schedule with the understanding that it would request the statutorily allowed extension from the governor. This request is to formalize that intent.

BOARD ACTION REQUESTED/REQUIRED:

Authorize the executive director to request an extension from the governor in accordance with K.S.A. 8736(f).

**EXECUTIVE SUMMARY FOR
PENN HOLLYWOOD KANSAS, INC.
GAMING ZONE: Northeast**

- 1. NAME OF FACILITY:** Hollywood Casino Kansas City
- 2. NAME OF MANAGER:** Penn Hollywood Kansas, Inc.
- 3. PRINCIPALS/OWNERS/PARENT COMPANY:** Penn Hollywood Kansas, Inc. is 100% owned by Delvest Corp., which in turn is 100% owned by publicly traded Penn National Gaming, Inc. (Nasdaq – PENN).
- 4. CLASS III GAMING EXPERIENCE:** Parent company (Penn National Gaming, Inc.) has operated Class III gaming casinos since 1997. It currently owns or operates 19 casinos and/or parimutuel racetrack facilities in 15 different jurisdictions.
- 5. LOCATION OF CASINO (City or County and general description of location):**
Southeast corner of I-435 and Parallel Parkway in Kansas City, Wyandotte County, Kansas with an address of 9955 Parallel Parkway.
- 6. INVESTMENT IN INFRASTRUCTURE (NOT INCL. PRIVILEGE FEE):**
Phase 1 - \$385 Million
Phase 2 - \$154 Million
Total - \$539 Million

Third party financing is not anticipated for this project. Within ten days following selection by the Lottery Gaming Facility Review Board, the parent of Penn Hollywood Kansas, Inc. shall cause to be deposited in a construction account cash in a net amount necessary to fully fund the initial construction costs of Phase I of the project.

- 7. DESCRIPTION AND TIMING OF PHASED-IN DEVELOPMENT(S), IF ANY:**
Phase 1 – At minimum, the project will include a Las Vegas style casino, restaurants, meeting space, structured parking and hotel (see Item 15 below for more detail). Phase 1 construction is expected to start upon final award of Lottery Gaming Facility Manager Contract and is expected to be operational well within 24 months. However, subject to the terms of the management contract, and within 18 months from the entire Lottery Gaming Facility achieving an average win per slot unit of \$300 per day for a trailing 12 month period, Penn Hollywood Kansas, Inc. will construct and open an expansion costing no less than \$65 million. The terms and conditions of this early expansion are more fully set forth in the attachment hereto.

Phase 2 – Currently planned to include expansions to the hotel, gaming areas, restaurants, and parking, and the construction of a large multipurpose entertainment/convention facility (see Item 15 below for more detail). Construction of Phase 2 is expected to take between 15 and 18 months to complete.

- 8. RESOLUTION OF ENDORSEMENT OBTAINED?**
Yes, by the Unified Government of Wyandotte County and Kansas City, KS

9. PLANNING AND ZONING APPROVED?

Yes, by the Unified Government of Wyandotte County and Kansas City, KS

10. THEME OF FACILITY, IF ANY: Hollywood theme from its golden age to the present. The resort will utilize art deco architecture/interior elements, Hollywood imagery and movie memorabilia.

11. NUMBER OF SLOT MACHINES:

Phase 1 – 2,540

Phase 2 – Up to 3,040 in total at full build-out

12. AVERAGE NET MACHINE INCOME PER DAY ESTIMATED BY APPLICANT:

\$243 the first year, \$291 the second, \$340 the third, \$295 the fourth, and \$323 the fifth. Note: Win per unit is expected to decrease as more machines are added to the floor between years three and four.

13. NUMBER OF TABLE GAMES:

Phase 1: 80

14. AVERAGE NET TABLE INCOME PER DAY ESTIMATED BY APPLICANT: \$921/table the first year, \$1,104/table the second, \$1,291/table the third, \$1,031/table the fourth, and \$1,129/table the fifth. Note: This applicant used an income per table figure (as opposed to income per position).

15. ANCILLARY FACILITIES/AMENITIES:

Phase 1 – The facility will include:

- a. 250-room hotel that includes 12 luxury suites.
- b. Hotel will include a 2,242 square foot spa and fitness center.
- c. Gaming floor with 2,540 slots in denominations ranging from 1 cent up to \$100.
- d. 80 table games to include a range of games, from casino classics such as blackjack, craps, roulette and baccarat to the newer house banked poker games and poker games such as Texas Hold-em.
- e. Restaurant and lounge options that can accommodate over 700 people and that run the dining gamut from a quick snack or drink to a full seven course meal:
 - i. Signature steakhouse offering gourmet meals and seats for 130 people.
 - ii. Epic Buffet with 350 seat setting. Cuisine offerings are changed daily.
 - iii. Kansas Grille will be a quick, moderately priced meal facility with extended hours and seating for 24.
 - iv. Hollywood on the Roof Lounge with seating for up to 150 people, will feature live acts and Audio/Visual entertainment on an IMAX-type immersion dome.

- v. VIP Lounge with seating for 75.
- vi. Additional 7,500 square feet of Food & Beverage (to be determined)
- f. Multi-level parking garage that can accommodate up to 2,400 cars with additional surface parking for up to 2,050 vehicles that includes 50 spaces for RVs, buses and semi-trucks.
- g. 5,000 square feet of meeting/conference space and pre-function area.

Phase 2 - Applicant anticipates that the \$154 million phase two plan for the resort complex will build on phase one and is currently planned to include the following resort enhancements:

- a. Up to 60,000 square feet retail and multipurpose facility that can be arranged to accommodate conventions, meetings, entertainment and local community events such as banquets and dinners with the requisite food and beverage capabilities.
- b. A hotel expansion with up to 250 rooms and other hotel amenities to bring the total rooms available to 500.
- c. Additional Food & Beverage expansion of up to 7,500 square feet.
- d. Additional parking as needed based on demand.
- e. Back of house expansion as necessary to accommodate phase two amenities.

16. ESTIMATED NUMBER OF TOURISTS PER YEAR:

Applicant expects approximately 8,600,000 visitors per year, approximately 15% of which they expect to be "tourists".

17. ESTIMATED EMPLOYEES (FTE's at gaming enterprise itself): Approximately 1,300 at opening and estimated to grow to approximately 2,000 in five years.

18. PROJECTED DATE TO OPEN FACILITY: Within 24 months or less from the date of the final award of Lottery Gaming Facility Manager Contract.

19. DOES APPLICANT PLAN TO OPEN A TEMPORARY FACILITY, AND IF SO, WHEN?

No.

Instructions to Proposers

- 1 Proposers are required, at the minimum, to submit information requested in the accompanying Worksheets, in the format provided. The Pro Forma worksheet follows the general format of the Nevada Gaming Abstracts and NGC-17 Filings for the State of Nevada.
- 2 Proposers are allowed to supplement the mandatory submissions with additional information and references to their original submissions to th Lottery Commission.
- 3 Proposals shall provide projected information for 5 complete calendar years following opening, starting from the projected calendar date of opening.
- 4 All data and information provided shall be supported with material assumptions upon which the projections are based, as well as any documentary evidence, publications or studies that could support the assumptions
- 5 When consolidated and totalled, the respective values in the various Worksheets should be internally consistent.
- 6 Instructions and notes which are specific to the worksheets are contained within the relevant worksheets themselves

Glossary of Terms	
Terms	Definition
Resident Gaming Visitors	This refers to residents within a 100-mile radius of the Lottery Gaming Facility (LGF) who visit the LGF and gamble. This represents the proposer's view of the total number of resident gambling visitors will have over the period under consideration
Resident Non-Gaming Visitors	This refers to residents within a 100-mile radius of the site who visit the LGF and do not gamble. This represents the proposer's view of the total number of resident non-gambling visitors will have over the period under consideration
Tourist Gaming Visitors	This refers to visitors who reside outside a 100-mile radius of the LGF who visit the LGF and gamble. This represents the proposer's view of the total number of tourist gambling visitors over the period under consideration
Tourist Non-Gaming Visitors	This refers to visitors who reside outside a 100-mile radius of the LGF who visit the LGF and do not gamble. This represents the proposer's view of the total number of tourist non-gambling visitors over the period under consideration
Visit per Resident Ratio	The number of times a resident visits the LGF on a per year basis
Additional length of stay	The additional number of days that a tourist visitor stays in the region (within a 100-mile radius) because of the LGF
Market Penetration Rate	Percentage of total adult resident population that is likely to visit the LGF (on a head-count basis)
Per Diem Gaming Resident	The expenditure of a Gaming Resident visitor on a per day basis
Per Diem Non-Gaming Resident	The expenditure of a Non-Gaming Resident visitor on a per day basis
Per Diem Gaming Tourist	The expenditure of a Gaming Tourist visitor on a per day basis
Per Diem Non-Gaming Tourist	The expenditure of a Non-Gaming Tourist visitor on a per day basis
Leisure Hotel Guest	A hotel guest whose primary motivation for staying at the hotel is leisure, vacation, or holiday
Business Hotel Guest	A hotel guest whose primary motivation for staying at the hotel is business, convention, or other commercial pursuits

TIMELINE OF PROJECT		
Proposed Casino Name: Hollywood Casino Kansas	Kansas City, Wyandotte County - SW Quad 98th Street and Parallel Parkway	
	DATE	COMMENTS OR DESCRIPTIONS
Estimated date of awarding of License	2-Dec-09	
Estimated date for approval of all building plans and variances	See comments this item and next	The local Unified Government granted Special Use Permit # SP-09402-00024 for the project on June 4, 2009. Other permits: Because of the 'fast-track' nature of the project, design packages will be submitted to all necessary reviewing agencies for permitting as they are completed. These will include site mitigation issues, construction erosion control and rough grading, site utilities, building foundations, building shell packages, and offsite improvements. This will culminate with a package of documents permitted for building construction on or about April 1, 2010. (The hotel may be permitted separately.) Other permits will be obtained as required beyond this date for interior build-out packages and related designs, the parking garage and other elements.
Estimated date for Ground-breaking	4-Jan-10	Consistent with the fast-track comments above, we anticipate receipt of a land disturbance and grading permit by January 4, 2010 to begin clearing the site.
If project is to be phased, please describe the phases		The first portion of Phase 1 (the 345 MM initial investment) will be completed within 24 months of license. The 65MM expansion will be completed within 18 months of its commencement as set forth in the Lottery Gaming Facility Management agreement.
Completion date for Phase 1	2-Dec-11	see comments above
Completion date for Phase 2	see comments	see comments above
If project is going to involve a temporary gaming facility, please note estimated date of opening of the temporary and the permanent facility	N/A	
Estimated Opening Date for temporary facility	N/A	
Estimated Opening Date for permanent facility	2-Dec-11	

DESCRIPTION OF CASINO AND OTHER PHYSICAL FACILITIES			
	Quantity	Units of Measure	COMMENTS
CASINO			
Square footage	97,800	SF	
Number of slot machines	2,540	EA	
Number of table games	72	EA	
Types of table games offered:			
Blackjack	40	#	
Craps	8	#	
Roulette	6	#	
Pai Gow Poker	4	#	
Other tables	14	#	Includes Baccarat, Let It Ride, Caribbean Stud and others
Poker	8	EA	8 table poker room offering "Texas Hold-Em" and other popular games
Other gaming offerings (specify):			
HOTEL			
Total square footage of public areas	154,271	SF	Excludes housekeeping, storage, engineering, mechanical, etc.
Number of standard rooms	238	EA	238 Standard rooms
Number of premium rooms	12	EA	12 Luxury Suites
Square footage of standard room	392	SF	
Square footage of premium room (average)	849	SF	
DESCRIPTION			
Amenities in standard rooms (specify):			High quality finishes and furnishings, 42" flat panel TVs, wireless internet
Additional amenities in premium rooms (specify):			Spacious multi-bay, higher level of finish, larger luxurious bathrooms, wet bar, game table
Additional amenities in public areas (specify):			Health Spa with treatment rooms and exercise facility similar to Argosy Riverside
Adjacent meeting / banquet space (3 breakout rooms)			

RESTAURANTS						
Number of restaurants and eating outlets		3	EA			
Specify theme, avg daily covers, and avg spend per cover of each restaurant:		SQUARE FOOTAGE	SEATING CAPACITY	THEME	Covers	Avg Spend per cover
Restaurant #1		8,750	350	"Epic Buffet", featuring a broad range of menu items, salad bar, dessert bar, carving station	1,644	15
Restaurant #2		2,743	130	"Final Cut" Steakhouse with private dining room and bar	137	50
Restaurant #3		600	24	"Creamery" coffee and pastry shop	685	5
Restaurant #4		3,750	150	Future expansion theme TBD	274	20
Restaurant #5		3,750	150	Future expansion theme TBD	205	35
Restaurant #6						
Restaurant #7						
BARS AND LOUNGES						
Number of bars and lounges		2	EA			
Specify theme & size of each bar		SQUARE FOOTAGE	SEATING CAPACITY	THEME		
Bar #1		2,625	150	"Hollywood on the Roof" bar and multi-media entertainment lounge		
Bar #2		1,500	75	VIP lounge exclusive for top rated players		
Bar #3						
Bar #4						
Bar #5						
Bar #6						
Bar #7						

ENTERTAINMENT VENUES				
Number of Entertainment Venues		1	EA	
Describe and note size of each venue		SQUARE FOOTAGE	SEATING CAPACITY	DESCRIPTION
Venue #1		2,625	150	"Hollywood on the Roof" bar and multi-media entertainment lounge
Venue #2				
Venue #3				
Venue #4				
Venue #5				
EVENT VENUES				
Number of Event Venues		2	EA	
Describe and note size of each venue		SQUARE FOOTAGE	SEATING CAPACITY	DESCRIPTION
Venue #1		2,625	150	"Hollywood on the Roof" bar and multi-media entertainment lounge
Venue #2		5,000	varies	Multi-purpose space for private functions and events seats 350 to 600 depending on function
Venue #3				
Venue #4				
CONVENTION FACILITIES				
Square footage of Convention Space		5,000	SF	
Square footage of Pre Function & Back of House Sp		3,770	SF	
Number of Break-out Rooms		3	EA	
Capacity of Break-out rooms		School-room seating	Theater seating	
Room #1		110	240	Break-out room for business meetings and other private functions
Room #2		110	240	ditto
Room #3		110	240	ditto
Room #4				
Room #5				
Room #6				
Room #7				

SPORTS AND RECREATION FACILITIES				
Description of Sports/Recreation Offerings		CUSTOMER CAPACITY	SQUARE FOOTAGE	DESCRIPTION
Offering #1		25	2,242	Health Spa with treatment rooms and exercise facility similar to Argosy Riverside
Offering #2				
Offering #3				
Offering #4				
Offering #5				
RETAIL OUTLETS				
Description and size of Retail Outlets		SQUARE FOOTAGE	DESCRIPTION	
Outlet #1		1,500	Hollywood memorabilia and gift shop	
Outlet #2				
Outlet #3				
Outlet #4				
Outlet #5				
PARKING FACILITIES				
Number of surface parking spaces		2,050		
Total paved square footage for surface parking		831,070	Includes ingress and egress coverage	
Number of enclosed parking spaces		2,400		
Total square footage for enclosed parking		900,000	Includes all square footage within parking structures	
Number of valet parking spaces		256	Expandable on the surface lot or in garage as required by business levels	
Number of employee parking spaces		482	Expandable on the surface lot as required by business levels	
Number of parking spaces for Recreational Vehicles		50		

VISITATION AND SPENDING PATTERNS DURING OPERATIONS' PHASE OF LOTTERY GAMING FACILITY									
Penn Hollywood Kansas, Inc.									
Please submit 5-year projections.									
Unit of Measure									
PROJECTED DATE OF OPENING: December 2, 2011									
2010 2011 2012 2013 2014 2015 2016									
RESIDENTS									
Resident population (within 100 miles)									
Number of adult residents	#	551,077	551,077	556,588	562,154	567,775	573,453		
Residential gaming penetration rate *	%	40.0%	40.0%	47.5%	55.0%	60.0%	65.0%	* Indicates only resident gaming customers	
Market penetration rate**	%	40.8%	40.8%	48.5%	56.1%	61.2%	66.3%	** Includes all residents	
Visits per gaming resident per year	#	0.84	10.14	10.14	10.14	10.14	10.14		
Total resident gaming visits per year	#	186,225	2,234,698	2,680,241	3,134,472	3,453,618	3,778,834		
Resident non-gaming visits per year**	#	3,724	44,694	53,605	62,689	69,072	75,577	*** Resident non-gaming visitors	
Total Residential visits per year	#	189,949	2,279,392	2,733,846	3,197,161	3,522,690	3,854,410		
Residential gaming spend per visit	\$	80	80	80	80	80	80		
Residential gamer non-gaming spend per diem	\$	5	5	5	5	5	5		
Per diem gaming resident		85	85	85	85	85	85		
Per diem non-gaming resident		20	20	20	20	20	20		
Total Residential Gaming Spend per annum	\$	14,897,989	178,775,872	214,419,312	250,757,743	276,289,440	302,306,696		
Total Residential Non-Gaming Spend per annum	\$	1,005,614	12,067,371	14,473,304	16,926,148	18,649,537	20,405,702		

