

Iowa Racing & Gaming Commission Gaming Market Study

February 20, 2014

PRIVATE AND CONFIDENTIAL

for

IOWA RACING AND GAMING COMMISSION



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Introduction

The Iowa Racing and Gaming Commission engaged Union Gaming Analytics to conduct an independent analysis on gaming in the State of Iowa with a focus on identifying underserved and currently served, but underperforming, markets statewide and look at Greene and Webster counties as they have passed a referendum. In addition, the study should include an assessment of the application received from Linn County.

Methodology

In order to assess the current state of gaming across the State of Iowa, we analyzed the current commercial gaming properties as well as the Native American gaming properties in Iowa. We requested and received actual carded play data by zip code for calendar years 2011, 2012, and 2013, as well as free play data, carded trip information, and average win per trip statistics. We spent an extraordinary amount of time analyzing, categorizing, and interpreting the data, understanding the market dynamics, general player behavior as well as underlying market trends and changes. We visited in-state competitive properties, surrounding competitive properties as well as the neighboring Native American casinos. We examined property level gaming data and statistics. We examined the surrounding competitive markets – both, Native American and commercial. Our process included property visits and conversations with property level general managers and operations teams. We read, reviewed, modeled and analyzed the applications for Linn and Greene Counties. We reviewed gaming statistics for similar state gaming jurisdictions. Finally, we analyzed significant amounts of data on a local and national level, ultimately contributing to our conclusions and recommendations.

About Union Gaming Group

Union Gaming Group is a portfolio of complimentary companies focused exclusively on the global gaming industry. The firms specialize in global equity and credit research, investment banking, trading, and gaming-related market and economic analytics. Through its Union Gaming Analytics subsidiary, the company conducts gaming studies, feasibility and various market analyses for corporate and government entities. The company also provides legislative and regulatory support for gaming related activities globally. Union Gaming Advisors focuses on mergers and acquisitions, private placements, equity and debt offerings, and strategic advisory. Union Gaming Research covers the largest universe of gaming equities among its competitive set, uniquely based in Las Vegas and Macau. Please refer to our website for additional information, www.uniongaminggroup.com and www.uniongaminganalytics.com.



Background

As a result of our research and analysis, we want to highlight several important industry trends and dynamics.

First, it's our opinion that the expansion of regional gaming whether by commercial or Native American providers is growing at an increasing and unsustainable pace. We draw a parallel in the growth in regional gaming over the prior five to ten years as similar to the proliferation and building of shopping malls during the 1970s. Fast forward to today and many of those very same "economic growth and revitalization based opportunities" are now dark – torn down or redeveloped – victims of changing psychographic preferences and trends.

Second, the initial and early expansion of gaming across Iowa happened earlier and much faster than in other States or regions of the United States. Iowa was the first state to approve riverboat gaming in 1989 and over the course of the following 15 years a total of 13 casinos (riverboats or racinos) opened their doors for business. Over the past 10 years, since 2004, an additional 5 casinos opened their doors. By comparison, consider Maryland, New York or Massachusetts. Maryland approved slot machine gaming in November 2006 and today has five operating facilities with two additional casinos in development. New York residents recently passed Proposal 1, which authorized the development of four "casinos" in Upstate New York as compared to the Racinos that have been operating for a few years now. Massachusetts's residents approved a gaming referendum in November 2011 and it appears that 3 or 4 casinos will be opening in Massachusetts in the not too distant future.

Third, there appears to be no end for the proliferation of gaming options across the Midwest. In addition to the recent growth in video gaming machines across Illinois, the state legislature appears poised to again take up the expansion of gaming with the possibility of five new casinos as well as slots at racetracks. In Wisconsin, where Native American tribes operate 24 casinos at present, efforts are in progress to establish four additional casinos including two very large facilities located on the Wisconsin/Illinois state line in Kenosha and Beloit.

Fourth, of the gross gaming revenue generated by the 18 current Iowa commercial casinos during 2013, Iowans generated or gambled about 50% of the gross gaming revenue.

Fifth, given the rapid expansion in regional gaming markets as well as the opening of new jurisdictions, we completely understand why financial sponsors, policy makers, local communities, charitable organizations, etc. want to develop new casinos. However, if the current pace continues it's our opinion that many jurisdictions will become oversaturated and there are clear examples today where this is in fact the case.

Next, many gaming proponents will tout favorable demographics – the aging of the baby boomers and their ultimate retirement as a positive for casinos. This may be true, but the risk that we now see is that the rate of new gaming positions across the country may in fact be outpacing the rate of new retiree's or new "gamers". Like all consumer trends, consumer behaviors change. Nowhere is that more prevalent than comparing to the games played by vicenarians and tricenarians versus sexagerians and septuagenarians. The former preferring poker-style card games while the later preferring slot machines.

Finally, we consider the long lasting impacts of poor policy-making decisions, such as high tax rates on gaming revenues, the taxation of free play, etc. and how such policies further exacerbate competitive pressures in markets where additional gaming supply is added.

U.S. Gaming Market Statistics

We estimate the current U.S. gaming market at \$77.4 billion. Our estimates include a \$37.3 billion commercial casino gaming market, \$27.9 billion tribal, \$197 million pari-mutuels, and almost \$12.0 billion in other gaming (including, bingo, charitable, online and similar).

In 2012, total U.S. population was estimated at 313.1 million and the adult population was 223.7 million. On average, 34% of the total U.S. adult population participates in gambling annually, which would indicate an annual gambling budget of \$1,017 in 2012.

In 2012, the U.S. per capita income was \$26,409. Resulting in roughly 3.9% of per capita income spent on gambling.

Figure 1: U.S. Gaming Market Statistics in 2012

Gaming Revenues:	
Commercial Casinos	\$ 37,340,000,000
Tribal Casinos	\$ 27,900,000,000
Total Parimutuels	\$ 197,000,000
Total Other (Bingo, Charitable, Online, etc.)	\$ 11,965,000,000
Total U.S. Gaming Revenues	\$ 77,402,000,000
Total U.S. Population	313,129,017
U.S. Adult Population	223,700,000
U.S. Adult Gaming Population	76,100,000
% of U.S. Adult Population participating in gaming	34.0%
Annual Gaming Budget/Pop.	\$ 1,017
U.S. per capita income	\$ 26,409
% of per capita income spent on gaming	3.9%

Source: Union Gaming Analytics, American Gaming Association



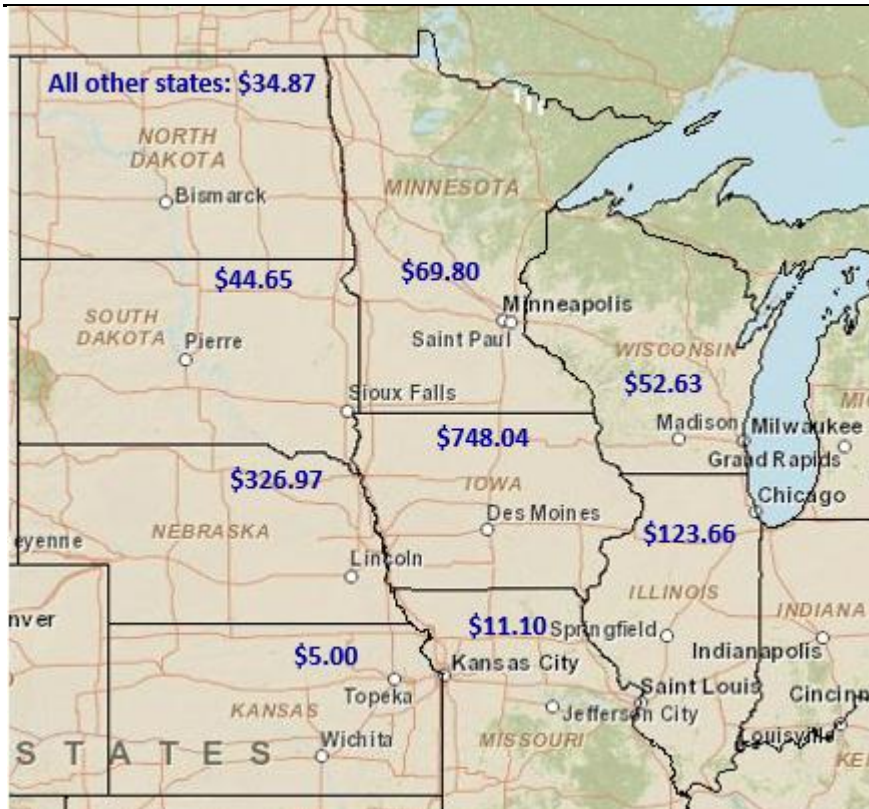
Iowa Commercial Casino Gross Gaming Revenues

During the course of our analysis, we examined carded play information from all 18 commercial casinos based in Iowa. We believe the information given to us was both current and accurate. The carded play information included the amount of gaming revenue generated and number of carded trips by zip code. We also held qualitative discussions with casino property managers regarding the carded and non-carded play data as well as trends. We aggregated the carded play data as well as the qualitative information for the non-carded play data to deduce the origin of gaming revenue. Based on our discussions, we concluded it was reasonable to assume the distribution of non-carded play by zip was similar to carded-play by zip code.

During 2013, total gross gaming revenue for the 18 commercial casinos totaled \$1,416,411,630 (unaudited). Again, we operate on the assumption all data shared with us was complete and accurate. We note, lowans gambled \$748.08 million or 52.8% of the total Iowa commercial casino gross gaming revenue. In other words, non-lowans gambled 47.2% of 2013 gross gaming revenues across the 18 commercial casinos.

By comparison, the aggregate percentage of Iowa resident gross gaming revenue generated by Prairie Meadows, Isle Waterloo, Riverside and Meskwaki (the insular or landlocked casinos) is 94.6%.

Figure 2: 2013 Iowa Commercial Casino Gross Gaming Revenue in millions – origin by state



Source: Union Gaming Analytics, IRGC, Iowa Casinos

Iowa Tribal Casino Gross Gaming Revenues

We used various methods of triangulation to estimate the total gross gaming revenues generated by the three tribal casinos (Blackbird Bend, Meskwaki, and WinnaVegas) located in Iowa. We estimated revenues based on total gaming positions; win per day per gaming position; win per day per slot plus win per day per table position; as well as on a competitive basis based on population density vs. gaming positions as outright comparable to other tribal casinos. We note that we also received carded play data from Meskwaki by zip code (for Iowa zip codes only, no out of state data by zip code was provided) for calendar year 2013.

As a result of our analysis, during 2013, we estimate the three tribal casinos in Iowa generated \$144.9 million in gross gaming revenues and we estimate 76% or \$110 million was gambled by Iowa residents and 24% by non-residents. However, based on the data provided to us by Meskwaki, we have no reason to believe that Meskwaki's resident vs. non-resident mix is much different than the average for the three insular commercial casinos (Isle Waterloo, Riverside, and Prairie Meadows) where the resident/non-resident mix is approximately 95%/5%, respectively. The aggregate 24% non-resident mix for the three Iowa tribal casinos is entirely attributable to the fact that Blackbird Bend and WinnaVegas are located on Iowa's western border with Nebraska.



Iowa Gaming Market Statistics

We estimate the resident 2013 Iowa gaming market at approximately \$858 million. This is the amount of Gross Gaming Revenue (GGR) generated by Iowans within the state of Iowa. Our \$858 million GGR estimate includes the \$748 million commercial casino gaming market and an estimated \$110 million from tribal casinos.

In 2013, the Iowa population was estimated at 3.097 million and the adult population was 2.260 million. On average, 34% of the total U.S. adult population participates in gambling annually. Applying this 34% adult gaming participation rate to the Iowa adult population results in approximately 769,000 adults who gamble, which would indicate an annual gambling budget of \$1,117 in 2013.

In 2013, the Iowa per capita income was \$26,198. Resulting in roughly 4.3% of per capita income spent on gambling.

Based on the carded play and carded trip data we received for 2011, 2012, and 2013, the average win per trip for the three years was \$86. We divided the average win per trip of \$86 into the average annual gaming budget of \$1,116, which resulted in 13 annual casino trips per year.

Figure 3: Iowa Gaming Market Statistics in 2013

Gaming Revenues:	
Commercial Casinos	\$ 748,042,092
Tribal Casinos	\$ 109,959,500
Total Iowa Gaming Revenues	\$ 858,001,592
Total Iowa Population	3,097,091
Iowa Adult Population	2,260,876
Iowa Adult Gaming Population	769,122
Annual Gaming Budget/Adult Population	\$ 1,116
Annual Casino Trips	13.0
Iowa per capita income	\$ 26,198
% of per capita income spent on gaming	4.3%
Gaming Spend/Visit in 2013	\$ 86

Source: Union Gaming Analytics, ESRI, IRGC, Iowa Casino Actual Carded Play Data

Iowa Gaming Market Current Revenue

The next step in our analysis was to review the Iowa gaming trends on a regional market basis. We divided the state into four regions: Western (the casino located along the western state line and Missouri River), Eastern (the casinos located on or along the Mississippi River), North Central (the non-state line casinos located north of US Highway 30) and South Central (the non-state line casinos located south of US Highway 30). Our rationale for grouping the properties was to provide some visibility of the actual data that we received for each commercial casino, without disclosing individual property level information.

Western region includes - Grand Falls, Argosy Sioux City, Ameristar, Harrah's Council Bluffs and Horseshoe.

Eastern region includes – Lady Luck, Diamond Jo Dubuque, Mystique, Wild Rose Clinton, Isle Bettendorf, Rhythm City, and Catfish Bend.

North Central region includes – Wild Rose Emmetsburg, Diamond Jo Worth, and Isle Waterloo.

South Central region includes – Lakeside, Prairie Meadows, and Riverside.

In Figure 4, we note for 2013 the "as reported" Total GGR of \$1.416 billion is inflated by \$101.9 million of Promotional Play, resulting in a Net Total GGR of \$1.314 billion. Promotional play is 7.2% of total reported GGR and 12.3% of Net Carded GGR.

Figure 4: 2013 Iowa Gaming Market Trends

2013 GGR Trends											
Region	Carded GGR	Uncarded GGR	Total GGR	Carded Percentage	Uncarded Percentage	Carded Trips	Carded GGR/ Carded Trip	Promotion Play	Net Total GGR	Promotional Play/ Total GGR	Promotional Play/ Net Carded Play
Western	\$367,476,245	\$177,178,762	\$544,655,007	67.5%	32.5%	3,572,049.0	\$102.88	\$36,496,813	\$508,158,194	6.7%	11.0%
Eastern	\$245,600,773	\$96,684,075	\$342,284,848	71.8%	28.2%	3,104,635.0	\$79.11	\$32,141,865	\$310,142,983	9.4%	15.1%
North Central	\$133,074,124	\$71,205,561	\$204,279,685	65.1%	34.9%	1,573,695.0	\$84.56	\$15,275,945	\$189,003,740	7.5%	13.0%
South Central	\$185,925,752	\$139,580,434	\$325,506,186	57.1%	42.9%	2,091,378.0	\$88.90	\$18,013,172	\$307,493,014	5.5%	10.7%
	\$932,076,894	\$484,648,832	\$1,416,725,726	65.8%	34.2%	10,341,757	\$90.13	\$101,927,795	\$1,314,797,931	7.2%	12.3%

Source: Union Gaming Analytics, IRGC, Iowa Casino Actual Carded Play Data

Figure 5: 2012 Iowa Gaming Market Trends

2012 GGR Trends											
Region	Carded GGR	Uncarded GGR	Total GGR	Carded Percentage	Uncarded Percentage	Carded Trips	Carded GGR/ Carded Trip	Promotion Play	Net Total GGR	Promotional Play/ Total GGR	Promotional Play/ Net Carded Play
Western	\$374,597,904	\$184,222,042	\$558,819,946	67.0%	33.0%	3,956,852	\$94.67	\$34,751,177	\$524,068,769	6.2%	10.2%
Eastern	\$260,552,736	\$100,522,000	\$361,074,736	72.2%	27.8%	3,373,849	\$77.23	\$34,117,495	\$326,957,241	9.4%	15.1%
North Central	\$138,757,997	\$70,069,891	\$208,827,888	66.4%	33.6%	1,693,392	\$81.94	\$14,494,652	\$194,333,236	6.9%	11.7%
South Central	\$192,937,938	\$145,096,055	\$338,033,993	57.1%	42.9%	2,327,812	\$82.88	\$18,813,903	\$319,220,090	5.6%	10.8%
	\$966,846,576	\$499,909,987	\$1,466,756,563	65.9%	34.1%	11,351,905	\$85.17	\$102,177,227	\$1,364,579,336	7.0%	11.8%

Source: Union Gaming Analytics, IRGC, Iowa Casino Actual Carded Play Data

Figure 6: 2011 Iowa Gaming Market Trends

2011 GGR Trends											
Region	Carded GGR	Uncarded GGR	Total GGR	Carded Percentage	Uncarded Percentage	Carded Trips	Carded GGR/ Carded Trip	Promotion Play	Net Total GGR	Promotional Play/ Total GGR	Promotional Play/ Net Carded Play
Western	\$354,068,900	\$174,481,299	\$528,550,199	67.0%	33.0%	3,778,769	\$93.70	\$28,385,369	\$500,164,830	5.4%	8.7%
Eastern	\$229,310,632	\$133,447,261	\$362,757,893	63.2%	36.8%	3,126,255	\$73.35	\$30,602,783	\$332,155,110	8.4%	15.4%
North Central	\$130,340,851	\$71,295,730	\$201,636,581	64.6%	35.4%	1,696,708	\$76.82	\$12,766,380	\$188,870,201	6.3%	10.9%
South Central	\$173,190,223	\$157,863,282	\$331,053,505	52.3%	47.7%	2,303,461	\$75.19	\$18,454,091	\$312,599,414	5.6%	11.9%
	\$886,910,605	\$537,087,573	\$1,423,998,178	62.3%	37.7%	10,905,193	\$81.33	\$90,208,623	\$1,333,789,555	6.3%	11.3%

Source: Union Gaming Analytics, IRGC, Iowa Casino Actual Carded Play Data

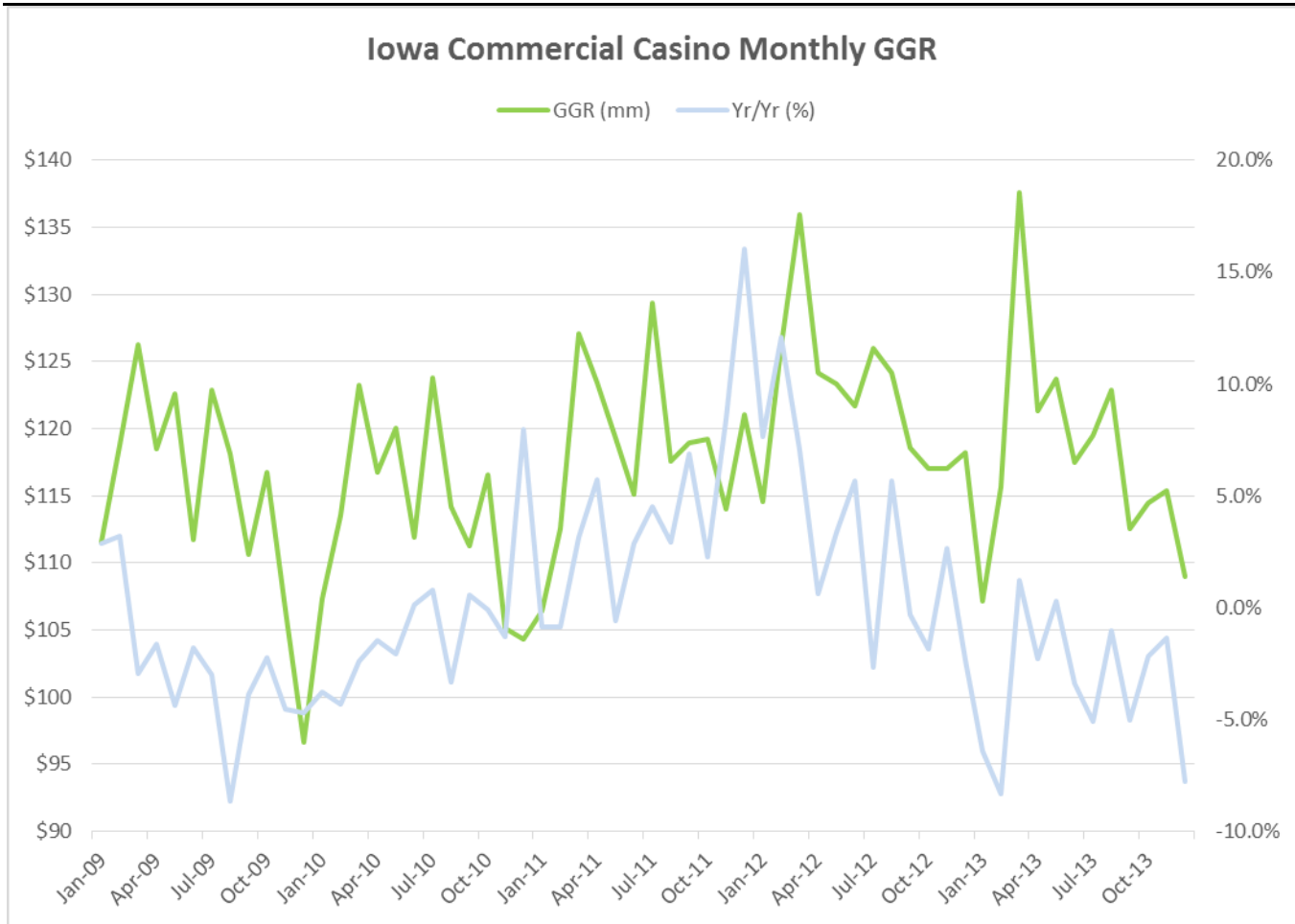


Iowa Historical Gaming Revenues

GGR Historical Trends (as reported by IRGC)

We examined the historical gross gaming revenue data, as reported by the IRGC, and note how monthly gross gaming revenue, while volatile on a month-to-month basis, appeared to trend higher from early 2009 through early 2012. Then in early 2012, the market seemed to stabilize and move sideways. In early 2013, monthly gross gaming revenue peaked in March 2013 and has steadily declined since then. To us, these monthly declines appear to be more than weather related.

