
HCE

Hospitality Compensation Exchange®



Presented By:



2005 Hospitality Board Director Compensation Report©

*"Specialists in executive search, compensation consulting and corporate
governance counseling for the Hotel, Chain Restaurant
and Gaming Industries."*





Are board members aware of the need to create, approve and disclose the organization's corporate governance policies?

Are board members financially literate, and do they have a sound understanding of the organization's key risks and business issues?

Do directors meet the stringent 'independence' criteria specified by the regulatory authorities?

Are board members aware of the penalties under Sarbanes-Oxley for not meeting disclosure requirements?

Are audit committee members qualified as a 'financial expert'?

Are board members aware of the need to establish an effective internal control system?

Does the compensation committee take into consideration remuneration differentials when establishing compensation awards?

Due to highly publicized fraud cases and the Sarbanes-Oxley Act, the questions above are examples of what public companies need to consider in order to comply with governmental regulations and function effectively in the 'new age' of corporate governance.

For the past thirteen years HVS Executive Search has been analyzing the performance of public boards within the hospitality industry. The 2005 Hospitality Board Director Report© provides an in-depth look at how directors are compensated and how industry boards are structured. The peer group consists of one hundred thirty-six companies. Whether you run a public or private company, we hope our report will help you govern your organization more effectively.

With kind regards,

Keith Kefgen, President
David Mansbach, Managing Director; Restaurant Division
Stephen Goebel, Managing Director, Gaming Division





Table of Contents

➤ HCE Information	Page 4
➤ Results Summary	Page 5
➤ Results Summary by Segment	Page 6
➤ Comparison By Market Capitalization	Page 8
➤ Comparison By Segment	Page 9
➤ Committee Compensation & Analysis	Page 11
➤ Hotel Board Director Pay By Company	Page 13
➤ Chain Restaurant Board Director Pay By Company	Page 16
➤ Gaming Board Director Pay By Company	Page 19
➤ Survey Assumptions	Page 21





- HCE Hospitality Compensation Exchange®** The HCE Hospitality Compensation Exchange® is the largest industry forum for the exchange of compensation and benefit information. Annual HCE Surveys are conducted for the restaurant, retail, lodging and gaming industries and encompass corporate and property-level positions. Furthermore, clients have access to more focused reports and services.
- HCE Annual Retainer** HVS has successfully partnered with restaurant companies to provide an “independent” prospective concerning the link between executive rewards and operational/strategic results, stakeholder interests and overall economic enhancement of the organization. Projects include but are not limited to Executive Compensation Reviews, Incentive Program Design and Implementation, Governmental and Regulatory requirements and Compensation Committee Design & Make Up. Based on the size of your company the annual retainer will range from \$20,000 - \$50,000.
- HCE Annual Report** HCE Annual Reports contain an executive summary of the national HCE survey data. The data is categorized by suitable industry criteria. Restaurant, Retail, Lodging and Gaming Annual Reports are available for both corporate and property level positions. An HCE Annual Report is \$350.
- HCE Select** HCE Select generates criteria-specific reports based on data from the national survey. Users can determine their own query parameters for an HCE Select Report. The HCE Select program allows for numerous parameters to be considered simultaneously. A typical HCE Select is \$500-\$1,000.
- HCE Custom** HCE Custom creates client-defined reports from newly gathered data. HCE Custom gives clients access to information not collected in the national HCE surveys. Custom surveys are designed to consider an unlimited number of parameters, positions and questions. It is specifically targeted to competitive companies. This ground-up approach results in a fully customized report. A typical HCE Custom is \$5,000-\$15,000.
- Corporate Governance** HVS Executive Search assists lodging, chain restaurant and gaming companies in evaluating board effectiveness, compensation planning, committee structure and succession planning. HVS Executive Search then implements governance “Best Practices” with the client. HVS Executive Search can also develop competency models to evaluate performance metrics for directors.



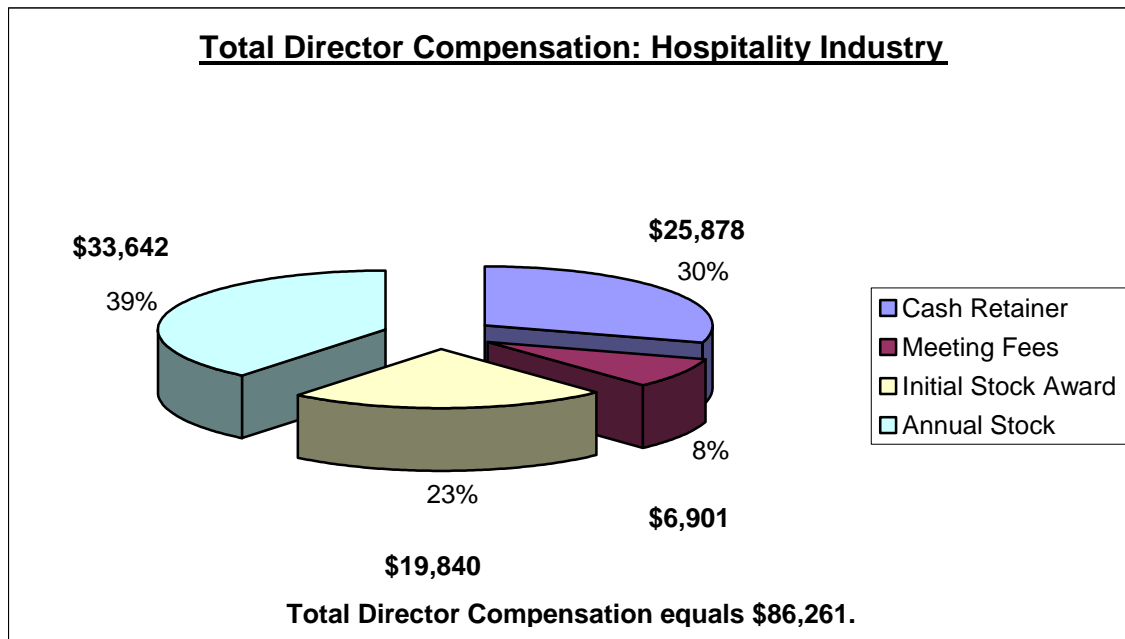


Results Summary

The peer group for the 2005 Hospitality Board Director Compensation Report© comprises one hundred thirty-six publicly traded hospitality companies (40 hotel, 60 restaurant, and 36 gaming organizations). All compensation and financial data was obtained through company proxy and/or 10K reports.

Based on our analysis, the median annual compensation¹ for a board director in the last fiscal year was \$86,261. The median cash retainer and meeting fees (cash compensation) accounted for 38% of director pay, while 62% was given in the form of stock (long-term, initial stock and annual stock awards).

To determine if the findings stated above were consistent with other segments of corporate America, HVS reviewed the Pearl Meyer & Partners 2004 study that addressed board director compensation trends for the top 200 industrial and service companies. Results illustrate that 58% of board total remuneration is now delivered in the form of stock; a trend similar to that of the hospitality industry.



