

REQUEST FOR PROPOSALS
LOTTERY GAMING FACILITIES TO BE LOCATED IN
SUMNER COUNTY, KANSAS

The Sumner County Board of County Commissioners seeks proposals from those individuals or entities interested in developing and managing a lottery gaming facility (as that term is defined in the Kansas Expanded Lottery Act) to be located in Sumner County, Kansas.

1. All proposals must comply with the requirements set forth in KELA, rules and regulations promulgated by the Kansas Lottery Commission, the Lottery Gaming Facility Review Board, the Kansas Racing and Gaming Commission, and the laws of the State of Kansas, as well as any applicable local ordinances and resolutions, including but not limited to those regulating planning, zoning, health and safety.

2. All proposals must concretely describe the proposed lottery gaming facility.

3. All proposals must contain a minimum financial investment of \$225 million as specified in KELA.

4. All proposals must identify infrastructure improvements necessary for access to and operation of the lottery gaming facility, including road, bridge and interchange improvements; extension of utility services; and a plan for payment of the costs of such improvements. Proposals must specify the source of utility services and describe what negotiations have occurred or what agreements are in place for provision of utility services to the facility and the surrounding area.

5. All project participants, consultants, engineers and contractors must comply with all applicable federal, state and local laws.

6. To the fullest extent permitted by law, the proposer, its subcontractors, agents, servants, officers and employee shall indemnify and hold harmless Sumner County and its elected and appointed officials, officers, employees and agents, from any and all claims brought by any person or entity whatsoever, arising from any act, error or omission.

7. Any applicant receiving an endorsement from the Board of County Commissioners will be required to enter into a Predevelopment Agreement with Sumner County immediately following the endorsement, which will include, but is not limited to, the following terms:

- a. Revenue. The applicant shall pay, at a minimum, lottery gaming revenues according to the percentages set forth in KELA. Additionally, applicant shall pay all real property ad valorem and sales taxes as the same become due and payable, subject to any rights of protest.

- b. Development of the Project. Applicant agrees to develop a first class project. The project shall be generally consistent in its program components as depicted on a preliminary master plan provided by the applicant in its proposal. Applicant shall make, or cause to be made, a capital investment of at least Two Hundred and Twenty Five Million Dollars (\$225,000,000), as defined in KELA and its regulations in development of the preliminary master plan.
- c. Provision for Adequate Infrastructure. Applicant agrees that in the development of the project, it shall construct, cause to be constructed, or provide the funds to the County for construction of adequate infrastructure to serve the project. Adequate infrastructure shall mean roadways, utilities, and public safety and emergency service facilities in a size and type to serve the employees and patrons of the project as determined by mutual agreement of the professional planning, engineering, and technical consultants of applicant and County. Applicant shall agree to purchase and supply designated police, emergency and fire equipment and technology necessitated by the project.
- d. Professional Consultants. Applicant agrees to reimburse the County for the reasonable expenses incurred by the County for professional consultants it may hire to assist in its review and consideration of any portion or phase of development of a lottery gaming facility in Sumner County. This includes outside legal counsel to advise and assist the County in any related matter. Such expenses incurred by the County will be reimbursed in equal shares by all applicants endorsed by the County. Upon selection and approval by the Lottery Commission and the Kansas Racing and Gaming Commission of the manager of the South Central gaming zone, the chosen manager shall agree to reimburse the County for the entire amount of reasonable expenses incurred, as described above, for services rendered after the date the manager is selected and approved. Applicants who withdraw after submitting a proposal are responsible for the above described expenses according to the terms of this paragraph regardless of withdrawal.
- e. Negative Covenants. In connection with the development of the Project, applicant shall NOT:
1. Request that the County use its power of eminent domain to acquire any interest in real property for the Lottery Gaming Enterprise;
 2. Request the use of STAR Bond or Tax Increment Financing for construction of the Lottery Gaming Enterprise;
 3. Request the use of Revenue Bonds for construction of the Lottery Gaming Enterprise; or
 4. Request the abatement of real property taxes for the Lottery Gaming Enterprise.