Figure 7: Iowa Commercial Casino Monthly GGR (\$mm) and Year/Year (% change) 2009 - 2013



Source: Union Gaming Analytics, IRGC

We highlight years 2010-2013 commercial casino gross gaming revenues as reported by the IRGC. These results are actual reported GGR and not same-store results. As such, we note June 2011, was the most recent expansion of gaming positions in Iowa with the opening of Grand Falls Casino (highlighted in blue below). We also note March 2012 and March 2013 were the highest two months of reported GGR. Both months results exceeded \$135mm in GGR with March 2012 posting \$135,962,330 and March 2013 with a record \$137,589,384.

Figure 8: Historical Iowa Monthly Commercial Casino GGR

Jan-10	\$107,337,304	-3.8%	Jan-12	\$114,536,053	7.6%
Feb-10	\$113,575,013	-4.3%	Feb-12	\$126,182,409	12.1%
Mar-10	\$123,213,253	-2.4%	Mar-12	\$135,962,330	7.0%
Apr-10	\$116,760,560	-1.5%	Apr-12	\$124,183,491	0.6%
May-10	\$120,051,091	-2.1%	May-12	\$123,366,812	3.4%
Jun-10	\$111,878,750	0.1%	Jun-12	\$121,647,886	5.7%
Jul-10	\$123,808,640	0.8%	Jul-12	\$125,951,110	-2.7%
Aug-10	\$114,175,137	-3.3%	Aug-12	\$124,191,735	5.7%
Sep-10	\$111,280,511	0.6%	Sep-12	\$118,556,558	-0.3%
Oct-10	\$116,595,472	-0.1%	Oct-12	\$117,036,296	-1.8%
Nov-10	\$105,098,174	-1.3%	Nov-12	\$116,975,616	2.6%
Dec-10	\$104,300,132	8.0%	Dec-12	\$118,166,267	-2.4%
2010 Total	\$1,368,074,037	-0.9%	2012 Total	\$1,466,756,563	3.0%
Jan-11	\$106,422,514	-0.9%	Jan-13	\$107,177,947	-6.4%
Feb-11	\$112,578,165	-0.9%	Feb-13	\$115,654,515	-8.3%
Mar-11	\$127,054,568	3.1%	Mar-13	\$137,589,384	1.2%
Apr-11	\$123,419,020	5.7%	Apr-13	\$121,301,388	-2.3%
May-11	\$119,334,094	-0.6%	May-13	\$123,686,775	0.3%
Jun-11	\$115,104,806	2.9%	Jun-13	\$117,500,248	-3.4%
Jul-11	\$129,386,300	4.5%	Jul-13	\$119,524,315	-5.1%
Aug-11	\$117,531,890	2.9%	Aug-13	\$122,876,687	-1.1%
Sep-11	\$118,937,919	6.9%	Sep-13	\$112,575,357	-5.0%
Oct-11	\$119,229,522	2.3%	Oct-13	\$114,459,124	-2.2%
Nov-11	\$113,959,342	8.4%	Nov-13	\$115,406,084	-1.3%
Dec-11	\$121,040,038	16.0%	Dec-13	\$108,973,902	-7.8%
2011 Total	\$1,423,998,178	4.1%	2013 Total	\$1,416,725,726	-3.4%

Source: Union Gaming Analytics, IRGC



GGR Carded/Non-Carded

As we previously indicated, during the course of our analysis, we examined carded play information by zip code from all 18 commercial casinos based in Iowa. Additionally, we believe the information given to us was both current and accurate. Based on this data, carded play represents \$932.1 million or 65.8% of the total \$1.416 billion (unaudited) 2013 Iowa commercial casino gross gaming revenue. Carded play during 2013 decreased 3.6% from 2012 while non-carded play decreased 3.1% in 2013 versus 2012. By comparison, during 2012 as compared to 2011, total gross gaming revenues increased 3% to \$1.466 billion, carded play increased 9.0% to \$966.8 million and non-carded play declined 6.9% to \$499.9 million.

The carded play information included the amount of gaming revenue generated and number of carded play trips by zip code. We also held qualitative discussions with casino property managers regarding the carded and non-carded play data as well as trends. We aggregated the carded play data as well as the qualitative information for the non-carded play data to deduce the origin of gaming revenue.

Figure 9: Iowa Annual GGR split Carded and Non-Carded

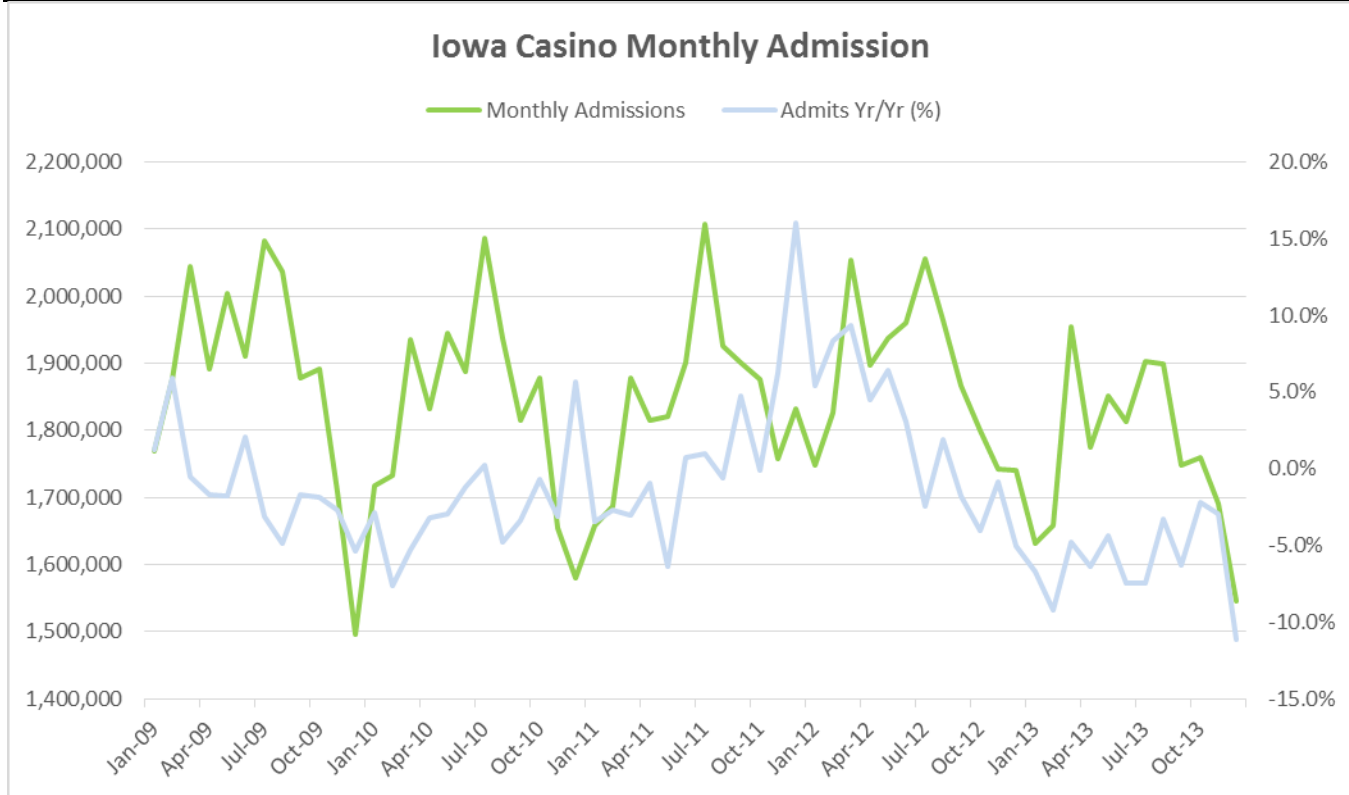
	Total GGR	% chg Yr/Yr	Carded GGR	% of Total GGR	% chg Yr/Yr	Uncarded GGR	% of Total GGR	% chg Yr/Yr
2013	1,416,725,726	-3.4%	932,076,894	65.8%	-3.6%	484,648,832	34.2%	-3.1%
2012	1,466,756,563	3.0%	966,846,576	65.9%	9.0%	499,909,987	34.1%	-6.9%
2011	1,423,998,178		886,910,605	62.3%		537,087,573	37.7%	

Source: Union Gaming Analytics, IRGC, Iowa Casino Actual Carded Play Data

Iowa Statewide Casino Admissions

We previously noted the reported historical gross gaming revenues by month in Figure 8. We recognize admissions is not a perfect metric for evaluation of casino patron visits due to the potential for multiple counting as well as employee counts in overall casino admissions. However, this is the only apples to apples comparative market data for estimating attendance/patron traffic. We graph the IRGC reported monthly casino admissions in Figure 10. We are most concerned about the recent downward trend in admissions since mid-year 2012. We interpret this reduction in admissions as something bigger than simply weather impact.

Figure 10: Iowa Commercial Casino Monthly Admissions and Year/Year (% change) 2009 - 2013



Source: Union Gaming Analytics, IRGC

In Figure 11, we compare year-over-year IRGC reported annual admissions to the carded play trips data supplied to us for the purpose of this study.

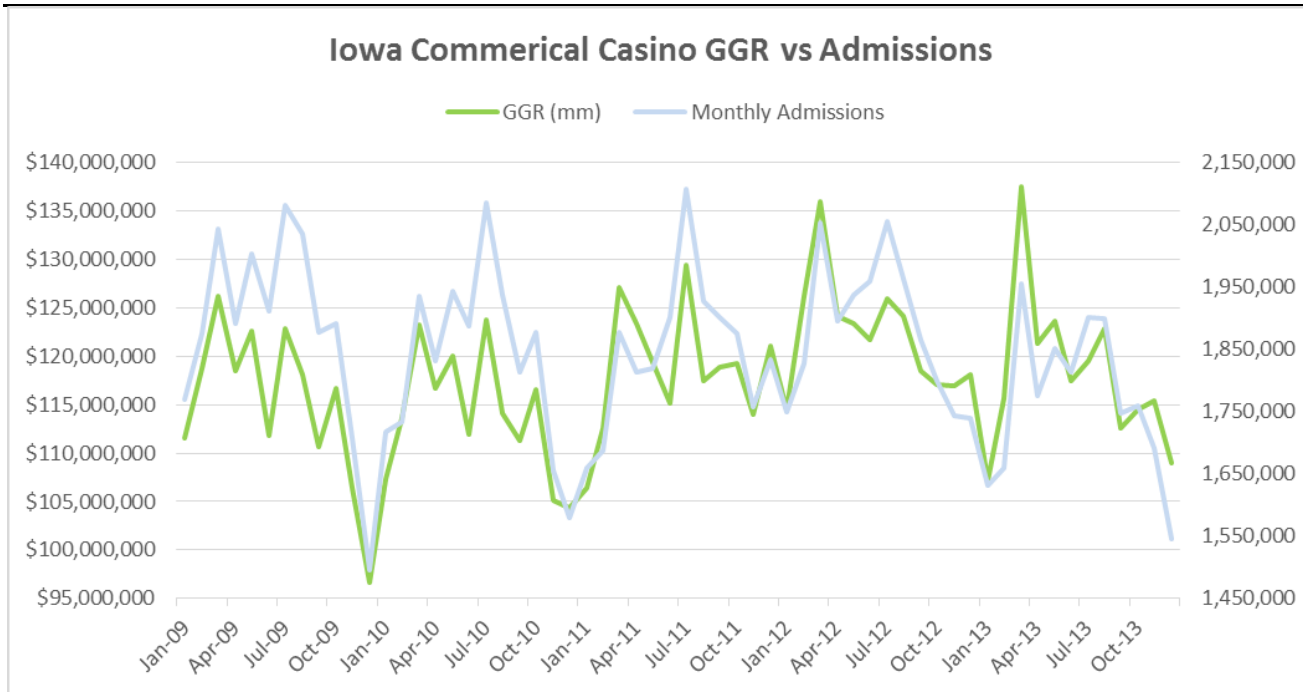
Figure 11: Admissions versus Carded Play Trips – 2011, 2012, 2013

	Admissions	% chg Yr/Yr	Carded Trips	% chg Yr/Yr
2013	21,233,461	-6.1%	10,341,757	-8.9%
2012	22,601,507	2.0%	11,351,905	4.1%
2011	22,159,191		10,905,193	

Source: Union Gaming Analytics, IRGC, Iowa Casino Actual Carded Play Data

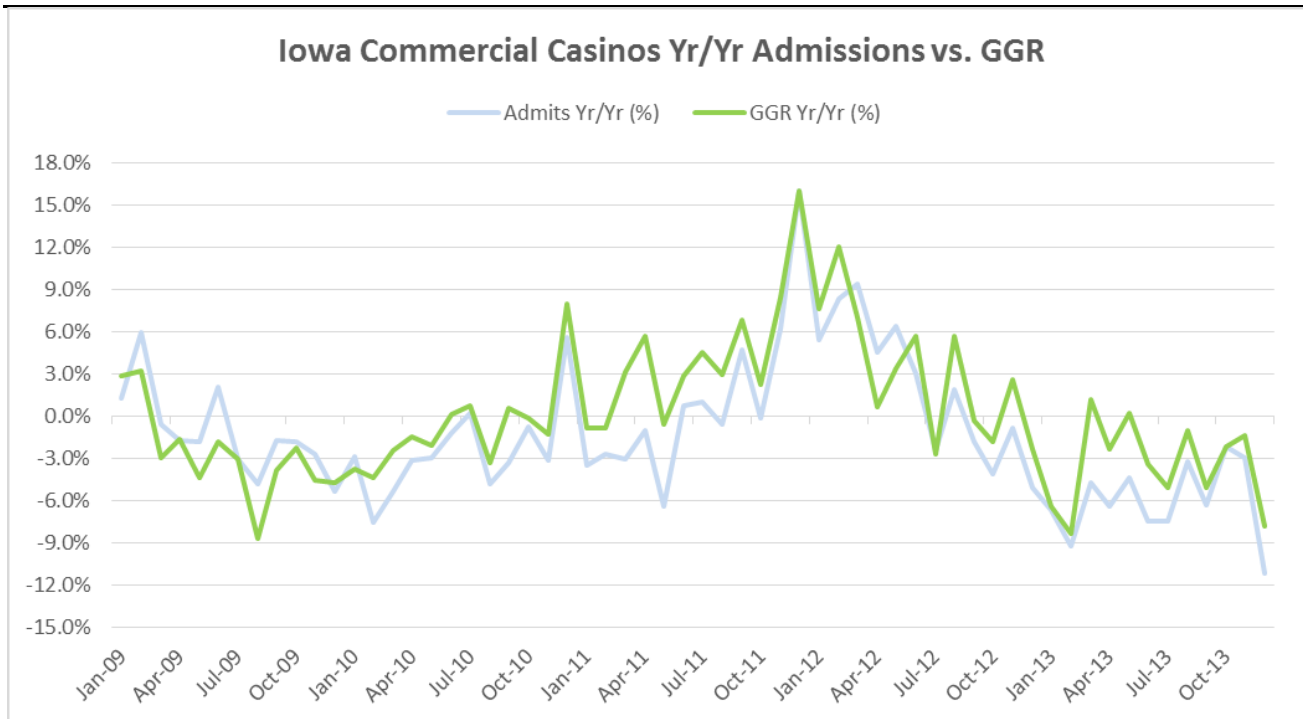


Figure 12: Iowa Commercial Casino Monthly GGR (\$mm) and Admission 2009 - 2013



Source: Union Gaming Analytics, IRGC

Figure 13: Iowa Commercial Casino Year/Year change in Admissions and GGR (\$mm) 2009 - 2013



Source: Union Gaming Analytics, IRGC

Comparable Commercial Class III Gaming Markets

For comparative purposes, we examined the monthly reported gross gaming and admissions data for comparable commercial gaming class III markets: including, Illinois, Missouri, and Indiana. We selected these markets due to their geographic proximity, similar psychographic characteristics, and gaming market dynamics.

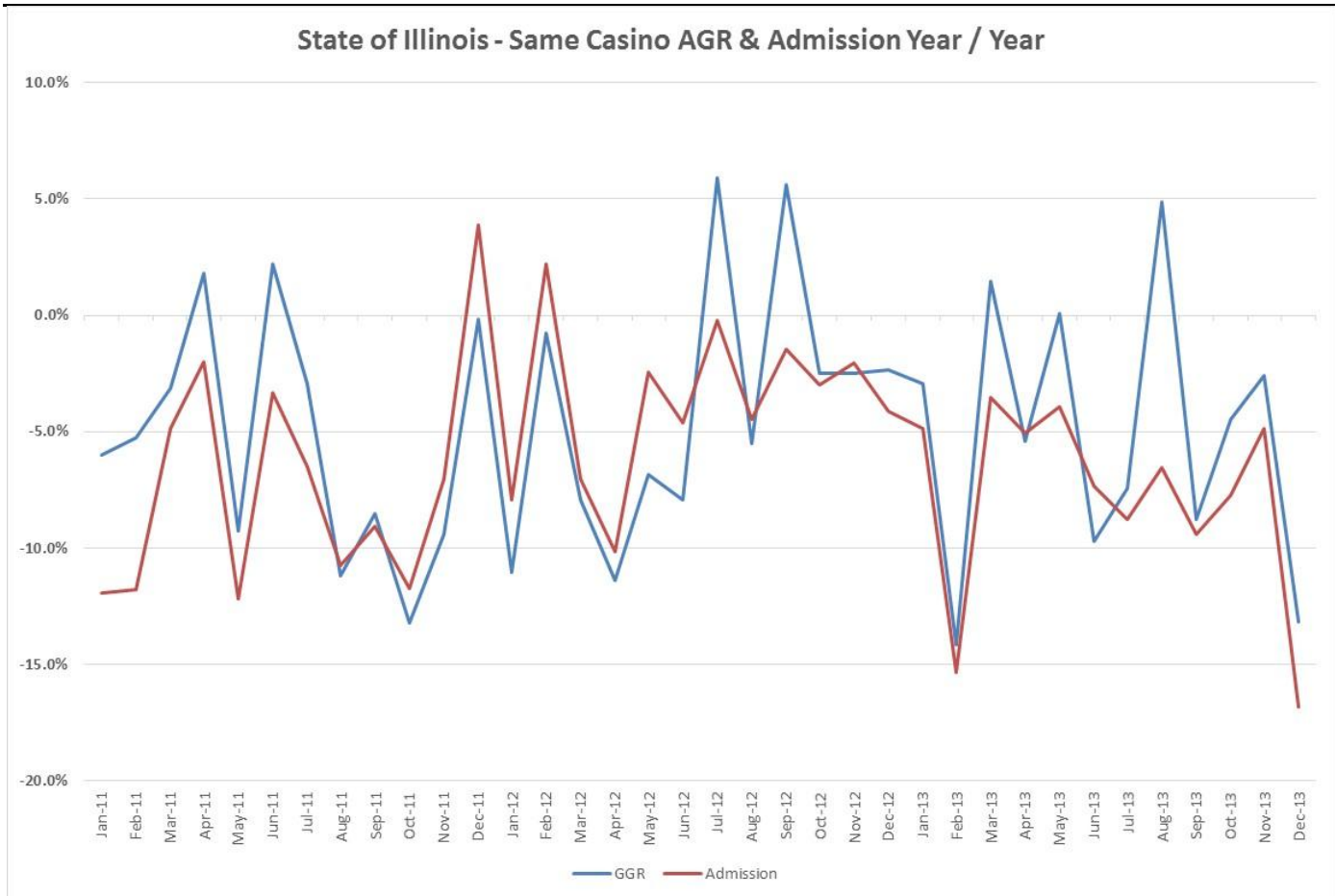


Illinois

The Riverboat Gambling Act was enacted in February 1990, making Illinois the second State in the nation to legalize riverboat gambling. The Act established the Illinois Gaming Board (the Board) and authorized the Board to grant up to ten casino licenses. Each riverboat gaming license authorizes up to 1,200 gaming positions and allows each licensee to operate up to two vessels at a single, specified dock site. Those casinos that operate two boats cannot have more than 1,200 gaming positions between both vessels. On September 11, 1991, the first riverboat casino began operation in Alton. Currently all ten licenses are active. As of December 31, 2013, the 10 riverboats operated total casino square feet of 366,022, covering 270 table games and 11,255 slots. Total 2013 admissions for the 10 riverboats were 14,891,745, down 7.8% versus 2012. Total 2013 Adjusted Gross Receipts for the 10 riverboats were \$1,522,039,190, down 5.3% versus 2012.

