

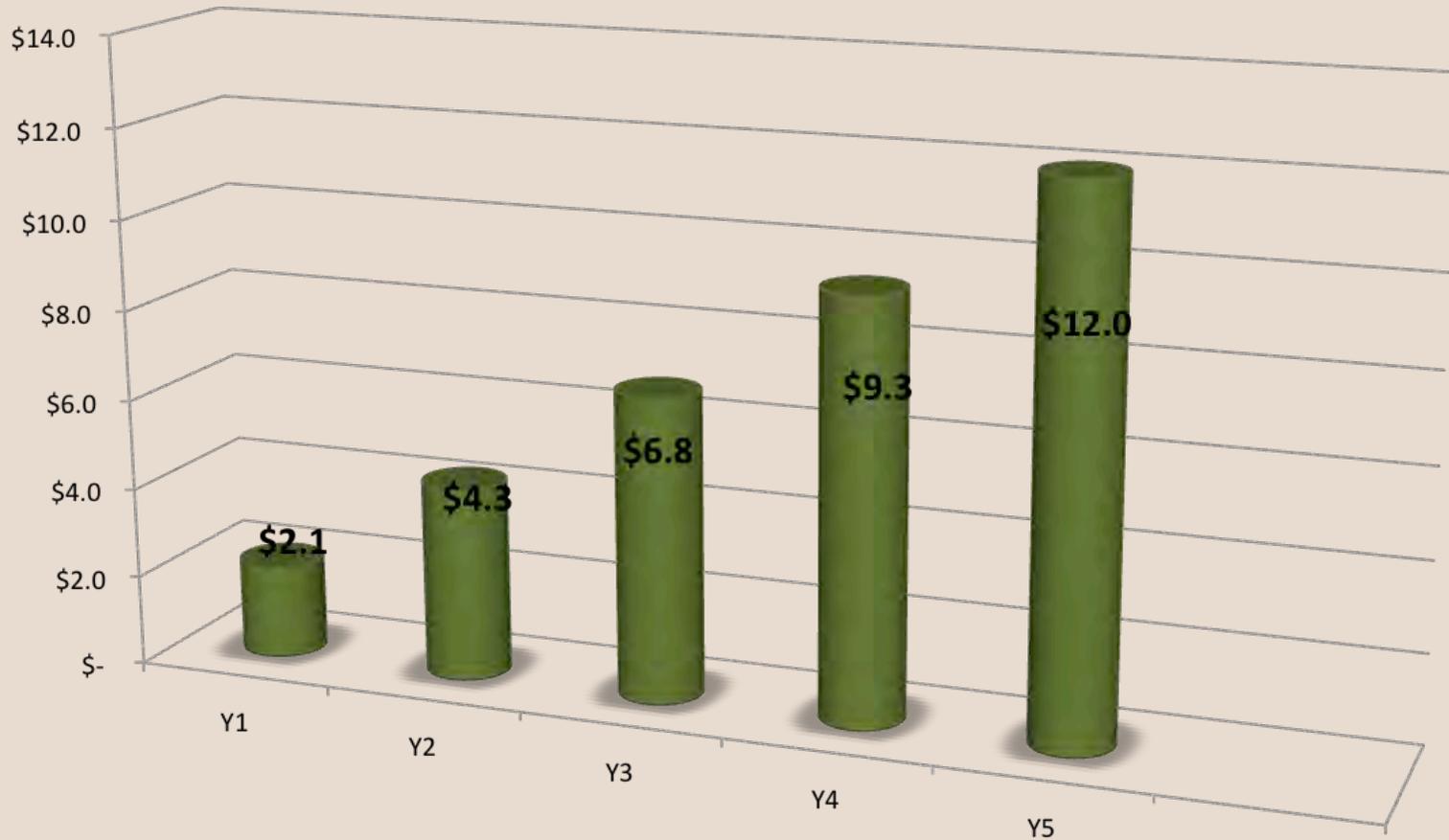
WELLINGTON OFFICE



WELLINGTON GOLF CLUB



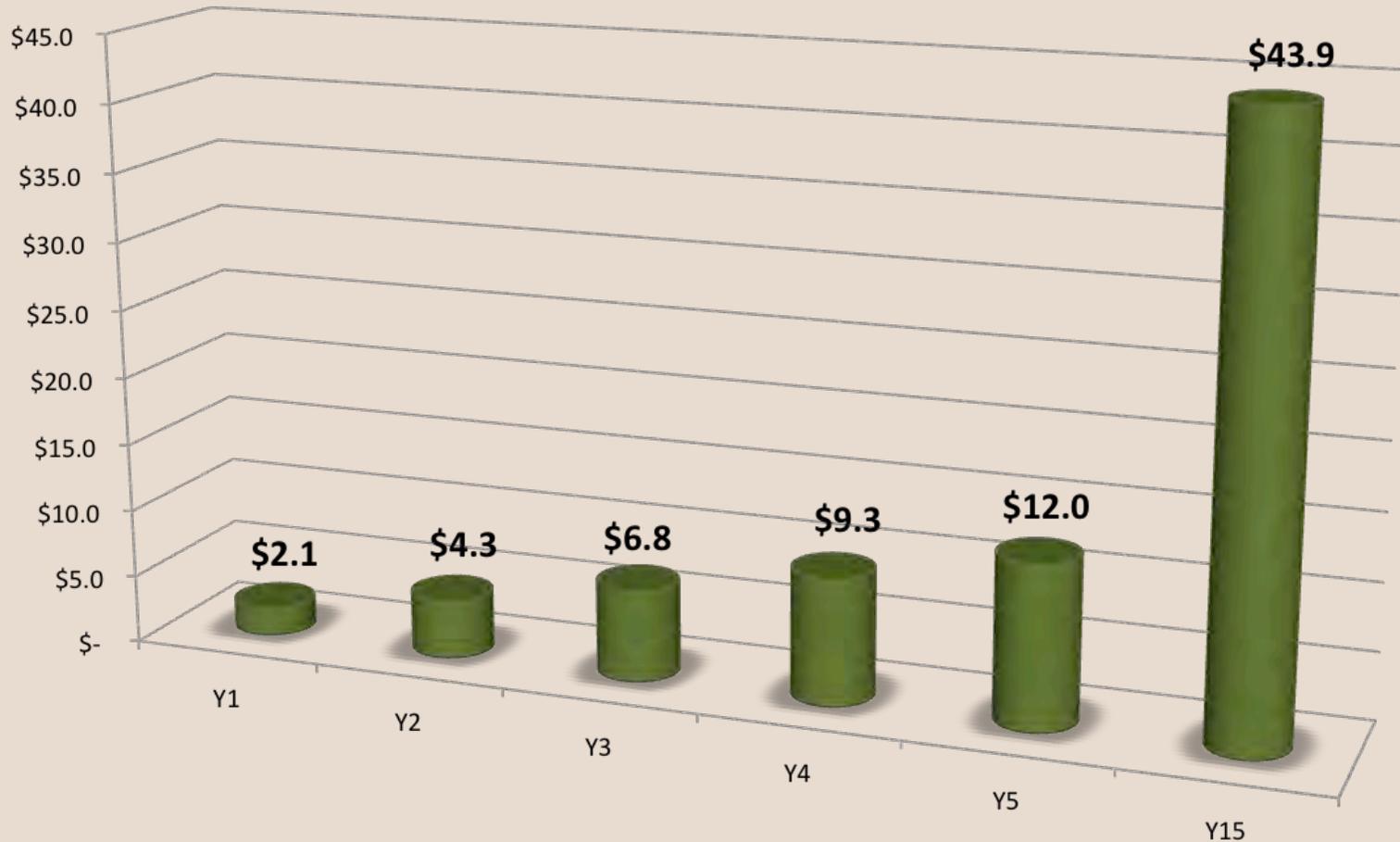
CUMULATIVE 1% OF GROSS GAMING REVENUE TO ECONOMIC DEVELOPMENT FUND



■ 1% Economic Development Fund

1. Values are cumulative in millions of dollars
2. 1% of Gross Gaming Revenue less Promotional Credits

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SECOND MAJOR DIFFERENCE



**THE HOME OWNERSHIP
ASSISTANCE PROGRAM
“HOAP”**

HOME OWNERSHIP ASSISTANCE PROGRAM (HOAP)



- Why build an affordable housing project when you can make existing housing more affordable?
- We match the employee down payment on the purchase of a home in Sumner county