Penn Hollywood Kansas, Inc.									
Please submit 5-year projections.									
	Unit of Measure								
PROJECTED DATE OF OPENING:	DD/MM/YYYY	December 2, 2011							
		2010	2011	2012	2013	2014	2015	2016	
TOURISTS (residence more than 100 miles away)									
Tourist gaming visits per year*	#	18,622	223,470	268,024	313,447	345,362	377,863	* Indicates gaming customers	
Tourist non-gaming visits per year**	#	1,862	22,347	26,802	31,345	34,536	37,788	** Customers who do not game	
Total Tourist visits per year	#	20,485	245,817	294,827	344,792	379,898	415,672		
Tourist gaming spend per diem	\$	80	80	80	80	80	80		
Tourist gamer non-gaming spend per diem	\$	19	19	19	19	19	18		
Tourist non-gamer spend per diem	\$	40	40	40	40	40	40		
Total Tourist Gaming Spend per annum	\$	1,489,799	17,877,587	21,441,931	25,075,774	27,628,944	30,230,670		
Total Tourist Non-Gaming Spend per annum	\$	422,823	5,073,873	6,252,635	7,090,843	7,949,280	8,466,671		
TOTAL VISITATION PER YEAR	#	210,434	2,525,209	3,028,673	3,541,953	3,902,588	4,270,082		
TOTAL GAMING SPEND PER YEAR	\$	16,387,788	196,653,460	235,861,243	275,833,517	303,918,384	332,537,365		
TOTAL NON-GAMING SPEND PER YEAR	\$	1,428,437	17,141,245	20,725,939	24,016,991	26,598,817	28,872,373		

Penn Hollywood Kansas, Inc.																				
Please submit 5-year projections.																				
	Unit of Measure																			
PROJECTED DATE OF OPENING:	DD/MM/YYYY	December 2, 2011																		
		2010	2011	2012	2013	2014	2015	2016												
Tourist Visitors																				
Total number of tourists																				
Leisure tourists	#	17,063	204,754	246,920	293,464	325,148	357,500													
Business/conference tourists	#	3,422	41,063	47,906	51,328	54,750	58,172													
Leisure tourists - Please specify top five source markets																				
Other Kansas	#	3,893	46,717	56,337	66,957	74,186	81,567													
Oklahoma	#	934	11,210	13,518	16,066	17,801	19,572													
Nebraska	#	588	7,054	8,506	10,110	11,201	12,316													
Colorado	#	318	3,821	4,608	5,477	6,068	6,672													
Missouri	#	3,372	40,465	48,798	57,996	64,257	70,651													
Other	#	7,957	95,489	115,153	136,859	151,635	166,723													
Business/Conference Tourists - Please specify top five source markets																				
Other Kansas	#	781	9,369	10,930	11,711	12,492	13,272													
Oklahoma	#	187	2,248	2,623	2,810	2,997	3,185													
Nebraska	#	118	1,415	1,650	1,768	1,886	2,004													
Colorado	#	64	766	894	958	1,022	1,086													
Missouri	#	676	8,115	9,467	10,144	10,820	11,496													
Other	#	1,596	19,150	22,341	23,937	25,533	27,129													

Penn Hollywood Kansas, Inc.															
Please submit 5-year projections.															
	Unit of Measure														
PROJECTED DATE OF OPENING:	DD/MM/YYYY	December 2, 2011													
		2010	2011	2012	2013	2014	2015	2016							
HOTEL GUESTS															
Number of hotel rooms	#		21	250	250	250	250	250							
Occupancy rate	%		60%	60%	70%	75%	80%	85%							
Visitors per room	#		1.5	1.5	1.5	1.5	1.5	1.5							
Total hotel guests per year	#		6,844	82,125	95,813	102,656	109,500	116,344							
Average room rate	\$		85	85	90	95	100	100							
Percentage of hotel guests who are residents (within 100 miles)	%		45.8%	45.8%	45.8%	45.8%	45.8%	45.8%							
Percentage of hotel guests who are tourists	%		54.2%	54.2%	54.2%	54.2%	54.2%	54.2%							
Total hotel revenues per year	\$		387,813	4,653,750	5,748,750	6,501,563	7,300,000	7,756,250							
Total gaming spend by hotel guests per year	\$		547,500	6,570,000	7,665,000	8,212,500	8,760,000	9,307,500							
Total non-gaming non-hotel spend by hotel guests per year	\$		273,750	3,285,000	3,832,500	4,106,250	4,380,000	4,653,750							
TOTAL SPEND BY HOTEL GUESTS PER YEAR	\$		1,209,063	14,508,750	17,246,250	18,820,313	20,440,000	21,717,500							

Penn Hollywood Kansas, Inc.																	
Please submit 5-year projections.																	
	Unit of Measure																
PROJECTED DATE OF OPENING:	DD/MM/YYYY	December 2, 2011															
		2010	2011	2012	2013	2014	2015	2016									
LEISURE HOTEL GUESTS																	
Visitors per room	#		1.8	1.8	1.8	1.8	1.8	1.8									
Total leisure guests per year	#		5,133	61,594	71,859	76,992	82,125	87,258									
Average room rate	\$		85	85	90	95	100	100									
Percentage of leisure guests who are residents	%		50.0%	50.0%	50.0%	50.0%	50.0%	50.0%									
Percentage of leisure guests who are tourists	%		50.0%	50.0%	50.0%	50.0%	50.0%	50.0%									
Total leisure hotel revenues per year	\$		242,383	2,908,594	3,592,969	4,063,477	4,562,500	4,847,656									
Total gaming spend by leisure guests per year	\$		410,625	4,927,500	5,748,750	6,159,375	6,570,000	6,980,625									
Total other non-gaming leisure spend by leisure guests per year	\$		205,313	2,463,750	2,874,375	3,079,688	3,285,000	3,490,313	Separate from Leisure Hotel Spend								
TOTAL SPEND BY LEISURE HOTEL GUESTS PER YEAR	\$		858,320	10,299,844	12,216,094	13,302,539	14,417,500	15,318,594									
BUSINESS HOTEL GUESTS																	
Visitors per room	#		1.0	1.0	1.0	1.0	1.0	1.0									
Total business hotel guests per year																	
Average room rate	\$		1,711	20,531	23,953	25,664	27,375	29,086									
Percentage of business hotel guests who are residents	%		85	85	90	95	100	100									
Percentage of business hotel guests who are tourists	%		33.3%	33.3%	33.3%	33.3%	33.3%	33.3%									
Total business hotel revenues per year	\$		66.7%	66.7%	66.7%	66.7%	66.7%	66.7%									
Total gaming spend by business hotel guests per year			145,430	1,745,156	2,155,781	2,438,086	2,737,500	2,908,594									
Total other non-gaming spend by business hotel guests per year			136,875	1,642,500	1,916,250	2,053,125	2,190,000	2,326,875									
TOTAL SPEND BY BUSINESS HOTEL GUESTS PER YEAR			68,438	821,250	958,125	1,026,563	1,095,000	1,163,438	Separate from Business Hotel Spend								
TOTAL SPEND BY BUSINESS HOTEL GUESTS PER YEAR			350,742	4,208,906	5,030,156	5,517,773	6,022,500	6,398,906									

CHANGES IN SPENDING PATTERNS DUE TO LOTTERY GAMING FACILITY DURING OPERATIONS PHASE								
Penn Hollywood Kansas, Inc.								
<i>Please submit 5-year projections, starting from the date of opening</i>	Unit of Measure							
PROJECTED DATE OF OPENING:	DD/MM/YYYY	December 2, 2011						
		2010	2011	2012	2013	2014	2015	2016
Annual Spending by Residents at the Lottery Gaming Facility								
								Note: Resident visitors here includes both Leisure and Business Resident visitors
Total spending by residents per year (Note: distinguish between residents who gamble (Resident Gaming Visitors) and residents who do not gamble (Resident Non-Gaming Visitors))								
Resident Gaming Visitors								
Accommodation	\$		174,230	2,090,766	2,582,710	2,920,923	3,279,632	3,484,609
Food & Beverage	\$		706,135	8,473,623	10,087,953	11,897,085	13,047,118	14,379,576
Retail	\$		50,759	609,104	730,544	854,352	941,340	1,029,983
Gaming	\$		14,897,989	178,775,872	214,419,312	250,757,743	276,289,440	302,306,696
Tickets to events, concerts, shows	\$		0	0	0	0	0	0
Other spending	\$		0	0	0	0	0	0
TOTAL spending by gaming visitors (residents)	\$		15,829,114	189,949,364	227,820,519	266,430,102	293,557,530	321,200,864
Resident Non-Gaming Visitors								
Accommodation	\$		3,485	41,815	51,654	58,418	65,593	69,692
Food & Beverage	\$		69,990	839,882	1,005,831	1,178,283	1,297,028	1,421,242
Retail	\$		1,015	12,182	14,611	17,087	18,827	20,600
Tickets to events, concerts, shows	\$		0	0	0	0	0	0
Ticketed attractions	\$		0	0	0	0	0	0
Other spending	\$		0	0	0	0	0	0
TOTAL spending by non gaming visitors (residents)	\$		74,490	893,879	1,072,097	1,253,789	1,381,447	1,511,533
Total Spending by Residents								
Gaming	\$		14,897,989	178,775,872	214,419,312	250,757,743	276,289,440	302,306,696
Non Gaming	\$		1,005,614	12,067,371	14,473,304	16,926,148	18,649,537	20,405,702
TOTAL SPENDING BY RESIDENTS AT LOTTERY GAMING FACILITY	\$		15,903,604	190,843,244	228,892,616	267,683,890	294,938,977	322,712,398

Penn Hollywood Kansas, Inc.									
<i>Please submit 5-year projections, starting from the date of opening</i>	Unit of Measure								
PROJECTED DATE OF OPENING:	DD/MM/YYYY	December 2, 2011							
		2010	2011	2012	2013	2014	2015	2016	
SOURCES OF EXPENDITURES AT LOTTERY GAMING FACILITY: For the following questions, provide your best estimates, based on your economic models									
Percent of Spend that would have occurred within the region*	%		80%	80%	80%	80%	80%	80%	* What percent of residents' total spend would have taken place within the 100-mile radius if the LGF facility did not exist
Percent of Spend that would have taken place outside the region**	%		20%	20%	20%	20%	20%	20%	**Without an LGF, what percent would have been spent outside the 100-mile radius
Percent of Spend that comes from new income generated in the region***	%		1%	1%	1%	1%	1%	1%	***Percent of total spending by residents that comes from income generated by the LGF and its multiplier effects
	No.								
	No.								
Tourist Gaming Visitors									
Accommodation	\$		190,998	2,291,972	2,831,259	3,202,020	3,595,250	3,819,953	
Food & Beverage	\$		152,259	1,827,112	2,276,225	2,549,600	2,878,449	3,032,186	
Retail	\$		5,076	60,910	73,054	85,435	94,134	102,998	
Gaming	\$		1,489,799	17,877,587	21,441,931	25,075,774	27,628,944	30,230,670	
Tickets to events, concerts, shows	\$		0	0	0	0	0	0	
Other spending	\$		0	0	0	0	0	0	
TOTAL spending by gaming visitors (tourists)	\$		1,838,132	22,057,581	26,622,470	30,912,829	34,196,777	37,185,807	

Penn Hollywood Kansas, Inc.									
<i>Please submit 5-year projections, starting from the date of opening</i>	Unit of Measure								
PROJECTED DATE OF OPENING:	DD/MM/YYYY	December 2, 2011							
		2010	2011	2012	2013	2014	2015	2016	
Tourist Non-Gaming Visitors									
Accommodation	\$		19,100	229,197	283,126	320,202	359,525	381,995	
Food & Beverage	\$		54,883	658,591	781,665	925,043	1,012,509	1,119,238	
Retail	\$		508	6,091	7,305	8,544	9,413	10,300	
Gaming	\$		0	0	0	0	0	0	
Tickets to events, concerts, shows	\$		0	0	0	0	0	0	
Other spending	\$		0	0	0	0	0	0	
TOTAL spending by non-gaming visitors (tourists)	\$		74,490	893,879	1,072,097	1,253,789	1,381,447	1,511,533	
TOTAL SPENDING BY TOURISTS AT LOTTERY GAMING FACILITY			1,912,622	22,951,461	27,694,567	32,166,617	35,578,224	38,697,340	Note: Tourist visitors here includes both Leisure and Business Tourist visitors

Penn Hollywood Kansas, Inc.									
Please submit 5-year projections, starting from the date of opening	Unit of Measure								
PROJECTED DATE OF OPENING:	DD/MM/YYYY	December 2, 2011							
		2010	2011	2012	2013	2014	2015	2016	
SOURCES OF EXPENDITURES AT LOTTERY GAMING FACILITY: For the following questions, provide your best estimates, based on your economic models									
What proportion of Tourist visitors would not have visited the region if the Lottery Gaming Facility did not exist?	%		75%	75%	75%	75%	75%	75%	
What proportion of Tourist visitor spending would not have occurred within the region if the Lottery Gaming Facility did not exist?	%		75%	75%	75%	75%	75%	75%	
Please provide your estimate of induced spending by resident visitors to the LGF (import substitution)	\$		7,593,950	91,127,404	109,295,931	127,818,715	140,832,984	154,094,756	
Please provide your estimate of direct spending by tourist visitors to the LGF (newly injected spending)	\$		3,863,932	46,367,184	55,611,642	65,036,352	71,658,235	78,406,052	
Please provide your estimate of induced spending by tourist visitors to the LGF (newly injected spending to the region but not at the LGF)	\$		1,931,966	23,183,592	27,805,821	32,518,176	35,829,117	39,203,026	
Please provide your estimate of an appropriate expenditure multiplier for the region	#		2.0	2.0	2.0	2.0	2.0	2.0	
TOTAL DIRECT, INDIRECT,, AND INDUCED INCREASES IN SPENDING IN THE REGION, PER YEAR (SPEND)	\$		13,389,848	160,678,181	192,713,393	225,373,242	248,320,336	271,703,834	
ESTIMATED AGGREGATE PERSONAL INCOME IN THE REGION (API)	\$		90,000,000,000	91,800,000,000	93,636,000,000	95,508,720,000	97,418,894,400	99,367,272,288	
RATIO OF SPEND/API	#		0.01%	0.18%	0.21%	0.24%	0.25%	0.27%	

Penn Hollywood Kansas, Inc.									
<i>Please submit 5-year projections, starting from the date of opening</i>	Unit of Measure								
PROJECTED DATE OF OPENING:	DD/MM/YYYY	December 2, 2011							
		2010	2011	2012	2013	2014	2015	2016	
Instructions to Proposers									
<p>The intent of this section is to provide a foundation to estimate the amount of new direct spending (from import substitution by residents and newly injected spending by tourists), and then to estimate the indirect increases in expenditure brought about in the region via a regional expenditure multiplier process</p>									
<p>INDUCED SPENDING BY RESIDENTS is incremental spending that results from residents who are in the region because of the LGF (rather than visiting other regions) and the additional expenditures they make in the region as a result. (This does not include substitution or "cannibalization" of spending that would have shifted from other businesses in the region to the LGF.)</p>									
<p>INDUCED SPENDING is incremental spending that results from tourists who stay longer in the region because of the LGF and the additional expenditures they make in the region, not at the LGF, as a result of their longer stays.</p>									

EMPLOYMENT INFORMATION DURING OPERATIONS' PHASE OF LOTTERY GAMING FACILITY									
Penn Hollywood Kansas, Inc.									
<i>Please submit 5-year projections, starting from the date of opening</i>	Unit of Measure								
PROJECTED DATE OF OPENING:	DD/MM/YYYY	December 2, 2011							
		2010	2011	2012	2013	2014	2015	2016	
No. of FTE Workers employed within the Lottery Gaming Facility	#		92	1,100	1,300	1,500	1,600	1,700	
General and Administrative									
Professionals, Managers, Executives and Technicians	#		1	6	7	8	8	8	
Clerical Workers, Sales and Service Workers	#		0	4	4	5	6	7	
Production and Transport Operators, Laborers and Cleaners	#		0	0	0	0	0	0	
Casino									
Professionals, Managers, Executives and Technicians	#		6	71	83	96	103	110	
Dealers and game supervisors	#		26	311	366	419	444	469	
Clerical Workers, Sales and Hosts	#		6	66	76	86	91	96	
Security and surveillance	#		8	96	113	131	140	149	
Cleaners	#		7	80	95	109	117	125	
Other	#		7	88	102	116	123	130	
Hotel									
Professionals, Managers, Executives and Technicians	#		0	4	5	6	6	6	
Clerical Workers, Sales and Marketing Staff	#		1	15	17	20	21	22	
Room cleaners, housekeeping supervisors	#		2	22	26	30	32	34	
Other	#		0	0	0	0	0	0	

PAYROLL INFORMATION DURING OPERATIONS' PHASE OF LOTTERY GAMING FACILITY									
Penn Hollywood Kansas, Inc.									
Please submit 5-year projections, starting from the date of opening		Unit of Measure							
PROJECTED DATE OF OPENING:		DD/MM/YYYY	December 2, 2011						
		Y							
			2010	2011	2012	2013	2014	2015	2016
Total Payroll of Workers employed within the Lottery Gaming Facility, including cost of paid benefits such as health insurance, unemployment insurance, worker's compensation, retirement.									
General and Administrative									
Professionals, Managers, Executives and Technicians				75,775	909,300	1,061,328	1,213,551	1,214,517	1,215,371
Clerical Workers, Sales and Service Workers				11,787	141,447	141,510	176,976	212,541	248,138
Production and Transport Operators, Laborers and Cleaners				0	0	0	0	0	0
Casino									
Professionals, Managers, Executives and Technicians				418,446	5,021,355	5,872,680	6,795,887	7,297,225	7,798,630
Dealers and game supervisors				916,456	10,997,474	12,948,197	14,830,608	15,727,999	16,625,261
Clerical Workers, Sales and Hosts				194,489	2,333,869	2,688,697	3,043,991	3,223,531	3,403,038
Security and surveillance				323,307	3,879,679	4,568,763	5,299,174	5,667,747	6,036,342
Cleaners				202,067	2,424,799	2,880,746	3,306,927	3,552,463	3,798,034
Other				259,319	3,111,825	3,608,514	4,105,849	4,357,081	4,608,281