On July 13, 2009, the Illinois Legislature passed the Video Gaming Act, which legalized the use of video gaming terminals in licensed establishments, licensed truck stop establishments, licensed fraternal establishments, and licensed veterans establishments and places video gaming under the jurisdiction of the Board. As of December 31, 2013, video gaming terminals totaled 13,374 and generated \$37,637,830 in Net Wagering Activity (Net Terminal Income or Gross Gaming Revenue)

Figure 14: Illinois Riverboat AGR & Admissions, monthly January 2011 – December 2013

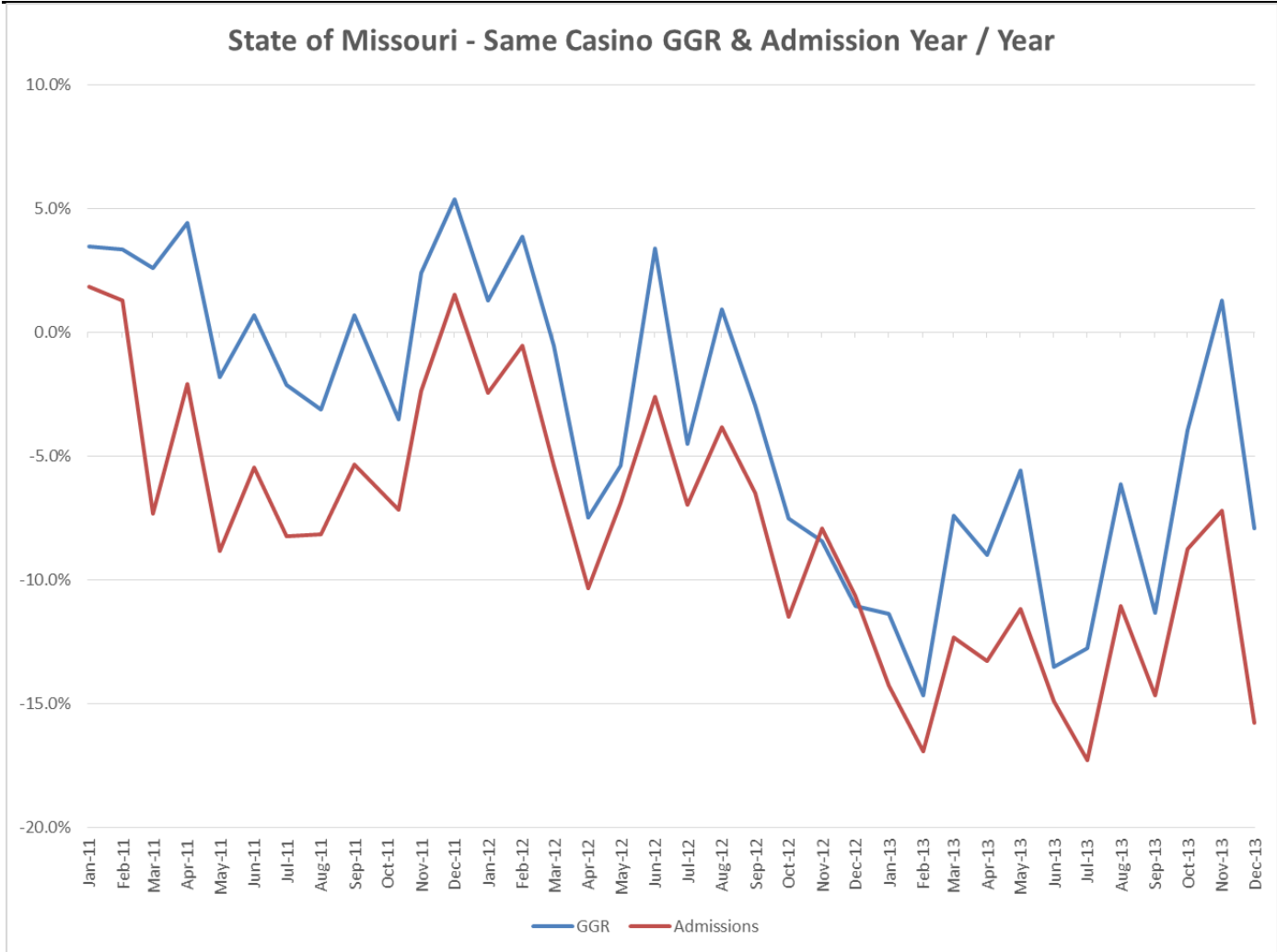


Source: Illinois Gaming Board and Union Gaming Analytics

Missouri

The Missouri Gaming Commission was established in 1993 by the 87th General Assembly as specified by Chapter 313 RSMo to regulate excursion gambling boats. There are 13 riverboat gaming casinos in Missouri. As of December 31, 2013, the 10 riverboats operated total casino square feet of 849,600, covering 538 table games and 18,960 slot machines. Total 2013 admissions for the 10 riverboats were 3,559,621, down 15.8% versus 2012's total admissions. Total 2013 adjusted gross receipts for the 10 riverboats was \$1,657,862,153 down 5.7% versus 2012.

Figure 15: Missouri Year/Year AGR and Admissions, monthly January 2011 – December 2013



Source: Missouri Gaming Commission and Union Gaming Analytics

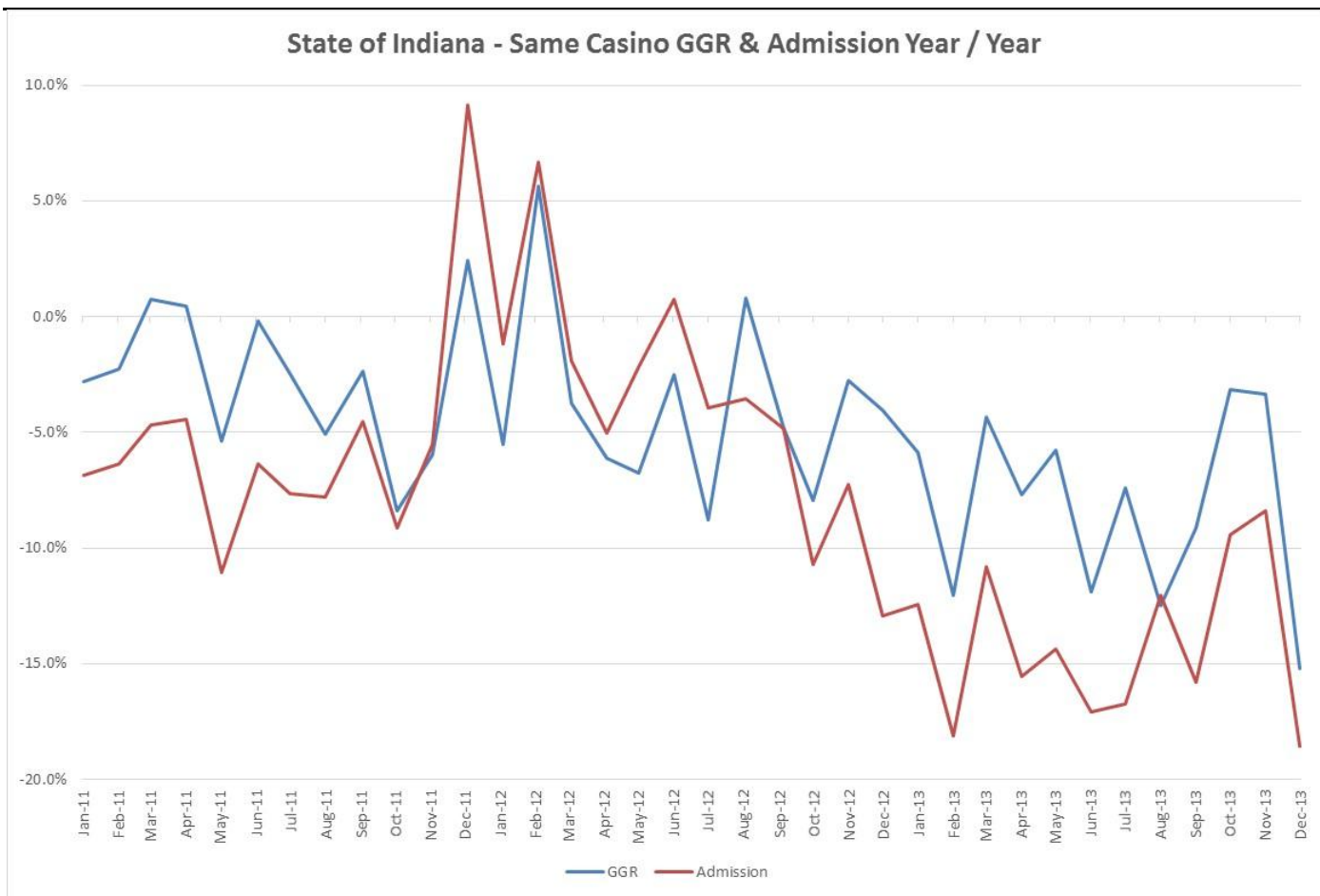


Indiana

The Indiana Riverboat Gaming Act was passed on July 1, 1993 allowing riverboat gaming in Indiana. This legislation allowed for eleven riverboats - up to five sites on the shore of Lake Michigan (including two in Gary), five on the Ohio River, and one on Patoka Lake, near French Lick. The first of these ten casinos opened in 1995. The Patoka Lake license went unused because the Army Corps of Engineers, which claimed ownership of the reservoir, had a regulation against gambling on its property. Legislators in 2003 authorized an eleventh casino to instead be built in a man-made lake in the area of French Lick and West Baden Springs. The casino's conversion to a land-based facility was authorized retroactively in 2010. In 2007, the Indiana Legislature passed legislation allowing 2,000 slot machines at each of the two horse racing tracks – Hoosier Park and Indiana Downs. This brought casino type gaming to Central Indiana.

As of December 31, 2013, the 13 gaming properties operated total casino square feet of 366,022, covering 678 table games and 21,125 electronic gaming device (slots). Total 2013 admissions for the 13 properties were 220,660,577 down 14.2% versus 2012's total admissions. Total 2013 Adjusted Gross Receipts for the 13 properties was \$2,398,027,891, down 6.4% versus 2012.

Figure 16: Indiana Year/Year AGR and Admissions, monthly January 2011 – December 2013



Source: Indiana Gaming Commission and Union Gaming Analytics

Iowa Free Play

During the course of our research, we also reviewed actual “promotional play” data – or dollars spent by casinos to incentivize players to increase visitation as well as increase spend (share of wallet). We focused our efforts on quantifying the amount of redeemed promotional play. Within Iowa, redeemed promotional play while an expense (free play is taxed) to the casino property it is reported in gross gaming revenue at the state level. The purpose of this analysis was to – a) establish an “organic” or net gaming revenue baseline; and, b) to measure the marginal cost associated with securing the net marginal revenue.

During calendar year 2012, the 18 commercial casinos spent more than \$102.2 million on redeemed promotional play. The \$102 million in promotional play for 2012 represents 6.96% of reported 2012 Iowa commercial casino gross gaming revenues of \$1.466 billion. As a result, net gaming revenue for 2012 was \$1.364 billion. On a property level basis, the amount of promotional play measured as a percentage of gross gaming revenues averaged of 6.97%.

For the most recent calendar year, 2013, the 18 commercial casinos spent more than \$101.9 million on redeemed promotional play. The nearly \$101.9 million in promotional play represents 7.2% of reported (unaudited) 2013 Iowa commercial casino gross gaming revenues of \$1.416 billion. As a result, net gaming revenue for 2013 was \$1.314 billion. On a property level basis the amount of promotional play measured as a percentage of gross gaming revenue averaged of 7.19%.

Said differently, during 2013, collectively the 18 commercial casinos spent nearly \$102 million in promotional play to lose \$50 million in net gaming revenue. Recall from economics, the profit maximization occurs at the point marginal costs equal marginal revenues...yet 2013, marginal costs of \$102 million resulted in lost revenue of nearly \$50 million.

Figure 17: Gross Gaming Revenue, Free Play & Net Gaming Revenues – 2011, 2012, 2013

	Total GGR	% chg Yr/Yr	Free Play	% chg Yr/Yr	Net Gaming Revenue	% chg Yr/Yr
2013	1,416,725,726	-3.4%	101,927,795	-0.2%	1,314,797,931	-3.6%
2012	1,466,756,563	3.0%	102,177,227	nm	1,364,579,336	nm
2011	1,423,998,178		90,208,623		1,333,789,555	

Source: Union Gaming Analytics, IRGC, Iowa Casino Actual Carded Play Data



New Gaming Supply

Iowa

Prairie Meadows

Prairie Meadows is currently completing the fourth phase of a reinvestment program, which is expected to run through May 2015. The current reinvestment program encompasses a 50,000-square-foot renovation and upgrade to the casino floor, the main entrance and concessions, lounge and bar areas at an estimated budget of \$18.5 million with a May 2015 completion date. The current renovation is the fourth phase in an overhaul of the gaming complex that began in 2010.

Rhythm City

Recently, the Riverboat Development Authority unanimously approved Kehl Development Corp. acquisition of Rhythm City Casino as well as the development of a land-based hotel and casino entertainment complex – likely near the intersection of Interstate 80 and Interstate 74. The estimated cost of the new land-based casino is \$110 million and would open in 2016. The proposed casino would include 1,000 slot machines, 25 table games, approximately 95 hotel rooms, multiple restaurants, a live entertainment venue and meeting facilities. According to media reports and estimates from Kehl Development Corp, the new casino will gain market share and increase the size of the Quad-Cities' gaming market. For 2013, Rhythm City Casino generated \$45.6 million in revenues while Kehl Development Corp projects the newly built casino will earn \$89.2 million in gaming revenue in its 5th year of operation.

Hard Rock Hotel & Casino Sioux City

Missouri River Historical Development, Inc. (MRHD) and Sioux City Entertainment, Inc. have been awarded a casino license to build the Hard Rock Hotel & Casino Sioux City, a state-of-the-art entertainment facility in the heart of downtown Sioux City. The project will create more than 500 permanent jobs for the Sioux City community.

Hard Rock Hotel & Casino Sioux City will feature a 54-room hotel with boutique-style comfort and four-star level of service. The casino floor will be filled with over 800 of the newest slot machines and familiar table games. The Hard Rock Hotel & Casino Sioux City's key feature will be an approximately 800-person Live Entertainment Venue featuring the stars of today, tomorrow, and yesteryear. Ranging from local performances to nationally recognized Country, Rock, and Pop talent, this venue will be heavily programmed to continue to provide yet another entertainment experience in Sioux City.

The IRGC awarded the Woodbury County Casino License on April 18, 2013 to Sioux City Entertainment paving the way for the Hard Rock Hotel & Casino Sioux City to become a premier attraction and significant driver of tourism to both Sioux City and the state of Iowa. Nestled in the Downtown District immediately adjacent to the I-29, the Hard Rock Hotel & Casino Sioux City will rest on 16 acres, incorporating and preserving the historic Battery Building, iconic to the local community.

The property will also include an outdoor event lawn with capacities over 3,000 which will play host to large outdoor concerts, wine walks, BBQ competitions, art shows, and even “movies in the park” amongst many other options.

Beyond the gaming and entertainment of the Hard Rock Hotel & Casino Sioux City, the property will offer guests a multitude of dining, retail, and socialization options.

The Hard Rock Hotel & Casino Sioux City will further complement the Sioux City’s rich entertainment, music, and cultural destinations including the Tyson Event Center and Orpheum Theatre, ultimately creating an entertainment Mecca generating well over 1 million visits to the Downtown District each year.

The estimated \$120 million development is expected to create over 300 construction jobs and more than 500 operations jobs within the Sioux City community. Construction is underway the Grand Opening is scheduled for the fall of 2014.

Since the award of the license on April 18, 2013 and the IRGC’s approval of all construction contracts for the Hard Rock Hotel and Casino on June 6, 2013, many court proceedings have occurred which resulted in the most recent ruling on February 14, 2014 in which Polk County District Court Judge Eliza Ovrum reversed an earlier ruling involving the new land-based casino in Sioux City. The ruling lifted a stay on the license awarded to Sioux City Entertainment for the new Hard Rock Casino currently under construction in downtown Sioux Falls.

Finally, the Penn Argosy casino continues to operate without a non-profit partner.



Illinois

VGT

Enacted on July 13, 2009, the Video Gaming Act legalized the use of Video Gaming Terminals in liquor-licensed establishments including bars, restaurants, truck stops, and certain fraternal and veterans organizations. An Establishment may operate up to five Terminals on its premises at any one time. According to Figure 2, Illinois zip codes contributed \$124 million in GGR to Iowa commercial casinos during 2013. We will examine this issue more closely in a later section.

Establishments are automatically ineligible for licensing if they are located: (i) within 1,000 feet of a facility operated by an organizational licensee, an intertrack wagering licensee, an intertrack wagering location licensee licensed under the Illinois Horse Racing Act of 1975 or a home dock of a riverboat licensed under the Riverboat Gambling Act, or (ii) within 100 feet of a school or a place of worship under the Religious Corporation Act.

The maximum wager played per hand may not exceed \$2, and no cash award for the maximum wager on any individual hand may exceed \$500.

A 30% gaming tax is imposed on all monies put into a Terminal minus credits paid out to players (the “Net Terminal Income”). Notwithstanding any agreement to the contrary, the Terminal Operator and Establishment must split the after-tax profits from a Terminal 50/50.

On December 31, 2013, total installed video gaming terminals were 13,374 with additional terminals going live daily throughout the state.

Potential 2014 Gaming Expansion

There were multiple legislative attempts to expand commercial gaming in Illinois over the past two years. However, Illinois Governor Pat Quinn openly opposed any expansion of commercial gaming until the Illinois legislature addressed the issue of pension reform. On December 5, 2013, Illinois Gov. Pat Quinn signed into legislation aimed at reforming Illinois’ underfunded pension system — a \$100 billion unfunded liability that was the worst in the United States. As a result, we believe Illinois will again take up Illinois Senate Bill 1739 which (if enacted) would establish five new casinos in Illinois and allow racetracks to install slot machines in order for the state to generate additional tax revenue to help offset the pension deficit.

The implication of this is increased competition to Iowa casinos as well as increased competition for patrons who travel from Illinois to gamble at Iowa casinos. It is our understanding the senate bill may also include provisions to eliminate the existing tax on free play, which would certainly give those existing (and potentially future) Illinois casinos in proximity to the Iowa border a significant competitive advantage as they could market more aggressively than their Iowa counterparts.

Rockford Casino

We believe that if commercial gaming were expanded in Illinois, we would expect to see an application from the Rockford region. The Rockford region has repeatedly supported the expansion of gaming as evidenced by Rockford Casino Coalitions’ public commentary. However, such an expansion could be curtailed given the Ho-Chunk tribal application to the Bureau of Indian Affairs for a casino located in Beloit, Wisconsin. The city of Beloit, Wisconsin and the Wisconsin/Illinois state line are located twenty-one miles north of Rockford, Illinois on Interstates 39/90.

Quad Cities Racino

In the event Illinois Senate bill 1739 passed the legislature, signed by Governor Quinn and enacted into law, the legislation would allow racetracks to install slot machines. Quad Cities Downs - located in East Moline, Illinois – could install up to 1,000 slot machines.



Wisconsin

According to Figure 2, Wisconsin zip codes contributed \$53mm in gross gaming revenues to Iowa commercial casinos during 2013.

Kenosha

Kenosha: The Menominee Nation proposed a new casino on the site of the old Dairyland Greyhound Park in Kenosha. If approved, it would employ an estimated 3,100 people and put another 1,400 to work during three to four years of construction, Eric Olson, the tribe's Kenosha project director, told the newspaper. The casino would hold 12 to 14 bars and restaurants, include a 400-room hotel and entertain people in a 5,000-seat arena, Olson said. However, an independent research firm is conducting a gaming market and feasibility study for the Wisconsin Governor. The delivery of that study is expected sometime during the fall 2014.

Beloit

The Ho-Chunk Nation proposed a 145,000-square-foot gaming facility. The project would also include a 300-room hotel and a 35,000-square-foot convention center and be located adjacent to Interstate 90/39 in Beloit. The Ho-Chunk Nation submitted their plan to the Bureau of Indian Affairs during 2013.

Shullsburg

The Lac du Flambeau band of Chippewa Indians this spring presented a plan for a casino in Shullsburg, a city of about 1,200 in Lafayette County, according to a March 22 story in the Telegraph Herald of Dubuque, Iowa. The development could be a \$50 million to \$75 million project with up to 600 jobs, depending on how big of a facility is built. The proposal also is the second attempt for a Shullsburg casino. More than 10 years ago, federal and state officials rejected a plan that included a 300-room hotel, golf course and water park. Tribal members said the new proposal would be constructed in phases and include a hotel.

We believe were a tribal casino to open in Schullsburg, Wisconsin, a mere 28 miles from Dubuque, Iowa, the northeast Iowa commercial casinos would experience GGR cannibalization. Diamond Jo Dubuque and Mystique would be negatively impacted most, while Lady Luck and Wild Rose Clinton would likely experience lost revenues as well.

Sheboygan

Claremont New Frontier Resort, which owns the Blue Harbor Resort, and the Sokaogon Chippewa Community of Mole Lake announced their desire to build an off-reservation casino near Lake Michigan.