- Up to 5% of the loan to a maximum of \$7,500 per employee
- We estimate 1,176 employees will take advantage of this program over 15 years in the amount of over \$8 Million Dollars

PARTNERS WITH LOCAL TRADES



The Building & Construction Trades Council OF Central & Western Kansas



THIRD MAJOR DIFFERENCE



CONSTRUCTION SPENDING GUARANTEE

CONSTRUCTION SPENDING GUARANTEE



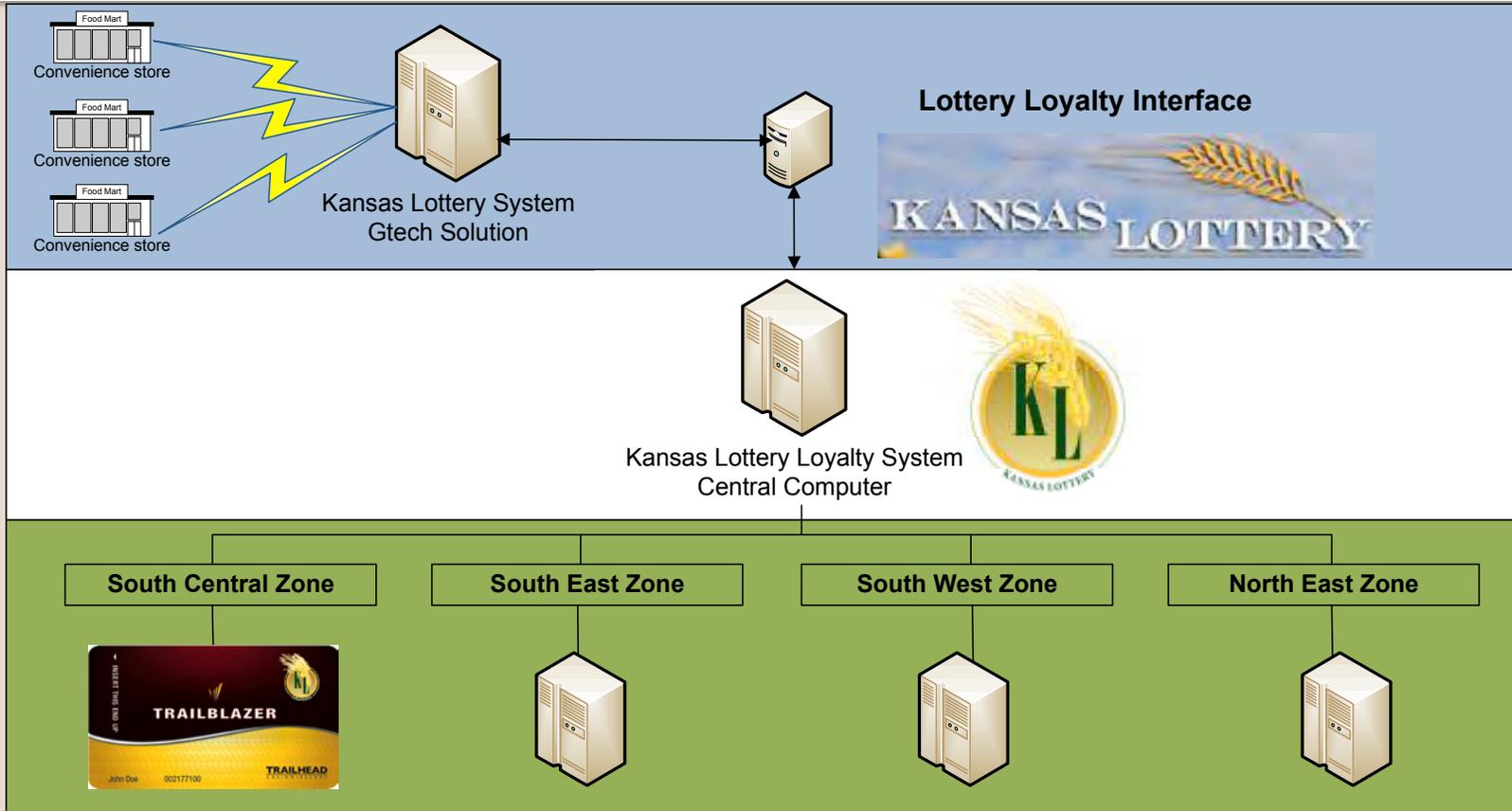
- We will build and operate everything we planned in our initial proposal
DAY ONE, with no additional phases
- If costs come in under \$393 million dollars, we have guaranteed to pay half of any savings to Kansas
- We commit to opening within 24 months of selection as Lottery Facility Manager

