

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

- 1. NAME OF FACILITY:** Hollywood Kansas (or some derivative thereof)
- 2. NAME OF MANAGER:** Kansas Entertainment, LLC (the “Manager”)
- 3. PRINCIPALS/OWNERS/PARENT COMPANY:**

Kansas Entertainment, LLC is owned 50% by Kansas Speedway Development Corporation, a wholly-owned subsidiary of International Speedway Corporation, and 50% by Penn Hollywood Kansas, Inc., which is 100% owned by Delvest Corp., which in turn is 100% owned by Penn National Gaming, Inc.

**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):**

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

**Description:** The proposed casino 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: <i>Casino &amp; Dining/Entertainment</i>	14 month construction period planned; Maximum delivery date of 36 months from contract Effective Date	\$ 361,805,166 <sup>1</sup>
Phase I-B: <i>Hotel &amp; Casino Expansion</i>	<i>Hotel: commence construction max.</i> 24 months from opening of Phase I-A <i>Casino Expansion: based on market conditions</i>	\$ 159,157,659 <sup>2</sup>
Phase II-A: <i>Entertainment District &amp; Structured Parking</i>	Based on market conditions <sup>3</sup>	\$ 149,212,058
Phase II-B: <i>Convention Facilities; Spa &amp; Pool; Add'l Structured Parking</i>	Based on market conditions <sup>3</sup>	\$ 157,123,945

**DETAILED DESCRIPTION OF PHASES:**

**Phase I-A:** Hollywood-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 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.

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<sup>1</sup> 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.

<sup>2</sup> 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.

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

**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:**                    **Hollywood (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:	700
<b>Total</b>	<b>3,000</b>

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

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

**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
<b>Total</b>	<b>100</b>	<b>750</b>

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

**\$108 win/position/day stabilized (2012)<sup>5</sup>  
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**

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<sup>4</sup> 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.

- Center bar
  - Live Performance Venue / Lounge
  - Restaurant & Additional Food & Beverage Outlet
  - “Fresh Market” food court concept
  - Coffee Shop
  - 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 2<sup>nd</sup> Sprint Cup race is not delivered

**Phase I-B:**

- 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): 439,599<sup>5</sup>

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

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<sup>5</sup> 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.

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)