Off-Reservation Native American Casinos

One of the biggest trends for the development of new tribal casinos is “off-reservation” development. In such cases, new casinos are not located on tribal deeded land but rather land held in “trust” for the tribal nation via the Bureau of Indian Affairs and Department of Interior.

Under the federal 1988 Indian Gaming Regulatory Act, Native American tribes are allowed to operate gaming casinos. Efforts by Native American tribes to expand tribal gaming to off-reservation locations is not an issue specific to a tribe nor a state. However, presently, significant efforts are underway by Native American tribes to greatly expand tribal gaming to Department of Interior Tribal Trust Land (off reservation land) across California, Washington, Arizona, Wisconsin, Connecticut, Massachusetts, and Rhode Island.



Market Share Analysis – Iowa only

In Figure 18, we present various operational metrics for the 18 commercial casinos located in Iowa. We present the data based on geographic sub-regions.

Figure 18: Iowa Commercial Casinos – key 2013 operating metrics

Property by Region											
Property	Region	GGR	% of Total GGR	Date Opened	Hotel Rooms	Casino SF	Patron Capacity	Slots	Tables	Positions	Meeting and Conference Space Sq. Feet
Ameristar Casino & Hotel	Western	\$164,676,325	11.6%	1996	444	38,500	2,700	1,588	22	1,720	15,895
Harrah's Casino & Hotel	Western	\$70,822,814	5.0%	1996	251	25,000	1,905	595	18	703	5,325
Horseshoe	Western	\$198,838,669	14.0%	1995	0	68,000	8,935	1,629	72	2,061	2,734
Grand Falls Casino Resort	Western	\$58,307,626	4.1%	2011	97	38,000	3,513	836	37	1,058	12,000
Argosy Sioux City	Western	\$52,009,573	3.7%	1994	0	37,500	1,800	707	20	827	8,800
Total		\$544,655,007			792	207,000	18,853	5,355	169	6,369	44,754
Prairie Meadows	South Central	\$187,253,695	13.2%	1995	168	83,879	6,055	2,251	50	2,551	52,700
Riverside Casino	South Central	\$88,647,835	6.3%	2006	201	56,400	4,562	1,140	46	1,416	12,420
Terrible's Lakeside	South Central	\$49,604,656	3.5%	2000	150	36,200	1,800	1,049	13	1,127	6,850
Total		\$325,506,186			519	176,479	12,417	4,440	109	5,094	71,970
Isle Waterloo	North Central	\$85,668,158	6.0%	2007	195	43,142	3,180	951	27	1,113	5,000
Diamond Jo (Worth)	North Central	\$86,557,136	6.1%	2006	102	38,721	3,547	1,002	30	1,182	6,997
Wild Rose (Emmetsburg)	North Central	\$32,054,391	2.3%	2006	70	36,200	1,790	528	15	618	6,000
Total		\$204,279,685			367	118,063	8,517	2,481	72	2,913	17,997
Isle Lady Luck Marquette	Eastern	\$28,786,740	2.0%	2000	0	17,514	1,200	564	8	612	-
Catfish Bend	South Central	\$38,407,506	2.7%	1994	185	24,353	2,213	625	28	793	12,800
Diamond Jo (Dubuque)	Eastern	\$65,964,406	4.7%	1994	0	36,100	3,282	996	19	1,110	4,922
Mystique / Dubuque Greyh	Eastern	\$55,615,516	3.9%	1995	116	47,640	3,500	951	23	1,089	-
Isle Bettendorf	Eastern	\$72,743,972	5.1%	1995	514	28,976	2,300	976	21	1,102	13,520
Rhythm City	Eastern	\$45,621,066	3.2%	2000	0	30,142	2,200	893	14	977	1,600
Wild Rose (Clinton)	Eastern	\$35,145,642	2.5%	1991	60	19,681	1,790	543	11	609	17,206
Total		\$342,284,848			875	204,406	16,485	5,548	124	6,292	50,048

Source: Union Gaming Analytics, IRGC

History of Iowa Commercial Gaming

Timeline

1983 The Pari-Mutuel Wagering Act was signed to allow wagering on horse and dog racing in the state of Iowa.

1983 – 1989: Bills were signed to expand Pari-mutuel wagering, including simulcast races, and to allow for casino wagering on riverboats in counties where voters approve riverboat gaming referendums.

1989 Iowa Takes Riverboat Plunge Iowa becomes the first U.S. state to legalize riverboat gaming — “under the pretense,” Thompson says, that “they were not casinos.” Neighboring Illinois follows Iowa’s lead the next year. Riverboat gaming referendums were approved by voters in eight Iowa counties

1991 The first riverboat casinos opened for business.

1992 Voters in two additional counties approved riverboat referendums.

1994 Gates Open for ‘Racinos’ Iowa becomes the first Midwestern state, and one of the first in the U.S., to legalize casino-type gambling inside racetracks.

1994 Three casino sites opened.

1995 A referendum vote was held and approved. Four casino sites opened.

1996 Two casino sites opened.

1997 A referendum vote was held and approved.

2000 Three casino sites opened.

2002 Voters in 11 counties approved referendums to continue casino gaming at racetracks and riverboat casinos. These referendums passed by an average of 74 percent, which confirmed overwhelming recognition of the significant positive impact gaming properties have on the state's entertainment and tourism industry.

2003-04 Voters in 15 counties without gaming facilities held referendums to allow casinos. Seven counties approved and eight counties failed the referendums.

2005 The Iowa Racing and Gaming Commission voted to allow four additional licenses.

2006 Two counties without gaming facilities held referendum votes; one passed and one was defeated.

Three new casino sites opened.

2007 One Iowa county defeats bid for casino.

The 17th casino site opened.

2008 Two counties without gaming facilities held referendum votes; one passed and one was defeated.



2009 The Iowa Racing and Gaming Commission conducted a thorough study of the state's gaming environment to determine if there were any underserved areas. The IRGC determined to issue one license, to Lyon County.

2010 Voters in 14 counties overwhelmingly approved the continued operation of casinos in their communities.

2011 18th casino site opens.

2013 Linn County and Greene County voters approved gambling referendums, allowing for a casino developer to seek a gambling license for the respective areas.

Iowa Native American Gaming

The United States Congress passed the Indian Gaming Regulatory Act (IGRA) of 1988 that extended to the tribal governments of each state the right to conduct whatever types of gaming anyone else in the state was permitted to conduct. Since Utah is the only state in the nation with federally recognized Indian tribes that permits absolutely no gambling of any kind, the IGRA put the Native American peoples in the gaming business almost overnight and practically nationwide.

Today, Iowa has one federally recognized Indian tribe, The Sac and Fox Tribe of the Mississippi. The Sac & Fox Tribe lives on a settlement. A settlement is different than a reservation because the land is owned by the tribe on the settlement whereas a reservation is land set aside by the Government to allow tribes to reside.

In 1851, the Iowa legislature passed an unprecedented act allowing the Meskwaki to purchase land and stay in the state. American Indians had not generally been permitted to do so in the U.S. Government officials had said that the Meskwaki could not own land because legally Indians were not US citizens.

In 1857, the Meskwaki purchased the first 80 acres (320,000 m²) in Tama County; Tama was named for Taimah, a Meskwaki chief of the early 19th century. Many Meskwaki later moved to the Meskwaki Settlement near Tama, which was started in 1857.

The U.S. government tried to force the tribe back to the Kansas reservation by withholding treaty-right annuities. Ten years later, the U.S. finally began paying annuities to the Meskwaki in Iowa. They recognized the Meskwaki as the Sac and Fox of the Mississippi in Iowa. The jurisdictional status was unclear. The tribe had formal federal recognition with eligibility for Bureau of Indian Affairs services. It also had a continuing relationship with the State of Iowa due to the tribe's private ownership of land, which was held in trust by the governor.

For the next 30 years, the Meskwaki were virtually ignored by federal as well as state policies. Subsequently, they lived more independently than tribes confined to regular reservations which were regulated by federal authority. To resolve this jurisdictional ambiguity, in 1896 the State of Iowa ceded to the Federal Government all jurisdiction over the Meskwaki.

The Meskwaki Settlement is located in Central Iowa. The Sac & Fox Tribe of the Mississippi in Iowa has nearly 1,400 enrolled tribal members. There are over 8,000 acres of land owned by the Meskwaki Nation in Tama County & Palo Alto County in Iowa.

Indian Casino Facts

- Tribes receive \$4 of every \$10 that Americans wager at casinos.
- Indian casinos earn 44% of all U.S. casinos gaming revenue. Another \$3.3 billion was earned in restaurants, hotels, and entertainment services.
- Indian gaming operates in 28 states. 24 states allow Vegas-style Class III Indian casinos, 4 allow Class II-only casinos (bingo slots).
- Indian gaming provides 628,000 jobs nationwide (both direct & indirect jobs).

Source: National Indian Gaming Commission www.nigc.gov



Meskwaki Bingo Casino Hotel

The Meskwaki started their gaming ventures with a bingo hall located at the Nation's community center gymnasium in 1987. As the gaming prospects in Indian Country grew, so did the Meskwaki Nation's opportunities. The Meskwaki Bingo Casino opened on New Year's Eve 1992 as a small facility with some used slot machines, a small blackjack pit and a bingo hall. Meskwaki Bingo Casino Hotel features 404 hotel rooms, a 500-seat bingo hall, over 1,350 slot machines, all live games including a pari-mutuel betting and the Meskwaki Veterans Convention Center.

Approximately 49,000 people live within a 30-minute drive time of the Meskwaki Casino with an average per capita income of \$22,000 and an average household income of \$56,870. Almost 460,000 additional people live within 30 to 60 minutes of the property and this population set has an average per capita income of \$25,573 and an average household income of \$63,330.

Figure 19: Meskwaki Bingo Casino Hotel Drive Times (30, 60, and 120 minutes)



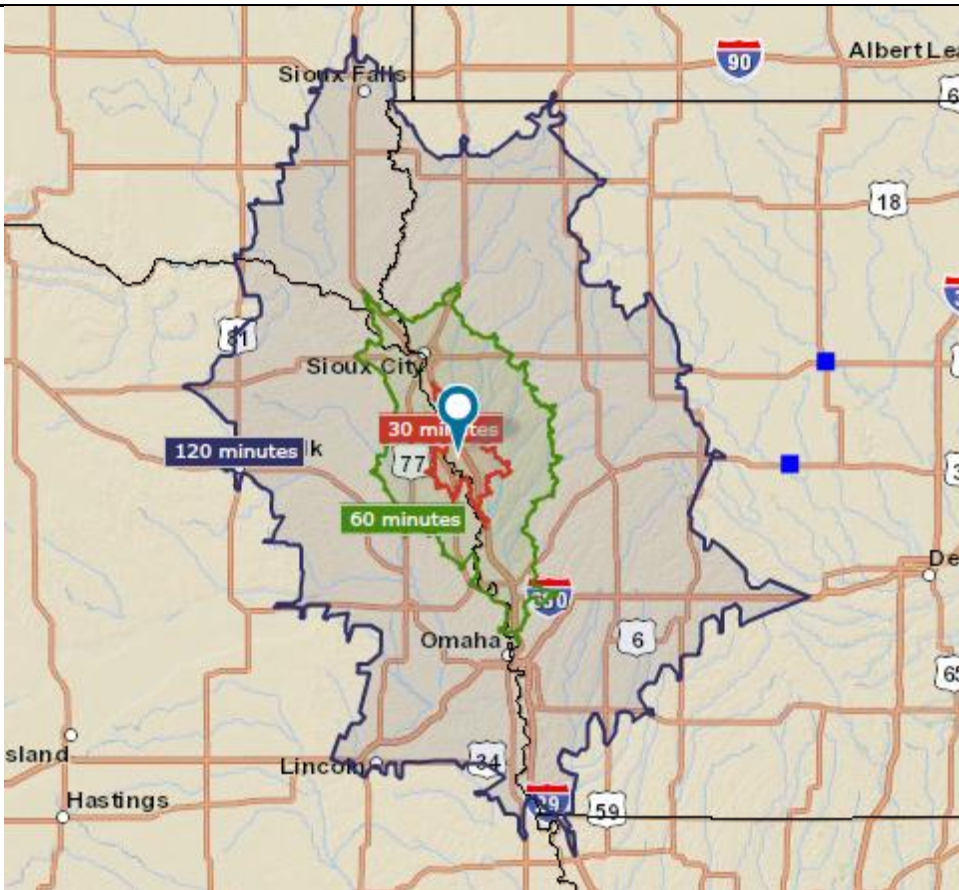
Source: Union Gaming Analytics, ESRI

Blackbird Bend

CasinOmaha is owned and operated by the Blackbird Bend Corporation, of the Omaha Tribe of Nebraska. The Blackbird Bend Casino has replaced the former CasinOmaha. The former CasinOmaha first opened in July 1992. The casino was remodeled in 2009 and re-opened Oct 15, 2010. CasinOmaha was shut down June 2, 2011 when the Missouri River flooded the building. After extensive repairs the casino re-opened again in April 2013 with the new name 'Blackbird Bend Casino'. Blackbird Bend Casino is located 25 minutes south of Sioux City, 45 min north of Omaha. The casino features more than 400 slots over a 10,000 square foot casino floor.

Approximately 7,700 people live within a 30-minute drive time of Blackbird Bend Casino with an average per capita income of \$24,234 and an average household income of \$56,011. An additional 162,100 people live within 30 to 60 minutes of the property and this population set has an average per capita income of \$22,866 and an average household income of \$59,645.

Figure 20: Blackbird Bend Casino Drive Times (30, 60, and 120 minutes)



Source: Union Gaming Analytics, ESRI

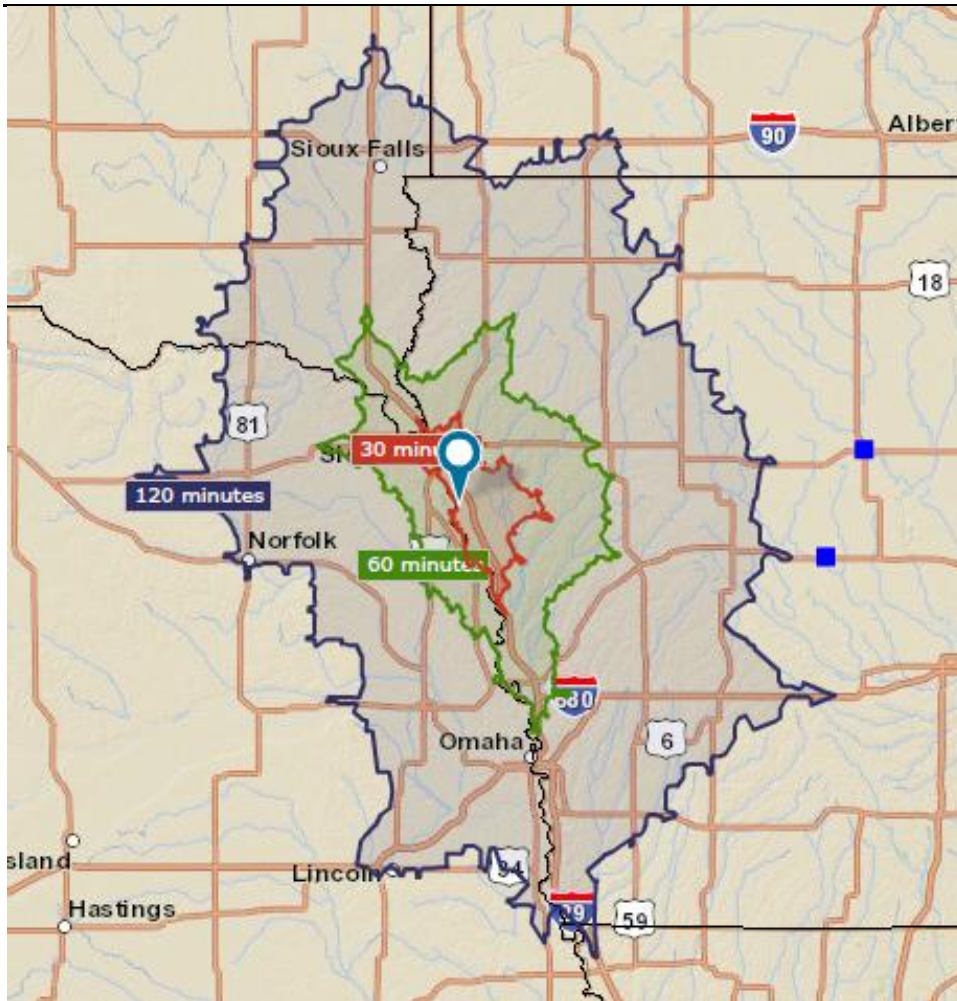


WinnaVegas

WinnaVegas, located in Sloan, Iowa is owned and operated by the Winnebago Tribe of Nebraska. WinnaVegas is located 20 minutes south of Sioux City on Interstate 29. The casino features more than 600 slots and 20 table games over a 24,000 square foot casino floor. WinnaVegas Hotel opened in April 2012 with 78 guest rooms and features a 300-person conference center.

Approximately 114,000 people live within a 30-minute drive time of WinnaVegas Casino with an average per capita income of \$21,230 and an average household income of \$55,896. An additional 82,300 people live within 30 to 60 minutes of the property and this population set has an average per capita income of \$25,736 and an average household income of \$65,105.

Figure 21: WinnaVegas Casino Drive Times (30, 60, and 120 minutes)



Source: Union Gaming Analytics, ESRI

Iowa Commercial Casinos

Competitive Landscape

As of December 31, 2013, Iowa's 18 commercial casinos operated 17,824 slot machines and 474 table games for 20,668 total gaming positions. The total approved gaming space in aggregate for the 18 properties totaled 622,695 square feet with a patron capacity of 56,272.

Assuming an Iowa population of 3,097,091, an adult population of 2,260,876, and a gaming population of 769,122 -- the total population per gaming position is 150, the adult population per gaming position is 109, and the adult gaming population per position is 37.

During 2013, the current average win per position per day was approximately \$188 with a low of \$121 and a high of \$276.

Figure 22: Current Iowa Commercial Casino & Key Facts

Property by Region										Meeting and Conference Space
Property	Region	Operator	Date Opened	Hotel Rooms	Casino SF	Patron Capacity	Slots	Tables	Positions	Sq. Feet
Ameristar Casino & Hotel	Western	Ameristar	1996	444	38,500	2,700	1,588	22	1,720	15,895
Harrah's Casino & Hotel	Western	Harrah's	1996	251	25,000	1,905	595	18	703	5,325
Horseshoe	Western	Harrah's	1995	0	68,000	8,935	1,629	72	2,061	2,734
Grand Falls Casino Resort	Western	Private	2011	97	38,000	3,513	836	37	1,058	12,000
Argosy Sioux City	Western	Penn National	1994	0	37,500	1,800	707	20	827	8,800
Total				792	207,000	18,853	5,355	169	6,369	44,754
Prairie Meadows	South Central	Private	1995	168	83,879	6,055	2,251	50	2,551	52,700
Riverside Casino	South Central	Private	2006	201	56,400	4,562	1,140	46	1,416	12,420
Terrible's Lakeside	South Central	Private	2000	150	36,200	1,800	1,049	13	1,127	6,850
Total				519	176,479	12,417	4,440	109	5,094	71,970
Isle Waterloo	North Central	Isle	2007	195	43,142	3,180	951	27	1,113	5,000
Diamond Jo (Worth)	North Central	Boyd	2006	102	38,721	3,547	1,002	30	1,182	6,997
Wild Rose (Emmetsburg)	North Central	Private	2006	70	36,200	1,790	528	15	618	6,000
Total				367	118,063	8,517	2,481	72	2,913	17,997
Isle Lady Luck Marquette	Eastern	Isle	2000	0	17,514	1,200	564	8	612	-
Catfish Bend	South Central	Private	1994	185	24,353	2,213	625	28	793	12,800
Diamond Jo (Dubuque)	Eastern	Boyd	1994	0	36,100	3,282	996	19	1,110	4,922
Mystique / Dubuque Greyhcs	Eastern	Private	1995	116	47,640	3,500	951	23	1,089	-
Isle Bettendorf	Eastern	Isle	1995	514	28,976	2,300	976	21	1,102	13,520
Rhythm City	Eastern	Private	2000	0	30,142	2,200	893	14	977	1,600
Wild Rose (Clinton)	Eastern	Private	1991	60	19,681	1,790	543	11	609	17,206
Total				875	204,406	16,485	5,548	124	6,292	50,048
Grand Total				2,553	705,948	56,272	17,824	474	20,668	184,769

Source: Union Gaming Analytics, IRGC

If we include our estimated tribal gaming 2,280 tribal slots machines and 50 table games, total tribal gaming positions equal 2,580. Combining the 2,580 tribal gaming positions with the with the 20,668 commercial gaming positions results in 23,248 total gaming positions across Iowa.



Using the prior total Iowa population of 3,097,091, an adult population of 2,260,876, and a gaming population of 769,122 -- the total population per gaming position is 133, the adult population per gaming position is 97, and the adult gaming population per position is 33.