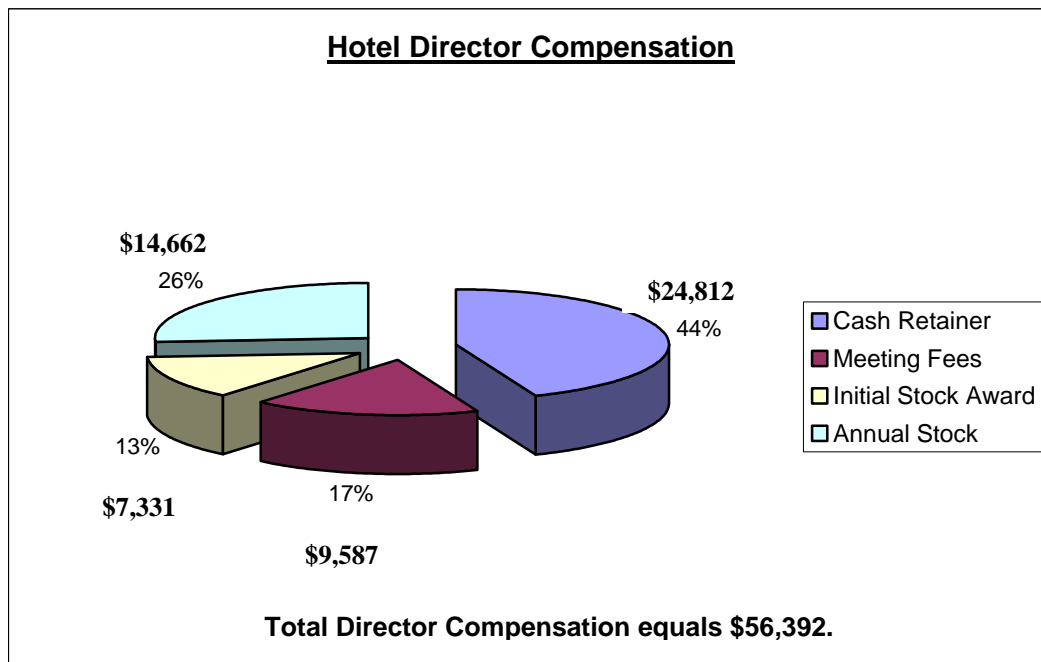
¹ Total Compensation = Cash Retainer + Initial Stock Retainer + Meeting Fees + Annual Stock Award



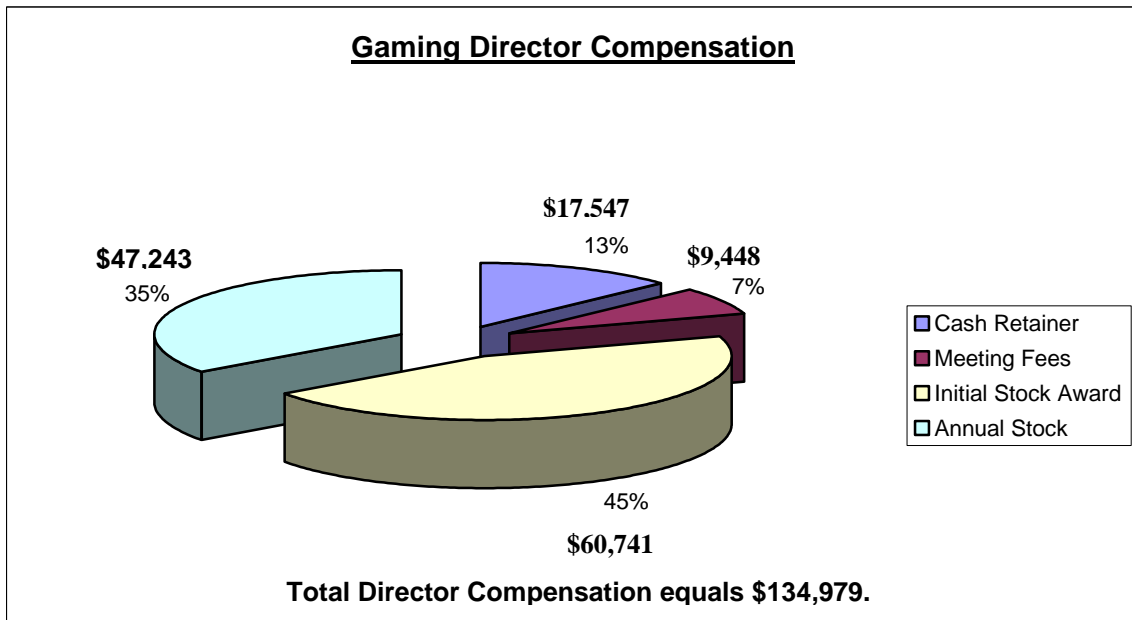
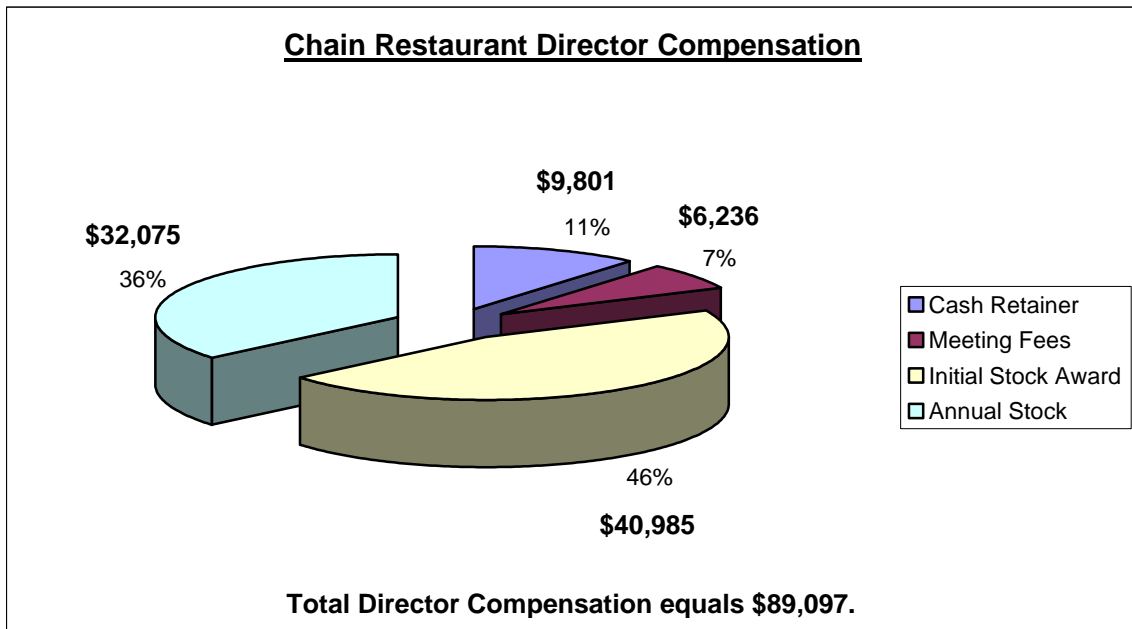
Board Director Compensation by Segment