FOURTH MAJOR DIFFERENCE



STATE-OWNED PLAYER LOYALTY CARD SYSTEM

STATE-OWNED PLAYER LOYALTY CARD PROGRAM



System Interface Considerations	Functionality Considerations	Time Considerations
Casino Management System (CMS) Slot Management System (SMS) Hotel Management System Point of Sale (POS) Customer Kiosk Solutions	Account Activation Account Recognition Earning of Rewards Redemption of Rewards Reporting and Analysis	Real Time Processing Voluntary Exclusion Prog. State Exclusion Program Central Patron Database 0 – 3 Mnths – Lab environment 0 – 3 Mnths – Finalize Functionality 3 – 6 Mnths – Development 6 – 9 Mnths – Testing/Refinement 9 – 12 Mnths – Training/Implementation

FIFTH MAJOR DIFFERENCE



**RELIABILITY OF ACHIEVING
REVENUE PROJECTIONS IN OUR
“RIGHT SIZED”
PROJECT**

CBRE GLOBAL GAMING GROUP CLIENTS



	CROWN LIMITED	DIAMONDHEAD CASINO CORPORATION	
GOLDMAN SACHS	EDGE-STAR PARTNERS	FOCUS GROUP	ISLE OF CAPRI
MACQUARIE BANK	MARRIOTT INTERNATIONAL	MGM MIRAGE	MIZUHO CORPORATE BANK
MORGAN STANLEY	NAVEGANTE GROUP	PINNACLE ENTERTAINMENT	SOCIETE GENERAL CORPORATE AND INVESTMENT BANKING
SINGAPORE GOVERNMENT	STATION CASINOS	ST. CROIX CHIPPEWA INDIANS	WHITEHALL LTD.

This is only a sampling of the CBRE Global Gaming Group Client List.

MARKET COMPETITION



**A SUMNER COUNTY CASINO WILL
BE A VIRTUAL MONOPOLY**

FINANCIAL PROJECTIONS



**THE LOGIC OF OUR FINANCIAL
PROJECTIONS FACTORING IN THE
“REALITY DYNAMICS”
OF RUNNING A CASINO**

COMPARING TUNICA AND WELLINGTON MARKETS



Market within 75 miles of Centerpoint	Centerpoint	Population	Adult Population over 24 years	Households	Average Household Income	Total Income in Market	
Memphis Market	Tunica	1717068	1078294	655962	\$50,730	\$33,276,867,618	
Wichita Market	Wellington	872019	560406	342974	\$52,903	\$18,144,520,720	
Wichita as Percent of Memphis Market			51%	52%	52%	104%	55%

Adults Who Visited a Casino in 2002	Percentage of Adults Who Gambled in 2002	Casino Revenue Potential
357035	33%	\$1,174,439,000
139898	25%	\$477,650,800
39%	75%	41%

Wichita Region Gaming Revenue Potential	
Based on 52% of Memphis Actual	\$610,708,280.00
Discounted for 75% of Memphis Propensity	\$458,031,210.00
Increased 104% of Memphis Household Income	\$477,650,800.37

Current Gaming units in Market	Slots in Market	Tables in Market
Memphis Market	13911	361
Wichita Market	2881	25
Current ratio of Memphis to Wichita arera	21%	7%
Gaming Units in market including Trailhead	4881	108
Ratio of Memphis to Wichita with Trailhead	35%	30%