	2010	2011	2012	2013	2014	2015	2016		
Hotel									
Professionals, Managers, Executives and Technicians		23,574	282,893	353,776	424,743	425,081	425,380		
Clerical Workers, Sales and Marketing Staff		44,202	530,425	601,419	707,905	743,892	779,863		
Room cleaners, housekeeping supervisors		55,568	666,820	788,415	910,163	971,614	1,033,065		
Other		0	0	0	0	0	0		
Food and Beverage									
Professionals, Chefs, Managers, Executives and Technicians		159,127	1,909,529	2,264,166	2,548,458	2,763,027	2,977,659		
Clerical Workers, Sales and Service Workers		41,255	495,063	566,041	672,510	708,468	744,415		
Food preparers and servers, Hosting staff, and Cleaners		530,425	6,365,098	7,853,824	9,344,345	10,095,675	10,847,185		
Other		0	0	0	0	0	0		
Other (including convention, entertainment, retail, etc.)									
Professionals, Managers, Executives and Technicians		58,936	707,233	849,062	991,067	1,062,703	1,134,346		
Clerical Workers, Compliance, Accounting, and Sales		67,356	808,266	970,357	1,051,744	1,133,549	1,215,371		
Human Resources		23,574	282,893	353,776	424,743	460,504	496,276		
Other		5,052	60,620	60,647	91,016	91,089	91,153		
Others (Engineering, Transportation, Valet)									
Professionals, Managers, Executives and Technicians		100,191	1,202,296	1,415,104	1,628,181	1,700,324	1,772,416		
Clerical Workers, Sales and Service Workers		47,149	565,786	636,797	672,510	708,468	744,415		
Production and Transport Operators, Laborers and Cleaners		108,611	1,303,330	1,516,182	1,759,649	1,882,502	2,005,362		
TOTAL PAYROLL (INCLUDING BENEFITS) FOR THE LGF		3,666,667	44,000,000	52,000,000	60,000,000	64,000,000	68,000,000		

Penn Hollywood Kansas, Inc.							
Consolidated Pro-Forma Income and Expenditure Statement for the LGF							
<i>Amounts in thousands of dollars</i>							
<i>Please submit 5-year projections, starting from the date of opening</i>							
	Unit of Measure						
PROJECTED DATE OF OPENING:	DD/MM/YYYY	December 2, 2011					
	2010	2011	2012	2013	2014	2015	2016
REVENUE (from below)							
Casino		16,388	196,653	235,861	275,834	303,918	332,537
Hotel		388	4,654	5,749	6,502	7,300	7,756
Food		983	11,799	14,152	16,550	18,235	19,952
Beverage		0	0	0	0	0	0
Convention		0	0	0	0	0	0
Entertainment		0	0	0	0	0	0
Retail		57	688	826	965	1,064	1,164
Other		0	0	0	0	0	0
Gross Revenues		17,816	213,795	256,587	299,851	330,517	361,410
less: cost of sales		520	6,244	7,489	8,758	9,649	10,558
Gross Margin		17,296	207,551	249,099	291,093	320,868	350,852
DEPARTMENTAL EXPENSES (from below)							
		9,009	108,102	129,293	150,528	164,043	177,562
DEPARTMENTAL INCOME							
		8,287	99,449	119,806	140,565	156,825	173,290
GENERAL AND ADMINISTRATIVE EXPENDITURE							
Advertising and Promotion		2,294	27,531	33,021	38,617	42,549	46,555
Bad debt expense							
Complementary expense (not reported in departments)							
Depreciation - Buildings							
Depreciation and Amortization		1,846	22,157	22,595	23,048	28,989	29,591
Energy Expense (electricity, gas, etc.)		223	2,674	3,414	4,169	4,689	5,219
Equipment rental or lease							
Interest expense		3,586	43,030	43,030	43,030	51,009	51,009
Payroll taxes		14	172	197	227	233	239
Payroll - Employee benefits		12	146	168	194	199	204
Payroll - officers		61	733	839	969	995	1,020
Rent of Premises							
Taxes - Real Estate		508	6,100	6,100	6,100	6,100	6,100
Taxes and Licenses - Other		0	0	0	95	0	362
Utilities (other than Energy Expenses)							
Other General and Administrative expenses		1,273	15,272	19,057	22,913	25,647	28,432
TOTAL GENERAL AND ADM. EXPENDITURE		9,818	117,815	128,419	139,363	160,410	168,732

	2010	2011	2012	2013	2014	2015	2016	
NET INCOME BEFORE FEDERAL INCOME TAX		-1,531	-18,366	-8,614	1,202	-3,585	4,558	

	2010	2011	2012	2013	2014	2015	2016	
DEPARTMENTAL INCOME STATEMENTS								
CASINO DEPARTMENT								
REVENUE								
Pit Revenue (including keno, bingo)		1,476	17,717	21,249	24,850	27,380	29,958	
Electronic gaming machines		14,764	177,165	212,488	248,499	273,800	299,583	
Poker and other non-banked card games		148	1,772	2,125	2,485	2,738	2,996	
TOTAL REVENUE		16,388	196,653	235,861	275,834	303,918	332,537	
DEPARTMENTAL EXPENSES								
Bad debt expenses								
Commissions								
Complementary expenses		714	8,571	10,363	12,008	13,299	14,436	
Gaming taxes and licenses		4,425	53,096	63,683	74,475	82,058	89,785	
Preferred guest expenses								
Payroll taxes		378	4,539	5,323	6,110	6,510	6,909	
Payroll - Employee Benefits		322	3,869	4,538	5,209	5,549	5,889	
Payroll - Officers								
Payroll - Other Employees		1,613	19,361	22,706	26,063	27,767	29,471	
Other Departmental Expenses		252	3,020	3,876	4,785	5,383	6,029	
Preferred guest expenses								
Payroll taxes								
TOTAL EXPENSES		7,705	92,456	110,489	128,651	140,566	152,520	
TOTAL CASINO INCOME		8,683	104,197	125,373	147,183	163,352	180,018	

	2010	2011	2012	2013	2014	2015	2016
HOTEL DEPARTMENT							
REVENUE							
Room Sales		194	2,327	2,874	3,251	3,650	3,878
Complementary rooms		194	2,327	2,874	3,251	3,650	3,878
TOTAL REVENUE		388	4,654	5,749	6,502	7,300	7,756
DEPARTMENTAL EXPENSES							
Bad debt expenses							
Complementary expenses							
Payroll taxes		20	242	285	334	350	366
Payroll - Employee Benefits		17	206	243	285	298	312
Payroll - Officers							
Payroll - Other Employees		86	1,032	1,216	1,424	1,492	1,561
Other Departmental Expenses		39	465	575	650	730	776
Payroll taxes							
TOTAL EXPENSES		162	1,946	2,318	2,693	2,871	3,014
TOTAL HOTEL INCOME		226	2,708	3,430	3,809	4,429	4,742
FOOD DEPARTMENT							
REVENUE							
Food Sales		492	5,900	7,076	8,275	9,118	9,976
Complementary Food Sales		492	5,900	7,076	8,275	9,118	9,976
TOTAL REVENUE		983	11,799	14,152	16,550	18,235	19,952
Cost of sales		492	5,900	7,076	8,275	9,118	9,976
GROSS MARGIN		492	5,900	7,076	8,275	9,118	9,976
DEPARTMENTAL EXPENSES							
Bad debt expenses							
Complimentary expenses							
Payroll taxes		119	1,433	1,746	2,054	2,218	2,381
Payroll - Employee Benefits		102	1,222	1,489	1,751	1,890	2,030
Payroll - Officers							
Payroll - Other Employees		510	6,114	7,449	8,761	9,459	10,158
Other Departmental Expenses							
Payroll taxes							
TOTAL EXPENSES		731	8,770	10,684	12,565	13,567	14,569
TOTAL FOOD INCOME		-239	-2,870	-3,608	-4,290	-4,450	-4,593

	2010	2011	2012	2013	2014	2015	2016
BEVERAGE DEPARTMENT - INCLUDED WITH FOOD							
REVENUE							
Beverage Sales							
Complementary Beverage Sales							
TOTAL REVENUE		0	0	0	0	0	0
Cost of sales							
GROSS MARGIN		0	0	0	0	0	0
DEPARTMENTAL EXPENSES							
Bad debt expenses							
Complimentary expenses							
Payroll taxes							
Payroll - Employee Benefits							
Payroll - Officers							
Payroll - Other Employees							
Other Departmental Expenses							
Payroll taxes							
TOTAL EXPENSES		0	0	0	0	0	0
TOTAL BEVERAGE INCOME		0	0	0	0	0	0
CONVENTION DEPARTMENT							
REVENUE							
Total Sales							
Complementary Sales							
TOTAL REVENUE		0	0	0	0	0	0
Cost of sales							
GROSS MARGIN		0	0	0	0	0	0
DEPARTMENTAL EXPENSES							
Bad debt expenses							
Complimentary expenses							
Payroll taxes							
Payroll - Employee Benefits							
Payroll - Officers							
Payroll - Other Employees							
Other Departmental Expenses							
Payroll taxes							
TOTAL EXPENSES		0	0	0	0	0	0
TOTAL CONVENTION INCOME		0	0	0	0	0	0

	2010	2011	2012	2013	2014	2015	2016
ENTERTAINMENT DEPARTMENT							
REVENUE							
Total Sales							
Complementary Sales							
TOTAL REVENUE		0	0	0	0	0	0
Cost of sales							
GROSS MARGIN		0	0	0	0	0	0
DEPARTMENTAL EXPENSES							
Bad debt expenses							
Complimentary expenses							
Payroll taxes							
Payroll - Employee Benefits							
Payroll - Officers							
Payroll - Other Employees							
Other Departmental Expenses							
Payroll taxes							
TOTAL EXPENSES		0	0	0	0	0	0
TOTAL ENTERTAINMENT INCOME		0	0	0	0	0	0
RETAIL							
REVENUE							
Total Sales		29	344	413	483	532	582
Complementary Sales		29	344	413	483	532	582
TOTAL REVENUE		57	688	826	965	1,064	1,164
Cost of sales		29	344	413	483	532	582
GROSS MARGIN		29	344	413	483	532	582

	2010	2011	2012	2013	2014	2015	2016
DEPARTMENTAL EXPENSES							
Bad debt expenses							
Complimentary expenses							
Payroll taxes		1	10	10	15	15	15
Payroll - Employee Benefits		1	8	8	13	13	13
Payroll - Officers							
Payroll - Other Employees		4	42	42	63	64	64
Other Departmental Expenses							
Payroll taxes							
TOTAL EXPENSES		5	61	61	91	91	91
TOTAL RETAIL INCOME		24	284	352	392	441	491
OTHER DEPARTMENTAL INCOME (please specify)							
REVENUE							
Total Sales							
Complementary Sales							
TOTAL REVENUE		0	0	0	0	0	0
Cost of sales							
GROSS MARGIN		0	0	0	0	0	0
DEPARTMENTAL EXPENSES							
Bad debt expenses							
Complimentary expenses							
Payroll taxes		66	796	938	1,067	1,136	1,204
Payroll - Employee Benefits		57	679	800	910	968	1,027
Payroll - Officers							
Payroll - Other Employees		283	3,395	4,003	4,551	4,844	5,137
Other Departmental Expenses							
Payroll taxes							
TOTAL EXPENSES		406	4,870	5,741	6,528	6,948	7,368
TOTAL OTHER DEPARTMENTAL INCOME		-406	-4,870	-5,741	-6,528	-6,948	-7,368

CONSTRUCTION PHASE INFORMATION DURING OPERATIONS PHASE OF LOTTERY GAMING FACILITY										
Penn Hollywood Kansas, Inc.										
Please submit 5-year projections, starting from the date of opening										
Unit of Measure										
PROJECTED DATE OF OPENING: DD/MM/YYYY October 1, 2011										
		2009	2010	2011	2012	2013	2014	2015	2016	
Development Investment										
Fixed asset investment										
Buildings		-	63,134,832	42,089,888		4,246,984	12,740,952			
Land and land improvements		30,000,000	25,389,276	25,389,276			22,132,500			
Public sector infrastructure		-	2,815,837	8,447,512						
Rolling stock		-	-	-						
Furniture, Fixtures and Equipment		-	12,379,385	24,758,771			4,863,757			
Floor and Wall Treatments		-	-	13,841,149			2,668,960			
Gaming equipment		-	-	33,761,544			9,817,750			
Others		31,361,844	18,230,362	13,400,325		468,197	8,060,900			
TOTAL INVESTMENT		61,361,844	121,949,693	161,688,463	-	4,715,181	60,284,819	-	-	
Source of Funds for Investment										
Percent each year from:										
Construction Loan										
Debt										
Working Capital from Parent Company										
Sale of Equity										
Other - Intercompany loan from parent		61,361,844	121,949,693	161,688,463	-	4,715,181	60,284,819	-	-	
At the following figures on a Quarterly basis										
	TOTALS	2009-IV	2010-I	2010-II	2010-III	2010-IV	2011-I	2011-II	2011-III	2011-IV
Development Employment Data										
Construction Employment										
Average hourly Wage per employee, excluding benefits		45.00	36.00	31.20	31.20	31.20	32.14	32.14	32.14	32.14
Total construction payroll	83,907,600	2,140,500	6,421,500	9,275,500	9,989,000	10,345,750	11,772,750	11,844,100	11,416,000	10,702,500
Average Hourly Benefits per employee		19.22	15.37	13.32	13.32	13.32	13.72	13.72	13.72	13.72
Other expenses per employee	23,494,128	599,340	1,798,020	2,597,140	2,796,920	2,896,810	3,296,370	3,316,348	3,196,480	2,996,700
Cost of materials from region	82,500,000	-	5,000,000	7,000,000	8,000,000	12,500,000	13,000,000	14,000,000	12,000,000	11,000,000
Cost of materials from outside of region	35,000,000	-	-	1,500,000	2,500,000	3,500,000	5,500,000	7,000,000	7,500,000	7,500,000
Other Development Expenses	#####	58,622,004	8,957,263	8,957,263	8,957,263	8,957,263	6,411,804	6,411,804	6,411,804	6,411,804

Penn Hollywood Kansas, Inc.										
PUBLIC SECTOR IMPACTS OF LGF										
			<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	
Population Growth		Units of Measure								
# of Construction Employees who will be new residents to the area		#								
# of LGF (operating) employees who will be new residents to the area		#								
Infrastructure Costs										
Roads/Streets Improvements		\$	2,211,571	6,634,714						
% Paid by Developer	100	%								
% Paid by Public Sector		%								
Water/Sewer Improvements		\$	242,564	727,691						
% Paid by Developer	100	%								
% Paid by Public Sector		%								
Storm Drains		\$	361,702	1,085,106						
% Paid by Developer	100	%								
% Paid by Public Sector		%								
Law Enforcement Building, New or Improved		\$								
% Paid by Developer		%								
% Paid by Public Sector		%								
Fire Station, New or Improved		\$								
% Paid by Developer		%								
% Paid by Public Sector		%								

			<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	
Operating Costs			Applicant anticipates little or no additional operating costs to the local school district or emergency services.							
School System										
# of Additional K-12 students		#								
Estimated number of additional K-12 teachers		#								
K-12 support staff		#								
Estimated cost of capital construction		#								
Estimated cost of additional rolling stock		\$								
Law Enforcement										
Estimated # of add't personnel										
Uniform		#								
Non-Uniform		#								
Estimated salary/benefits										
Uniform		\$								
Non-Uniform		\$								
Estimated add't non-salary expense (services/supplies)		\$								
Estimated add't rolling stock expense		\$								
Estimated add't capital outlay expense (computers, equipment)		\$								

			<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	
<u>Fire Protection</u>										
Estimated # of add't personnel										
Uniform		#								
Non-Uniform		#								
Estimated salary/benefits										
Uniform		\$								
Non-Uniform		\$								
Estimated add't non-salary expense (services/supplies)		\$								
Estimated add't rolling stock expense		\$								
Estimated add't capital outlay expense (computers, equipment)		\$								
<u>Ambulance Service</u>										
Estimated # of add't personnel										
Uniform		#								
Non-Uniform		#								
Estimated salary/benefits										
Uniform		\$								
Non-Uniform		\$								
Estimated add't non-salary expense (services/supplies)		\$								
Estimated add't rolling stock expense		\$								
Estimated add't capital outlay expense (computers, equipment)		\$								

			<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	
Public Sector Revenue			2010	2011	2012	2013	2014	2015	2016	
Change in Ad Valorem Tax (Property Tax)										Attributable to this project and its consequences
State	\$			4,993	59,921	59,921	59,921	59,921	59,921	
County	\$			101,456	1,217,467	1,217,467	1,217,467	1,217,467	1,217,467	
City	\$			134,016	1,608,190	1,608,190	1,608,190	1,608,190	1,608,190	
School				267,869	3,214,422	3,214,422	3,214,422	3,214,422	3,214,422	
Additional Sales and Use Tax										
State				55,153	661,837	793,791	928,318	1,022,837	1,119,155	
County	\$			10,406	124,875	149,772	175,154	192,988	211,161	
City	\$			13,008	156,094	187,215	218,943	241,235	263,952	
LGF Gaming Revenue										
Exp. Lottery Act Revenue Fund	\$			3,605,313	43,263,761	51,889,474	60,683,374	66,862,045	73,158,220	
Problem Gambling Fund	\$			327,756	3,933,069	4,717,225	5,516,670	6,078,368	6,650,747	
Cities	\$									
County	\$			491,634	5,899,604	7,075,837	8,275,006	9,117,552	9,976,121	
Additional Lodging Tax	\$			31,025	372,300	459,900	520,125	584,000	620,500	
Additional State Income Tax	\$			0	0	0	95,366	0	361,570	
Building Fees	\$		747,717	0	0	225,000	0	0	0	
K-12 State Aid	\$			0	0	0	0	0	0	
Developer Cash Contribution	\$			0	0	0	0	0	0	
Developer In-Kind Contribution	\$			0	0	0	0	0	0	

PLEASE ANSWER THE FOLLOWING QUESTIONS IN NARRATIVE FORM:

- 1. Are any of the food and beverage outlets going to be leased or franchised to an outside vendor? If yes, what will be the revenue sharing, or "commission" structure.**

At the present time we do not anticipate that any food and beverage outlets will be leased or franchised under Hollywood's proposal.