When comparing the three segments of the study (hotel, chain restaurant and gaming) there was a considerable variance when it came to median board director total compensation:

- Hotel Board Director Total Compensation: \$56,392
- Chain Restaurant Board Director Total Compensation: \$89,097
- Gaming Board Director Total Compensation: \$134,979



Board Director Compensation by Segment (continued)

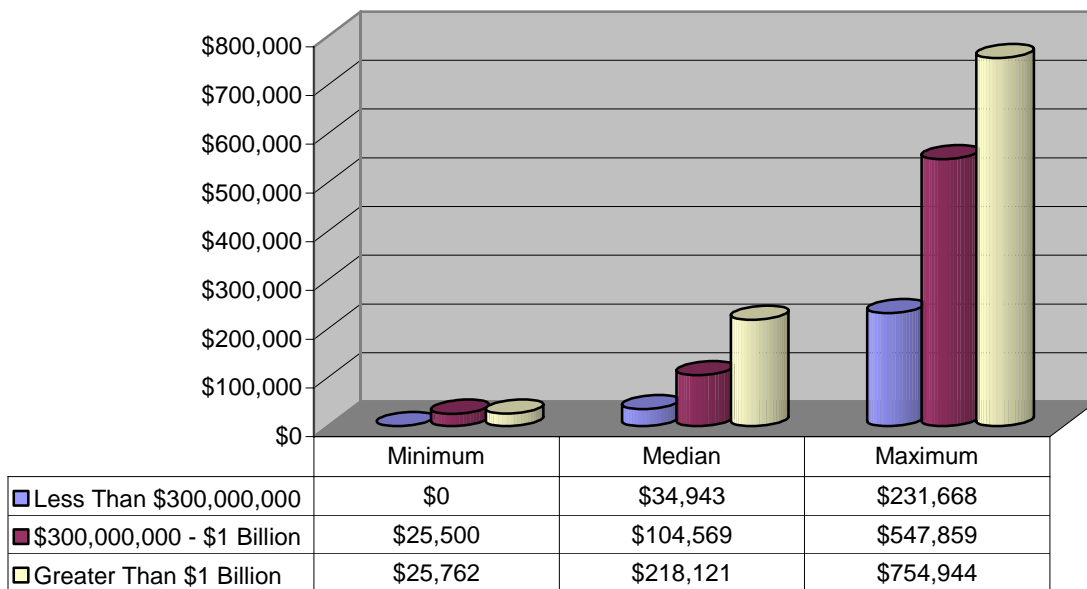




Board Director Compensation – Comparison by Market Capitalization

A review of total compensation¹ for hospitality board directors (hotel, chain restaurant and gaming) indicated a strong correlation between the amount of compensation received and the size of the company. The median compensation for organizations whose market capitalization is greater than \$1 billion in sales was \$218,121, twice the amount of companies in the \$300 Million - \$1 Billion category, and six times that of the \$34,943 received by directors of companies with a market cap of less than \$300,000,000.²

Total Director Compensation by Market Cap - Hospitality Industry



¹ Total Compensation = Cash Retainer + Initial Stock Retainer + Meeting Fees + Annual Stock Award

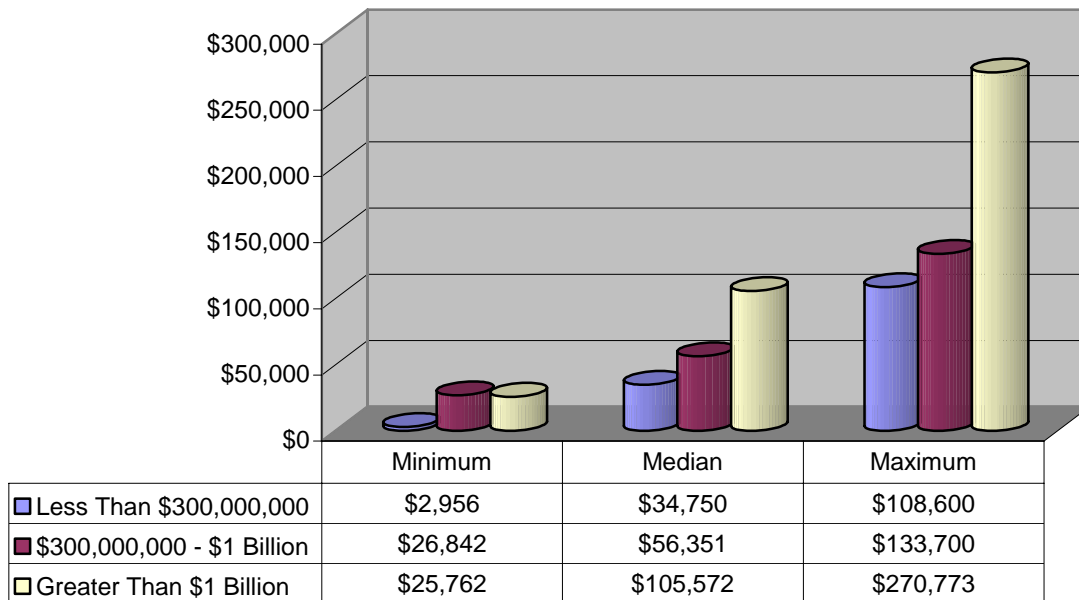
² Market cap was obtained from smartmoney.com on August 1, 2005.



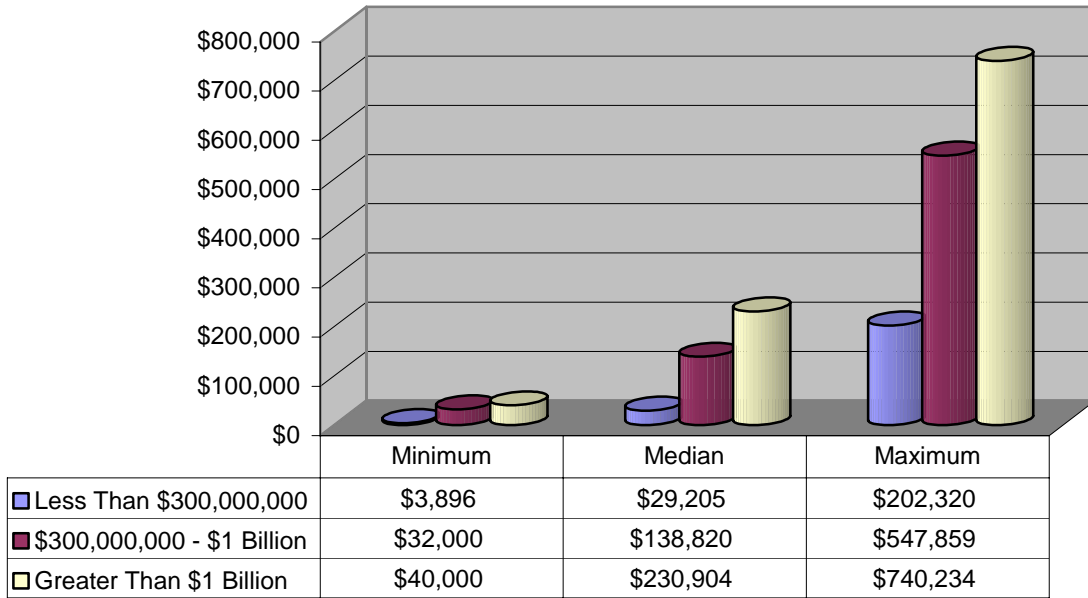
Comparison By Segment: Hotel, Restaurant & Gaming