Wild Rose Clinton

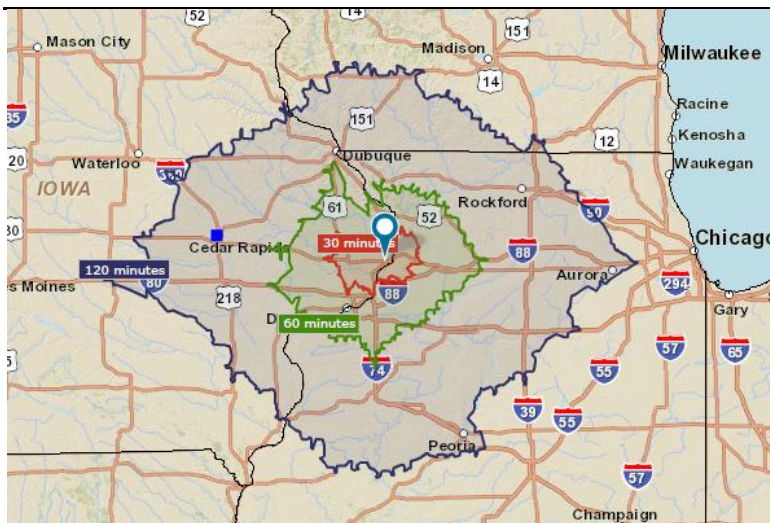
Wild Rose Casino & Resort, located in Clinton, Iowa is across the Mississippi River from Fulton, Illinois. The property finished 2013 with 543 slots and 11 table games covering a 19,681 square feet of casino floor and maximum patron capacity of 1,790. The property also features a 60 room hotel, conference facility, and Sawmill buffet and Coaches Corner sports bar. Approximately 69,700 people live within a 30-minute drive time of Wild Rose Clinton with an average per capita income of \$25,820 and an average household income of \$62,471. An additional 437,300 people live within 30 to 60 minutes of the property and this population set has an average per capita income of \$26,251 and an average household income of \$63,188.

Figure 23: Wild Rose Clinton Casino - key statistics 2011, 2012, & 2013

Wild Rose Clinton Clinton, Iowa	2011	2012	2013	% chg	
				13/12	13/11
Admissions	726,455	672,081	621,958	-7.5%	-14.4%
Slot Drop	\$257,785,445	\$267,773,694	\$246,910,335	-7.8%	-4.2%
Slot Coin In	\$422,950,655	\$412,007,895	\$379,168,756	-8.0%	-10.4%
Slot Revenue	\$37,912,941	\$36,794,373	\$33,475,617	-9.0%	-11.7%
Table Drop	\$9,725,993	\$9,258,506	\$8,076,188	-12.8%	-17.0%
Table Revenue	\$2,092,584	\$1,946,321	\$1,670,026	-14.2%	-20.2%
Adjusted Gross Revenue	\$40,005,525	\$38,740,694	\$35,145,643	-9.3%	-12.1%

Source: Union Gaming Analytics

Figure 24: Wild Rose Clinton Casino Drive Times (30, 60, and 120 minutes)



Source: Union Gaming Analytics, ESRI

Diamond Jo Dubuque

Diamond Jo Dubuque Casino, located in Dubuque, Iowa is across the Mississippi River from East Dubuque, Illinois and well as the Wisconsin and Illinois state line. At the end of 2013, the property featured with 996 slots and 19 table games covering a 38,400 square feet of casino floor and maximum patron capacity of 3,282. The property also features several restaurants including: Woodfire Grille, the Kitchen Buffett, Mojo's Sports Bar, and Jo's Delicatessen. Approximately 125,300 people live within a 30-minute drive time of Diamond Jo Dubuque with an average per capita income of \$23,983 and an average household income of \$59,853. An additional 125,500 people live within 30 to 60 minutes of the property and this population set has an average per capita income of \$24,367 and an average household income of \$59,470.

Figure 25: Diamond Jo Dubuque Casino - key statistics 2011, 2012, & 2013

Diamond Jo Dubuque, Iowa	2011	2012	2013	% chg	% chg
				13/12	13/11
Admissions	1,115,955	1,109,727	1,100,615	-0.8%	-1.4%
Slot Drop	\$416,461,984	\$418,341,374	\$425,075,053	1.6%	2.1%
Slot Coin In	\$685,195,749	\$683,715,667	\$661,909,209	-3.2%	-3.4%
Slot Revenue	\$63,967,936	\$63,553,512	\$61,016,893	-4.0%	-4.6%
Table Drop	\$25,050,075	\$26,887,932	\$26,819,304	-0.3%	7.1%
Table Revenue	\$4,706,323	\$4,904,933	\$4,947,508	0.9%	5.1%
Adjusted Gross Revenue	\$68,674,261	\$68,458,445	\$65,964,401	-3.6%	-3.9%

Source: Union Gaming Analytics, IRGC – 2013 unaudited

Figure 26: Diamond Jo Dubuque Casino Drive Times (30, 60, and 120 minutes)



Source: Union Gaming Analytics, ESRI



Argosy Sioux City

The Argosy (Penn National Gaming) Casino, located in Sioux City, Iowa is across the Missouri River from South Sioux City and Dakota City, Nebraska. At the end of 2013, the property featured 707 slots and 20 table games covering a 37,500 square feet of casino floor and maximum patron capacity of 1,800. The property features 2 restaurants – Outfitters Grill and Casino Deli. Approximately 135,000 people live within a 30-minute drive time of Argosy Sioux City with an average per capita income of \$22,907 and an average household income of \$60,338. An additional 85,500 people live within 30 to 60 minutes of the property and this population set has an average per capita income of \$23,796 and an average household income of \$60,220.

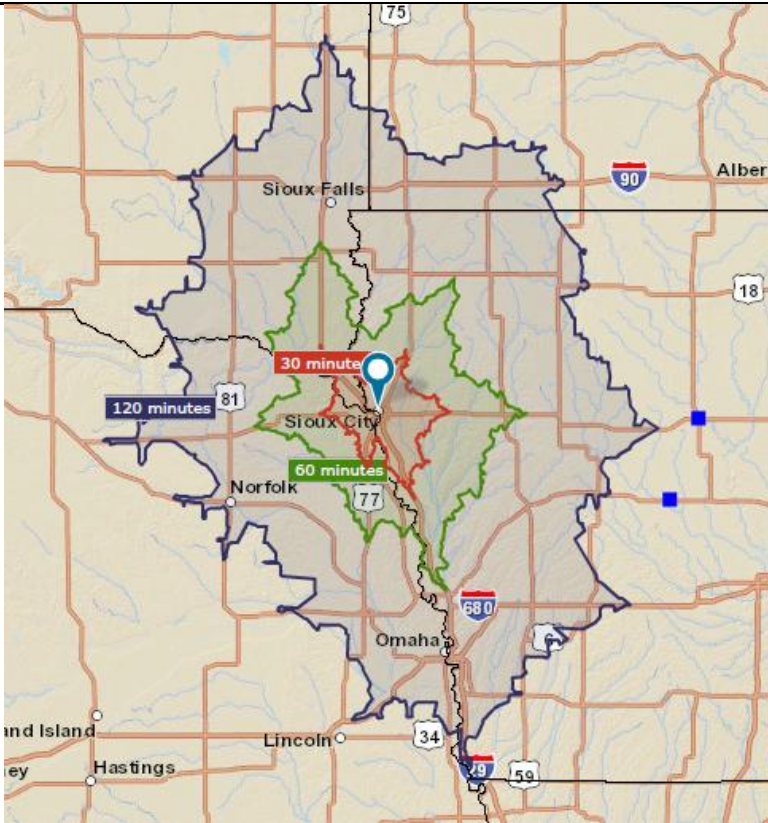
This property is currently operating without an approved not-for-profit partner agency. Some media outlets report the Argosy Sioux City riverboat will be replaced by the currently under construction Hard Rock Hotel & Casino Sioux City, scheduled to open the Fall 2014.

Figure 27: Argosy Casino Sioux City – key statistics 2011, 2012, & 2013

Argosy Sioux City, Iowa	2011	2012	2013	% chg 13/12	% chg 13/11
	Admissions	953,646	869,037	756,498	-12.9%
Slot Drop	\$326,945,135	\$320,113,544	\$275,717,047	-13.9%	-15.7%
Slot Coin In	\$573,631,024	\$544,289,506	\$460,025,340	-15.5%	-19.8%
Slot Revenue	\$55,223,598	\$53,891,210	\$46,740,613	-13.3%	-15.4%
Table Drop	\$24,314,433	\$22,997,887	\$22,082,777	-4.0%	-9.2%
Table Revenue	\$5,924,661	\$5,259,912	\$5,268,956	0.2%	-11.1%
Adjusted Gross Revenue	\$61,148,249	\$59,151,114	\$52,009,569	-12.1%	-14.9%

Source: Union Gaming Analytics, IRGC – 2013 unaudited

Figure 28: Argosy Sioux City Casino Drive Times (30, 60, and 120 minutes)



Source: Union Gaming Analytics, ESRI



Catfish Bend

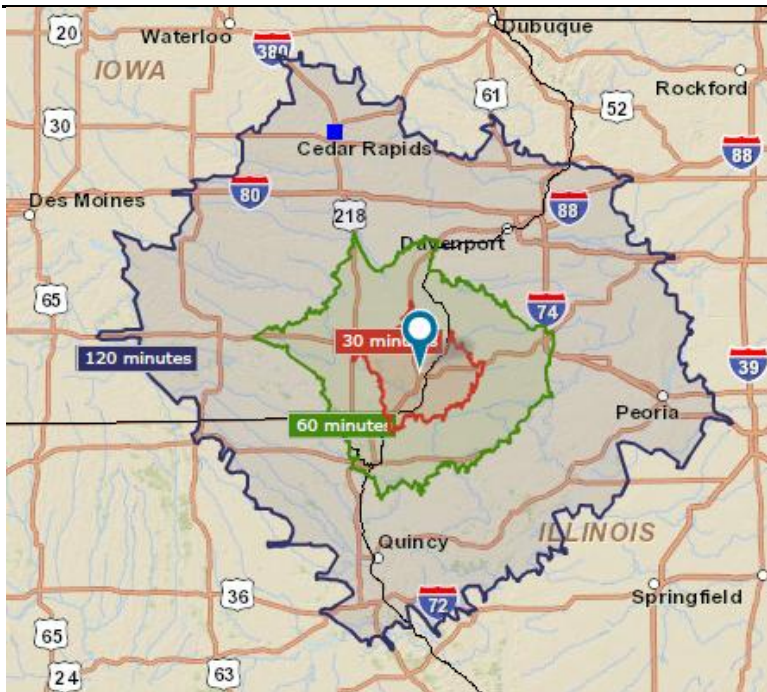
Catfish Bend Casino, located in Burlington, Iowa is across the Mississippi River from Monmouth, Illinois – in southeastern Iowa. At the end of 2013, the property featured 625 slots and 28 table games covering a 24,353 square feet of casino floor and maximum patron capacity of 2,213. The property features 185 hotel rooms, a spa, and four restaurants – Boogaloo Café, Edgewater Grille, Club Car Lounge, and Gasoline Allie’s. Approximately 74,600 people live within a 30-minute drive time of Catfish Bend with an average per capita income of \$22,552 and an average household income of \$53,665. An additional 195,300 people live within 30 to 60 minutes of the property and this population set has an average per capita income of \$21,864 and an average household income of \$53,056.

Figure 29: Catfish Bend Casino - key statistics 2011, 2012, & 2013

Catfish Bend Burlington, Iowa	2011	2012	2013	% chg	
				13/12	13/11
Admissions	718,301	698,280	798,125	14.3%	11.1%
Slot Drop	\$240,383,675	\$245,046,608	\$242,143,262	-1.2%	0.7%
Slot Coin In	\$381,141,180	\$391,754,286	\$379,393,810	-3.2%	-0.5%
Slot Revenue	\$35,119,758	\$35,842,184	\$34,722,622	-3.1%	-1.1%
Table Drop	\$16,775,557	\$16,651,593	\$16,180,845	-2.8%	-3.5%
Table Revenue	\$3,668,070	\$3,968,539	\$3,684,879	-7.1%	0.5%
Adjusted Gross Revenue	\$38,787,829	\$39,810,716	\$38,407,501	-3.5%	-1.0%

Source: Union Gaming Analytics, IRGC – 2013 unaudited

Figure 30: Catfish Bend Casino Drive Times (30, 60, and 120 minutes)



Source: Union Gaming Analytics, ESRI

Horseshoe Casino

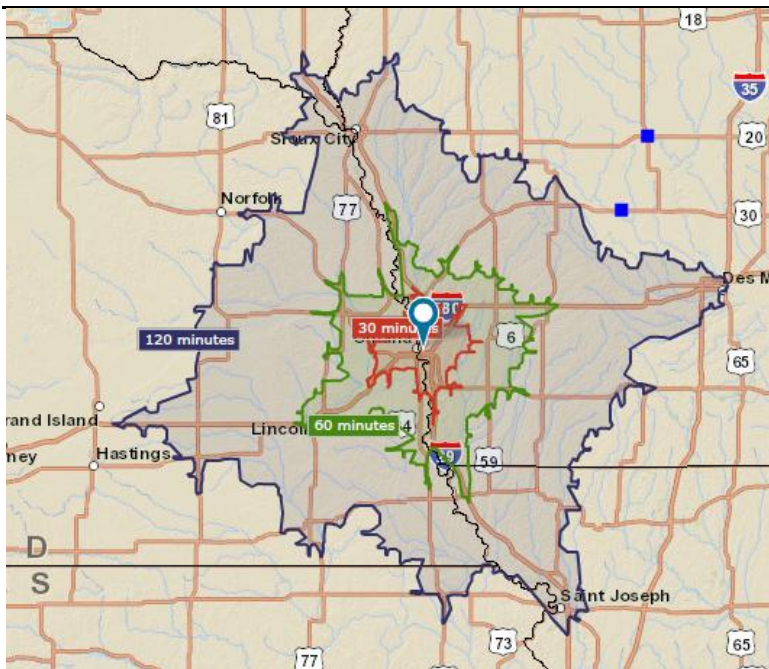
The Horseshoe Casino and Bluffs Run Greyhound Park, located in Council Bluffs, Iowa is adjacent to the Mid-America Center and a five-minute drive across the Missouri River from Omaha, Nebraska. At the end of 2013, the property operated 1,629 slots and 72 table games covering 68,000 square feet of casino floor and maximum patron capacity of 8,935. Horseshoe Casino operates the largest facility based on patron capacity and second largest as measured by casino square feet. The property features three restaurants – Jack Binion’s Steak House, JB’s Café, and Village Square Buffet. Approximately 745,000 people live within a 30-minute drive time of Horseshoe Casino with an average per capita income of \$29,282 and an average household income of \$74,483. An additional 350,000 people live within 30 to 60 minutes of the property and this population set has an average per capita income of \$26,495 and an average household income of \$65,969.

Figure 31: Horseshoe Casino – key statistics 2011, 2012, & 2013

Harrah's Horseshoe Casino Council Bluffs, Iowa				% chg	% chg
	2011	2012	2013	13/12	13/11
Admissions	2,335,878	2,250,703	2,091,615	-7.1%	-10.5%
Slot Drop	\$958,395,716	\$992,959,715	\$975,065,995	-1.8%	1.7%
Slot Coin In	\$1,628,842,076	\$1,636,688,456	\$1,615,436,133	-1.3%	-0.8%
Slot Revenue	\$168,596,257	\$172,650,333	\$168,045,235	-2.7%	-0.3%
Table Drop	\$126,516,272	\$125,909,617	\$124,490,958	-1.1%	-1.6%
Table Revenue	\$27,734,920	\$30,963,443	\$30,793,426	-0.5%	11.0%
Adjusted Gross Revenue	\$196,331,169	\$203,613,774	\$198,838,661	-2.3%	1.3%

Source: Union Gaming Analytics, IRGC – 2013 unaudited

Figure 32: Horseshoe Casino Drive Times (30, 60, and 120 minutes)



Source: Union Gaming Analytics, ESRI



Mystique / Dubuque Greyhound

The Mystique Casino, located in Dubuque, Iowa on the Mississippi River. At the end of 2013, Mystique operated 951 slots and 23 table games covering 47,640 square feet of casino floor and maximum patron capacity of 3,500. The property features four restaurants – Champagne, The Player’s Choice, The Player’s Choice Express, and Bon Appetit! Approximately 124,300 people live within a 30-minute drive time of Mystique Casino with an average per capita income of \$23,891 and an average household income of \$59,609. An additional 126,300 people live within 30 to 60 minutes of the property and this population set has an average per capita income of \$24,502 and an average household income of \$59,855.

Figure 33: Mystique / Dubuque Greyhound Casino – key statistics 2011, 2012, & 2013

Mystique Casino Dubuque, Iowa	2011	2012	2013	% chg 13/12	% chg 13/11
	Admissions	1,130,811	1,076,147	979,695	-9.0%
Slot Drop	\$410,850,203	\$410,080,665	\$393,499,704	-4.0%	-4.2%
Slot Coin In	\$588,724,663	\$583,927,508	\$545,929,089	-6.5%	-7.3%
Slot Revenue	\$55,070,179	\$54,249,165	\$51,124,562	-5.8%	-7.2%
Table Drop	\$20,613,094	\$19,863,694	\$19,245,853	-3.1%	-6.6%
Table Revenue	\$4,421,188	\$4,392,587	\$4,490,943	2.2%	1.6%
Adjusted Gross Revenue	\$59,491,370	\$58,641,745	\$55,615,505	-5.2%	-6.5%

Source: Union Gaming Analytics, IRGC – 2013 unaudited

Figure 34: Mystique / Dubuque Greyhound Casino Drive Times (30, 60, and 120 minutes)



Source: Union Gaming Analytics, ESRI

Isle Bettendorf

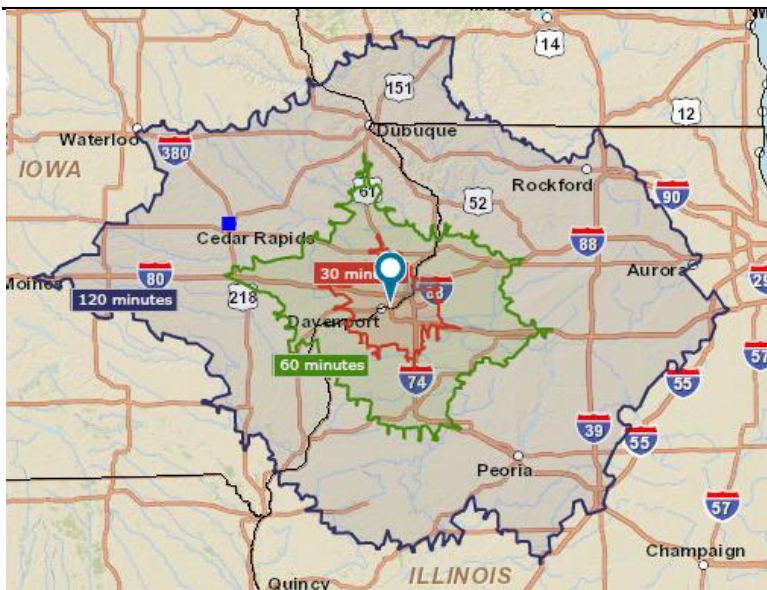
Isle Bettendorf riverboat is located on the Mississippi River across from Moline, Illinois, immediately east of Interstate 74, near downtown Bettendorf and the Quad-Cities Waterfront Convention Center. At the end of 2013, Isle Bettendorf operated 976 slots and 21 table games covering 28,976 square feet of casino floor and maximum patron capacity of 2,300. The property features four restaurants – Farraday’s, Tradewinds Marketplace, The Oasis, and Calypso’s Buffet – and hotel with 541 rooms. Approximately 340,100 people live within a 30-minute drive time of Isle Bettendorf with an average per capita income of \$27,045 and an average household income of \$65,101. An additional 350,200 people live within 30 to 60 minutes of the property and this population set has an average per capita income of \$24,733 and an average household income of \$59,781.