- 2. Please describe specific details of the pre-opening marketing budget and the general strategy associated with how this money will be spent.**

The pre-opening marketing budget will be approximately \$1 million. The goal of the pre-opening marketing efforts will be to create excitement in anticipation of the grand opening of a superior gaming product in the Kansas City Metropolitan area. In short, a must see attraction. The efforts will not only create awareness but also educate the local populous about Hollywood and its position in the gaming industry as well as its role as a responsible corporate citizen. The pre-opening will encompass a "teaser" campaign creating excitement and energy surrounding the first gaming product to be introduced in the Kansas City area in over 12 years. The \$1 million campaign will be supported through traditional media channels to include but not be limited to TV, Radio, Print, Outdoor and Online. Spending will also include promotional/entertainment spending to increase traffic and trial on opening night.

Below are estimates of the breakdown of this spending:

TV: 15%
 Radio: 10%
 Print: 10%
 Outdoor: 25%
 Online: 5%
 Promotional / Entertainment / Misc: 35%

The overall goal of the pre-opening campaign is to create traffic and trial within a regional area (100 miles). This trial will allow Hollywood to capture information on guest visitation which will allow the company to hone its future marketing efforts to exceed guest expectations and to capture an increasing amount of business from current/future casino visitors to the Kansas City area.

3. Please describe the initial post-opening marketing spending plans, and your philosophy to drive visitation.

The post opening strategy will be to continue the energy supplied by the grand opening buzz. The post opening annual marketing budget is expected to be approximately \$40 million and will continue to encompass the traditional marketing outlets utilized in the grand opening efforts with added emphasis on promotional programs. In addition to this continuation, resources will be utilized for direct marketing. Promotional efforts will drive player card sign-ups along with card utilization so that Hollywood can capture valuable data on guest preferences. This data will allow the company to efficiently promote the facility to regional gaming enthusiasts and to create valuable offers which will increase visitation. Increased marketing dollars will be spent on promotional efforts to drive traffic after the grand opening to allow Hollywood to increase its data base size. Database growth and effective promotion will be the key to increasing visitation to the property by increasing guest loyalty.

The annual marketing spending will be allocated to the following areas:

Customer Incentives / Offers: 43%
 Earned Comps: 39.5%
 Media / Advertising: 10%
 Promotions / Acquisition: 5%
 Entertainment: 2.5%

Note: The percentages above are estimates and the allocations may change in response to market conditions and competitor actions.

4. Please describe how you will use your non-gaming amenities to maximize gaming revenue.

The current plan calls for three restaurants, a 250-room hotel and spa with greater than 10,000 square feet in meeting/entertainment space in Phase I. Hollywood will position its restaurants as high quality with exemplary service at reasonable prices. This positioning (value proposition) will increase trial of guests who may not necessarily be regular gaming customers. This trial will lead to increasing gaming revenues as guests will choose the facility as an entertainment option, using the restaurants as the primary driver for their visit. This will also increase word of mouth advertising within the local area which will further increase trial at the facility.

The 250-room hotel will be positioned as a business hotel mid-week, attracting business meetings which can be accommodated by on site meeting/convention space. This flexible space can be configured to accommodate small meetings as well as large ones seating between 300 and 700 people (depending on room set-up). Due to the other attractive amenities that surround the facility, the hotel will also be marketed to those guests visiting these nearby attractions. The combination of Hollywood's attractive amenities with those of the surrounding area will allow the property to garner incremental visitors and revenue from outside the Kansas City Metropolitan Area. The spa will be positioned as an amenity to the hotel, which will differentiate it from the majority of other casino properties in the Kansas City Market. Hotel offers will be used to increase patronage from valuable casino guests both mid-week and on weekends.

The entertainment facility will be utilized to drive increased patron traffic by holding events that are attractive and interesting to both traditional and non-traditional gamers. These events will drive increased traffic to the facility. The strategies outlined above will drive incremental traffic and trial to the facility, thus resulting in increased gaming and non-gaming revenues.

PLEASE NOTE WHAT YOU CONSIDER TO BE THE TEN MOST IMPORTANT FEATURES OF YOUR PROPOSAL.

What factors of your proposal are most distinctive in making it more attractive to Kansas and its residents than a "generic" gaming facility that could be developed within this zone?

Please provide descriptions of ten (or fewer) features in 250 words or less for each.

1. Hollywood Casino Kansas will open with a full service 250 room hotel complete with spa, luxury suites and all the amenities you would expect to see in a first class hotel. The hotel will allow the resort to draw more people from further away and to get them to stay longer in Kansas City, Kansas. More people staying longer will result in those visitors spending more money in the state of Kansas and particularly in Wyandotte County. Frequently, overnight guests also have more time than day trippers do to visit other area attractions. The casino resort facility will include meeting space at opening that can accommodate both small business meeting of a few people to large events seating over 300. The pairing of the hotel with flexible meeting space will allow the facility to accommodate both a small business meeting to larger events such as regional conferences. Attendees at such events can be expected to spend incremental money both at the casino and at area restaurants, retail establishments and entertainment venues.

Phase II expansion calls for up to a 60,000 square feet retail and multipurpose facility along with a hotel expansion of up to 250 rooms to bring the total rooms available to 500. The expanded multi-purpose venue paired with the expanded hotel would make the Hollywood Casino Kansas City not only one of the biggest hotels in the area but also a super regional convention and entertainment venue.

2. Penn has the cash and secure credit lines available to build the project without the need for outside financing. Penn National Gaming, Inc. is considered to have one of the healthiest balance sheets in the gaming business. The importance of this cannot be under estimated in light of the current economy and the recent history of approved casino projects in Kansas. Penn Hollywood Kansas of course reserves the right to obtain outside financing for this project but the project is not contingent on obtaining this financing. In fact, Penn Hollywood Kansas has committed in writing that: Within ten days following selection by the Lottery Gaming Facility Review Board, the parent of Penn Hollywood Kansas, Inc. shall cause to be deposited in a construction account, cash in a net amount necessary to fully fund the initial construction costs of Phase I of the project as defined in the management contract.

3. Total Phase one investment is \$385 million which includes \$30 million for land. This land cost is thought to be significantly lower than the competing site so more of the phase I investment is dedicated to job creating “brick & mortar” construction instead of real estate costs that create few if any new jobs. The lower land costs also allow Hollywood to build a bigger, higher quality facility with more amenities than would otherwise be the case. As a result, the facility will be a more attractive destination for tourists and locals alike.

4. Having an existing business presence in the greater Kansas City area is an advantage for a developer but having an existing business presence in an actual casino in the Kansas City market is an even greater advantage. A subsidiary of Penn National Gaming has operated a casino in the greater Kansas City area for over 14 years. This market knowledge provides a huge advantage to allow us to best position and market our new Wyandotte County resort so that it will out-draw, out-earn, out-wow in general out-compete the existing casino facilities in Missouri to the benefit of Kansas and its citizens.

5. Phase one plans include the construction of a multi-level parking garage for 1,500 vehicles. Construction of structured parking in lieu of surface parking generates more construction jobs, allows for more green space and is much more convenient for casino customers.

6. The facility will be built using Penn National’s popular Hollywood theme. The theme incorporates Hollywood elements from its golden age to the present and will be designed to entertain and bring classic Hollywood glamour to Kansas. The resort will utilize art deco architecture / interior elements, iconic Hollywood imagery and instantly recognizable movie memorabilia paired with state of the art audio visual technology to evoke the feel of the back lot, sets, and excitement of Hollywood. Penn National is one of the largest private collectors of movie memorabilia in the world and is constantly acquiring new memorabilia as it becomes available. This memorabilia is periodically moved between Hollywood Casino facilities to keep the facility fresh and to keep patrons interested.

7. Currently, growth and economic development have been limited to the west side of I-435. Our project at the Southeast corner of I-435 and the Parallel Parkway will serve as an anchor for additional development to the East. This location has many advantages including:

1.) The Schlitterbahn Waterpark is currently being constructed adjacent to the Casino resort site which will result in the pairing of a casino resort with a family entertainment waterpark destination. This will provide for a critical mass of entertainment options similar to what tourists find at Disney World which pairs its amusement/water parks with its Pleasure Island over 21 entertainment venue. The availability of multiple entertainment options will draw more tourists from further away to the benefit of the economies and tax revenue of the State of Kansas and Wyandotte County. 2.) Moves development closer to the city center to alleviate urban sprawl, while still achieving important synergies with the existing Village West food and entertainment offerings. 3.) The Hollywood casino projects is far enough away from the Speedway so that casino patrons have a better chance of avoiding the heavy traffic tie-ups that result on race weekends.

8. Penn Hollywood Kansas proposes to spend over \$10 million dollars in transportation infrastructure improvements in phase one of its casino resort project. Much of these transportation improvements will provide lasting benefits not just to the casino resort but to the people living and working in the area as well as those just passing through.

9. School property tax revenue generated by the Hollywood Casino Resort project will go to District 500 which is the neediest and by far the largest school district of the three Kansas City school districts. Average student proficiency over all grades and tested subjects for District 500 is around 56%. Similarly measured proficiency for districts 202 (Turner) and 203 (Piper) are 74% and 89% respectively. The poverty rate for the District, as measured by eligibility for subsidized student lunches, is nearly 80% versus 60% for District 202 and 9% for District 203. The Hollywood project is located entirely in District 500. This means that the \$1.5 million in new annual school district property tax revenue generated by the resort will go to the district where it is most needed and can have the greatest impact to the benefit of the entire region. An additional \$300,000 in tax revenue will go to the District's library system.

10. Penn has a long history of success in its casino operations. We have the experience necessary to provide the Kansas City area and the state of Kansas with the best possible revenue results. We have won numerous awards as a result of our strong management team, our smart growth strategy, our prudent business discipline and our attractive and inviting hotels & casinos.

SUMMARY OF PROPOSAL DATA									
Proposer:									
Casino Project Name: Penn Hollywood Kansas Inc.									
<u>Project Description</u>				<u>Unit of Measure</u>					
From award of license to opening (in months)				#					
Temporary facility if applicable				#		N/A			
Permanent facility				#		24			
Total investment in project				\$		410,000,000			
Casino square footage				#		97,800			
No. of hotel rooms				#		250			
# food and beverage outlets				#		3			
Convention center square footage				#		8,770			
Retail square footage				#		1,500			
Event/entertainment facility square footage				#		10,250			
No. of covered parking spaces				#		2,400			
No. of surface parking spaces				#		2,050			

						1st Full Year of Operation				
No. of annual visitors			#			2,525,209				
% within 100 miles			%			90%				
% of overnight visitors			%			3%				
Annual gross gaming revenue			\$			196,653,460				
Annual hotel occupancy			%			60%				
Annual hotel revenue			\$			4,653,750				
Annual food and beverage revenue			\$			11,799,208				
Net income before federal income taxes			\$			-18,366,366				
<u>Employment and Payroll</u>										
No. of FTE operating employees-total project			#			1,100				
Annual operating payroll-total project			\$			44,000,000				
<u>Economic and Fiscal Impacts</u>										
Total economic impact-construction			\$			189,901,728				
Total economic impact-operating			\$			271,703,834		Stable year		
Total incremental public sector revenue-construction			\$			7,201,467				
Total incremental public sector costs-construction			\$			0				
Total incremental public sector revenue-operating			\$			98,461,426		Stable year		
Total incremental public sector costs-operating			\$			0				

Three Most Important Features							
<p>1. Hollywood Casino Kansas will open with a full service 250 room hotel complete with spa, luxury suites and all the amenities you would expect to see in a first class hotel. The hotel will allow the resort to draw more people from further away and to get them to stay longer in Kansas City, Kansas. More people staying longer will result in those visitors spending more money in the state of Kansas and particularly in Wyandotte County. Frequently, overnight guests also have more time than day trippers do to visit other area attractions. The casino resort facility will include meeting space at opening that can accommodate both small business meeting of a few people to large events seating over 300. The pairing of the hotel with flexible meeting space will allow the facility to accommodate both a small business meeting to larger events such as regional conferences. Attendees at such events can be expected to spend incremental money both at the casino and at area restaurants, retail establishments and entertainment venues.</p>							
<p>Phase II expansion calls for up to a 60,000 square feet retail and multipurpose facility along with a hotel expansion of up to 250 rooms to bring the total rooms available to 500. The expanded multi-purpose venue paired with the expanded hotel would make the Hollywood Casino Kansas City not only one of the biggest hotels in the area but also a super regional convention and entertainment venue.</p>							
<p>2. Penn has the cash and secure credit lines available to build the project without the need for outside financing. Penn National Gaming, Inc. is considered to have one of the healthiest balance sheets in the gaming business. The importance of this cannot be under estimated in light of the current economy and the recent history of approved casino projects in Kansas. Penn Hollywood Kansas of course reserves the right to obtain outside financing for this project but the project is not contingent on obtaining this financing. In fact, Penn Hollywood Kansas has committed in writing that: Within ten days following selection by the Lottery Gaming Facility Review Board, the parent of Penn Hollywood Kansas, Inc. shall cause to be deposited in a construction account, cash in a net amount necessary to fully fund the initial construction costs of Phase I of the project as defined in the management contract.</p>							
<p>3. Total Phase one investment is \$385 million which includes \$30 million for land. This land cost is thought to be significantly lower than the competing site so more of the phase I investment is dedicated to job creating “brick & mortar” construction instead of real estate costs that create few if any new jobs. The lower land costs also allow Hollywood to build a bigger, higher quality facility with more amenities than would otherwise be the case. As a result, the facility will be a more attractive destination for tourists and locals alike.</p>							

**EXECUTIVE SUMMARY FOR
KANSAS ENTERTAINMENT, LLC
GAMING ZONE: NORTHEAST**

- 1. NAME OF FACILITY:** Hard Rock Hotel & Casino at Kansas Speedway
- 2. NAME OF MANAGER:** Kansas Entertainment, LLC (the “Manager”)
- 3. PRINCIPALS/OWNERS/PARENT COMPANY:**

Kansas Entertainment, LLC (“KE”) is owned 50% by Kansas Speedway Development Corporation (“KSDC”), a wholly-owned subsidiary of International Speedway Corporation (“ISC”), and 50% by Kansas Entertainment Investors, LLC (“KEI”). The members of KEI are Principals in The Cordish Company (“Cordish”), a national gaming and real estate developer/operator.

4. CLASS III GAMING EXPERIENCE:

KEI is owned by Jonathan Cordish, Joseph Weinberg, and Charles Jacobs, who as Principals of The Cordish Company’s (“Cordish”) Resorts and Gaming Division have been actively engaged in the development, construction and management of gaming and resort development for over a decade. Mr. Joseph Weinberg, the Manager Member of both KEI and KE, is the Managing Partner of The Cordish Companies’ Resorts and Gaming Division. In this role, he was directly responsible for the development of Seminole Hard Rock Hotel & Casinos in Hollywood and Tampa, Florida. Mr. Weinberg was also responsible, along with Jonathan Cordish, for the development of Indiana Live! Casino, a \$550 million casino project outside of Indianapolis, Indiana. Indiana Live! opened in 2009, and is managed by Cordish’s Gaming Operations Division.

In addition, key employees of the Manager have significant gaming experience. These personnel are Officers of KEI and also have employment agreements directly with the Manager.

Gaming Operations are led by Partner/CEO Dennis Gomes, an industry veteran with over thirty-five years of experience. In addition, the General Manager for the proposed Hard Rock Hotel & Casino at Kansas Speedway, Mr. Richard Kline, has previously been presented to the State. Mr. Kline is an employee of and under contract to the Manager and has over 17 years of experience in the gaming industry.

5. LOCATION OF CASINO (City or County and general description of location):

County: Wyandotte County
City: Kansas City
Address: 821 Speedway Boulevard
Kansas City, KS 66111

Description: The Hard Rock Hotel & Casino at Kansas Speedway site is located approximately 14 miles west of downtown Kansas City, Kansas; 7 miles northeast of Bonner Springs, KS; 4 miles north of Edwardsville, KS. (See “NOTE” in Number 10, below)

The facility will be located at the Kansas Speedway, directly overlooking the Speedway’s Turn 2 (its southeast corner).

6. INVESTMENT IN INFRASTRUCTURE (NOT INCL. PRIVILEGE FEE):

Please see #7 directly below.

7. DESCRIPTION AND TIMING OF PHASED-IN DEVELOPMENT(S), IF ANY:

PHASE	TIMING	BUDGET
Phase I-A: Casino & Dining/Entertainment	14 month construction period planned; Maximum delivery date of 36 months from contract Effective Date	\$ 361,805,166¹
Phase I-B: Hotel & Casino Expansion	Hotel: commence construction max. 24 months from opening of Phase I-A Casino Expansion: based on market conditions	\$ 159,157,659²
Phase II-A: 149,212,058 Entertainment District & Structured Parking	Based on market conditions³	\$
Phase II-B: Convention Facilities; Spa & Pool; Add'l Structured Parking	Based on market conditions³	\$ 157,123,945

¹ Budget includes land and fees contributed to development, but excludes the Privilege Fee. Applicant reserves right to adjust specific dollar amounts pending completion of contractual agreements with Unified Government of Wyandotte County, but in all cases warrants to comply in full with the requirements of SB 66 as to required infrastructure investments.

² Full budget for all components of Phase I-B is \$159,157,659. Manager warrants to commence construction of the hotel component of Phase I-B, consisting of no less than 250 hotel rooms, within no more than 24 months of the opening date of the Phase I-A of the project. Manager has further committed to substantial and ongoing liquidated damages (equal annually to 1% of gross gaming revenues from facility) if it does not meet said schedule. Other components of Phase I-B (non-hotel) shall be constructed when market conditions, in sole judgment of Manager, allow for development of same.