To compare board director compensation within each of the three segments, hotel, chain restaurant and gaming, HVS broke down the total compensation figures into three data breaks, Company Market Capitalization, Less Than \$300,000,000, \$300,000 - \$ Billion, and Greater Than \$1 Billion:

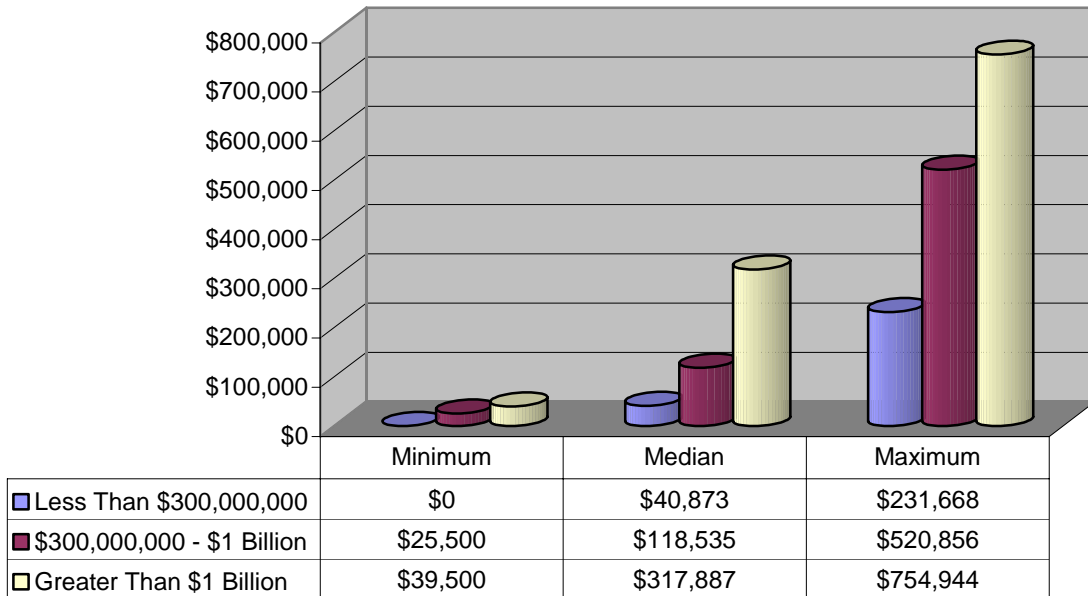
Hotel Director Compensation by Market Cap