Adults per gaming unit	Adults/Slot	Adults/Table
Current Adults per slot in MemphisMarket	78	2987
Current Adults per slot in Wichita Market	195	22416
Adults per slots with Trailhead in Market	115	5189

Potential Gaming Revenues in 75 miles circle based Solely on Fair Share of Gaming Positions			
Trailhead Casino	2498 positions	45%	\$214,942,860
All Other Casinos in 75 mile circle	3031 positions	55%	\$262,707,940

DEMOGRAPHIC AND PROPENSITY MATRIX



Demographic Market Segment and Propensity Projection

Estimated Gaming Revenue from WELLINGTON, KANSAS CASINO in first stable year (3rd full year) of operation

Distance from Casino	Population over age 21	Wellington share	Propensity	Potential Gamers	Annual Visits	Average loss per trip	Revenue Potential in Market	Wellington Trips	Wellington Share of Market
0- 10 miles	7143	100%	0.45	3214	25	\$41.00	\$3,294,708.75	80359	\$3,294,708.75
10-25 miles	106180	95%	0.4	42472	18	\$65.00	\$49,692,240.00	726271	\$47,207,628.00
25-50 miles	374934	80%	0.35	131227	15	\$82.00	\$161,409,087.00	1574723	\$129,127,269.60
50-100 miles	395323	40%	0.26	102784	12	\$92.00	\$113,473,513.92	493363	\$45,389,405.57
TOTAL RESIDENT GAMERS								2874716	\$225,019,011.92
Okla Tourists +100 miles	1297091	8%	0.4	518836	6	\$90.00	\$280,171,656.00	249041	\$22,413,732.48
All other Tourists +100-200 miles	2805999	2%	0.4	1122400	2	\$100.00	\$224,479,920.00	44896	\$4,489,598.40
Invited Premium Gamblers	1700	100%	1	1700	1.2	\$2,500.00	\$5,100,000.00	2040	\$5,100,000.00
Transient intercept on I35 & 160	29000	100%	1	29000	1	\$40.00	\$1,160,000.00	29000	\$1,160,000.00
TOTAL TOURIST GAMERS								324977	\$33,163,330.88
TOTAL POTENTIAL GGR		\$258,182,342.80					\$838,781,125.67	3199693	\$258,182,342.80

FIVE YEAR ASSUMPTIONS



ASSUMPTIONS	2011	2012	2013	2014	2015
Number of slots	2000	2000	2000	2000	2000
Aver w/p/u per slot	\$256.75	\$280.22	\$305.94	\$321.42	\$337.69
Number of Table games	65	65	65	65	65
Aver w/p/u per table	\$1,001.54	\$1,103.29	\$1,204.58	\$1,265.53	\$1,316.53
slot win/patron/day	\$79.00	\$80.58	\$83.00	\$85.49	\$88.05
Annual increase win/pat	0	2%	3%	3%	3%
Total slot patron count	6500	6955	7372.3	7519.746	7670.14092
Annual slot patron increase	0%	7%	6%	0.02	0.02
table win/patron/day	\$93.00	\$94.86	\$97.71	\$100.64	\$103.66
Annual increase win/pat	0%	2%	3%	3%	3%
Total table patron count	700	756	801.36	817.3872	825.561072
Annual table patron increase	0%	8%	6%	0.02	0.01
Total daily patron count	7200	7711	8174	8337	8496
Annual patron increase					
Poker Revenue per day	\$16,438.00	\$16,931.14	\$17,439.07	\$17,962.25	\$18,501.11
Annual increase in poker rev	0%	3%	3%	3%	3%
F&B rev as % of GGR	14%	14%	14%	14%	14%
Retail rev as % of GGR	2%	2%	2%	2%	2%
Hotel Revenue/day	\$21,600	\$23,500.00	\$25,800.00	\$27,000.00	\$29,000.00
Promo credits					
as % of slot rev	6%	6%	6%	6%	6%
Comps as % of GGR	10%	10%	10%	10%	10%

KEY ASSUMPTIONS

Hotel Occupancy	90%	90%	90%	90%	90%
Average Daily Room Rate	\$80.00	\$87.04	\$95.56	\$100.00	\$107.41
Comps as a percentage of ADR	10%	10%	10%	10%	10%
Promotional Credits as % of slot win	6%	6%	6%	6%	6%
F & B Sales as a percentage of GGR	14%	14%	14%	14%	14%
Slot Revenue per patron per day	\$79.00	\$80.58	\$83.00	\$85.49	\$88.05
Table Revenue per patron per day	\$93.00	\$94.86	\$97.71	\$100.64	\$103.66
Win per slot machine per day	\$256.75	\$280.22	\$305.94	\$321.42	\$337.69
Win per table game per day	\$1,001.54	\$1,103.29	\$1,204.58	\$1,265.53	\$1,316.53
Growth assumptions					
Win per unit in Slots	0%	9%	9%	5%	5%
Win per unit in Table Games	0%	12%	9%	5%	4%
Win per patron	0%	2%	3%	3%	3%
Number of gaming patrons visits	0%	7%	6%	2%	2%
Revenue growth in ADR	0%	9%	10%	5%	7%
Cummulative Revenue Growth Rate	0%	9%	9%	5%	5%