³ Applicant warrants to construct Phase II-A and Phase II-B facilities when market conditions, in its sole judgment, allow for same.

DETAILED DESCRIPTION OF PHASES:

Phase I-A: Hard Rock-Branded Casino with 2,300 slot machines and 86 table games. 100,000 square feet of gaming space, including a casino floor, plus dedicated poker, high-limit slots and high-limit table game rooms. Also includes approximately 28,000 square feet of food and entertainment amenities, including restaurants, clubs, and night-life attractions.

Phase I-B: Up to 300 Room Hard Rock Hotel (minimum of 250 rooms contractually obligated), integrated with casino facility. Includes meeting facilities, lobby bar, and additional food and beverage amenities. Expansion of casino floor (additional 30,000 square feet of gaming space) to accommodate up to 3,000 total slot positions and 100 table games.

Phase II-A: Approx. 157,000 square feet climate-controlled entertainment district, to be integrated with casino/hotel.

Phase II-B: Approx. 90,000 square feet meeting and convention facility integrated with hotel/casino. Also spa and pool facilities.

8. RESOLUTION OF ENDORSEMENT OBTAINED? Yes, from Unified Government

9. PLANNING AND ZONING APPROVED? Yes

10. THEME OF FACILITY, IF ANY: Hard Rock (**NOTE:** In its application Kansas Entertainment specifically retained the right to change the name and/or theme of the gaming facility).

11. NUMBER OF SLOT MACHINES:	Phase I-A:	2,300
	Phase I-B:	<u>700</u>
	Total	3,000

12. AVERAGE NET MACHINE INCOME PER DAY ESTIMATED BY APPLICANT:

**\$231 win /unit/day stabilized (2012)⁴
Grows to \$249 win/unit/day by 2015**

⁴ For Phase I-A facility only as outlined above. Estimate by third-party expert, Innovation Group retained by Manager to assess the potential gaming market.

13. NUMBER OF TABLE GAMES AND TOTAL POSITIONS:

	<u>Table Games</u>	<u>Positions</u>
Phase I-A:	86	657
Phase I-B:	14	93
Total	100	750

14. AVERAGE NET TABLE INCOME PER POSITION PER DAY ESTIMATED BY APPLICANT:

\$108 win/position/day stabilized (2012)⁵
Grows to \$117 win/position/day by 2015

15. ANCILLARY FACILITIES/AMENITIES:

Phase I-A:

- Dedicated poker, high-limit slots and high-limit table game rooms
 - Center bar
 - Live Performance Venue / Lounge
 - Restaurant & Additional Food & Beverage Outlet
 - “Fresh Market” food court concept
 - Coffee Shop
 - Hard Rock Retail Outlet
 - If selected as Gaming Facility Manager, commitment by Kansas Speedway and International Speedway Corporation to:
 1. Seek re-alignment of second Sprint Cup race to Kansas Speedway
 2. Construct road course suitable for Grand-Am races
 3. Conduct and promote Grand-Am race at Kansas Speedway
- \$10mm in liquidated damages from Manager to State/Unified Government if 2nd Sprint Cup race is not delivered

Phase I-B:

- Hard Rock Hotel
- Hotel Lobby Bar
- 2 restaurants
- Coffee Shop
- 30,000 square feet casino floor expansion

Phase II-A:

- Approx. 157,000 entertainment district and plaza space (climate-controlled)
 - Approx. 14 entertainment venues, including multiple boutique live performance venues, restaurants, bars and other high-energy concepts
- Structured parking garage

Phase II-B:

- Convention Facilities
- Pool & Spa Facilities
- Structured parking garage

16. ESTIMATED NUMBER OF TOURISTS (players living 100 or more miles away from facility) PER YEAR:

Phase I-A (2012): 439,599⁵

17. ESTIMATED EMPLOYEES (FTE's at gaming enterprise itself):

Phase I-A (2012): 1,043

18. PROJECTED DATE TO OPEN FACILITY:

Please see response to #7 above and #19 below.

• **DO YOU PLAN TO OPEN A TEMPORARY FACILITY, AND IF SO, WHEN?**

Manager reserves the right to construct a temporary facility during the construction of the Phase I-A permanent facility. Such a temporary facility would be operational no later than eight (8) months from the Effective Date, and contain approximately 1,800 slot machines, 30 table games, plus a center bar and restaurant. In the event Manager constructs a temporary facility, approximately \$213 million of the infrastructure costs shown for the Phase I facility would be accounted for in the budget for the temporary facility.

19. ADDITIONAL COMMENTS:

Manager has made additional community and civic commitments as part of its proposal, including:

1. Additional 1% of Gaming Revenues to the Unified Government of Wyandotte County / KCK, for its unrestricted use
2. \$500,000 per year to non-host school districts
3. \$500,000 per year to community services and charitable causes
4. \$100,000 to Unified Government Parks & Recreation
5. \$25,000 to Conventions & Visitors Bureau
6. \$10,000 per year to local Chambers of Commerce
7. Two free billboards to State of Kansas at Kansas Speedway for promotion of tourism to State (value of over \$1,500,000 / year)

⁵ For Phase I-A facility only, as outlined above. Estimate by third-party expert, the Innovation Group retained by Manager to assess the potential gaming market.

Instructions to Proposers

- 1 Proposers are required, at the minimum, to submit information requested in the accompanying Worksheets, in the format provided. The Pro Forma worksheet follows the general format of the Nevada Gaming Abstracts and NGC-17 Filings for the State of Nevada.
- 2 Proposers are allowed to supplement the mandatory submissions with additional information and references to their original submissions to th Lottery Commission.
- 3 Proposals shall provide projected information for 5 complete calendar years following opening, starting from the projected calendar date of opening.
- 4 All data and information provided shall be supported with material assumptions upon which the projections are based, as well as any documentary evidence, publications or studies that could support the assumptions
- 5 When consolidated and totalled, the respective values in the various Worksheets should be internally consistent.
- 6 Instructions and notes which are specific to the worksheets are contained within the relevant worksheets themselves

Glossary of Terms	
Terms	Definition
Resident Gaming Visitors	This refers to residents within a 100-mile radius of the Lottery Gaming Facility (LGF) who visit the LGF and gamble. This represents the proposer's view of the total number of resident gambling visitors will have over the period under consideration
Resident Non-Gaming Visitors	This refers to residents within a 100-mile radius of the site who visit the LGF and do not gamble. This represents the proposer's view of the total number of resident non-gambling visitors will have over the period under consideration
Tourist Gaming Visitors	This refers to visitors who reside outside a 100-mile radius of the LGF who visit the LGF and gamble. This represents the proposer's view of the total number of tourist gambling visitors over the period under consideration
Tourist Non-Gaming Visitors	This refers to visitors who reside outside a 100-mile radius of the LGF who visit the LGF and do not gamble. This represents the proposer's view of the total number of tourist non-gambling visitors over the period under consideration
Visit per Resident Ratio	The number of times a resident visits the LGF on a per year basis
Additional length of stay	The additional number of days that a tourist visitor stays in the region (within a 100-mile radius) because of the LGF
Market Penetration Rate	Percentage of total adult resident population that is likely to visit the LGF (on a head-count basis)
Per Diem Gaming Resident	The expenditure of a Gaming Resident visitor on a per day basis
Per Diem Non-Gaming Resident	The expenditure of a Non-Gaming Resident visitor on a per day basis
Per Diem Gaming Tourist	The expenditure of a Gaming Tourist visitor on a per day basis
Per Diem Non-Gaming Tourist	The expenditure of a Non-Gaming Tourist visitor on a per day basis
Leisure Hotel Guest	A hotel guest whose primary motivation for staying at the hotel is leisure, vacation, or holiday
Business Hotel Guest	A hotel guest whose primary motivation for staying at the hotel is business, convention, or other commercial pursuits

TIMELINE OF PROJECT		
Proposed Casino Name:		Proposed Casino Address or Location:
Kansas Entertainment, LLC		Kansas Speedway, Kansas City, Kansas
	DATE	COMMENTS OR DESCRIPTIONS
Estimated date of awarding of License	1-Oct-09	
Estimated date for approval of all building plans and variances	1-Jun-10	
Estimated date for Ground-breaking	1-Jul-10	ESTIMATE ONLY; SEE FOLLOWING PAGE FOR DETAILS
If project is to be phased, please describe the phases	SEE FOLLOWING PAGE FOR DESCRIPTION OF PHASING	
Completion date for Phase 1	January 1, 2012	ESTIMATE ONLY; SEE FOLLOWING PAGE FOR DETAILS
Completion date for Phase 2	Based on Market Conditions	
If project is going to involve a temporary gaming facility, please note estimated date of opening of the temporary and the permanent facility	n/a	
Estimated Opening Date for temporary facility	n/a	
Estimated Opening Date for permanent facility	January 1, 2012	ESTIMATE ONLY; SEE FOLLOWING PAGE FOR DETAILS

PHASE	TIMING	BUDGET
Phase I-A: <i>Casino & Dining/Entertainment</i>	18 to 24 month construction period planned; Maximum delivery date of 36 months from Effective Date	\$ 386,805,166 ¹
Phase I-B: <i>Hotel & Casino Expansion</i>	<i>Hotel</i> : commence construction max. 24 months from opening of Phase I-A <i>Casino Expansion</i> : based on market conditions	\$ 159,157,659 ²
Phase II-A: <i>Entertainment District & Structured Parking</i>	Based on market conditions ³	\$ 149,212,058
Phase II-B: <i>Convention Facilities; Spa & Pool; Add'l Structured Parking</i>	Based on market conditions ⁴	\$ 157,123,945
<u>DETAILED DESCRIPTION OF PHASES:</u>		
Phase I:	Casino with 2,300 slot machines and 86 table games. 100,000 s.f. of gaming space, including a state-of-the-art casino floor, plus dedicated poker, high-limit slots and high-limit table game rooms. Also includes approximately 28,000 square feet of upscale food and entertainment amenities.	
Phase I-B:	Up to 300 room hotel (minimum of 250 rooms contractually obligated), integrated with casino facility. Includes meeting facilities, lobby bar, and additional food and beverage amenities. Potential for expansion of casino floor (additional 30,000 s.f. of gaming space) to accommodate up to 3,000 total slot positions and 100 table games.	
Phase II-A:	Approx. 157,000 s.f. climate-controlled entertainment district, to be integrated with casino/hotel.	
Phase II-B:	Approx. 90,000 s.f. meeting and convention facility integrated with hotel/casino. Also spa and pool facilities.	
<p>¹ Budget includes land and fees contributed to development pursuant to budget previously submitted to Kansas Lottery,, but in all cases warrants to comply in full with the requirements of SB 66 as to required infrastructure investments.</p> <p>² Full budget for all components of Phase I-B is \$159,157,659. Manager warrants to commence construction of the hotel component of Phase I-B, consisting of no less than 250 hotel rooms, within no more than 24 months of the opening date of the Phase I-A of the project. Other components of Phase I-B (non-hotel) shall be constructed when market conditions, in sole judgment of Manager, allow for development of same.</p> <p>³ Applicant warrants will evaluate market conditions from time to time and build Phase II-A and II-B facilities when market conditions, in its sole discretion, allow for same.</p>		

Kansas Entertainment, LLC

DESCRIPTION OF CASINO AND OTHER PHYSICAL FACILITIES

	Square Footage	Units of Measure	COMMENTS
CASINO			
Square footage	100,000	Sq.Ft.	
Number of slot machines	2,300	Units	
Number of table games	86	Units	61 Traditional & 25 Poker
Types of table games offered:			
Blackjack	30	Units	
Craps	6	Units	
Roulette	3	Units	
Pai Gow Poker	N/A	Units	
Other games	22	Units	
Other gaming offerings (specify): Poker	25	Units	Note: Facility will include VIP Poker & Gaming Area

HOTEL

Total square footage	180,000	Sq. Ft.	Note: Assumed Operational in Year 5
Total square footage of public areas	25,000	Sq. Ft.	Note: Assumed Operational in Year 6
Number of standard rooms	200	#	Note: Assumed Operational in Year 7
Number of premium rooms	50	#	Note: Assumed Operational in Year 8
Square footage of standard room	450	Sq. Ft.	Note: Assumed Operational in Year 9
Square footage of premium room (average)	800	Sq. Ft.	Note: Assumed Operational in Year 10

DESCRIPTION

Amenities in standard rooms (specify):	Equal to or better than typical casino hotel in greater KC market
Additional amenities in premium rooms (specify):	Upscale Hotel Suite Amenity Package; Will include VIP suites.
Additional amenities in public areas (specify):	All-Day Café, Coffee Shop, Rest Rooms, Significant Lounge Space, Wireless Internet Access. High quality theming and memorabilia

RESTAURANTS

Number of restaurants and eating outlets 3

Specify theme, avg daily covers, and avg spend per cover of each restaurant:

	Square Footage	SEATING CAPACITY	THEME	Covers	Avg Spend per cover
Buffet/Market Food Court	9,865	350	High-volume buffet/food court	1,453	\$ 12.25
Grab & Go / All-Day Dining	5,755	100	Pre-packaged food, coffee, take-out style	975	\$ 5.00
High-End Restaurant / Lounge	4,765	160	High-End Restaurant with Lounge (Steakhouse)	200	\$ 30.00

BARS AND LOUNGES

Number of bars and lounges 2

Specify theme & size of each bar

	Square Footage	Seating Capacity	THEME
High-End Restaurant / Lounge	4,765	200	High-End Restaurant with Lounge (Steakhouse)
Casino Center Bar	3,740	150	High-energy bar in center of casino with live entertainment acts.

ENTERTAINMENT VENUES

Number of Entertainment Venues 1

Describe and note size of each venue

	Square Footage	Seating Capacity	DESCRIPTION
Casino Center Bar	3,200	150	High-energy bar in center of casino with live entertainment acts.

EVENT VENUES

Number of Event Venues			1	
Describe and note size of each venue	Square Footage	Seating Capacity		DESCRIPTION
Casino Center Bar	3,200	150		High-energy bar in center of casino with live entertainment acts.

CONVENTION FACILITIES

Square footage of Convention Space			n/a	
Square footage of Pre Function & Back of House Space			n/a	
Number of Break-out Rooms			n/a	
Capacity of Break-out rooms		School-room seating	Theater seating	
n/a		n/a	n/a	

SPORTS AND RECREATION FACILITIES

Description of Sports/Recreation Offerings	Square Footage	Seating Capacity	DESCRIPTION
n/a	n/a	n/a	

RETAIL OUTLETS [CASINO ONLY; DOES NOT INCLUDE ENTERTAINMENT / RETAIL DISTRICT]

Description and size of Retail Outlets	SQUARE FOOTAGE	DESCRIPTION
Coffee Outlet	1,895	24-hour gourmet coffee shop
Memorabilia Store	2,500	Branded merchandise store for casino

PARKING FACILITIES

Number of surface parking spaces	2,785	
Total paved square footage for surface parking	696,250	Include ingress and egress coverage
Number of enclosed parking spaces	-	
Total square footage for enclosed parking	-	Include all square footage within parking structures
Number of valet parking spaces	279	
Number of employee parking spaces	500	
Number of parking spaces for Recreational Vehicles	-	

VISITATION AND SPENDING PATTERNS DURING OPERATIONS' PHASE OF LOTTERY GAMING FACILITY										
Kansas Entertainment, LLC										
Please submit 5-year projections, starting from the date of opening										
PROJECTED DATE OF OPENING:	Unit of Measure	January 1, 2012	[NOTE: Estimate Only; See Timeline of Project for Detail]							
			2010	2011	2012	2013	2014	2015	2016	
RESIDENTS										
Resident population (within 100 miles)										
Number of adult residents	#	-	-	-	2,196,206	2,212,916	2,231,219	2,248,665	2,266,247	
Residential gaming penetration rate *	%	0.0%	0.0%	0.0%	19.8%	19.9%	19.9%	19.9%	20.0%	* Indicates only resident gaming cust's
Market penetration rate**	%	0.0%	0.0%	0.0%	35.8%	35.8%	35.8%	35.8%	35.8%	** Includes all residents
Visits per gaming resident per year	#	-	-	-	5.7	5.7	5.7	5.7	5.7	
Total resident gaming visits per year	#	-	-	-	2,465,538	2,490,442	2,515,346	2,540,500	2,568,471	
Resident non-gaming visits per year***	#	-	-	-	21,106	21,319	21,532	21,747	27,098	*** Resident non-gaming visitors
Total Residential visits per year	#	-	-	-	2,486,643	2,511,761	2,536,878	2,562,247	2,595,569	
Residential gaming spend per visit	\$	-	-	-	71.68	77.55	78.70	79.87	85.67	
Residential gamer non-gaming spend per diem	\$	-	-	-	40,700	43,484	44,578	45,924	54,818	
Per diem gaming resident	\$	-	-	-	40,354	43,115	44,200	45,534	54,245	
Per diem non-gaming resident	\$	-	-	-	345	369	378	390	572	
Total Residential Gaming Spend per annum	\$	-	-	-	176,722,925	193,139,810	197,968,304	202,917,512	220,032,190	
Total Residential Non-Gaming Spend per annum	\$	-	-	-	14,855,370	15,871,789	16,270,965	16,762,347	20,008,457	
TOURISTS (residence more than 100 miles away)										
Tourist gaming visits per year*	#	-	-	-	391,884	395,843	399,801	403,799	405,271	* Indicates gaming customers
Tourist non-gaming visits per year**	#	-	-	-	20,625	20,834	21,042	21,253	121,556	** Customers who do not game
Total Tourist visits per year	#	-	-	-	412,510	416,677	420,843	425,052	526,827	
Tourist gaming spend per diem	\$	-	-	-	67,798	74,096	75,949	77,847	84,413	
Tourist gamer non-gaming spend per diem	\$	-	-	-	6,414	6,853	7,025	7,237	27,308	
Tourist non-gamer spend per diem	\$	-	-	-	338	361	370	381	8,191	
Total Tourist Gaming Spend per annum	\$	-	-	-	24,746,252	27,045,084	27,721,211	28,414,241	30,810,784	
Total Tourist Non-Gaming Spend per annum	\$	-	-	-	2,464,361	2,632,976	2,699,195	2,780,711	12,956,902	
TOTAL VISITATION PER YEAR	#	-	-	-	2,899,153	2,928,437	2,957,722	2,987,299	3,122,395	
TOTAL GAMING SPEND PER YEAR	\$	-	-	-	201,469,177	220,184,894	225,689,515	231,331,753	250,842,974	
TOTAL NON-GAMING SPEND PER YEAR	\$	-	-	-	17,319,731	18,504,765	18,970,160	19,543,058	32,965,359	
Tourist Visitors										
Total number of tourists	#	-	-	-	412,510	416,677	420,843	425,052	526,827	
Leisure tourists	#	-	-	-	185,629	191,671	193,588	195,524	242,340	
Business/conference tourists	#	-	-	-	226,880	225,005	227,255	229,528	284,486	
Leisure tourists - Please specify top five source markets										
Other Kansas	#	-	-	-	33,042	34,117	34,459	34,803	43,137	
Oklahoma	#	-	-	-	58,102	59,993	60,593	61,199	75,852	
Nebraska	#	-	-	-	30,629	31,626	31,942	32,261	39,986	
Colorado	#	-	-	-	4,641	4,792	4,840	4,888	6,059	
Missouri	#	-	-	-	31,743	32,776	33,104	33,435	41,440	
Other	#	-	-	-	27,473	28,367	28,651	28,938	35,866	