Restaurant Director Compensation by Market Cap

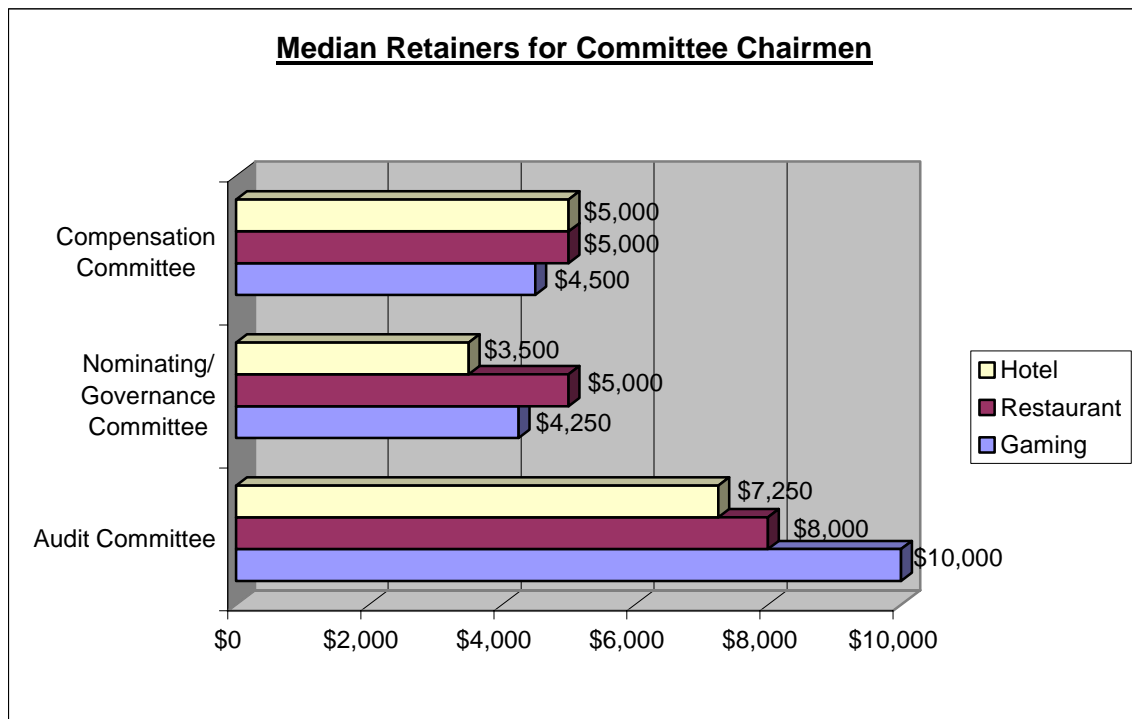


Gaming Director Compensation by Market Cap

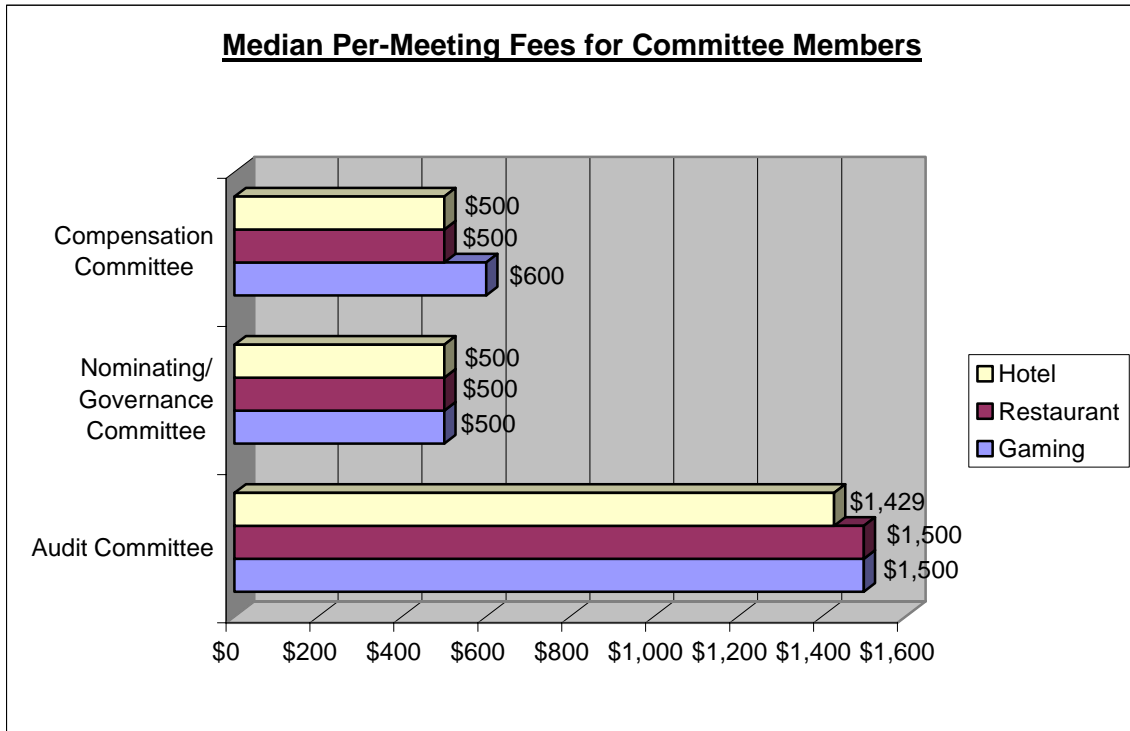


Committee Compensation - Audit, Compensation and Nominating/Governance

An array of corporate governance catastrophes over the past several years have caused public organizations to spend significant amounts of time and money to re-align their boards. Three committees that are critical and have been closely monitored are the Audit, Compensation and Nominating/Governance. HVS took an in-depth look at how 'new' chairmen and committee members are being compensated.



*Board Director Committee Compensation & Analysis
 (continued)*





Hotel Companies

<u>Company Name</u>	<u>Annual Cash Retainer</u>	<u>Initial Stock Award (a)</u>	<u>Board Meeting Fee (b)</u>	<u>Committee Meeting Fee (b)</u>	<u>Committee Retainer</u>	<u>Total Retainers & Meeting Fees</u>	<u>Annual Stock Award</u>	<u>Total Compensation</u>	<u>Market Cap. (\$ mill.) (c)</u>
Arlington Hospitality	\$9,000	\$0	\$1,500	\$1,000	\$0	\$31,000	\$8,566	\$39,566	\$2
Ashford Hospitality Trust	\$20,000	\$0	\$2,000	\$2,000	\$0	\$57,000	\$266	\$57,266	\$486
Bluegreen Corporation	\$36,000	\$0	\$0	\$0	\$1,500	\$37,500	\$59,475	\$96,975	\$532
Boca Resorts, Inc.	\$40,000	\$94,935	\$0	\$1,000	\$0	\$136,935	\$37,974	\$174,909	\$693
Boykin Lodging Company	\$35,000	\$0	\$1,000	\$1,000	\$0	\$42,000	\$0	\$42,000	\$228
Cendant Corporation	\$160,000	\$0	\$0	\$0	\$12,500	\$172,500	\$0	\$172,500	\$21,303
Choice Hotels International, Inc.	\$80,000	\$50,000	\$2,000	\$2,000	\$0	\$149,000	\$0	\$149,000	\$2,096
Crescent Real Estate Equities Co.	\$40,000	\$0	\$1,500	\$1,250	\$0	\$56,000	\$433	\$56,433	\$1,929
Eagle Hospitality Properties Trust	\$34,000	\$0	\$1,000	\$0	\$0	\$35,000	\$0	\$35,000	\$170
Equity Inns Inc.	\$25,000	\$12,601	\$1,000	\$750	\$0	\$46,351	\$10,000	\$56,351	\$680
Equity Office Properties Trust	\$50,000	\$0	\$0	\$0	\$4,000	\$54,000	\$50,000	\$104,000	\$13,355
FelCor Lodging Trust Inc.	\$35,000	\$0	\$1,000	\$0	\$2,500	\$44,500	\$0	\$44,500	\$905
Forest City Enterprises	\$25,000	\$0	\$1,500	\$1,500	\$0	\$46,750	\$0	\$46,750	\$3,525
Gaylord Entertainment	\$30,000	\$154,682	\$0	\$0	\$8,750	\$193,432	\$77,341	\$270,773	\$1,772
Great Wolf Resorts	\$40,000	\$38,011	\$1,000	\$1,000	\$0	\$78,011	\$25,341	\$103,352	\$357
Hersha Hospitality Trust	\$16,000	\$0	\$1,000	\$1,000	\$0	\$29,500	\$5,000	\$34,500	\$202
Highland Hospitality Corporation	\$20,000	\$5	\$1,500	\$1,500	\$0	\$41,005	\$2	\$41,007	\$425
Hilton Hotels Corporation	\$50,000	\$0	\$0	\$0	\$8,000	\$58,000	\$30,000	\$88,000	\$9,143
Hospitality Properties Trust	\$20,000	\$0	\$500	\$500	\$0	\$25,750	\$12	\$25,762	\$3,079

(a) Calculated using Black-Scholes Valuation Model

(b) Per Meeting Fee

(c) Source - smartmoney.com





Hotel Companies (continued)