REVENUE SUMMARY



SUMMARY OF GAMING AND NON GAMING REVENUE PROJECTIONS DURING FIRST FIVE YEARS OF OPERATION

<u>FINANCIALS</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
<u>REVENUES</u>					
Gross Slot Revenue	\$187,610,000.00	\$204,494,900.00	\$222,899,441.00	\$234,044,413.00	\$245,746,634.00
Less Promotional Credits	\$(11,256,600.00)	\$(12,269,694.00)	\$(13,373,967.00)	\$(14,042,665.00)	\$(14,744,798.00)
Net Taxable Slot Revenue	\$176,353,400.00	\$192,225,206.00	\$209,525,474.00	\$220,001,748.00	\$231,001,836.00
Gross Table Revenue	\$23,725,000.00	\$25,860,250.00	\$28,187,673.00	\$29,597,056.00	\$31,076,909.00
Poker Revenue	\$6,000,000.00	\$6,540,000.00	\$7,128,600.00	\$7,485,030.00	\$7,859,281.00
NET Taxable Gaming Revenue	\$206,078,400.00	\$224,625,456.00	\$244,841,747.00	\$257,083,834.00	\$269,938,026.00
Food Revenues	\$16,169,500.00	\$17,624,755.00	\$19,210,983.00	\$20,171,532.00	\$21,180,109.00
Beverage Revenues	\$12,000,000.00	\$13,080,000.00	\$14,257,200.00	\$14,970,060.00	\$15,718,563.00
Retail & Other Revenues	\$3,720,000.00	\$4,054,800.00	\$4,419,732.00	\$4,640,719.00	\$4,872,755.00
Hotel Revenues	\$7,884,000.00	\$8,593,560.00	\$9,366,980.00	\$9,835,329.00	\$10,327,095.00
Gross Revenues Less Promotional Credits	\$245,851,900.00	\$267,978,571.00	\$292,096,642.00	\$306,701,474.00	\$322,036,548.00
Less Comps	\$20,948,550.00	\$22,833,920.00	\$24,888,972.00	\$26,133,421.00	\$27,440,092.00
Net Cash Revenue	\$224,903,350.00	\$245,144,651.00	\$267,207,670.00	\$280,568,053.00	\$294,596,456.00



JON WOLFE
EVP OPERATIONS & CIO

THE FOUR **P**'S



- **P**roduct
 - Significant capital budgeted to refreshing our tangibles and service offerings to exceed customer expectation
- **P**ricing
 - Vigilant attention to value proposition
- **P**romotion
 - Multidimensional promotion to encourage 24x7 use of the facility by inner, outer, super-regional customers
- **P**resentation
 - The Binion Service Commitment

PRODUCT



- Our menu of amenities qualifies Trailhead as both a tourist and destination and locals gambling entertainment venue.
 - Largest Rooms, Most Suites
 - Best Quality Food Menus
 - Live Entertainment in the Largest Showroom
 - Wellington Golf Club Relationship
 - Hunting and Fishing Lodge with Championship Sporting Clays
 - First Class RV Park
 - 2000 Slots and 83 Table Games

PRICING



- Value pricing on Rooms, Food and Beverage
- Best Odds, Highest Limits for Table Games
- Loose Slots and Highest Jackpots
- Reasonably Priced Live and Headliner Entertainment and Special Event Ticketing
- Consumer-based Pricing for Guided Hunting and Fishing, Sporting Clays and Golfing
- Value-Priced RV Park through KOA Affiliation

PROMOTION



- Multidimensional promotion to encourage 24x7 use of the facility
- Geared to attract target customers from inner, outer and super-regional market areas
- Special Emphasis on attracting tourists and conventions that will benefit Trailhead and all of Sumner County and South Central Kansas.

CUSTOMER TARGETS:

TOURISTS, INDIVIDUALS AND
SUPER-REGIONALS



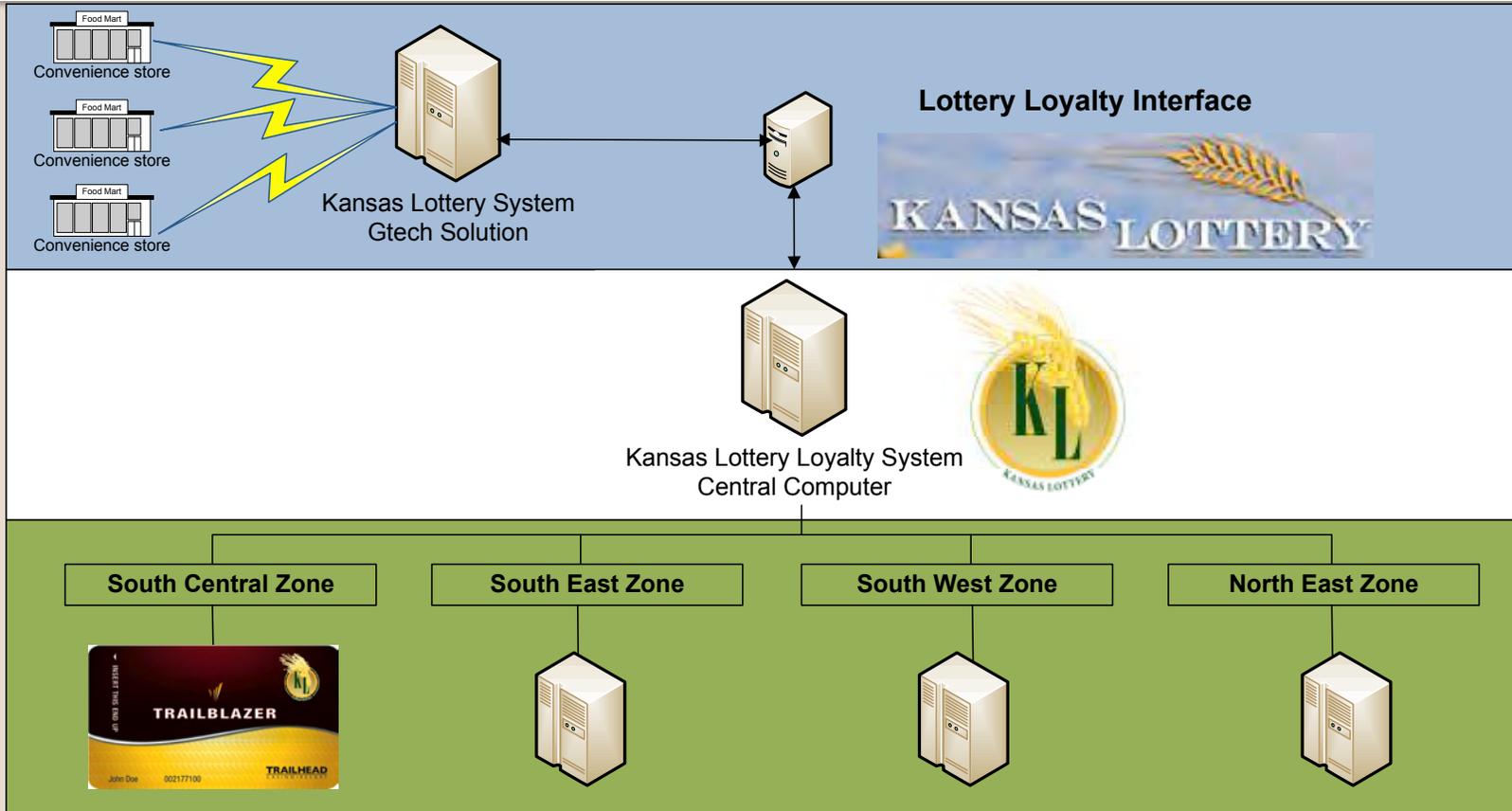
- High Frequency Locals
- Outer Market Destination Customers
 - Topeka, KS; Oklahoma City, OK; Tulsa, OK; Little Rock, AK; Springfield, MO; Lincoln, NE
- Super-Regional Destination Customers
 - Dallas/Ft. Worth, TX; St. Louis, MO; Memphis, TN; Denver, CO; Tampa, FL; Philadelphia, PA; New York, NY; Los Angeles, CA

PROMOTIONAL TACTICS



- General Consumer Advertising
 - Television and Radio
 - Newspaper and Magazine
 - Indoor and Outdoor (Billboard)
- Direct Marketing
 - Players Club
 - Cooperation and Integration with Kansas Lottery
- Internet Presence and eMarketing
- Special Events and Promotions
- Headline Entertainment
- Relationship Marketing

STATE-OWNED PLAYER LOYALTY CARD PROGRAM



System Interface Considerations	Functionality Considerations	Time Considerations
Casino Management System (CMS) Slot Management System (SMS) Hotel Management System Point of Sale (POS) Customer Kiosk Solutions	Account Activation Account Recognition Earning of Rewards Redemption of Rewards Reporting and Analysis	Real Time Processing Voluntary Exclusion Prog. State Exclusion Program Central Patron Database 0 – 3 Mnths – Lab environment 0 – 3 Mnths – Finalize Functionality 3 – 6 Mnths – Development 6 – 9 Mnths – Testing/Refinement 9 – 12 Mnths – Training/Implementation