Figure 35: Isle Bettendorf Casino – key statistics 2011, 2012, & 2013

Isle of Capri - Bettendorf Bettendorf, Iowa	2011	2012	2013	% chg	
				13/12	13/11
Admissions	1,131,143	1,071,871	991,489	-7.5%	-12.3%
Slot Drop	\$579,885,052	\$558,172,109	\$513,250,960	-8.0%	-11.5%
Slot Coin In	\$873,299,482	\$826,542,136	\$766,959,789	-7.2%	-12.2%
Slot Revenue	\$72,274,656	\$70,355,298	\$68,149,231	-3.1%	-5.7%
Table Drop	\$25,952,203	\$24,745,677	\$24,354,258	-1.6%	-6.2%
Table Revenue	\$4,883,307	\$4,759,874	\$4,594,737	-3.5%	-5.9%
Adjusted Gross Revenue	\$77,157,949	\$75,115,174	\$72,743,967	-3.2%	-5.7%

Source: Union Gaming Analytics, IRGC – 2013 unaudited

Figure 36: Isle Bettendorf Casino Drive Times (30, 60, and 120 minutes)



Source: Union Gaming Analytics, ESRI



Prairie Meadows

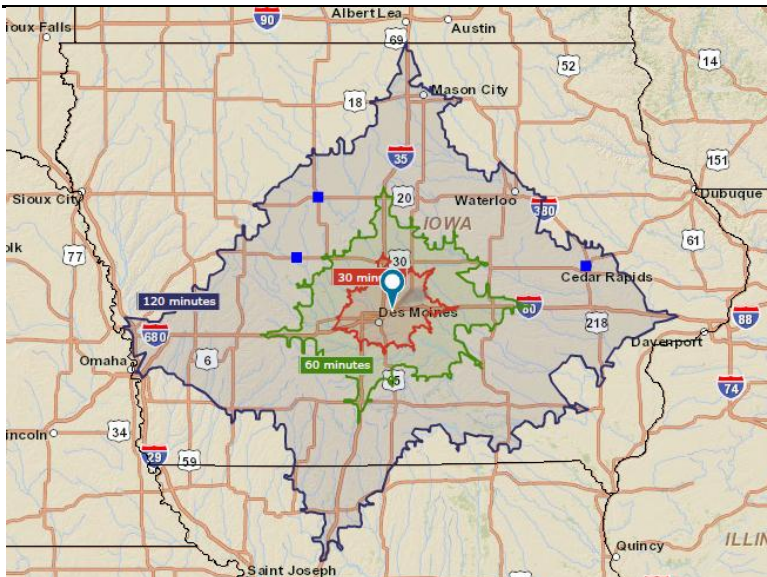
Prairie Meadows is the first combination horse racing facility and slot machine and table game casino in the United States and is located in Altoona, Iowa – immediately northeast of Des Moines. At the end of 2013, Prairie Meadows operated 2,251 slot machines and 50 table games covering 83,879 square feet of casino floor and maximum patron capacity of 6,055. Prairie Meadows operates the largest casino as measured by casino square feet and second largest based on patron capacity. The property features four restaurants – AJ’s Steakhouse, Triple Crown Eatery, Café at the Meadows, and Champions – as well as a hotel with 168 rooms. Approximately 553,300 people live within a 30-minute drive time of Prairie Meadows with an average per capita income of \$30,516 and an average household income of \$76,971. An additional 289,300 people live within 30 to 60 minutes of the property and this population set has an average per capita income of \$25,832 and an average household income of \$64,829.

Figure 37: Prairie Meadows Casino – key statistics 2011, 2012, & 2013

Prairie Meadows Racetrack & Altoona, Iowa	2011	2012	2013	% chg	% chg
				13/12	13/11
Admissions	2,397,897	3,008,466	2,816,357	-6.4%	17.5%
Slot Drop	\$1,424,564,568	\$1,480,587,623	\$1,437,021,684	-2.9%	0.9%
Slot Coin In	\$2,108,304,938	\$2,215,594,243	\$2,087,196,576	-5.8%	-1.0%
Slot Revenue	\$174,767,455	\$180,672,145	\$171,000,784	-5.4%	-2.2%
Table Drop	\$76,247,392	\$78,409,418	\$73,431,365	-6.3%	-3.7%
Table Revenue	\$16,932,624	\$17,552,672	\$16,252,901	-7.4%	-4.0%
Adjusted Gross Revenue	\$191,700,064	\$198,224,807	\$187,253,685	-5.5%	-2.3%

Source: Union Gaming Analytics, IRGC – 2013 unaudited

Figure 38: Prairie Meadows Casino Drive Times (30, 60, and 120 minutes)



Source: Union Gaming Analytics, ESRI

Ameristar Casino & Hotel

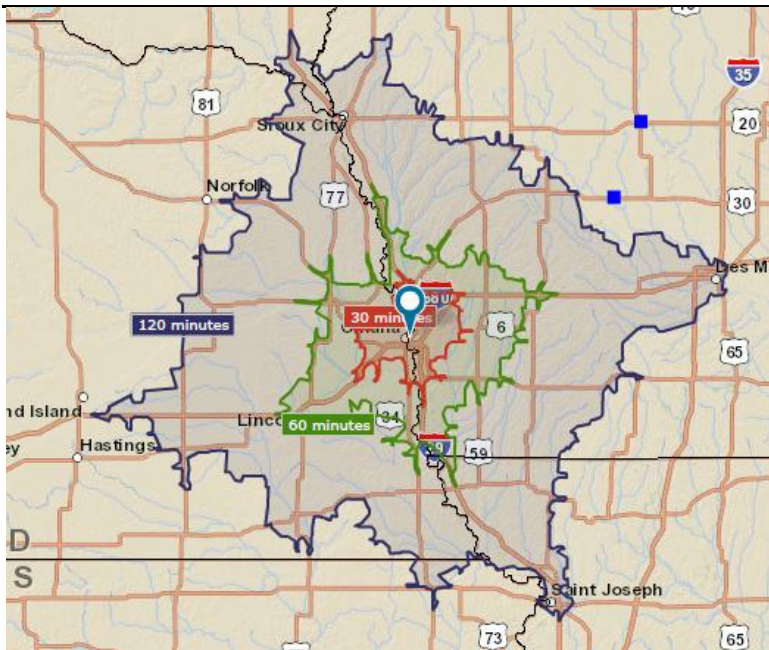
Ameristar Casino Council Bluffs is located in Council Bluffs, Iowa – immediately across the Missouri River from Omaha, Nebraska. At the end of 2013, Ameristar operated 1,588 slot machines and 22 table games covering 38,000 square feet of casino floor and maximum patron capacity of 2,700. The property features 5 restaurants – Amerisports Bar, Bella’s Bakery & Café, Bourbon’s BBQ & Steaks, Double Down Dogs, and Heritage Buffet – as well as three hotels with 444 total rooms. Approximately 760,700 people live within a 30-minute drive time of Ameristar Casino Council Bluffs with an average per capita income of \$29,448 and an average household income of \$75,022. An additional 385,200 people live within 30 to 60 minutes of the property and this population set has an average per capita income of \$26,411 and an average household income of \$65,187.

Figure 39: Ameristar II Casino – key statistics 2011, 2012, & 2013

Ameristar II Council Bluffs, Iowa	2011	2012	2013	% chg	% chg
				13/12	13/11
Admissions	2,169,709	2,147,882	1,971,368	-8.2%	-9.1%
Slot Drop	\$956,019,263	\$981,557,423	\$991,043,690	1.0%	3.7%
Slot Coin In	\$1,648,615,521	\$1,654,644,896	\$1,619,114,735	-2.1%	-1.8%
Slot Revenue	\$155,469,634	\$156,200,663	\$150,187,169	-3.8%	-3.4%
Table Drop	\$59,194,508	\$60,629,229	\$65,412,236	7.9%	10.5%
Table Revenue	\$13,520,616	\$13,909,381	\$14,489,156	4.2%	7.2%
Adjusted Gross Revenue	\$168,990,249	\$170,110,044	\$164,676,325	-3.2%	-2.6%

Source: Union Gaming Analytics, IRGC – 2013 unaudited

Figure 40: Ameristar II Casino, Council Bluffs Drive Times (30, 60, and 120 minutes)



Source: Union Gaming Analytics, ESRI



Harrah's Council Bluffs Casino & Hotel

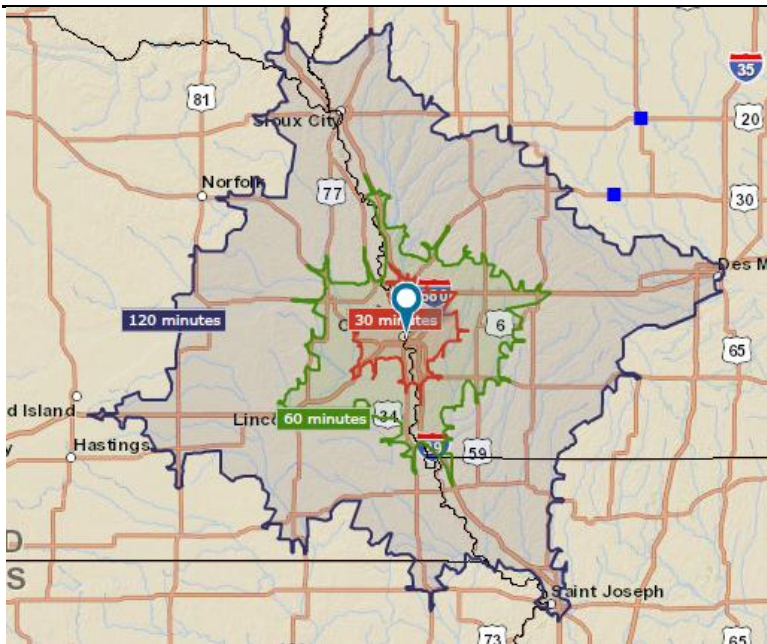
Harrah's Council Bluffs Casino is located in Council Bluffs, Iowa. At the end of 2013, Harrah's Council Bluffs Casino operated 595 slot machines and 18 table games covering 25,000 square feet of casino floor and maximum patron capacity of 1,905. The property features several restaurants – 360 Steakhouse, Stir Cover Backstage Grill, and Fresh Market Square Buffet – as well as a hotel with 251 rooms. Approximately 761,000 people live within a 30-minute drive time of Harrah's Council Bluffs Casino with an average per capita income of \$29,438 and an average household income of \$74,986. An additional 367,000 people live within 30 to 60 minutes of the property and this population set has an average per capita income of \$26,102 and an average household income of \$64,421.

Figure 41: Harrah's Council Bluffs Casino – key statistics 2011, 2012, & 2013

Harrah's Council Bluffs Council Bluffs, Iowa		2011	2012	2013	% chg 13/12	% chg 13/11
Admissions		1,079,072	1,053,595	1,125,112	6.8%	4.3%
Slot Drop		\$338,448,481	\$335,806,211	\$342,225,190	1.9%	1.1%
Slot Coin In		\$606,055,516	\$594,422,304	\$591,478,471	-0.5%	-2.4%
Slot Revenue		\$64,049,868	\$62,909,993	\$64,031,690	1.8%	0.0%
Table Drop		\$24,914,082	\$25,444,000	\$32,114,824	26.2%	28.9%
Table Revenue		\$5,453,450	\$4,979,847	\$6,791,121	36.4%	24.5%
Adjusted Gross Revenue		\$69,503,326	\$67,889,845	\$70,822,811	4.3%	1.9%

Source: Union Gaming Analytics, IRGC – 2013 unaudited

Figure 42: Harrah's Council Bluffs Casino Drive Times (30, 60, and 120 minutes)



Source: Union Gaming Analytics, ESRI

Isle Lady Luck Marquette

Isle Lake Luck Casino is located in Marquette, Iowa in Northeast Iowa across the Mississippi River from Prairie Du Chien, Wisconsin. At the end of 2013, Isle Lady Luck operated 564 slot machines and 8 table games covering 28,976 square feet of casino floor and maximum patron capacity of 2,300. The property features two restaurants – Otis & Henry Express and The Buffet. Approximately 21,264 people live within a 30-minute drive time of Isle Lady Luck with an average per capita income of \$22,776 and an average household income of 54,059. An additional 62,039 people live within 30 to 60 minutes of the property and this population set has an average per capita income of \$22,720 and an average household income of \$54,762.

Figure 43: Isle Lady Luck Marquette Casino – key statistics 2011, 2012, & 2013

Isle Lady Luck Marquette, Iowa	2011	2012	2013	% chg 13/12	% chg 13/11
	Admissions	355,995	344,844	313,281	-9.2%
Slot Drop	\$231,329,986	\$222,057,312	\$210,793,168	-5.1%	-8.9%
Slot Coin In	\$336,711,005	\$332,551,088	\$306,516,066	-7.8%	-9.0%
Slot Revenue	\$28,706,483	\$28,728,557	\$27,700,782	-3.6%	-3.5%
Table Drop	\$6,343,802	\$5,710,082	\$5,529,835	-3.2%	-12.8%
Table Revenue	\$1,329,400	\$1,095,229	\$1,085,953	-0.8%	-18.3%
Adjusted Gross Revenue	\$30,035,884	\$29,823,779	\$28,786,735	-3.5%	-4.2%

Source: Union Gaming Analytics, IRGC – 2013 unaudited

Figure 44: Isle Lady Luck Marquette Casino Drive Times (30, 60, and 120 minutes)



Source: Union Gaming Analytics, ESRI



Rhythm City

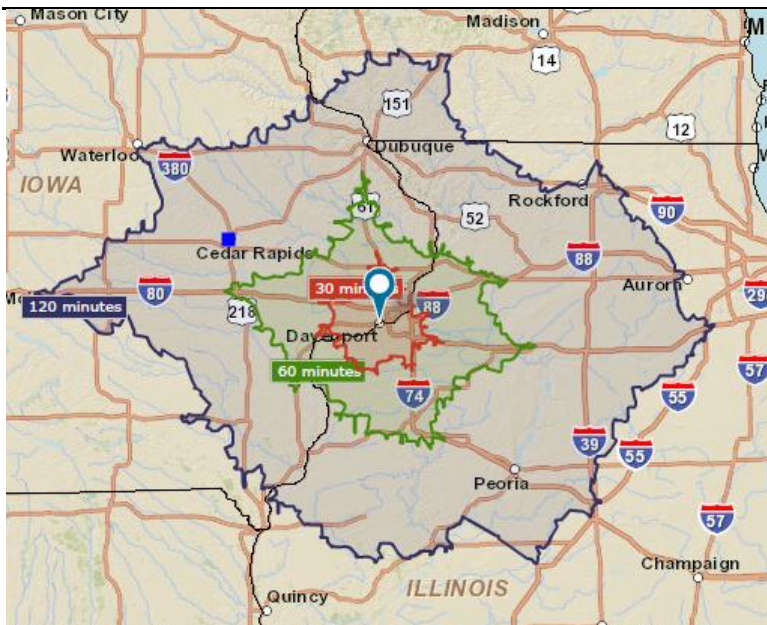
Rhythm City is located near downtown Davenport, Iowa, across the Mississippi River from Rock Island, Illinois. On February 3, 2014, the property was purchased by Scott County Casino LLC headed by Dan Kehl from Isle of Capri Casinos. At the end of 2013, Rhythm City operated 893 slot machines and 14 table games covering 30,142 square feet of casino floor and maximum patron capacity of 2,200. The property features the Hit Parade Buffet. Approximately 329,000 people live within a 30-minute drive time of Rhythm City with an average per capita income of \$26,787 and an average household income of \$64,404. An additional 326,600 people live within 30 to 60 minutes of the property and this population set has an average per capita income of \$25,235 and an average household income of \$61,144.

Figure 45: Rhythm City Casino – key statistics 2011, 2012, & 2013

Rhythm City Davenport, Iowa	2011	2012	2013	% chg 13/12	% chg 13/11
	Admissions	899,280	948,513	775,410	-18.2%
Slot Drop	\$349,517,682	\$368,176,461	\$326,047,317	-11.4%	-6.7%
Slot Coin In	\$556,928,476	\$584,880,350	\$498,193,333	-14.8%	-10.5%
Slot Revenue	\$46,970,384	\$48,616,485	\$43,990,493	-9.5%	-6.3%
Table Drop	\$10,071,912	\$11,086,343	\$9,552,852	-13.8%	-5.2%
Table Revenue	\$1,634,689	\$1,867,638	\$1,621,570	-13.2%	-0.8%
Adjusted Gross Revenue	\$48,605,077	\$50,484,127	\$45,612,064	-9.7%	-6.2%

Source: Union Gaming Analytics, IRGC – 2013 unaudited

Figure 46: Rhythm City Casino Drive Times (30, 60, and 120 minutes)



Source: Union Gaming Analytics, ESRI

Lakeside

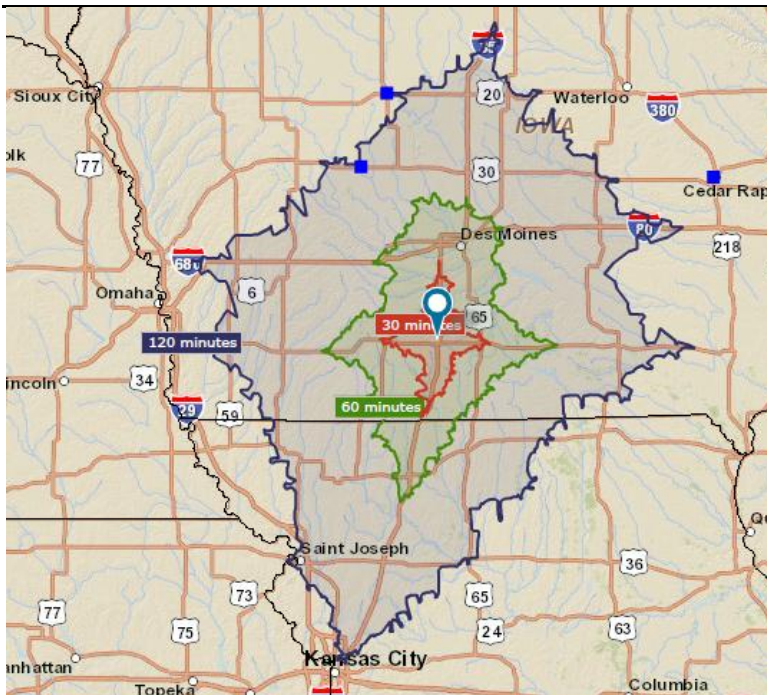
Lakeside Casino is located in Osceola, Iowa. At the end of 2013, Lakeside operated 1,049 slot machines and 13 table games covering 36,200 square feet of casino floor and maximum patron capacity of 1,800. The property features two restaurants – Heartland Café and Buffet and Lakeside Sports Bar – as well as a hotel with 150 rooms. Approximately 18,600 people live within a 30-minute drive time of Lakeside with an average per capita income of \$23,847 and an average household income of \$59,596. An additional 605,500 people live within 30 to 60 minutes of the property and this population set has an average per capita income of \$29,943 and an average household income of \$75,518.

Figure 47: Lakeside Casino – key statistics 2011, 2012, & 2013

Terrible's Lakeside Osceola, Iowa			% chg 13/12	% chg 13/11	
	2011	2012	2013		
Admissions	730,005	683,517	653,631	-4.4%	-10.5%
Slot Drop	\$350,883,901	\$364,113,051	\$361,706,811	-0.7%	3.1%
Slot Coin In	\$491,716,595	\$497,273,890	\$483,336,301	-2.8%	-1.7%
Slot Revenue	\$46,745,650	\$47,307,200	\$46,700,752	-1.3%	-0.1%
Table Drop	\$15,143,809	\$13,721,604	\$14,562,737	6.1%	-3.8%
Table Revenue	\$2,908,776	\$3,283,105	\$2,903,902	-11.6%	-0.2%
Adjusted Gross Revenue	\$49,654,439	\$50,590,298	\$49,604,654	-1.9%	-0.1%

Source: Union Gaming Analytics, IRGC – 2013 unaudited

Figure 48: Lakeside Casino Drive Times (30, 60, and 120 minutes)



Source: Union Gaming Analytics, ESRI



Diamond Jo Worth

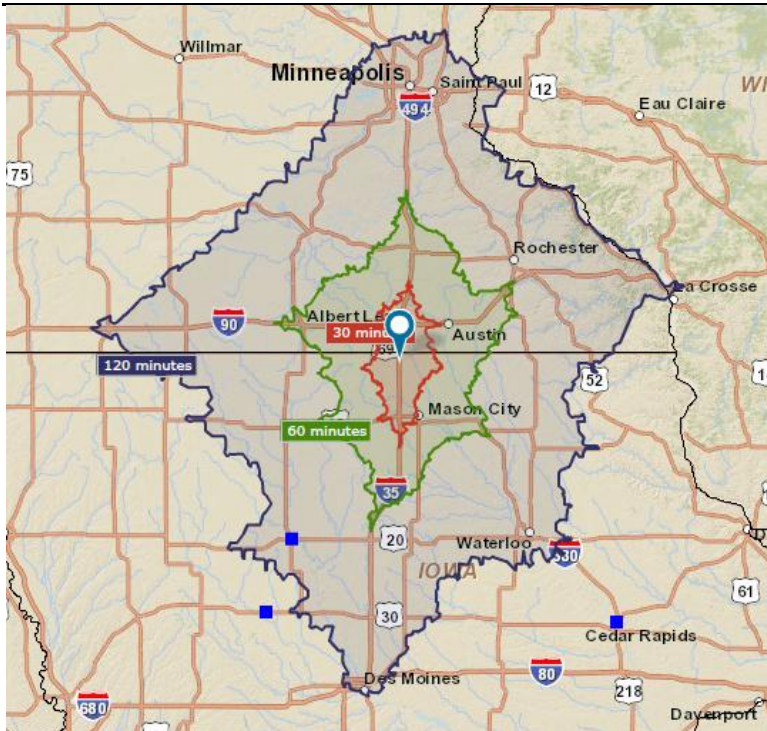
Diamond Jo Worth is located in Northwood, Iowa – four miles south of the Minnesota/Iowa state line on Interstate 35. At the end of 2013, Diamond Jo Worth operated 1,002 slot machines and 30 table games covering 38,721 square feet of casino floor and maximum patron capacity of 3,547. The property features two restaurants – Woodfire Grille and The Kitchen Buffet – as well as a hotel with 102 rooms. Approximately 51,500 people live within a 30-minute drive time of Diamond Jo Worth with an average per capita income of \$25,476 and an average household income of \$58,140. An additional 196,000 people live within 30 to 60 minutes of the property and this population set has an average per capita income of \$24,436 and an average household income of \$59,708.