<u>Company Name</u>	<u>Annual Cash Retainer</u>	<u>Initial Stock Award (a)</u>	<u>Board Meeting Fee (b)</u>	<u>Committee Meeting Fee (b)</u>	<u>Committee Retainer</u>	<u>Total Retainers & Meeting Fees</u>	<u>Annual Stock Award</u>	<u>Total Compensation</u>	<u>Market Cap. (\$ mill.) (c)</u>
Host Marriott Corp.	\$35,000	\$0	\$1,250	\$1,250	\$0	\$35,000	\$35,000	\$70,000	\$6,108
Innkeepers USA Trust	\$24,000	\$75,000	\$1,250	\$500	\$0	\$99,000	\$20,700	\$119,700	\$644
InnSuites Hospitality	\$0	\$0	\$0	\$0	\$0	\$0	\$2,956	\$2,956	\$12
Interstate Hotels & Resorts, Inc.	\$20,000	\$12,872	\$1,250	\$1,000	\$0	\$53,872	\$8,581	\$62,453	\$154
Jameson Inns Inc.	\$10,000	\$31,560	\$500	\$500	\$0	\$45,810	\$6,312	\$52,122	\$126
La Quinta Corporation	\$30,000	\$0	\$1,500	\$1,500	\$0	\$66,000	\$76,619	\$142,619	\$1,794
LaSalle Hotel Properties	\$25,000	\$3,817	\$1,000	\$750	\$0	\$40,567	\$3,817	\$44,384	\$1,007
Lodgian, Inc.	\$24,000	\$0	\$1,500	\$1,000	\$0	\$56,000	\$52,600	\$108,600	\$251
Loews Corporation	\$50,000	\$0	\$0	\$1,500	\$0	\$59,750	\$47,394	\$107,144	\$16,267
Marcus Corporation	\$7,500	\$5,004	\$2,000	\$625	\$0	\$22,379	\$4,463	\$26,842	\$582
Marriott International	\$50,000	\$0	\$1,250	\$1,250	\$0	\$60,000	\$50,000	\$110,000	\$14,255
Saul Centers, Inc.	\$20,000	\$0	\$1,200	\$1,200	\$0	\$33,200	\$7,399	\$40,599	\$602
Sonesta International Hotels Corp.	\$12,000	\$0	\$600	\$0	\$0	\$15,000	\$0	\$15,000	\$107
Starwood Hotels & Resorts	\$50,000	\$0	\$750	\$1,750	\$5,000	\$84,250	\$89,062	\$173,312	\$12,900
Strategic Hotel Capital Inc.	\$50,000	\$0	\$0	\$1,000	\$0	\$53,500	\$0	\$53,500	\$588
Sunstone Hotel Investors, Inc.	\$50,000	\$0	\$1,000	\$625	\$0	\$53,938	\$0	\$53,938	\$1,065
Supertel Hospitality, Inc.	\$20,000	\$0	\$0	\$0	\$0	\$20,000	\$0	\$20,000	\$54
Vail Resorts, Inc.	\$25,000	\$0	\$5,000	\$1,500	\$7,500	\$70,750	\$0	\$70,750	\$989
Walt Disney Company	\$65,000	\$0	\$0	\$0	\$10,000	\$75,000	\$79,169	\$154,169	\$50,917

(a) Calculated using Black-Scholes Valuation Model

(b) Per Meeting Fee

(c) Source – smartmoney.com





Hotel Companies (continued)

<u>Company Name</u>	<u>Annual Cash Retainer</u>	<u>Initial Stock Award (a)</u>	<u>Board Meeting Fee (b)</u>	<u>Committee Meeting Fee (b)</u>	<u>Committee Retainer</u>	<u>Total Retainers & Meeting Fees</u>	<u>Annual Stock Award</u>	<u>Total Compensation</u>
WestCoast Hospitality Corp.	\$25,000	\$0	\$0	\$0	\$0	\$25,000	\$0	\$25,000
Winston Hotels, Inc.	\$0	\$0	\$1,500	\$500	\$0	\$13,000	\$7,363	\$20,363

(a) Calculated using Black-Scholes Valuation Model

(b) Per Meeting Fee

(c) Source - smartmoney.com





Chain Restaurant Companies

Company Name	Annual Cash Retainer	Initial Stock Award (a)	Board Meeting Fee (b)	Committee Meeting Fee (b)	Committee Retainer	Total Retainers & Meeting Fees	Annual Stock Award	Total Compensation	Market Cap. (\$ mill.) (c)
AFC Enterprises, Inc.	\$15,000	\$11,629	\$2,500	\$1,250	\$0	\$70,629	\$11,629	\$82,258	\$396
Applebee's International, Inc.	\$30,000	\$0	\$0	\$0	\$0	\$30,000	\$214,508	\$244,508	\$2,101
Ark Restaurants Corp	\$15,000	\$0	\$0	\$0	\$0	\$15,000	\$0	\$15,000	\$108
Back Yard Burgers, Inc.	\$0	\$0	\$2,000	\$1,000	\$0	\$25,500	\$14,520	\$40,020	\$25
Benihana Inc.	\$12,000	\$0	\$1,000	\$1,000	\$0	\$20,000	\$64,523	\$84,523	\$58
BJ's Restaurants, Inc.	\$6,000	\$144,092	\$750	\$500	\$0	\$156,342	\$30,000	\$186,342	\$546
Bob Evans Farms, Inc.	\$24,000	\$0	\$1,500	\$1,375	\$0	\$33,750	\$27,000	\$60,750	\$877
Brinker International, Inc.	\$40,000	\$193,781	\$2,000	\$2,000	\$0	\$259,781	\$38,756	\$298,537	\$3,611
Buffalo Wild Wings, Inc.	\$20,000	\$0	\$0	\$0	\$5,000	\$25,000	\$0	\$25,000	\$282
California Pizza Kitchen, Inc.	\$30,000	\$90,099	\$1,500	\$1,000	\$0	\$140,099	\$60,066	\$200,165	\$631
CBRL Group, Inc.	\$30,000	\$0	\$1,000	\$2,000	\$0	\$60,000	\$180,584	\$240,584	\$1,860
CEC Entertainment, Inc.	\$25,000	\$337,782	\$2,000	\$0	\$0	\$384,782	\$168,891	\$553,673	\$1,342
Champps Entertainment, Inc.	\$0	\$0	\$0	\$3,000	\$0	\$13,500	\$21,603	\$35,103	\$98
Cheesecake Factory Inc.	\$15,000	\$140,785	\$1,000	\$1,000	\$0	\$163,285	\$46,928	\$210,213	\$2,811
CKE Restaurants, Inc.	\$33,000	\$268,613	\$1,000	\$2,000	\$0	\$328,613	\$161,168	\$489,781	\$758
Cosi, Inc.	\$10,000	\$0	\$2,000	\$1,000	\$0	\$27,500	\$25,000	\$52,500	\$279
Darden Restaurants, Inc.	\$15,000	\$88,072	\$1,000	\$700	\$0	\$113,972	\$100,000	\$213,972	\$5,406
Dave and Buster's, Inc.	\$19,000	\$167,695	\$1,250	\$1,250	\$0	\$202,320	\$0	\$202,320	\$261
Denny's Corporation	\$45,000	\$0	\$0	\$0	\$0	\$45,000	\$104,206	\$149,206	\$516
Diedrich Coffee, Inc.	\$12,000	\$22,931	\$1,000	\$500	\$0	\$41,181	\$22,931	\$64,112	\$28

(a) Calculated using Black-Scholes Valuation Model

(b) Per Meeting Fee

(c) Source - smartmoney.com





Chain Restaurant Companies (continued)