Kansas Entertainment, LLC									
Please submit 5-year projections, starting from the date of opening									
	Unit of Measure								
PROJECTED DATE OF OPENING:	January 1, 2012	<i>[NOTE: Estimate Only; See Timeline of Project for Detail]</i>							
		2010	2011	2012	2013	2014	2015	2016	
Business/Conference Tourists - Please specify top five source markets									
Other Kansas	#	-	-	40,385	40,051	40,451	40,856	50,639	
Oklahoma	#	-	-	71,014	70,427	71,131	71,842	89,044	
Nebraska	#	-	-	37,435	37,126	37,497	37,872	46,940	
Colorado	#	-	-	5,672	5,625	5,681	5,738	7,112	
Missouri	#	-	-	38,797	38,476	38,861	39,249	48,647	
Other	#	-	-	33,578	33,301	33,634	33,970	42,104	
HOTEL GUESTS									
Number of hotel rooms	#	-	-	-	-	-	-	250	
Occupancy rate	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	75.0%	
Visitors per room	#	-	-	-	-	-	-	1.5	
Total hotel guests per year	#	-	-	-	-	-	-	102,657	
Average room rate	\$	-	-	-	-	-	-	137.50	
Percentage of hotel guests who are residents (within 100 miles)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	25.5%	
Percentage of hotel guests who are tourists	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	74.5%	
Total hotel revenues per year	\$	-	-	-	-	-	-	9,410,225	
Total gaming spend by hotel guests per year	\$	-	-	-	-	-	-	13,727,927	
Total non-gaming non-hotel spend by hotel guests per year	\$	-	-	-	-	-	-	3,421,876	
TOTAL SPEND BY HOTEL GUESTS PER YEAR	\$	-	-	-	-	-	-	26,560,028	
LEISURE HOTEL GUESTS									
Visitors per room	#	-	-	-	-	-	-	1.5	
Total leisure guests per year	#	-	-	-	-	-	-	71,860	
Average room rate	\$	-	-	-	-	-	-	110.00	
Percentage of leisure guests who are residents	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	30.0%	
Percentage of leisure guests who are tourists	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	70.0%	
Total leisure hotel revenues per year	\$	-	-	-	-	-	-	5,269,726	
Total gaming spend by leisure guests per year	\$	-	-	-	-	-	-	9,609,549	
Total other non-gaming leisure spend by leisure guests per year	\$	-	-	-	-	-	-	2,395,313	Separate from Leisure Hotel Spend
TOTAL SPEND BY LEISURE HOTEL GUESTS PER YEAR	\$	-	-	-	-	-	-	17,274,588	

Kansas Entertainment, LLC									
Please submit 5-year projections, starting from the date of opening									
	Unit of Measure								
PROJECTED DATE OF OPENING:	January 1, 2012	<i>[NOTE: Estimate Only; See Timeline of Project for Detail]</i>							
		2010	2011	2012	2013	2014	2015	2016	
BUSINESS HOTEL GUESTS									
Visitors per room	#	-	-	-	-	-	-	-	1.5
Total business hotel guests per year	\$	-	-	-	-	-	-	-	30,797
Average room rate	\$	-	-	-	-	-	-	-	201.67
Percentage of business hotel guests who are residents	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.0%
Percentage of business hotel guests who are tourists	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	85.0%
Total business hotel revenues per year	\$	-	-	-	-	-	-	-	4,140,499
Total gaming spend by business hotel guests per year	\$	-	-	-	-	-	-	-	4,118,378
Total other non-gaming spend by business hotel guests per year	\$	-	-	-	-	-	-	-	1,026,563
									Separate from Business Hotel Spend
TOTAL SPEND BY BUSINESS HOTEL GUESTS PER YEAR	\$	-	-	-	-	-	-	-	9,285,440

CHANGES IN SPENDING PATTERNS DUE TO LOTTERY GAMING FACILITY DURING OPERATIONS PHASE									
KANSAS ENTERTAINMENT, LLC									
Please submit 5-year projections, starting from the date of opening		Unit of Measure							
PROJECTED DATE OF OPENING:		January 1, 2012 [NOTE: Estimate Only; See Timeline of Project for Detail]							
		2010	2011	2012	2013	2014	2015	2016	
Annual Spending by Residents at the Lottery Gaming Facility									Note: Resident visitors here includes both Leisure and Business Resident visitors
Total spending by residents per year (Note: distinguish between residents who gamble (Resident Gaming Visitors) and residents who do not gamble (Resident Non-Gaming Visitors))									
Resident Gaming Visitors									
Accommodation	\$	-	-	-	-	-	-	1,799,706	
Food & Beverage	\$	-	-	12,716,601	13,586,684	13,928,389	14,349,027	14,887,485	
Retail	\$	-	-	1,627,905	1,739,288	1,783,031	1,836,878	1,932,586	
Gaming	\$	-	-	176,722,925	193,139,810	197,968,304	202,917,512	220,032,190	
Tickets to events, concerts, shows	\$	-	-	-	-	-	-	-	
Other spending	\$	-	-	384,778	411,105	421,443	434,171	395,909	
TOTAL spending by gaming visitors (residents)	\$	-	-	191,452,209	208,876,887	214,101,168	219,537,588	239,047,875	
Resident Non-Gaming Visitors									
Accommodation	\$	-	-	-	-	-	-	599,902	
Food & Beverage	\$	-	-	108,857	116,305	119,230	122,831	347,180	
Retail	\$	-	-	13,935	14,889	15,263	15,724	37,921	
Tickets to events, concerts, shows	\$	-	-	-	-	-	-	-	
Ticketed attractions	\$	-	-	-	-	-	-	-	(included w/ tickets to events)
Other spending	\$	-	-	3,294	3,519	3,608	3,717	7,769	
TOTAL spending by non gaming visitors (residents)	\$	-	-	126,086	134,713	138,101	142,272	992,772	
Total Spending by Residents									
Gaming	\$	-	-	176,722,925	193,139,810	197,968,304	202,917,512	220,032,190	
Non Gaming	\$	-	-	14,855,370	15,871,789	16,270,965	16,762,347	20,008,457	
TOTAL SPENDING BY RESIDENTS AT LOTTERY GAMING FACILITY	\$	-	-	191,578,295	209,011,599	214,239,269	219,679,859	240,040,647	
SOURCES OF EXPENDITURES AT LOTTERY GAMING FACILITY: For the following questions, provide your best estimates, based on your economic models									
Percent of Spend that would have occurred within the region* [NOTE: Analysis based on radius within Kansas o	%	0.0%	0.0%	42.0%	42.3%	42.5%	42.8%	43.1%	* What percent of residents' total spend would have taken place within the 100-mile radius if the LGF facility did not exist
Percent of Spend that would have taken place outside the region**	%	0.0%	0.0%	55.8%	55.6%	55.4%	55.1%	55.0%	**Without an LGF, what percent would have been spent outside the 100-mile radius
Percent of Spend that comes from new income generated in the region***	%	0.0%	0%	2.2%	2.1%	2.1%	2.1%	1.9%	***Percent of total spending by residents that comes from income generated by the LGF and its multiplier effects

KANSAS ENTERTAINMENT, LLC									
<i>Please submit 5-year projections, starting from the date of opening</i>	Unit of Measure								
PROJECTED DATE OF OPENING:	January 1, 2012	<i>[NOTE: Estimate Only; See Timeline of Project for Detail]</i>							
		2010	2011	2012	2013	2014	2015	2016	
Tourist Gaming Visitors									
Accommodation	\$	-	-	-	-	-	-	5,257,963	
Food & Beverage	\$	-	-	2,021,238	2,159,533	2,213,845	2,280,703	3,976,889	
Retail	\$	-	-	258,747	276,451	283,404	291,962	455,055	
Gaming	\$	-	-	24,746,252	27,045,084	27,721,211	28,414,241	30,810,784	
Tickets to events, concerts, shows	\$	-	-	-	-	-	-	-	
Other spending	\$	-	-	61,158	65,343	66,986	69,009	93,222	
TOTAL spending by gaming visitors (tourists)	\$	-	-	27,087,395	29,546,411	30,285,446	31,055,916	40,593,914	
Tourist Non-Gaming Visitors									
Accommodation	\$	-	-	-	-	-	-	1,752,654	
Food & Beverage	\$	-	-	106,381	113,660	116,518	120,037	1,250,284	
Retail	\$	-	-	13,618	14,550	14,916	15,366	141,787	
Gaming	\$	-	-	-	-	-	-	-	
Tickets to events, concerts, shows	\$	-	-	-	-	-	-	-	
Other spending	\$	-	-	3,219	3,439	3,526	3,632	29,047	
TOTAL spending by non-gaming visitors (tourists)	\$	-	-	123,218	131,649	134,960	139,036	3,173,772	
TOTAL SPENDING BY TOURISTS AT LOTTERY GAMING FACILITY		-	-	27,210,613	29,678,060	30,420,406	31,194,952	43,767,686	Note: Tourist visitors here includes both Leisure and Business Tourist visitors
SOURCES OF EXPENDITURES AT LOTTERY GAMING FACILITY: For the following questions, provide your best estimates, based on your economic models									
What proportion of Tourist visitors would not have visited the region if the Lottery Gaming Facility did not exist?	%	0.0%	0.0%	0.0%	3.1%	6.3%	9.4%	13.1%	
What proportion of Tourist visitor spending would not have occurred within the region if the Lottery Gaming Facility did not exist?	%	0.0%	0.0%	0.0%	3.5%	7.0%	10.3%	14.0%	
Please provide your estimate of induced spending by resident visitors to the LGF (import substitution) NOTE: FIGURES IN THIS ROW ARE STRICTLY TRUE INDUCED SPENDING AND EXCLUDE INDIRECT SPENDING. INDIRECT SPENDING IS DET	\$	-	-	1,848,383	1,886,105	1,923,827	1,962,304	2,001,550	
Please provide your estimate of direct spending by tourist visitors to the LGF (newly injected spending)	\$	-	-	27,210,613	29,678,060	30,420,406	31,194,952	43,767,686	
Please provide your estimate of induced spending by tourist visitors to the LGF (newly injected spending to the region but not at the LGF)	\$	-	-	9,241,915	9,430,525	9,619,136	9,811,518	10,007,749	

KANSAS ENTERTAINMENT, LLC									
<i>Please submit 5-year projections, starting from the date of opening</i>	Unit of Measure								
PROJECTED DATE OF OPENING:	January 1, 2012	<i>[NOTE: Estimate Only; See Timeline of Project for Detail]</i>							
		2010	2011	2012	2013	2014	2015	2016	
		CONSTRUCTION PERIOD							
Please provide your estimate of an appropriate expenditure multiplier for the region	#	2.72	2.72	2.72	2.72	2.72	2.72	2.72	
TOTAL DIRECT, INDIRECT, AND INDUCED INCREASES IN SPENDING IN THE REGION, PER YEAR (SPEND)	\$	41,685,660	166,742,641	247,627,149	252,680,764	257,734,379	262,889,067	268,146,848	
<i>(see below for breakout of indirect spending)</i>									
ESTIMATED AGGREGATE PERSONAL INCOME IN THE REGION (API)	\$	73,975,834,285	74,530,653,042	75,089,632,940	75,652,805,187	76,220,201,226	76,791,852,735	77,367,791,630	
RATIO OF SPEND/API	#	0.06%	0.22%	0.33%	0.33%	0.34%	0.34%	0.35%	
INDIRECT SPENDING BREAKOUT (INCLUDED IN ABOVE TOTAL SPEND)	\$	61,688,646	61,688,646	170,934,992	174,423,461	177,911,930	181,470,169	185,099,572	
ADDITIONAL EARNINGS IMPACT (NOT INCLUDED IN ABOVE TOTAL SPEND)	\$	n/a	n/a	n/a	n/a	n/a	n/a	n/a	

EMPLOYMENT INFORMATION DURING OPERATIONS' PHASE OF LOTTERY GAMING FACILITY												
Kansas Entertainment, LLC												
Please submit 5-year projections, starting from the date of opening												
Unit of Measure = Positions (FTEs)												
PROJECTED DATE OF OPENING:	January 1, 2012	[NOTE: Estimate Only; See Timeline of Project for Detail]										
		2010	2011	2012	2013	2014	2015	2016		Base 2015	Hotel 2015	
No. of FTE Workers employed within the Lottery Gaming Facility												
General and Administrative												
Professionals, Managers, Executives and Technicians		-	-	60	60	61	62	63		63	-	
Clerical Workers, Sales and Service Workers		-	-	98	98	99	100	101		101	-	
Production and Transport Operators, Laborers and Cleaners		-	-	10	10	10	10	10		10	-	
Casino												
Professionals, Managers, Executives and Technicians		-	-	30	30	30	31	32		32	-	
Dealers and game supervisors		-	-	466	469	470	471	472	Includes slot service supervisors & attendants	472	-	
Clerical Workers, Sales and Hosts		-	-	20	20	20	21	22		22	-	
Security and surveillance		-	-	137	139	140	141	142		142	-	
Cleaners		-	-	43	43	44	45	46		46	-	
Other		-	-	-	-	-	-	-		-	-	
Hotel												
Professionals, Managers, Executives and Technicians		-	-	-	-	-	-	10		-	10	
Clerical Workers, Sales and Marketing Staff		-	-	-	-	-	-	61		-	61	
Room cleaners, housekeeping supervisors		-	-	-	-	-	-	88		-	88	
Other		-	-	-	-	-	-	-		-	-	

Kansas Entertainment, LLC										
Consolidated Pro-Forma Income and Expenditure Statement for the LGF										
<i>Amounts in thousands of dollars</i>										
<i>Please submit 5-year projections, starting from the date of opening</i>										
Unit of Measure = \$000s										
PROJECTED DATE OF OPENING:	January 1, 2012	[NOTE: Estimate Only; See Timeline of Project for Detail]					PHASE I-A PLUS HOTEL		Casino	Incremental
	NOTE: PHASE I-A ONLY						PLUS HOTEL	Casino	Hotel	
	2010	2011	2012	2013	2014	2015	2016	2016	2016	
REVENUE (from below)										
Casino	-	-	201,469	220,185	225,690	231,332	250,843	237,115	13,728	
Hotel	-	-	-	-	-	-	9,410	-	9,410	
Food	-	-	10,467	11,183	11,465	11,811	14,323	12,168	2,156	
Beverage	-	-	4,486	4,793	4,913	5,062	6,139	5,215	924	
Convention	-	-	-	-	-	-	-	-	-	
Entertainment	-	-	-	-	-	-	-	-	-	
Retail	-	-	1,914	2,045	2,097	2,160	2,567	2,225	342	
Other	-	-	452	483	496	511	526	526	-	
Gross Revenues	-	-	218,789	238,690	244,660	250,875	283,808	257,248	26,560	
less: cost of sales	-	-	5,477	5,731	5,773	5,893	7,139	5,993	1,146	
Gross Margin	-	-	213,312	232,959	238,886	244,982	276,669	251,256	25,414	
DEPARTMENTAL EXPENSES (from below)	-	-	142,926	150,314	153,235	156,646	175,452	160,156	15,296	
DEPARTMENTAL INCOME	-	-	70,386	82,645	85,651	88,336	101,217	91,099	10,118	
GENERAL AND ADMINISTRATIVE EXPENDITURE										
Advertising and Promotion	-	-	13,270	14,503	14,865	15,237	17,180	15,618	1,562	
Bad debt expense	-	-	-	-	-	-	-	-	-	
Complementary expense (not reported in departments)	-	-	-	-	-	-	-	-	-	
Depreciation - Buildings	-	-	-	-	-	-	-	-	-	
Depreciation and Amortization	-	-	10,237	11,234	11,517	11,917	13,548	12,317	1,232	
Energy Expense (electricity, gas, etc.)	-	-	5,485	5,983	6,133	6,289	7,094	6,449	645	
Equipment rental or lease	-	-	-	-	-	-	-	-	-	
Interest expense	-	-	5,912	5,456	4,367	2,900	-	-	-	
Payroll taxes	-	-	-	-	-	-	-	-	-	
Payroll - Employee benefits	-	-	-	-	-	-	-	-	-	
Payroll - officers	-	-	-	-	-	-	-	-	-	
Rent of Premises	-	-	-	-	-	-	-	-	-	
Taxes - Real Estate	-	-	3,250	3,348	3,448	3,551	4,207	3,658	549	
Taxes and Licenses - Other	-	-	1,360	1,453	1,489	1,534	1,580	1,580	-	
Utilities (other than Energy Expenses)	-	-	1,518	1,656	1,697	1,741	1,785	1,785	-	
Other General and Administrative expenses	-	-	2,189	2,786	2,965	3,151	3,342	3,342	-	
TOTAL GENERAL AND ADM. EXPENDITURE	-	-	43,219	46,418	46,481	46,319	48,735	44,748	3,987	
NET INCOME BEFORE FEDERAL INCOME TAX	-	-	27,166	36,227	39,170	42,016	52,482	46,351	6,131	