Figure 49: Diamond Jo Worth Casino – key statistics 2011, 2012, & 2013

Diamond Jo Worth Northwood, Iowa	2011	2012	2013	% chg	% chg
				13/12	13/11
Admissions	1,449,774	1,407,687	1,276,811	-9.3%	-11.9%
Slot Drop	\$523,138,041	\$542,752,503	\$528,485,324	-2.6%	1.0%
Slot Coin In	\$852,889,248	\$900,433,997	\$855,842,405	-5.0%	0.3%
Slot Revenue	\$79,907,845	\$84,638,237	\$80,238,469	-5.2%	0.4%
Table Drop	\$30,800,979	\$31,288,806	\$31,103,211	-0.6%	1.0%
Table Revenue	\$7,484,793	\$6,806,172	\$6,318,665	-7.2%	-15.6%
Adjusted Gross Revenue	\$87,392,639	\$91,446,411	\$86,557,134	-5.3%	-1.0%

Source: Union Gaming Analytics, IRGC – 2013 unaudited

Figure 50: Diamond Jo Worth Casino Drive Times (30, 60, and 120 minutes)



Source: Union Gaming Analytics, ESRI

Riverside Casino

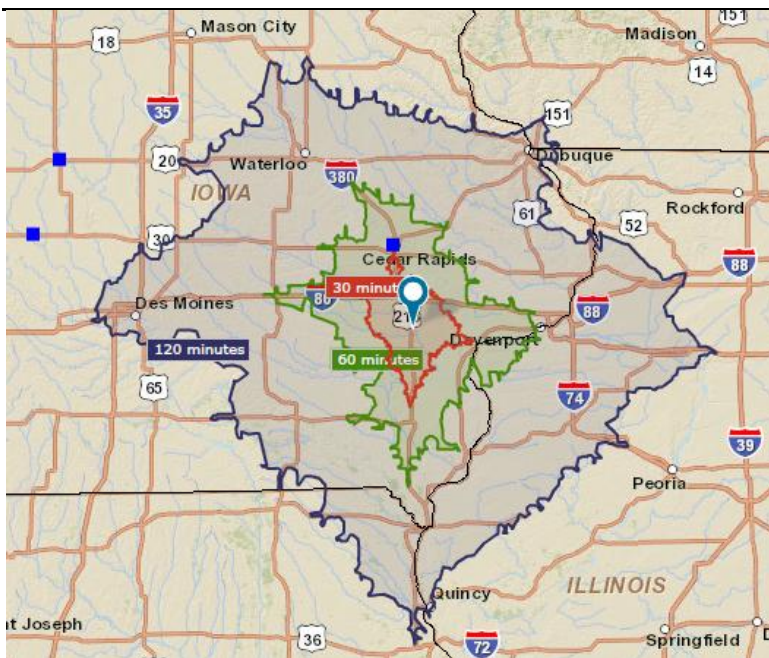
Riverside Casino is located in Riverside, Iowa, about 13 miles south of Iowa City, Iowa. At the end of 2013, Riverside Casino operated 1,140 slot machines and 46 table games covering 56,400 square feet of casino floor and maximum patron capacity of 4,564. Riverside is the third largest casino in Iowa as measured by either casino square footage or patron capacity. The property features three restaurants – Ruthie’s Steak & Seafood, Ripple Diner and Robert’s Buffet. The facility features a hotel with 201 rooms, spa, and golf course. Approximately 154,800 people live within a 30-minute drive time of Riverside with an average per capita income of \$28,891 and an average household income of \$70,281. An additional 372,900 people live within 30 to 60 minutes of the property and this population set has an average per capita income of \$27,896 and an average household income of \$68,447

Figure 51: Riverside Casino – key statistics 2011, 2012, & 2013

Riverside Riverside, Iowa	2011	2012	2013	% chg 13/12	% chg 13/11
	Admissions	1,971,277	1,935,155	1,868,355	-3.5%
Slot Drop	\$636,132,010	\$637,589,545	\$638,705,807	0.2%	0.4%
Slot Coin In	\$905,235,441	\$900,232,833	\$877,690,804	-2.5%	-3.0%
Slot Revenue	\$81,002,291	\$80,528,512	\$79,617,431	-1.1%	-1.7%
Table Drop	\$42,217,652	\$39,554,969	\$40,378,422	2.1%	-4.4%
Table Revenue	\$8,696,710	\$8,690,367	\$9,030,396	3.9%	3.8%
Adjusted Gross Revenue	\$89,698,996	\$89,218,887	\$88,647,827	-0.6%	-1.2%

Source: Union Gaming Analytics, IRGC – 2013 unaudited

Figure 52: Riverside Casino Drive Times (30, 60, and 120 minutes)



Source: Union Gaming Analytics, ESRI



Wild Rose Emmetsburg

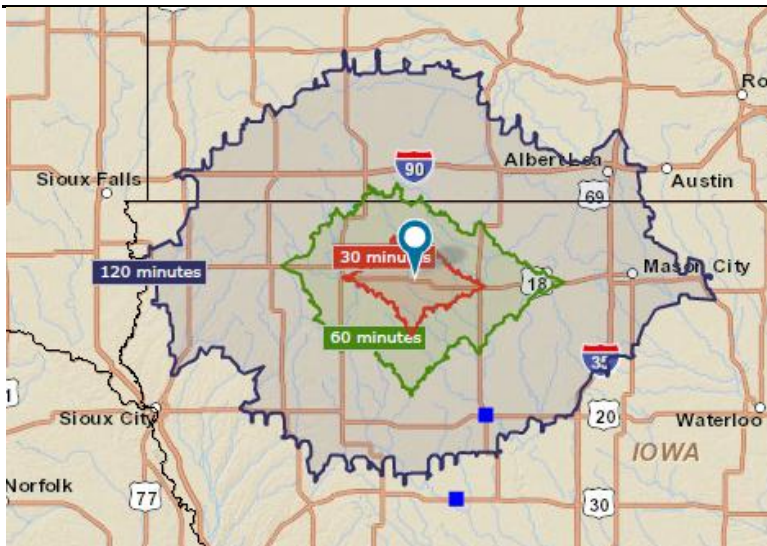
Wild Rose Emmetsburg is located in Emmetsburg, Iowa, between Algona and Spencer and about 28 miles south of the Minnesota/Iowa state line. At the end of 2013, Wild Rose Emmetsburg operated 528 slots and 15 table games covering 16,270 square feet of casino floor and maximum patron capacity of 900. The property features two restaurants – Dunigan’s Irish Pub, Emmet’s House of Pasta – as well as Rosie’s Bar and a hotel with 70 rooms. Approximately 13,900 people live within a 30-minute drive time of Wild Rose Emmetsburg with an average per capita income of \$25,037 and an average household income of \$57,659. An additional 63,100 people live within 30 to 60 minutes of the property and this population set has an average per capita income of \$25,493 and an average household income of \$57,925.

Figure 53: Wild Rose Emmetsburg Casino - key statistics 2011, 2012, & 2013

Wild Rose Emmetsburg Emmetsburg, Iowa			% chg	% chg
	2011	2012	13/12	13/11
Admissions	542,068	536,300	-3.4%	-4.4%
Slot Drop	\$221,419,133	\$231,927,609	-0.8%	3.9%
Slot Coin In	\$345,988,232	\$352,657,055	1.1%	3.1%
Slot Revenue	\$29,160,882	\$30,166,645	-1.5%	1.9%
Table Drop	\$12,945,352	\$11,268,191	4.4%	-9.1%
Table Revenue	\$2,716,620	\$2,045,793	14.3%	-13.9%
Adjusted Gross Revenue	\$31,877,520	\$32,212,452	-0.5%	0.6%

Source: Union Gaming Analytics, IRGC – 2013 unaudited

Figure 54: Wild Rose Emmetsburg Casino Drive Times (30, 60, and 120 minutes)



Source: Union Gaming Analytics, ESRI

Isle Waterloo

Isle Waterloo is located on the south side of Waterloo, Iowa, near the intersection of Interstate 380 and US Highway 218. At the end of 2013, Isle Waterloo operated 951 slot machines and 27 table games covering 43,142 square feet of casino floor and maximum patron capacity of 3,180. The property features three restaurants – Farmer’s Pick Buffet, Otis & Henry’s, and the Lone Wolf – as well as a hotel with 195 rooms.

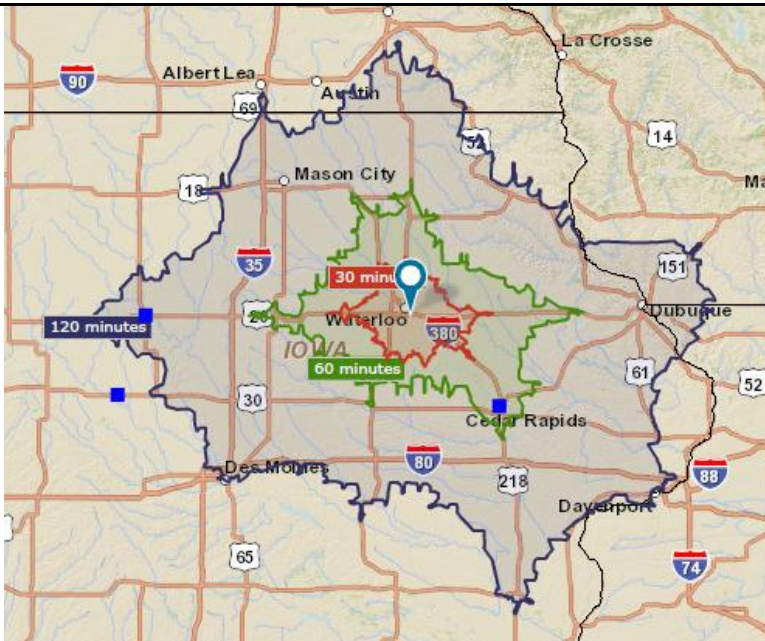
Approximately 152,800 people live within a 30-minute drive time of Isle Waterloo with an average per capita income of \$23,628 and an average household income of \$57,760. An additional 305,100 people live within 30 to 60 minutes of the property and this population set has an average per capita income of \$27,658 and an average household income of \$66,659.

Figure 55: Isle Waterloo Casino - key statistics 2011, 2012, & 2013

Isle Casino at Waterloo			% chg	% chg	
Waterloo, Iowa			13/12	13/11	
	2011	2012	2013		
Admissions	1,524,080	1,445,545	1,343,309	-7.1%	-11.9%
Slot Drop	\$624,203,644	\$652,960,457	\$619,897,375	-5.1%	-0.7%
Slot Coin In	\$912,289,102	\$920,846,257	\$882,189,428	-4.2%	-3.3%
Slot Revenue	\$75,420,587	\$77,785,839	\$77,767,791	0.0%	3.1%
Table Drop	\$32,279,904	\$34,270,578	\$35,040,612	2.2%	8.6%
Table Revenue	\$6,945,822	\$7,791,866	\$7,900,362	1.4%	13.7%
Adjusted Gross Revenue	\$82,366,417	\$85,577,700	\$85,668,153	0.1%	4.0%

Source: Union Gaming Analytics, IRGC – 2013 unaudited

Figure 56: Isle Waterloo Casino Drive Times (30, 60, and 120 minutes)



Source: Union Gaming Analytics, ESRI



Grand Falls Casino Resort

Located in Larchmont, Iowa, nearly on the state line with South Dakota and five miles east of the Big Sioux River, Grand Falls Casino opened on June 8, 2011. At the end of 2013, Grand Falls operated 836 slot machines and 37 table games covering 38,000 square feet of casino floor and maximum patron capacity of 3,513. The property features three restaurants – Ruthie’s Steak & Seafood, Big Drop Café, Robert’s Buffet – as well as a hotel with 97 rooms. Approximately 222,200 people live within a 30-minute drive time of Grand Falls with an average per capita income of \$28,170 and an average household income of \$70,800. An additional 91,000 people live within 30 to 60 minutes of the property and this population set has an average per capita income of \$23,279 and an average household income of \$60,133.

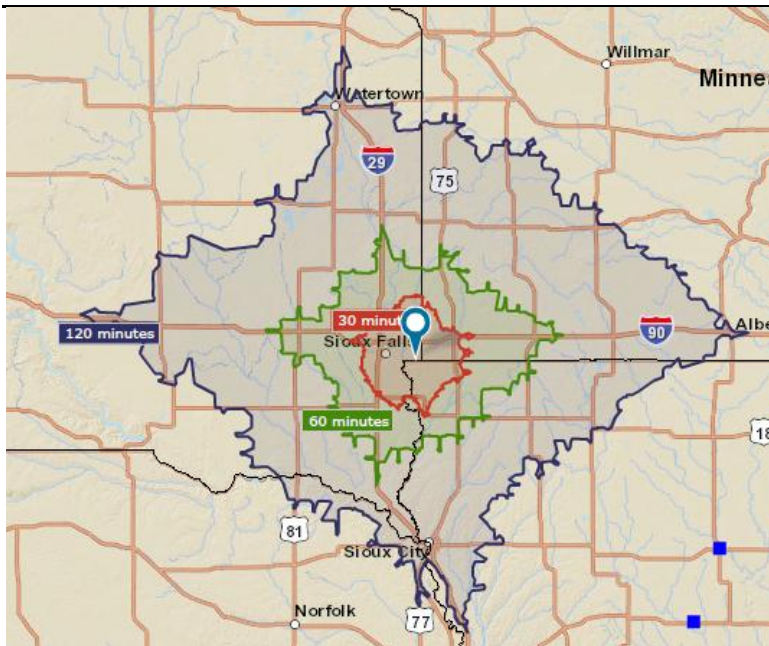
Figure 57: Grand Falls Casino - key statistics 2011, 2012, & 2013

Grand Falls - opened on Jun 8, 2011

Larchwood, Iowa	2011	2012	2013	% chg 13/12	% chg 13/11
Admissions	927,854	1,342,157	1,231,853	-7.1%	-11.9%
Slot Drop	\$169,061,077	\$306,197,797	\$311,857,738	-5.1%	-0.7%
Slot Coin In	\$287,814,484	\$523,037,498	\$524,301,613	-4.2%	-3.3%
Slot Revenue	\$27,863,386	\$49,451,058	\$50,016,402	0.0%	3.1%
Table Drop	\$23,839,024	\$37,023,785	\$36,556,584	2.2%	8.6%
Table Revenue	\$4,713,815	\$8,604,179	\$8,291,215	1.4%	13.7%
Adjusted Gross Revenue	\$32,577,202	\$58,055,220	\$58,307,617	0.1%	4.0%

Source: Union Gaming Analytics, IRGC – 2013 unaudited

Figure 58: Grand Falls Casino Drive Times (30, 60, and 120 minutes)



Source: Union Gaming Analytics, ESRI

Iowa Demographics

State of Iowa

Iowa is bordered on two sides by rivers; the Mississippi separates it on the east from Wisconsin and Illinois, and the Missouri and the Big Sioux separate it on the west from Nebraska and South Dakota. The state is bounded on the north by Minnesota and on the south by Missouri.

Iowa became the 29th State admitted to the Union on December 28, 1846.

Figure 59: Map of Iowa with Interstate Highways



Source: public domain

Land Area

The state of Iowa covers 55,857.1 square miles.



Iowa Economy

Iowa has transformed its agricultural economy over the past 50 years to a diversified one that covers a wide range of industries, including manufacturing, food processing, financial services and biotechnology.

The deep, porous soil yields corn and other grains in tremendous quantities, and the corn-fed hogs and cattle are nationally known. In 1997, Iowa led the nation in the production of corn, soybeans, hogs, and pigs, and ranked in the top 10 in the raising of cattle. Other major crops are hay and oats. Iowa has in recent years taken in the second highest farm income of any state.

Agriculture also benefits the state's chief industry, food processing, and in Sioux City and Cedar Rapids many factories process farm products. Nonelectrical machinery, farm machinery, tires, appliances, electronic equipment, and chemicals are among the other manufactures. Cement is the most important mineral product; others are stone, sand, gravel, and gypsum. Mineral production is small, however. Communications, finance, and insurance industries are especially important in Des Moines.

Des Moines is a major financial services hub, with big employers like Principal Financial and Wells Fargo. There are over 3,500 companies engaged in manufacturing in Iowa, employing over 211,000 Iowans with an average wage of more than \$51,000. All told, the manufacturing sector contributes over \$27.6 billion, or 17.6 percent, to Iowa's Gross State Product.

Economy

The 2013 estimated gross state product of Iowa was \$156 billion as of 2013, the thirty-first largest state output in the US, up from \$130.7 billion in 2005 and representing a 3.1% compound annual growth rate.

Population Size and Growth

The population of Iowa is approximately 3,074,186 persons, ranking as the 30th most populous state.

Out of the approximate 3.1 million people in the state of Iowa, about 51% of the population is female, while 49% is male. Also, 93% of the population identifies as white (including Hispanic or Latino). But, out of that 93%, only 5% do identify as Hispanic or Latino and 88% as Caucasian. Those that identify as Black or African American only make up 3% of the population. Those that identify as American Indian, Alaskan Native, Asian, Native Hawaiian, other Pacific Islanders, and those that identify as two or more races only make up about 4% of the total population of the state of Iowa.

According to ESRI, Iowa population is forecasted to increase at 0.53% per year from 2013 to 2018 as compared to the U.S. population annual growth rate of 0.71%. Iowa's forecasted 2018 population will be 3,180,333 up from 3,097,091 in 2013. Iowa's average household income is forecasted to grow at 3.7% per year through 2018 versus the U.S. average household income growth of 3.0%.

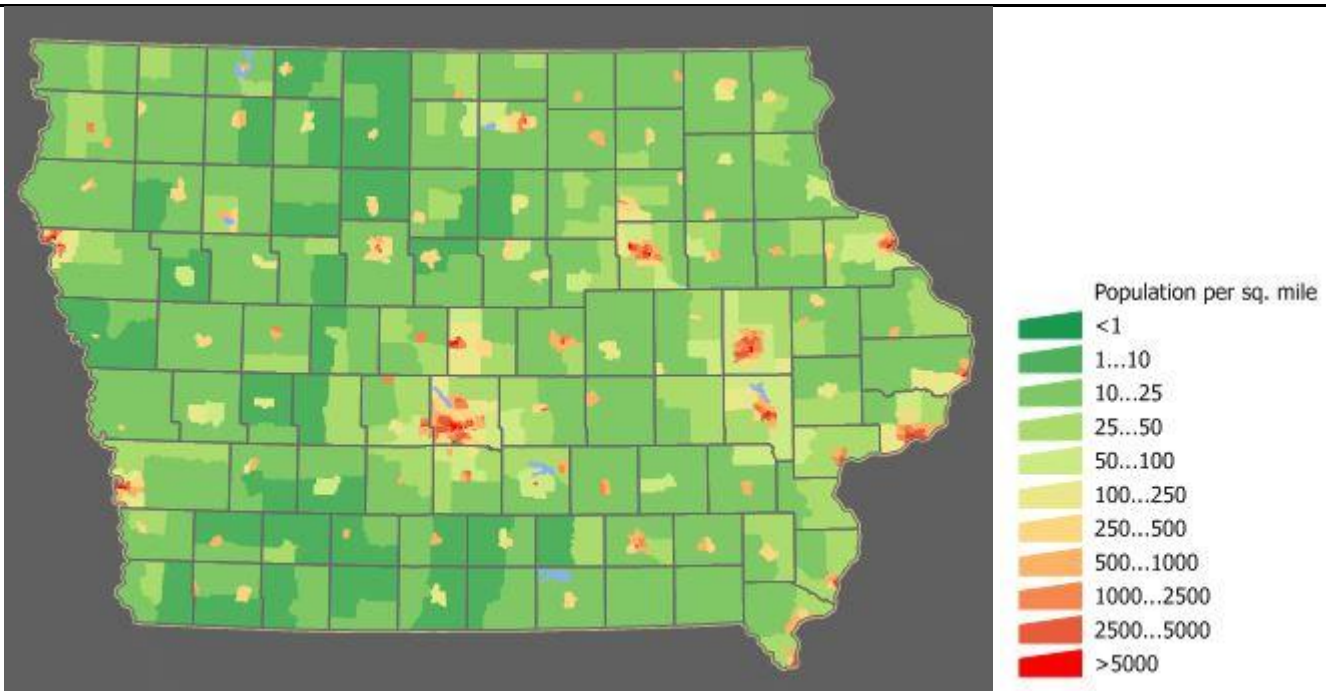
Population Distribution

According to the U.S. Census Bureau and based on the 2010 U.S. Census, Iowa's population is divided – urban at 64.02% and rural at 35.98%. With nine metropolitan comprising 20 Iowa counties encompassing 56.9% of the population and 43.1% over non-metropolitan areas.

Population Density

The average population density of the state is 54.8 people per square mile, ranked 36th largest density in the United States.