Company Name	Annual Cash Retainer	Initial Stock Award (a)	Board Meeting Fee (b)	Committee Meeting Fee (b)	Committee Retainer	Total Retainers & Meeting Fees	Annual Stock Award	Total Compensation	Market Cap. (\$ mill.) (c)
Domino's Pizza, Inc.	\$30,000	\$0	\$1,000	\$1,000	\$0	\$40,000	\$0	\$40,000	\$1,626
Elmer's Restaurants, Inc.	\$5,000	\$23,026	\$0	\$0	\$0	\$28,026	\$4,605	\$32,631	\$14
Famous Dave's of America, Inc.	\$0	\$134,837	\$5,000	\$0	\$0	\$154,837	\$26,967	\$181,804	\$106
Fox and Hound Restaurant Group	\$10,000	\$0	\$1,250	\$1,000	\$0	\$21,250	\$35,873	\$57,123	\$125
Good Times Restaurants, Inc.	\$0	\$0	\$500	\$100	\$0	\$2,250	\$1,646	\$3,896	\$12
Grill Concepts, Inc.	\$4,000	\$7,882	\$500	\$250	\$0	\$15,007	\$6,305	\$21,312	\$24
IHOP Corporation	\$35,000	\$0	\$1,000	\$1,000	\$0	\$50,500	\$0	\$50,500	\$910
J. Alexander's Corporation	\$15,000	\$48,363	\$1,500	\$1,500	\$0	\$80,613	\$4,836	\$85,449	\$63
Jack in the Box Inc.	\$25,000	\$0	\$2,000	\$1,000	\$0	\$33,500	\$124,446	\$157,946	\$1,341
Landry's Restaurants, Inc.	\$36,000	\$44,106	\$0	\$1,000	\$0	\$84,606	\$8,821	\$93,427	\$711
Lone Star Steakhouse and Saloon	\$20,000	\$271,216	\$0	\$2,000	\$0	\$307,216	\$50,853	\$358,069	\$618
Luby's, Inc.	\$25,000	\$0	\$1,500	\$1,000	\$0	\$50,000	\$22,167	\$72,167	\$328
Main Street Restaurant Group, Inc.	\$16,000	\$0	\$1,000	\$750	\$0	\$23,000	\$0	\$23,000	\$74
Max and Erma's Restaurants, Inc.	\$8,000	\$0	\$1,000	\$500	\$0	\$15,000	\$0	\$15,000	\$36
McCormick & Schmick's Seafood Rest.	\$10,000	\$0	\$1,250	\$0	\$5,000	\$21,250	\$0	\$21,250	\$248
McDonald's Corporation	\$50,000	\$69,216	\$1,000	\$1,000	\$0	\$135,716	\$69,216	\$204,932	\$39,520
Meritage Hospitality Group, Inc.	\$0	\$5,971	\$1,000	\$1,000	\$0	\$13,971	\$5,971	\$19,942	\$28
Mexican Restaurants, Inc.	\$8,000	\$0	\$1,000	\$1,000	\$0	\$15,000	\$15,660	\$30,660	\$32
Nathan's Famous, Inc.	\$7,500	\$0	\$750	\$750	\$1,000	\$13,375	\$0	\$13,375	\$49
O'Charley's Inc.	\$15,000	\$33,538	\$3,000	\$3,000	\$0	\$92,038	\$17,887	\$109,925	\$421

(a) Calculated using Black-Scholes Valuation Model

(b) Per Meeting Fee

(c) Source - smartmoney.com





Chain Restaurant Companies (continued)

Company Name	Annual Cash Retainer	Initial Stock Award (a)	Board Meeting Fee (b)	Committee Meeting Fee (b)	Committee Retainer	Total Retainers & Meeting Fees	Annual Stock Award	Total Compensation	Market Cap. mill.) (c)
Outback Steakhouse, Inc.	\$60,000	\$499,349	\$1,500	\$1,500	\$0	\$575,849	\$0	\$575,849	\$3,449
P.F. Chang's China Bistro, Inc.	\$0	\$393,749	\$0	\$0	\$0	\$393,749	\$196,874	\$590,623	\$1,488
Panera Bread Company	\$12,000	\$109,452	\$0	\$0	\$0	\$121,452	\$109,452	\$230,904	\$1,796
Papa John's International, Inc.	\$25,000	\$0	\$1,500	\$1,000	\$0	\$44,000	\$94,820	\$138,820	\$729
Peet's Coffee and Tea, Inc.	\$10,000	\$153,900	\$0	\$0	\$5,000	\$168,900	\$65,957	\$234,857	\$444
Pizza Inn, Inc.	\$17,000	\$0	\$1,000	\$250	\$0	\$27,750	\$0	\$27,750	\$26
RARE Hospitality International, Inc.	\$20,000	\$0	\$0	\$0	\$2,500	\$22,500	\$53,460	\$75,960	\$1,083
Red Robin Gourmet Burgers	\$25,000	\$93,829	\$1,000	\$1,500	\$0	\$134,579	\$93,829	\$228,408	\$978
Ruby Tuesday, Inc.	\$18,000	\$0	\$4,500	\$2,250	\$0	\$42,750	\$105,145	\$147,895	\$1,615
Ryan's Restaurant Group, Inc.	\$25,000	\$0	\$1,500	\$1,000	\$0	\$34,500	\$28,446	\$62,946	\$561
Smith and Wollensky Restaurant Group	\$10,000	\$0	\$0	\$500	\$0	\$11,250	\$0	\$11,250	\$56
Sonic Corporation	\$12,000	\$613,259	\$2,000	\$2,000	\$0	\$645,259	\$81,768	\$727,027	\$1,865
Star Buffet, Inc.	\$0	\$0	\$2,000	\$1,500	\$0	\$13,750	\$0	\$13,750	\$25
Starbucks Corporation	\$100,000	\$540,234	\$0	\$0	\$0	\$640,234	\$100,000	\$740,234	\$19,626
Steak n Shake Company	\$18,000	\$0	\$2,500	\$1,000	\$0	\$32,000	\$0	\$32,000	\$598
Texas Roadhouse, Inc.	\$12,500	\$113,907	\$2,000	\$1,000	\$0	\$129,407	\$0	\$129,407	\$1,283
Triarc Companies, Inc.	\$30,000	\$383,925	\$1,500	\$1,500	\$0	\$445,425	\$102,434	\$547,859	\$406
Wendy's International, Inc.	\$30,000	\$0	\$1,500	\$1,250	\$0	\$58,125	\$34,620	\$92,745	\$6,091
Worldwide Restaurant Concepts, Inc.	\$20,000	\$4,100	\$1,000	\$1,000	\$0	\$36,100	\$4,100	\$40,200	\$181
YUM! Brands, Inc.	\$100,000	\$25,000	\$0	\$0	\$0	\$125,000	\$125,000	\$250,000	\$14,796