	2010	2011	2012	2013	2014	2015	2016		2016	2016
DEPARTMENTAL INCOME STATEMENTS										
CASINO DEPARTMENT										
REVENUE										
Pit Revenue (including keno, bingo)	-	-	21,154	23,119	23,697	24,290	26,956		24,897	2,059
Electronic gaming machines	-	-	177,696	194,203	199,058	204,035	220,118		209,135	10,982
Poker and other non-banked card games	-	-	2,619	2,862	2,934	3,007	3,769		3,082	686
TOTAL REVENUE	-	-	201,469	220,185	225,690	231,332	250,843		237,115	13,728
DEPARTMENTAL EXPENSES										
Bad debt expenses	-	-	238	260	266	273	280		280	-
Commissions	-	-	-	-	-	-	-		-	-
Complementary expenses	-	-	27,198	29,725	30,468	31,230	37,659		32,011	5,648
Gaming taxes and licenses	-	-	56,411	61,652	63,193	64,773	70,236		66,392	3,844
Preferred guest expenses	-	-	2,518	2,752	2,821	2,892	2,964		2,964	-
Payroll taxes	-	-	567	576	584	595	606		606	-
Payroll - Employee Benefits	-	-	3,966	4,029	4,086	4,164	4,241		4,241	-
Payroll - Officers	-	-	1,435	1,460	1,486	1,520	1,556		1,556	-
Payroll - Other Employees	-	-	15,744	16,020	16,301	16,680	17,067		17,067	-
Other Departmental Expenses	-	-	4,029	4,404	4,514	4,627	4,742		4,742	-
TOTAL EXPENSES	-	-	112,107	120,878	123,718	126,754	139,350		129,858	9,492
TOTAL CASINO INCOME	-	-	89,362	99,307	101,971	104,578	111,493		107,257	4,236
HOTEL DEPARTMENT										
REVENUE										
Room Sales	-	-	-	-	-	-	5,988		-	5,988
Complementary rooms	-	-	-	-	-	-	3,422		-	3,422
TOTAL REVENUE	-	-	-	-	-	-	9,410		-	9,410
DEPARTMENTAL EXPENSES										
Bad debt expenses	-	-	-	-	-	-	-		-	-
Complementary expenses	-	-	-	-	-	-	-		-	-
Payroll taxes	-	-	-	-	-	-	399		-	399
Payroll - Employee Benefits	-	-	-	-	-	-	566		-	566
Payroll - Officers	-	-	-	-	-	-	296		-	296
Payroll - Other Employees	-	-	-	-	-	-	2,893		-	2,893
Other Departmental Expenses	-	-	-	-	-	-	1,497		-	1,497
TOTAL EXPENSES	-	-	-	-	-	-	5,650		-	5,650
TOTAL HOTEL INCOME	-	-	-	-	-	-	3,760		-	3,760

	2010	2011	2012	2013	2014	2015	2016		2016	2016
FOOD DEPARTMENT										
REVENUE										
Cash Food Sales	-	-	5,794	6,076	6,229	6,445	7,745		6,667	1,078
Complementary Food Sales	-	-	4,673	5,108	5,235	5,366	6,578		5,500	1,078
TOTAL REVENUE	-	-	10,467	11,183	11,465	11,811	14,323		12,168	2,156
Cost of sales	-	-	4,191	4,398	4,428	4,507	5,341		4,587	755
GROSS MARGIN	-	-	6,276	6,785	7,037	7,304	8,982		7,581	1,401
DEPARTMENTAL EXPENSES										
Bad debt expenses	-	-	-	-	-	-	-		-	-
Complementary expenses	-	-	-	-	-	-	-		-	-
Payroll taxes	-	-	116	118	120	123	126		126	-
Payroll - Employee Benefits	-	-	814	829	841	859	881		881	-
Payroll - Officers	-	-	949	966	983	1,006	1,029		1,029	-
Payroll - Other Employees	-	-	2,003	2,038	2,073	2,122	2,171		2,171	-
Other Departmental Expenses	-	-	507	542	555	572	697		589	108
TOTAL EXPENSES	-	-	4,389	4,493	4,573	4,682	4,904		4,797	108
TOTAL FOOD INCOME	-	-	1,887	2,293	2,464	2,623	4,077		2,784	1,293
BEVERAGE DEPARTMENT										
REVENUE										
Cash Beverage Sales	-	-	2,483	2,604	2,670	2,762	3,319		2,857	462
Complementary Beverage Sales	-	-	2,003	2,189	2,244	2,300	2,819		2,357	462
TOTAL REVENUE	-	-	4,486	4,793	4,913	5,062	6,139		5,215	924
Cost of sales	-	-	807	863	884	911	1,262		939	323
GROSS MARGIN	-	-	3,678	3,930	4,029	4,151	4,877		4,276	601
DEPARTMENTAL EXPENSES										
Bad debt expenses	-	-	-	-	-	-	-		-	-
Complementary expenses	-	-	-	-	-	-	-		-	-
Payroll taxes	-	-	50	51	51	53	54		54	-
Payroll - Employee Benefits	-	-	349	355	360	368	378		378	-
Payroll - Officers	-	-	407	414	421	431	441		441	-
Payroll - Other Employees	-	-	858	873	889	909	930		930	-
Other Departmental Expenses	-	-	217	232	238	245	299		253	46
TOTAL EXPENSES	-	-	1,881	1,925	1,960	2,006	2,102		2,056	46
TOTAL BEVERAGE INCOME	-	-	1,797	2,005	2,069	2,144	2,775		2,220	554

	2010	2011	2012	2013	2014	2015	2016		2016	2016
CONVENTION DEPARTMENT										
REVENUE										
Cash Sales	-	-	-	-	-	-	-		-	-
Complementary Sales	-	-	-	-	-	-	-		-	-
TOTAL REVENUE	-	-	-	-	-	-	-		-	-
Cost of sales	-	-	-	-	-	-	-		-	-
GROSS MARGIN	-	-	-	-	-	-	-		-	-
DEPARTMENTAL EXPENSES										
Bad debt expenses	-	-	-	-	-	-	-		-	-
Complementary expenses	-	-	-	-	-	-	-		-	-
Payroll taxes	-	-	-	-	-	-	-		-	-
Payroll - Employee Benefits	-	-	-	-	-	-	-		-	-
Payroll - Officers	-	-	-	-	-	-	-		-	-
Payroll - Other Employees	-	-	-	-	-	-	-		-	-
Other Departmental Expenses	-	-	-	-	-	-	-		-	-
TOTAL EXPENSES	-	-	-	-	-	-	-		-	-
TOTAL CONVENTION INCOME	-	-	-	-	-	-	-		-	-
ENTERTAINMENT DEPARTMENT										
REVENUE										
Total Sales	-	-	-	-	-	-	-		-	-
Complementary Sales	-	-	-	-	-	-	-		-	-
TOTAL REVENUE	-	-	-	-	-	-	-		-	-
Cost of sales	-	-	-	-	-	-	-		-	-
GROSS MARGIN	-	-	-	-	-	-	-		-	-
DEPARTMENTAL EXPENSES										
Bad debt expenses	-	-	-	-	-	-	-		-	-
Complementary expenses	-	-	-	-	-	-	-		-	-
Payroll taxes	-	-	-	-	-	-	-		-	-
Payroll - Employee Benefits	-	-	-	-	-	-	-		-	-
Payroll - Officers	-	-	-	-	-	-	-		-	-
Payroll - Other Employees	-	-	-	-	-	-	-		-	-
Other Departmental Expenses	-	-	-	-	-	-	-		-	-
TOTAL EXPENSES	-	-	-	-	-	-	-		-	-
TOTAL ENTERTAINMENT INCOME	-	-	-	-	-	-	-		-	-

	2010	2011	2012	2013	2014	2015	2016		2016	2016
RETAIL										
REVENUE										
Total Sales	-	-	1,914	2,045	2,097	2,160	2,567		2,225	342
Complementary Sales	-	-	-	-	-	-	-		-	-
TOTAL REVENUE	-	-	1,914	2,045	2,097	2,160	2,567		2,225	342
Cost of sales	-	-	479	470	461	475	536		467	68
GROSS MARGIN	-	-	1,436	1,575	1,635	1,685	2,032		1,758	274
DEPARTMENTAL EXPENSES										
Bad debt expenses	-	-	-	-	-	-	-		-	-
Complementary expenses	-	-	-	-	-	-	-		-	-
Payroll taxes	-	-	20	20	20	20	20		20	-
Payroll - Employee Benefits	-	-	137	138	139	141	143		143	-
Payroll - Officers	-	-	250	254	259	265	271		271	-
Payroll - Other Employees	-	-	419	426	434	444	454		454	-
Other Departmental Expenses	-	-	210	225	230	237	245		245	-
TOTAL EXPENSES	-	-	1,036	1,063	1,082	1,107	1,133		1,133	-
TOTAL RETAIL INCOME	-	-	400	511	553	577	899		625	274
OTHER DEPARTMENTAL INCOME (ATM Fees, Check Cashing, Misc. Services)										
REVENUE										
Total Sales	-	-	452	483	496	511	526		526	-
Complementary Sales	-	-	0	0	0	0	0		0	-
TOTAL REVENUE	-	-	452	483	496	511	526		526	-
Cost of sales	-	-	-	-	-	-	-		-	-
GROSS MARGIN	-	-	452	483	496	511	526		526	-
DEPARTMENTAL EXPENSES										
Bad debt expenses	-	-	-	-	-	-	-		-	-
Complimentary expenses	-	-	-	-	-	-	-		-	-
Payroll taxes	-	-	30	30	31	31	31		31	-
Payroll - Employee Benefits	-	-	211	213	215	217	220		220	-
Payroll - Officers	-	-	175	178	182	186	190		190	-
Payroll - Other Employees	-	-	464	472	480	491	503		503	-
Other Departmental Expenses	-	-	-	-	-	-	-		-	-
TOTAL EXPENSES	-	-	880	893	907	926	944		944	-
TOTAL OTHER DEPARTMENTAL INCOME	-	-	(428)	(410)	(412)	(415)	(418)		(418)	-

	2010	2011	2012	2013	2014	2015	2016		2016	2016
G&A										
REVENUE										
Total Sales	-	-	-	-	-	-	-	-	-	-
Complementary Sales	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	-	-	-	-	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-	-	-	-	-
GROSS MARGIN	-	-	-	-	-	-	-	-	-	-
DEPARTMENTAL EXPENSES										
Bad debt expenses	-	-	-	-	-	-	-	-	-	-
Complimentary expenses	-	-	-	-	-	-	-	-	-	-
Payroll taxes	-	-	137	138	141	144	148	148	148	-
Payroll - Employee Benefits	-	-	957	966	987	1,010	1,033	1,033	1,033	-
Payroll - Officers	-	-	4,197	4,271	4,345	4,447	4,550	4,550	4,550	-
Payroll - Other Employees	-	-	2,617	2,662	2,709	2,772	2,836	2,836	2,836	-
Other Departmental Expenses	-	-	14,725	13,024	12,813	12,799	12,802	12,802	12,802	-
TOTAL EXPENSES	-	-	22,633	21,060	20,995	21,172	21,369	21,369	21,369	-
TOTAL OTHER DEPARTMENTAL INCOME	-	-	(22,633)	(21,060)	(20,995)	(21,172)	(21,369)	(21,369)	(21,369)	-

CONSTRUCTION PHASE INFORMATION DURING OPERATIONS PHASE OF LOTTERY GAMING FACILITY										
Kansas Entertainment, LLC										
<i>Please submit 5-year projections, starting from the date of opening</i>										
Months from Issuance of License to Opening of Permanent Facility	18 months estimated, however contractual obligation is to deliver permanent facility within 36 months of award of license									
Amounts in thousands of dollars										
	CONSTRUCTION PHASE CONSTRUCTION EXPENDITURES OVER PERIOD					OPERATIONAL PHASE MAINTENANCE AND UPGRADE CAP EX				
	TOTAL CONSTRUCTION BUDGET	2010	2011	2012	TOTAL CONSTRUCTION PERIOD EXPENDITURES	2012	2013	2014	2015	2016
		0.05	0.95	-				Hotel Constr.	Hotel Constr.	
		<i>NOTE: Expenditures By Year</i>								
Development Investment										
Fixed asset investment										
Buildings	103,994	5,200	98,794	-	103,994			10,350	31,049	
Parking Garages	-	-	-	-	-			-	-	
Land ¹	100,000				100,000			-	-	
Land improvements, excluding landscaping	17,000	850	16,150	-	17,000			750	250	
Landscaping <i>(Note: Costs included in Buildings)</i>	-	-	-	-	-			-	-	
Soft Costs, i.e. engineering, architectural, development fees ²	28,509	1,425	27,084	-	28,509			4,315	4,315	
Financing costs	3,000	3,000	-	-	3,000			1,000	-	
Public sector infrastructure	-	-	-	-	-			-	-	
Rolling stock <i>(Note: Included in FF,&E)</i>	-	-	-	-	-			-	-	
Furniture, Fixtures and Equipment	8,000	400	7,600	-	8,000			-	3,750	
Floor and Wall Treatments <i>(Note: Costs included in Buildings)</i>	-	-	-	-	-			-	-	
Gaming equipment	41,830	-	41,830	-	41,830			-	-	
Management Info Systems & A/V Equip.	15,000	-	15,000	-	15,000			-	375	
Pre-opening & Working Capital	21,000	1,050	19,950	-	21,000			-	-	
State License Fee	25,000	25,000	-	-	25,000			-	-	
Contingencies (Hard & Soft)	10,000	1,000	9,000	-	10,000			1,150	1,150	
Capitalized Interest	13,472	674	12,798	-	13,472			-	-	
Maintenance Capital Expenditures						4,376	4,774	4,893	5,017	5,676
TOTAL INVESTMENT	386,805	38,599	248,206	-	386,805	4,376	4,774	22,458	45,906	5,676

Source of Funds for Investment										
Percent each year from:										
Construction Loan		2010	2011	2012		2012	2013	2014	2015	2016
Debt		50.0%	50.0%	50.0%				50.0%	50%	
Working Capital from Parent Company										
Sale of Equity										
Equity Contributed by Applicant		50.0%	50.0%	50.0%				50.0%	50%	
Cash Flow to Applicant from Operations						100% for Maint.				
Amounts in actual dollars										
At the following figures on a Quarterly basis										
		2009-IV	2010-I	2010-II	2010-III	2010-IV	2011-I	2011-II	2011-III	2011-IV
		0.050	0.150	0.250	0.300	0.250	-	-	-	-
Development Employment Data										
Construction Employment										
		183	550	916	1,100	916	-	-	-	-
Average hourly Wage per employee, excluding benefits		16.73	16.73	16.73	16.73	16.73	-	-	-	-
Total construction payroll		2,126,154	6,378,461	10,630,769	12,756,923	10,630,769	-	-	-	-
Average Hourly Benefits per employee		4.18	4.18	4.18	4.18	4.18	-	-	-	-
Other expenses per employee		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost of materials from region		2,606,057	7,818,171	13,030,285	15,636,342	13,030,285	-	-	-	-
Cost of materials from outside of region		1,342,514	4,027,543	6,712,571	8,055,085	6,712,571	-	-	-	-
Other Development Expenses*		13,265,525	39,796,575	66,327,625	79,593,150	66,327,625	-	-	-	-
¹ Land already owned in fee simple by Applicant is being contributed to the project, estimated value is \$100,000,000										
² Development fees being contributed by Applicant										

Kansas Entertainment, LLC									
PUBLIC SECTOR IMPACTS OF LGF			[Note: Estimated timeline only; see Timeline of Project for details on contractual obligations]						
			CONSTRUCTION		OPERATIONS				
			2010	2011	2012	2013	2014	2015	2016
Population Growth		Units of Measure							
# of Construction Employees or LGF Employees who will be new residents to the area		#	154	154	192	50	50	50	50
<p>Note: Based on current unemployment levels in the surrounding region, which are well above national averages, combined with the nature of the proposed job mix at the project, it is expected that the vast number of jobs in the project can and will be filled by local residents. Projected initial new employees who will be new residents to the area is 17% of total jobs.</p>									
<p>Additional Note: The project owners have voluntarily agreed to give an additional 1% of Gross Gaming Revenue to the U.G. of Wyandotte County as an additional fee. This 1% amount is projected to exceed \$2.5 million per year to the County. This voluntary fee will be many multiples of any public sector costs for the project, which as demonstrated below will be de minimus.</p>									
Infrastructure Costs									
Roads/Streets Improvements		\$	<p>All infrastructure costs at site are already included in budget, and there will be no public sector expenditures on roads, water/sewer, or storm drains or other infrastructure for the proposed development. As part of the development of the Kansas Speedway, with which the project is contiguous, extensive roads and redundant public utilities were installed at the site sufficient to handle multi-hundreds of thousands of visitors, and were designed for future growth. At the same time, fire, law enforcement and emergency infrastructure was put in place by the Unified Government for such capacity at the site. The site is unique among all applicants for the Northeast Zone gaming license in having such infrastructure fully in place and already operational.</p> <p>Full security personnel and first-responder emergency personnel will also be on site and provided by the project owners. Given the existing fire and law enforcement infrastructure surrounding the Kansas Speedway, no additional such infrastructure is therefore foreseen. The projections below for school, fire personnel, etc. therefore relate solely to the costs related to new employees moving to the area.</p>						
% Paid by Developer		%							
% Paid by Public Sector		%							
Water/Sewer Improvements		\$							
% Paid by Developer		%							
% Paid by Public Sector		%							
Storm Drains		\$							
% Paid by Developer		%							
% Paid by Public Sector		%							
Law Enforcement Building, New or Improved		\$							
% Paid by Developer		%							
% Paid by Public Sector		%							
Fire Station, New or Improved		\$							
% Paid by Developer		%							
% Paid by Public Sector		%							