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PRESENTATION

DELIVERY OF SERVICE



THE BINION SERVICE COMMITMENT

EMPLOYEE PROGRAMS



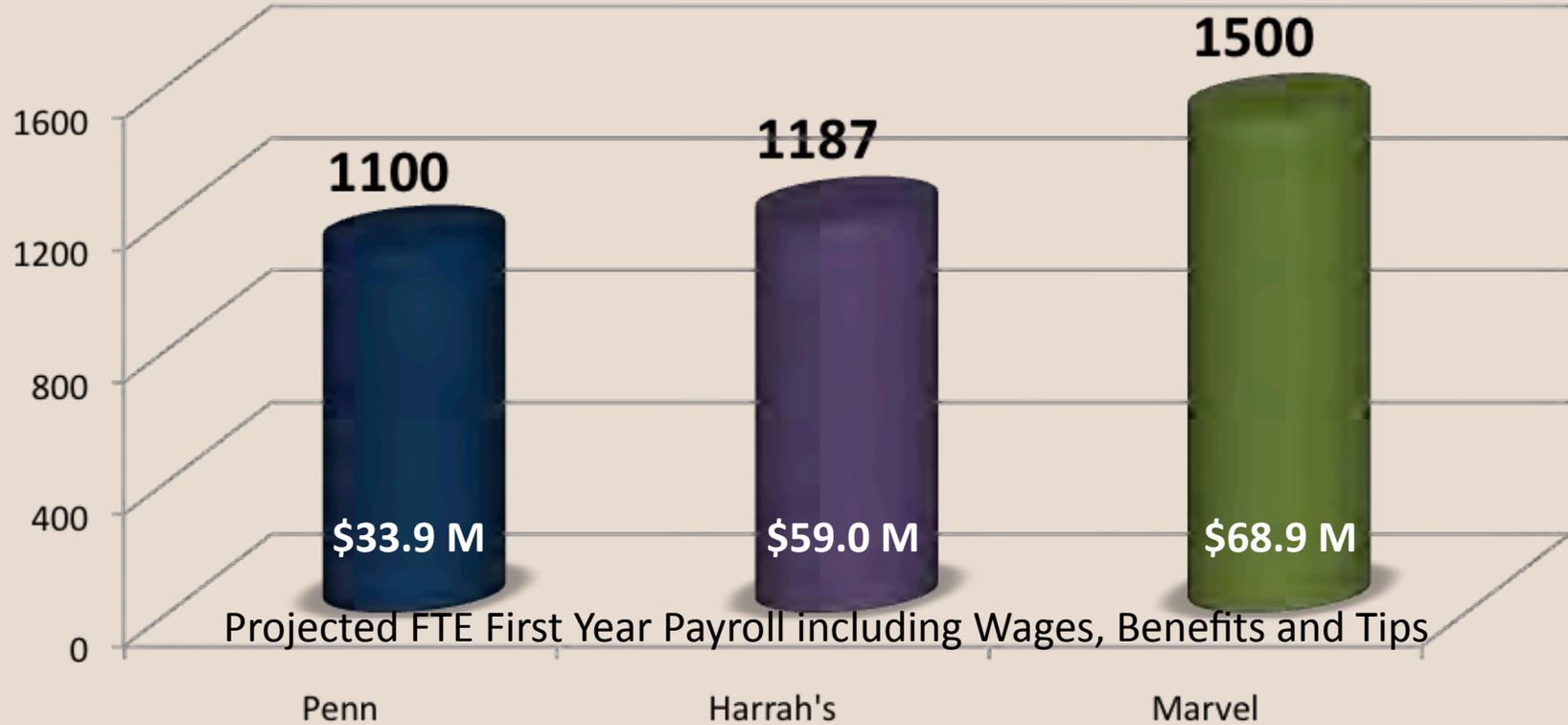
- We Create a Motivating Environment
- Mutual Respect
- Initial and Recurring Training
- Opportunities for Career Advancement
- Team and Individual Incentive Programs
- HOAP Mortgage Assistance Program
- Occupational and Life Skill Training Programs
- Employee Involvement in Decision-Making
- Line Level Interactive Internal Communication Sessions

SERVICE EMPOWERMENT



- More Employees doing a Hundred Things 1% Better
 - Line Level Comp Authority
 - Grievance Resolution – “Make it Right for the Customer”
 - We provide the employees the tools to effect their customer service role that include Training, Technology and Tools
 - Doing things right for the customer the first time, every time