(a) Calculated using Black-Scholes Valuation Model

(b) Per Meeting Fee

(c) Source - smartmoney.com





Gaming Companies

Company Name	Annual Cash Retainer	Initial Stock Award (a)	Board Meeting Fee (b)	Committee Meeting Fee (b)	Committee Retainer	Total Retainers & Meeting Fees	Annual Stock Award	Total Compensation	Market Cap. (\$ mill.) (c)
Alliance Gaming Corporation	\$50,000	\$465,856	\$0	\$0	\$5,000	\$520,856	\$0	\$520,856	\$752
Ameristar Casinos, Inc.	\$30,000	\$253,424	\$3,500	\$3,500	\$0	\$318,424	\$190,068	\$508,492	\$1,469
Argosy Gaming Company	\$30,000	\$80,457	\$1,500	\$1,000	\$0	\$134,957	\$0	\$134,957	\$1,384
Aztar Corporation	\$40,000	\$75,928	\$1,500	\$1,000	\$0	\$132,428	\$0	\$132,428	\$1,188
Boyd Gaming Corporation	\$40,000	\$87,865	\$1,500	\$1,500	\$0	\$157,115	\$17,573	\$174,688	\$4,491
Butler National Corporation	\$0	\$0	\$100	\$0	\$0	\$800	\$0	\$800	\$32
Caesars Entertainment, Inc.	\$45,000	\$222,699	\$1,500	\$1,500	\$0	\$296,199	\$0	\$296,199	\$5,581
Canterbury Park Holding Corp.	\$1,200	\$10,453	\$800	\$800	\$0	\$20,053	\$12,543	\$32,596	\$65
Carnival Corporation	\$40,000	\$0	\$5,000	\$2,750	\$5,625	\$121,750	\$217,825	\$339,575	\$43,659
Cash Systems, Inc.	\$25,000	\$103,334	\$0	\$0	\$0	\$128,334	\$103,334	\$231,668	\$121
Century Casinos, Inc.	\$0	\$0	\$1,000	\$1,000	\$0	\$5,000	\$42,745	\$47,745	\$97
Churchill Downs Incorporated	\$25,000	\$0	\$1,000	\$1,000	\$0	\$36,000	\$0	\$36,000	\$510
Daktronics, Inc.	\$2,000	\$0	\$1,500	\$500	\$0	\$10,250	\$40,343	\$50,593	\$384
Dover Downs Gaming and Entertainment	\$16,000	\$0	\$1,000	\$1,500	\$0	\$25,500	\$0	\$25,500	\$317
Full House Resorts, Inc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$45
Gaming Partners International Corp.	\$18,000	\$94,787	\$1,400	\$950	\$0	\$123,562	\$31,596	\$155,158	\$180
Global Payment Technologies, Inc.	\$12,000	\$0	\$1,000	\$500	\$0	\$29,000	\$0	\$29,000	\$24
Harrah's Entertainment, Inc.	\$120,000	\$0	\$0	\$1,500	\$0	\$135,000	\$0	\$135,000	\$8,452
International Game Technology	\$50,000	\$430,746	\$0	\$1,500	\$0	\$496,496	\$258,448	\$754,944	\$9,378
Isle of Capri Casinos, Inc.	\$50,000	\$216,163	\$2,000	\$0	\$0	\$286,163	\$96,072	\$382,235	\$940

(a) Calculated using Black-Scholes Valuation Model

(b) Per Meeting Fee

(c) Source - smartmoney.com





Gaming Companies (continued)

<u>Company Name</u>	<u>Annual Cash Retainer</u>	<u>Initial Stock Award (a)</u>	<u>Board Meeting Fee (b)</u>	<u>Committee Meeting Fee (b)</u>	<u>Committee Retainer</u>	<u>Total Retainers & Meeting Fees</u>	<u>Annual Stock Award</u>	<u>Total Compensation</u>	<u>Market Cap. (\$ mill.) (c)</u>
Las Vegas Sands Corporation	\$50,000	\$100,000	\$1,500	\$1,000	\$0	\$152,000	\$50,000	\$202,000	\$13,316
Magna Entertainment Corporation	\$15,000	\$0	\$1,000	\$1,000	\$4,000	\$32,500	\$5,075	\$37,575	\$724
MGM Mirage	\$38,000	\$208,565	\$1,500	\$875	\$0	\$264,315	\$104,283	\$368,598	\$2,864
Monarch Casino and Resort, Inc.	\$40,000	\$37,340	\$0	\$0	\$0	\$77,340	\$37,340	\$114,680	\$376
Penn National Gaming, Inc.	\$18,000	\$0	\$1,500	\$500	\$0	\$39,500	\$0	\$39,500	\$3,024
Pinnacle Entertainment, Inc.	\$43,333	\$0	\$1,500	\$1,500	\$0	\$56,383	\$137,355	\$193,738	\$999
Progressive Gaming Intl. Corp.	\$24,000	\$0	\$3,000	\$2,000	\$0	\$55,000	\$67,389	\$122,389	\$308
Scientific Games Corporation	\$30,000	\$597,699	\$2,000	\$1,000	\$0	\$656,699	\$30,000	\$686,699	\$2,616
Shuffle Master, Inc.	\$29,000	\$0	\$0	\$0	\$0	\$29,000	\$412,928	\$441,928	\$886
TransAct Technologies Inc.	\$8,000	\$63,333	\$750	\$300	\$0	\$75,383	\$95,000	\$170,383	\$104
Trans-Lux Corporation	\$4,000	\$0	\$1,200	\$850	\$0	\$12,200	\$795	\$12,995	\$9
VendingData Corporation	\$0	\$98,789	\$0	\$0	\$0	\$98,789	\$19,758	\$118,547	\$28
Wells-Gardner Electronics Corp.	\$24,000	\$0	\$1,500	\$1,000	\$0	\$34,000	\$0	\$34,000	\$24
WMS Industries, Inc.	\$30,000	\$0	\$0	\$0	\$15,000	\$45,000	\$443,026	\$488,026	\$1,035
Wynn Resorts, Limited	\$48,000	\$177,210	\$0	\$0	\$12,000	\$237,210	\$177,210	\$414,420	\$5,193
Youbet.com, Inc.	\$14,000	\$0	\$1,000	\$500	\$0	\$21,750	\$35,000	\$56,750	\$176

(a) Calculated using Black-Scholes Valuation Model

(b) Per Meeting Fee

(c) Source - smartmoney.com





Survey Assumptions

To conduct the survey HVS Executive Search made certain assumptions in order to make comparisons. They are as follows:

- Each director served on the board for the entire year and attended all board meetings
- Each director served on one committee
- The number of committee meetings attended was an average of the audit and compensation committees.
- When committee meeting fees varied among the different committees, the average fee of the audit and compensation committees was used.
- There were no board or committee telephone meetings for which a director was compensated.
- There were no “actions taken by unanimous written consent” for which a director was compensated.
- All compensation figures are for outside directors only.
- Stock option values were calculated using the Black-Scholes Valuation Model. We assumed the following:
 - ◆ When grant date and/or prices were not given, we used data from the executive compensation table.
 - ◆ If the option grant varied among directors within the company, the average value was assumed.
 - ◆ When stocks were awarded in different quantities to new directors and continuing directors, the options of the new directors were used.



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