			<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	
Operating Costs										
School System										
# of Additional K-12 students	#		21	21	26	7	7	7	7	
Estimated number of additional K-12 teachers	#		1	1	1	0	0	0	0	
K-12 support staff	#		0	0	0	0	0	0	0	
Add't salary cost-teachers	\$		42,726	43,581	55,223	14,608	14,900	15,198	15,502	
Add't salary cost-support staff	\$		9,812	10,008	12,681	3,355	3,422	3,490	3,560	
Estimated number of additional classrooms needed	#		1	1	1	0	0	0	0	
Estimated add't sq. footage of ancillary K-12 needed (gyms, cafeterias, etc.)	#		-	-	-	-	-	-	-	
Estimated cost of additional rolling stock	\$		-	-	-	-	-	-	-	
<p>NOTE: The current K-12 age population in the 50-mile region surrounding the project is currently estimated at 413,142. As such, the maximum increase in K-12 students in 2011 (45 students in 2011) would represent a 0.01% increase in the K-12 student population for the region.</p>										
Law Enforcement										
Estimated # of add't personnel										
Uniform	#		2	2	3	2	1	-	1	
Non-Uniform	#		1	1	1	1	-	-	1	
Estimated salary/benefits										
Uniform	\$		78,000	79,560	121,727	82,774	42,215	-	43,920	
Non-Uniform	\$		37,000	37,740	38,495	39,265	-	-	41,668	
Estimated add't non-salary expense (services/supplies)	\$		20,000	20,400	20,808	21,224	21,649	-	22,523	
Estimated add't rolling stock expense	\$		20,000	20,400	20,808	21,224	21,649	-	22,523	
Estimated add't capital outlay expense (computers, equipment)	\$		7,000	7,140	7,283	7,428	7,577	-	7,883	

			<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	
<u>Fire Protection</u>										
Estimated # of add't personnel										
Uniform	#		2	2	3	1	-	1	-	
Non-Uniform	#		1	1	1	1	-	1	-	
Estimated salary/benefits										
Uniform	\$		106,612	108,744	166,379	56,569	-	58,854	-	
Non-Uniform	\$		47,000	47,940	48,899	49,877	-	51,892	-	
Estimated add't non-salary expense (services/supplies)	\$		20,000	20,400	20,808	21,224	-	22,082	-	
Estimated add't rolling stock expense	\$		20,000	20,400	20,808	21,224	-	22,082	-	
Estimated add't capital outlay expense (computers, equipment)	\$		5,000	5,100	5,202	5,306	-	5,520	-	
<u>Ambulance Service</u>										
Estimated # of add't personnel										
Uniform	#		2	1	3	2	-	1	-	
Non-Uniform	#		1	-	1	1	-	1	-	
Estimated salary/benefits										
Uniform	\$		84,000	42,840	131,090	89,141	-	46,371	-	
Non-Uniform	\$		40,000	-	41,616	42,448	-	44,163	-	
Estimated add't non-salary expense (services/supplies)	\$		20,000	20,400	20,808	21,224	-	22,082	-	
Estimated add't rolling stock expense	\$		20,000	20,400	20,808	21,224	-	22,082	-	
Estimated add't capital outlay expense (computers, equipment)	\$		5,000	5,100	5,202	5,306	-	5,520	-	

			2010	2011	2012	2013	2014	2015	2016	
			CONSTRUCTION PHASE		OPERATIONS PHASE					
Public Sector Revenue			YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	TOTALS
							HOTEL CONST.	HOTEL CONST.	HOTEL OPENS	
Change in Ad Valorem Tax (Property Tax)										
State	\$		-	-	-	-	-	-	-	-
County	\$		\$ -	\$ -	\$ 8,828,198	\$ 9,093,044	\$ 9,365,835	\$ 9,646,811	\$ 11,426,647	\$ 48,360,535
City	\$		n/a	n/a	n/a	n/a	n/a	n/a	n/a	-
Sales and Use Tax										
State	\$		3,130,957	3,130,957	3,521,136	3,762,056	6,987,629	3,973,143	6,701,924	24,945,888
County (includes Hotel Occ. Tax)	\$		579,256	579,256	1,357,628	1,450,518	1,486,999	1,531,906	2,584,029	8,411,080
City	\$		738,433	738,433	373,069	398,595	408,619	420,960	710,078	2,311,321
Subtotal: Sales & Use Tax			4,448,646	4,448,646	5,251,833	5,611,169	8,883,247	5,926,009	9,996,031	35,668,289
LGF Gaming Revenue ¹										
Exp. Lottery Act Revenue Fund	\$		-	-	44,323,219	48,440,677	49,651,693	50,892,986	55,185,454	248,494,029
Problem Gambling Fund	\$		-	-	4,029,384	4,403,698	4,513,790	4,626,635	5,016,859	22,590,366
Cities	\$		-	-	1,511,019	1,651,387	1,692,671	1,734,988	1,881,322	8,471,387
County	\$		-	-	4,533,056	4,954,160	5,078,014	5,204,964	5,643,967	25,414,162
Wyandotte County Incentive Fee ²	\$		-	-	2,014,692	2,201,849	2,256,895	2,313,318	2,508,430	11,295,183
Subtotal: Gaming Taxes			-	-	56,411,370	61,651,770	63,193,064	64,772,891	70,236,033	316,265,128
TOTAL TAX REVENUES			\$ 4,448,646	\$ 4,448,646	\$ 70,491,401	\$ 76,355,983	\$ 81,442,146	\$ 80,345,710	\$ 91,658,711	\$ 435,962,240
¹ Tax revenue projection based on taxes under final management agreement with State of Kansas:										
* 27% total tax to State & County on first \$350mm of Gross Gaming Revenue										
* 30% total tax to State & County on GGR between \$350mm and \$400mm										
* 33% total tax to State & County on GGR above \$400mm										
² Voluntary additional 1% fee being given to UG of Wyandotte County										

PLEASE ANSWER THE FOLLOWING QUESTIONS IN NARRATIVE FORM:

1. Are any of the food and beverage outlets going to be leased or franchised to an outside vendor? If yes, what will be the revenue sharing, or "commission" structure.

Not as currently planned.

2. Please describe specific details of the pre-opening marketing budget and the general strategy associated with how this money will be spent.

Lottery, which should be referred to for a full description of the projected pre-opening marketing efforts of the Applicant. The Applicant has a substantial pre-opening budget, projected currently at \$5 million dollars, which will allow for large-scale pre-opening marketing of the facility. The casino also has the unique ability to leverage the marketing network and capabilities of the owner of the Kansas Speedway, International Speedway Corporation. The association and partnership of the casino with ISC provides unique brand positioning benefits that no competitor can enjoy. The market program therefore focuses on strategic programs that blend traditional casino marketing with cutting-edge approaches.

From pre-opening to grand opening, we will institute a strong media and PR campaign that will emphasize the unique integration of the casino and the Speedway. We will focus on gaining attention and building familiarity with the casino to key target market areas, concentrating not just on attracting locals, but critically on attracting incremental visitors from outside of Kansas to this unique facility. We will position the casino for what it will be: the top casino in the market from a design, ambience, and customer service perspective, and a unique regional attraction.

3. Please describe the initial post-opening marketing spending plans, and your philosophy to drive visitation.

The Applicant has submitted a detailed Marketing Plan as Exhibit: Section VI(d) of its submission to the Kansas Lottery, which should be referred to for a full description of the projected marketing efforts of the Applicant. Again, at the heart of the plans will be more than traditional marketing and promotional tools for casino, but a focused effort on leveraging the unique location and integration of the casino with the dominant "anchor" entertainment attraction in the region. This will include, but hardly be limited to, substantial promotion of the casino surrounding the second NASCAR Sprint Cup event at the Speedway, which provides a multi-million dollar marketing exposure to the casino completely which will be unique nationally.

4. Please describe how you will use your non-gaming amenities to maximize gaming revenue.

Applicant will leverage its unique location and integration with the Kansas Speedway and the national marketing network of International Speedway Corporation to cross-promote and market the casino facility nationwide. As part of bringing a second NASCAR Sprint Cup race to the Kansas Speedway, the Casino will serve as the title sponsor of this race. This will bring national media exposure, including large-scale television exposure nationwide, to the Casino. In addition, the Applicant will employ the non-gaming amenities within the gaming facility to further cross-promote and drive incremental visitation between the casino and the Speedway. This will

PLEASE NOTE WHAT YOU CONSIDER TO BE THE TEN MOST IMPORTANT FEATURES OF YOUR PROPOSAL.
What factors of your proposal are most distinctive in making it more attractive to Kansas and its residents than a "generic" gaming facility that could be developed within this zone?
<p>1. OPTIMAL LOCATION IN NORTHEAST ZONE. The proposed facility is the only one that is directly contiguous with the Kansas Speedway, itself already a proven destination and generator of significant tax revenue. This location is the heart of Village West in Wyandotte County, which the consultant hired by the State of Kansas identified as an optimal location for the project. The presence of hundreds of thousands of persons on the site during multiple race weeks, who can all be fed directly into the gaming facility, is a huge embedded advantage. In addition, as the owners already hold all land necessary for the facility, they are unique in being able to avoid any land acquisition costs, and instead invest maximum investment dollars in creating a first-class attraction. Further, the site is unique in requiring no public sector investment in infrastructure to it. The site already has enjoys outstanding vehicular access and road systems, and has ample water/sewer and electric capacity already in place.</p>
<p>2. INTEGRATION WITH KANSAS SPEEDWAY WILL DRIVE INCREMENTAL REVENUE. The project is unique not simply in being contiguous with the Kansas Speedway, but in its ability to integrate promotionally with the owners of the Kansas Speedway to enhance gaming and non-gaming revenues at the project. The Kansas Speedway already hosts hundreds of the nation's top executives each year at its events, allowing it to market the casino to them throughout the year. At the same time, the extensive marketing and advertising operations of the Speedway and its corporate parent, plus its significant media exposure during races, will drive massive incremental media exposure at no cost to the gaming facility. This is a completely unique capability of the project versus all other proposals.</p>
<p>3. COMMITMENT TO SECOND NASCAR SPRINT CUP RACE AND ROAD COURSE. International Speedway Corporation ("ISC") has contractually committed, if Kansas Entertainment LLC is awarded a license as the gaming lottery facility manager, to seek the re-alignment of a second NASCAR Sprint Cup race to the Kansas Speedway. In addition, Kansas Entertainment LLC has committed to fund the cost of a road course to be constructed at the Kansas Speedway, and ISC has committed to bring a Grand-Am race to the Kansas Speedway as well. Together, these two commitments will bring over \$100 million per year in economic impact to the State of Kansas.</p>
<p>4. DEEP FINANCIAL RESOURCES OF SPONSORS & FINANCIAL COMMITMENT TO PROJECT. The owners and financial sponsors of the project have very significant financial resources, more than sufficient to finance the project in full without third-parties. In a market where third-party financing is extremely challenging, the owners of Kansas Entertainment, LLC have the financial resources to deliver on a large-scale facility in a timely manner.</p>
<p>5. PROVEN DEVELOPMENT TEAM WITH MARKET LEADING EXPERTISE IN GAMING DEVELOPMENT. The developers of the proposed facilities have proven experience in delivering unique casino and entertainment districts. The development team will bring the same expertise and experience set to the proposed development in Kansas, and will deliver a project that will be of a quality level previously not seen in a regional gaming facility.</p>

6. WORLD-CLASS DESIGN AND ARCHITECTURE. Both the developers and the design team on the project are national-caliber firms that will bring a market-leading level of design to the destination. Klai Juba Architects, the design architects for the project, are widely recognized as industry leaders in gaming and hospitality, having designed three Hard Rock Hotel & Casinos (Las Vegas, Hollywood & Tampa FL), Mandalay Bay (Las Vegas), THE Hotel (Las Vegas), the MGM Expansion (Las Vegas), the Four Seasons Las Vegas, and multiple other hotel/casinos. The quality of design, amenities, and materials on the facility will be world-class, able to compete with any development nationally.

7. COMMITMENT OF OWNERS TO LOCAL COMMUNITY AND LONG-TERM OWNERSHIP. All of the owners of Kansas Entertainment, LLC are committed to long-term ownership of their assets, with decades-long histories of holding on to projects and sustaining them and to being personally involved in the development and operations of the facilities. As owners of the Kansas Speedway, International Speedway Corporation is already a respected local business owner in Wyandotte County, with a consistent history of giving back to the community. As corporate citizens that have already demonstrated an ability to work with the public sector in Kansas to create a major destination and source of new tax revenue, ISC is already deeply vested in the community and the success of any endeavor it undertakes in Wyandotte County. As a further statement of Kansas Entertainment's commitment to the local community, it has agreed to contribute each year an amount equal to 1% of gross gaming revenues to the Unified Government of Wyandotte County to be used for charitable causes, plus additionally substantial mandatory annual commitments to multiple local charities and civic groups. These commitments far exceed any other commitment by any other applicant.

8. POWERFUL BRANDING. The Applicant is commitment to a first-class, national branding of the facility in a manner that will position the facility as a unique attraction for the region.

9. PREMIER OPERATIONAL TEAM WITH TRACK RECORD FOR INNOVATIVE MANAGEMENT. The operations management team for the facility will ensure that the proposed facility will be operated and marketed to a first-class national-caliber standard. The executive gaming management team includes top personnel in their respective fields, including gaming floor operations, food and beverage, finance, marketing, human resources, security and surveillance and development.

10. ABILITY TO LEVERAGE NATIONAL MARKETING NETWORKS. The project has access to and association with some of the strongest marketing and promotions networks in the U.S. and world-wide. No other competitor has the ability to leverage a customer base and marketing network as diverse and international as that of Kansas Entertainment. At the same time, the project's affiliation with a NASCAR speedway affords it access to this equally powerful brand and its customer base to which to market.

SUMMARY OF PROPOSAL DATA			
Proposer:	Kansas Entertainment, LLC		
Project Description	Unit of Measure		
From award of license to opening (in months)	#		
Temporary facility if applicable	#	n/a	
Permanent facility	#	27 months estimated; However, contractual obligation is to deliver permanent facility within 36 months of award of license	
Total investment in project	\$	\$ 296,805,000	plus \$100,000,000 esimated contributed land value
Casino square footage	#	100,000	
No. of hotel rooms	#	250	Note: Assumes Operational in Year 5, See Timeline of Project for Contractual Commitments
# food and beverage outlets	#	5	
Convention center square footage	#	n/a	
Retail square footage	#	4,395	
Event/entertainment facility square footage	#	3,200	
No. of covered parking spaces	#	-	
No. of surface parking spaces	#	2,785	
		1st Full Year of Operation	PHASE 1-A ONLY
No. of annual visitors	#	2,899,153	
% within 100 miles	%	85.8%	
% of overnight visitors	%	0.0%	(Reflects guests in property hotel only)
Annual gross gaming revenue	\$	\$ 201,469,177	
Annual hotel occupancy	%	0.0%	
Annual hotel revenue	\$	\$ -	
Annual food and beverage revenue	\$	\$ 14,953,077	
Net income before federal income taxes	\$	\$ 27,166,272	
Employment and Payroll			
No. of FTE operating employees-total project	#	1,129	
Annual operating payroll-total project	\$	\$ 36,870,752	
Economic and Fiscal Impacts			
Total economic impact-construction-spending	\$	\$ 208,428,301	Spending Impact (total for construction period)
Total economic impact-construction-earnings	\$	\$ 94,168,359	Earnings Impact (total for construction period)
Total economic impact-operating-spending PER ANNUM	\$	\$ 247,627,149	Spending Impact (per annum)
Total economic impact-operating-earnings PER ANNUM	\$	\$ 101,860,548	Earnings Impact (per annum)
[NOTE: The third-party Economic Impact Study commissioned by the Applicant indicated a present value of the economic impact of the operation to be \$3.2 billion.]			
Total incremental public sector revenue-construction	\$	8,897,293	TOTAL OVER CONSTRUCTION PERIOD
Total incremental public sector costs-construction	\$	1,092,303	TOTAL OVER CONSTRUCTION PERIOD
Total incremental public sector revenue-operating	\$	435,962,240	TOTAL OVER FIRST 5 YEARS OF OPERATION
Total incremental public sector costs-operating	\$	1,870,394	TOTAL OVER FIRST 5 YEARS OF OPERATION
Three Most Important Features			
1. OPTIMAL LOCATION IN NORTHEAST ZONE, WITH UNIQUE ABILITY TO INTEGRATE WITH EXISTING ANCHOR ATTRACTION OF KANSAS SPEEDWAY.			
2. DEVELOPERS' PROVEN CAPABILITIES AND THE PROJECT'S DESIGN, WILL CREATE UNIQUE ATTRACTION THAT WILL DRIVE SIGNIFICANT INCREMENTAL TOURISM AND VISITATIONS.			
3. COMMITMENT OF APPLICANT TO ADDITIONAL AMENITIES, INCLUDING SECOND NASCAR SPRINT CUP RACE AND GRAND-AM ROAD COURSE, WILL CREATE HUGE INCREMENTAL ECONOMIC IMPACT VERSUS COMPETING PROPOSAL, AND FURTHER POSITION THE CASINO AND WYANDOTTE COUNTY AS A TRUE REGIONAL DESTINATION.			