FULL TIME EQUIVALENT EMPLOYEES AT 1ST YEAR OF OPERATIONS



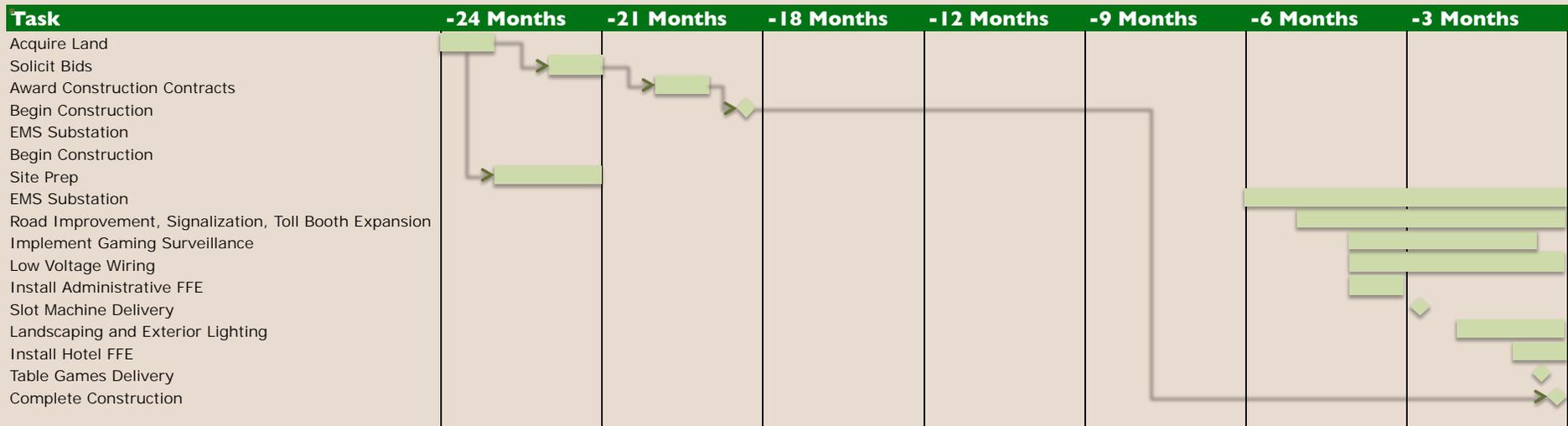
TIMELINES

CONSTRUCTION & ORGANIZATIONAL

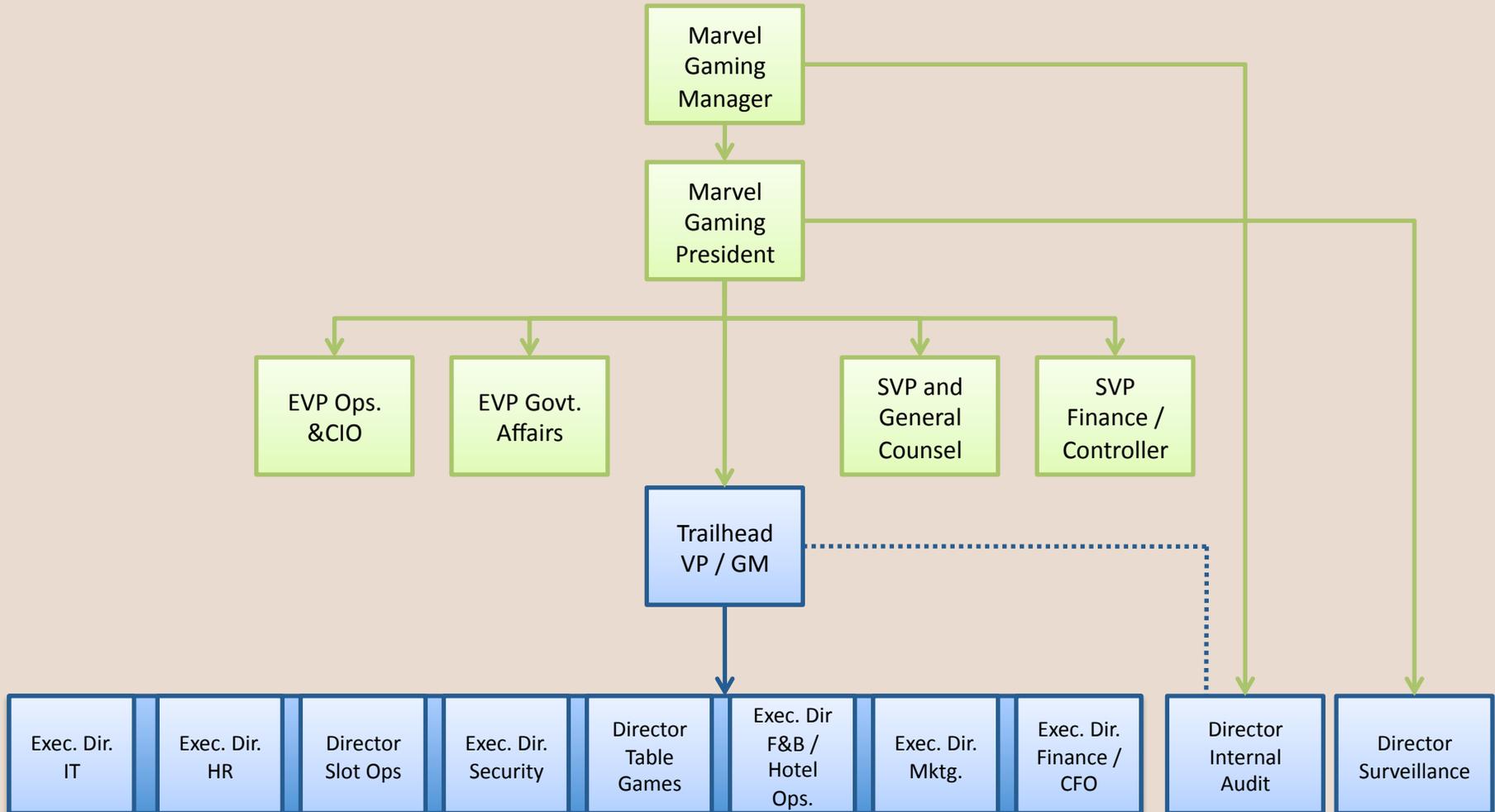


CONSTRUCTION AND PRE-OPENING ORGANIZATIONAL TIMELINE

TIMELINE: ORGANIZATIONAL AND CONSTRUCTION



ORGANIZATION OF SENIOR MANAGEMENT





KAREN GREENE
SVP & GENERAL COUNSEL

REGULATORY COMPLIANCE



- Pro-Active, Not Just Reactive
- Above and Beyond
- We're In This Together

PRO-ACTIVE APPROACH



- Our goal is to be pro-active rather than react only when a problem arises
- By being proactive with our concise policies and detailed training programs in place, we are able to prevent potential problems from ever happening

ABOVE AND BEYOND



- Required compliance initiatives:
 - Internal Controls
 - Security
 - Surveillance
 - Problem Gaming

- Voluntary compliance initiatives:
 - Code of Conduct (Ethics) for all employees
 - Ethics hotline, with direct access to Compliance officer
 - Background checks for all employees
 - Internal Compliance Committee:
 - President
 - General Counsel/Compliance Officer
 - General Manager
 - Director of Internal Audit
 - Outside independent gaming expert
 - Will monitor internal policies, internal audits & all compliance matters

WE'RE IN THIS TOGETHER



- Relationship strategy with regulators:
 - Not Adversarial
 - We're in this together because we both want the same thing – a successful Sumner County lottery gaming enterprise



**WE'RE PROUD OF HOW
WE DO BUSINESS**



**WE'RE GOING
"ALL IN"
IN WELLINGTON**

WE'RE GOING "ALL IN" IN WELLINGTON



- We under-promise and over-deliver.
- This project is our ONLY priority.
- The Binion Family Trust money is fully at risk; not private investor or public shareholder money that has limited concentrated risk in Kansas
- We're talking about what we're actually building, not what we might build in a later phase.
- We're guaranteeing our \$393M investment, increasing Kansas's share of our revenue to 32% when we reach \$250M in GGR, and 37% when we exceed \$300M.
- We project the largest workforce with the greatest economic impact over the life of the contract.
- We've committed an additional 1% of our GGR to economic development in Sumner County – almost \$44M.
- We're providing HOAP to incent home ownership in Sumner County
- We have pledged to design and implement a card-based loyalty system for the Kansas Lottery Commission at our cost.
- We will foster our reputation for down-home community involvement – we will earn your Trust.

THANK YOU!