- f. Development Agreement. Following receipt of the final approval of applicant as the manager of the South Central gaming zone, the parties shall enter into a Development Agreement mutually agreeable to the parties, which will set forth in detail the obligations and duties of the parties regarding the construction and operation of the proposed project.
- g. Applicable Law and Venue. The Predevelopment Agreement will be deemed to be entered into in the State of Kansas, and will be enforceable under the laws of that state. Venue for any dispute in connection with the Predevelopment Agreement shall lie in the District Court of Sumner County, Kansas, and/or the District Court of Shawnee County, Kansas.
8. Nothing contained in this document or otherwise guarantees endorsement of any proposal or a specific number of proposals. Proposer agrees that all documentation and materials submitted with a proposal shall remain the property of Sumner County.
9. Proposers may submit more than one proposal.
10. Proposals must be submitted to: Debbie Norris, Sumner County Clerk
Sumner County Courthouse
501 N. Washington, Room 101
Wellington, KS 67152
11. All proposals must be either hand delivered to the County Clerk's Office or by some method which provides for written receipt of delivery. Mark all proposals as Lottery Gaming Facility Proposal on the outside of the package. Submit one original and six (6) copies:
12. All proposals shall be submitted on electronic media (CD-ROM, DVD-ROM, or USB flash drive) with electronic files in .pdf or .tif format. This is in addition to the one (1) original and six (6) hard copies required to be submitted to the County Clerk's Office.
13. All information contained in the proposals will be considered public information and subject to disclosure under the Kansas Open Records Act. Information contained in the proposals will be posted for public view on the Sumner County website.
14. Those submitting a proposal must submit a bid security in the amount of \$50,000.00. Bid security must be in the form of a certified or cashier's check payable to the Sumner County Treasurer. Bid securities for the developer(s) not selected by the State of Kansas as the facility manager in the South Central gaming zone will be returned, without interest, to the applicant as soon as practical following a final decision by the Kansas Racing and Gaming Commission. Bid security for the developer selected as the facility manager in the South Central gaming zone will be retained and become the property of Sumner County. Bid security for any applicant who withdraws after receiving an endorsement from the Board of County

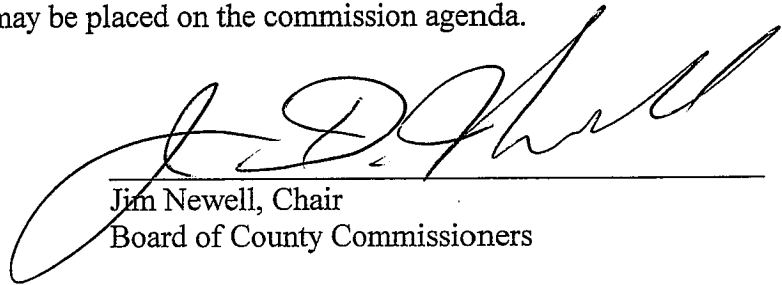
Commissioners will be retained and become the property of Sumner County upon withdrawal of the application.

15. Those submitting a proposal must pay a non-refundable application fee in the amount of \$2,500.00 per proposal for processing and review. The fee must be paid in the form of a certified or cashier's check payable to the Sumner County Treasurer.

16. Proposals are due at 12:00 p.m. (noon) central daylight time on July 29, 2010. The Board will hear presentations on the proposals at a public meeting to be held on Tuesday, August 10, 2010, at 10 a.m. at the Raymond Frye Complex in Wellington, Kansas.

17. Please direct any questions regarding submission of proposals to the County Clerk's Office, 620-326-3395. This RFP will be posted on the Sumner County website: www.co.sumner.ks.us. It is the responsibility of the applicant to check the website for updates or additional information.

In advance of submission of proposals, the Sumner County Board of County Commissioners invites any individual, group or other entity either interested in or planning to submit a proposal to meet with the commissioners during a regularly scheduled public meeting on Monday or Tuesday of each week to outline plans for the project. These discussions are non-binding and for informational purposes only. Please contact the County Clerk's Office to arrange a date and time so that the meeting may be placed on the commission agenda.



Jim Newell, Chair
Board of County Commissioners