Figure 60: Iowa Population Density



Source: U.S. Census Bureau, 2010 U.S. Census Data

Per Capita Income

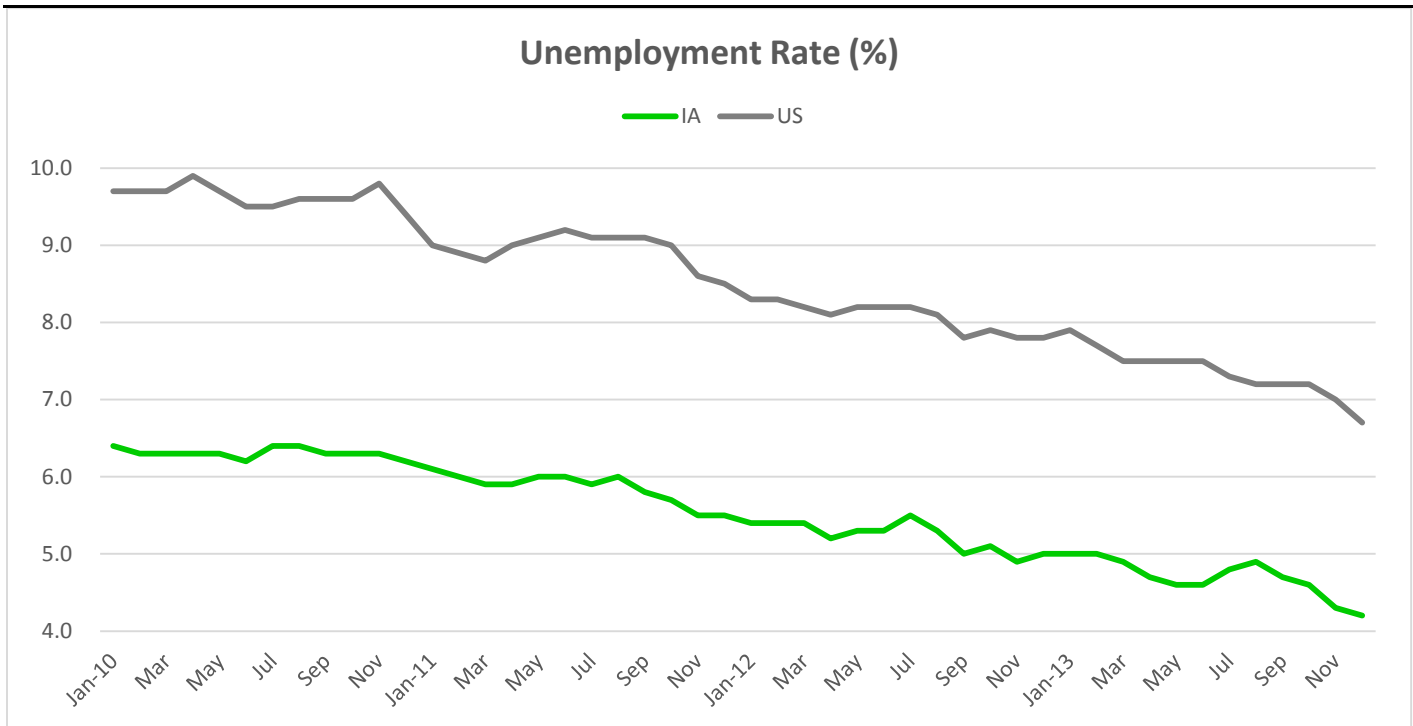
The 2013 per capita personal income was \$26,198 while average household income was \$64,338 and a median household income of \$49,606.



Employment

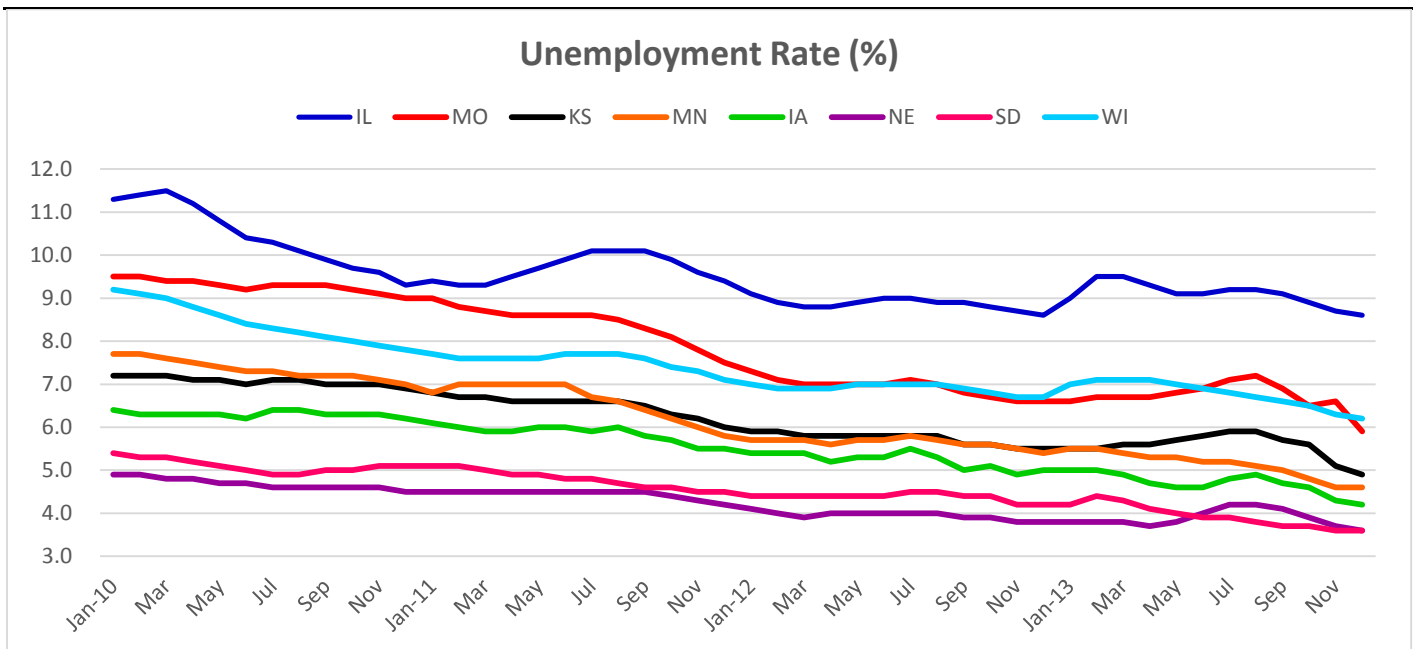
In December 2013, Iowa's unemployment rate was 4.2%, below the National unemployment rate of 6.7%

Figure 61: Iowa vs. US Unemployment Rate – January 2010 – December 2013



Source: Bureau of Labor Statistics & Union Gaming Analytics

Figure 62: Regional Unemployment Rates – January 2010 – December 2013

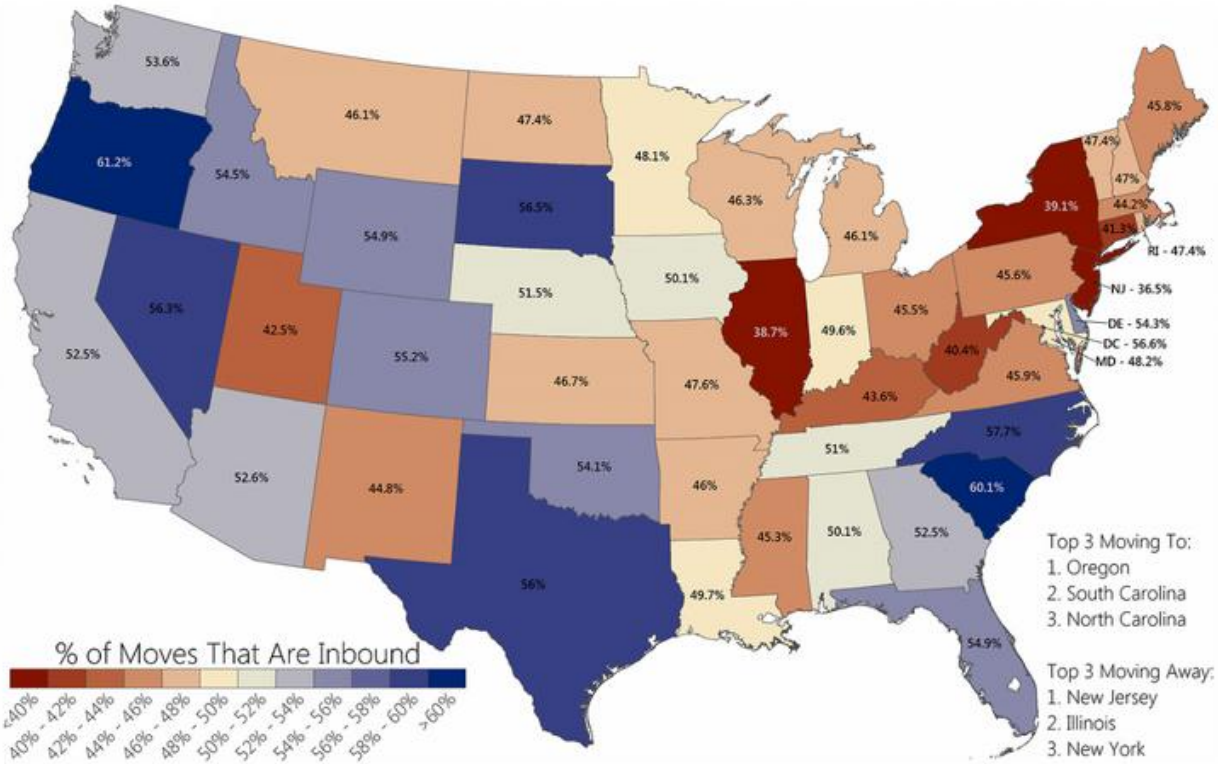


Source: Bureau of Labor Statistics & Union Gaming Analytics

Relocation Trends

For more than 37 years, United Van Lines tracked migration patterns annually on a state-by-state. For their 2013 study, the company tracked household moves handled by United within the 48 contiguous states and Washington, D.C. The study concluded Iowa relocation and migration is nearly balanced with 50.1% of moves categorized as “inbound”. By comparison, Illinois had a mere 38.7% of all moves considered “inbound”.

Figure 63: 2013 Relocation & Migration



Source: United Van Lines 37th Annual Migration Study



Iowa Gaming Market Demographics

We categorize the Iowa gaming market into two major segments each with two minor segments. The two major segments are Local and Regional. The Local segment includes Iowa residents and non-resident locals (which we define as those persons who live within a 30 minute drive time of the Iowa state line). The Regional segment includes the area 30 to 60 minute drive time from the Iowa state line and the further away area encompassing the geography from 60 to 120 minute drive time from the Iowa state line. Approximately 4.7 million people live in the local market including 3,097,091 people who live within Iowa and 1,610,945 who live within a 30-minute drive time of Iowa. Additionally, on a regional basis, nearly 9.22 million people live between a 30 to 120 minute drive of Iowa.

Figure 64: Iowa 2013 Gaming Market Demographics

	2013			
	Population	Adult Population	Per Capita Income	% of U.S. Average
Local Market				
Iowa residents	3,097,091	2,260,876	\$26,198	95%
Non-resident locals (within 30 minutes)	1,610,945	1,192,099	\$27,572	100%
Total Local	4,708,036	3,452,976	\$26,672	97%

	2013			
	Population	Adult Population	Per Capita Income	% of U.S. Average
Regional Market				
Mid Regional (30 to 60 minutes)	1,548,555	1,145,931	\$25,612	93%
Super Regional (60 to 120 minutes)	7,666,995	5,673,576	\$29,731	108%
Total Regional	9,215,550	6,819,507	\$29,039	105%
Total Iowa Market	13,923,586	10,272,483	\$28,243	102%

Source: Union Gaming Analytics, ESRI

Theoretical Iowa Gaming Revenue Projection

For the purposes of our analysis, we draw up on our population surveys and market categorizations to build our gaming market forecasts. Our low, base, and high case projections include an assortment of variables that directly affect potential gross gaming revenue (GGR) for the entire population set and gaming market. We estimate Iowa's total theoretical gross gaming revenues to be \$1.270 billion for our low projection, \$1.541 billion for base projection and \$1.837 billion for our high projection.

Figure 65: Theoretical 2013 Total Iowa GGR

Projected Gaming Revenue (mm)	Low	Base	High
Iowa residents	\$693	\$779	\$866
Non-resident locals (within 30 minutes)	\$254	\$327	\$408
Mid Regional (30 to 60 minutes)	\$122	\$156	\$193
Super Regional (60 to 120 minutes)	\$201	\$280	\$370
Total Iowa Gross Gaming Revenue	\$1,270	\$1,541	\$1,837

Source: Union Gaming Analytics, ESRI

We forecast a theoretical total Iowa gross gaming revenue of \$1.541 billion which includes all gaming spend by Iowa residents and non-residents at Iowa's 18 commercial casinos and 3 tribal casinos. The IRGC reported 2013 commercial casino gross gaming revenue \$1.416 billion and we estimate Iowa's 3 tribal casinos generate gross gaming revenue of \$145 million (reference page 11) for a total of \$1.561 billion.

Figure 66: Theoretical 2013 Total Iowa GGR – Resident & Non-Resident

Projected Gaming Revenue (mm)	Low	Base	High
Total Iowa Resident	\$693	\$779	\$866
Total Non-Resident	\$577	\$762	\$971
Total Iowa Gross Gaming Revenue	\$1,270	\$1,541	\$1,837

Source: Union Gaming Analytics, ESRI

Figure 67: Theoretical 2013 Total Iowa GGR – Resident & Non-Resident Percentage Mix

Projected GGR Split	Low	Base	High
Total Iowa Resident	55%	51%	47%
Total Non-Resident	45%	49%	53%
Total Iowa Gross Gaming Revenue	100%	100%	100%

Source: Union Gaming Analytics, ESRI



Iowa Resident Market Revenues

We estimate 3,097,091 people live in Iowa as of year-end 2013, of which 2,260,876 are adults with a per capita income of \$26,198. On average, 34% of the U.S. population participates in gambling and we assume a similar level of participation in our forecast. We model our individual annual gaming spend based on 4.3% (our base line assumption for Iowa) of per capita income. The 4.3% is greater than the US average of 3.9%. This translates to an annual \$1,127 gaming spend or 111% of the average annual gaming budget of a U.S. casino patron. Historically, gamblers with a wide availability of geographically close opportunities demonstrate a higher propensity to gamble more, gamble more often, or an iteration of both. Finally, we assign capture rates to the percentage of total adult population who gamble. For our low, base and high forecasts we assign capture rates of 80%, 90%, and 100%. We estimate annual potential gross gaming revenues from Iowa residents of \$693 million, \$779 million, and \$886 million based on our low, base, and high projections.

Figure 68: Iowa Resident Market & GGR Projection - 2013

Iowa Residents			
	Low	Base	High
Total Population	3,097,091	3,097,091	3,097,091
Adults	2,260,876	2,260,876	2,260,876
Per Capita Income	\$26,198	\$26,198	\$26,198
% who participate in gaming (34%)	768,698	768,698	768,698
% capture rate	80%	90%	100%
% of income on gaming (4.3%)	\$1,127	\$1,127	\$1,127
Resident Forecasted GGR	\$693	\$779	\$866

Source: Union Gaming Analytics, ESRI

Our base estimate of \$779 million in theoretical gross gaming revenues from Iowa residents compares to \$748 million referenced in Figure 2 as gross gaming revenues attributed to the eighteen commercial casinos and \$858 million for the eighteen commercial casinos plus \$110 million in gross gaming revenues from the three Iowa-based, native American casinos (as referenced on page 11).

Non-Resident Locals Market Revenues

We estimate 1,610,945 people live within a 30-minute drive of Iowa, of which 1,192,099 are adults with a per capita income of \$27,572. Similar to our assumption for Iowa residents, as a base line, we estimate that 34% of the non-resident locals adult population gambles. We estimate an annual gaming spend of \$965, \$1,075, and \$1,186. We model our individual annual gaming spend based on 3.5%, 3.9% and 4.3% (low, base and high, respectively) of per capita income. Additionally, we assume capture rates of 65%, 75%, and 85% due to the availability of other gaming options such as video lottery terminals in South Dakota, video gaming machines in Illinois as well as commercial and Native American casinos in their respective states of residence. We estimate annual potential gaming revenues from Iowa non-resident locals market of \$254 million, \$327 million and \$408 million based on the low, base and high estimates.

Figure 69: Non-Resident Locals Market & GGR Projection - 2013

Non-Resident Local Gaming Market (0 to 30 min Drive Radius)			
	Low	Base	High
Total Population	1,610,945	1,610,945	1,610,945
Adults	1,192,099	1,192,099	1,192,099
Per Capita Income	\$27,572	\$27,572	\$27,572
% who participate in gaming (34%)	405,314	405,314	405,314
% capture rate	65%	75%	85%
% of income on gaming (3.5%, 3.9%, 4.3%)	\$965	\$1,075	\$1,186
Non-Resident Local Forecasted GGR	\$254	\$327	\$408

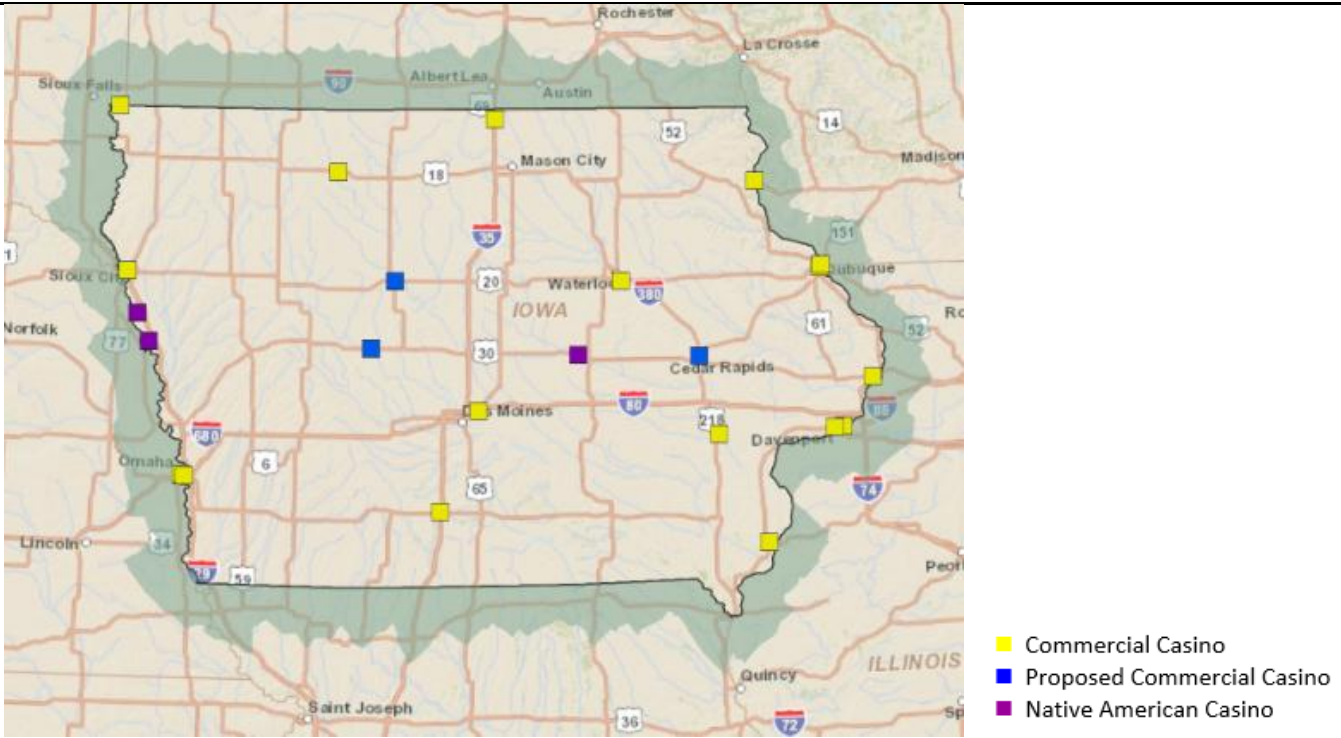
Source: Union Gaming Analytics, ESRI

Figure 70: Non-Resident Locals Population Composition by State - 2013

Non-Resident Local Gaming Market (0 to 30 min Drive Radius)	
Nebraska	799,560
Illinois	256,534
South Dakota	246,344
Minnesota	184,623
Missouri	69,524
Wisconsin	54,360
Total Population	1,610,945

Source: Union Gaming Analytics, ESRI

Figure 71: Non-Resident Locals Drive Time (0 to 30 minutes)



Source: Union Gaming Analytics, IRGC, ESRI

Mid Regional Market Revenues

We estimate 1,548,555 people live between a 30 to 60 minute drive of Iowa, of which 1,145,931 are adults with a per capita income of \$25,612. We forecast 34% of this adult population gambles. We estimate an annual gaming spend of \$896, \$999, and \$1,101. We model individual annual gaming spend based on 3.5%, 3.9%, and 4.3% (low, base and high, respectively) of per capita income. Additionally, we assume capture rates of 35%, 40%, and 45% – lower rates based on increased drive time and availability of other more convenient gambling opportunities in the non-residents home markets. We estimate annual potential gaming revenues from the mid regional market of \$122 million, \$156 million and \$193 million.

Figure 72: Mid Regional Market & Gross Gaming Revenue Projection - 2013

Mid Regional (30 to 60 min Drive Radius)			
	Low	Base	High
Total Population	1,548,555	1,548,555	1,548,555
Adults	1,145,931	1,145,931	1,145,931
Per Capita Income	\$25,612	\$25,612	\$25,612
% who participate in gaming (34%)	389,616	389,616	389,616
% capture rate	35%	40%	45%
% of income on gaming (3.5%, 3.9%, 4.3%)	\$896	\$999	\$1,101
Mid Regional Forecasted GGR	\$122	\$156	\$193

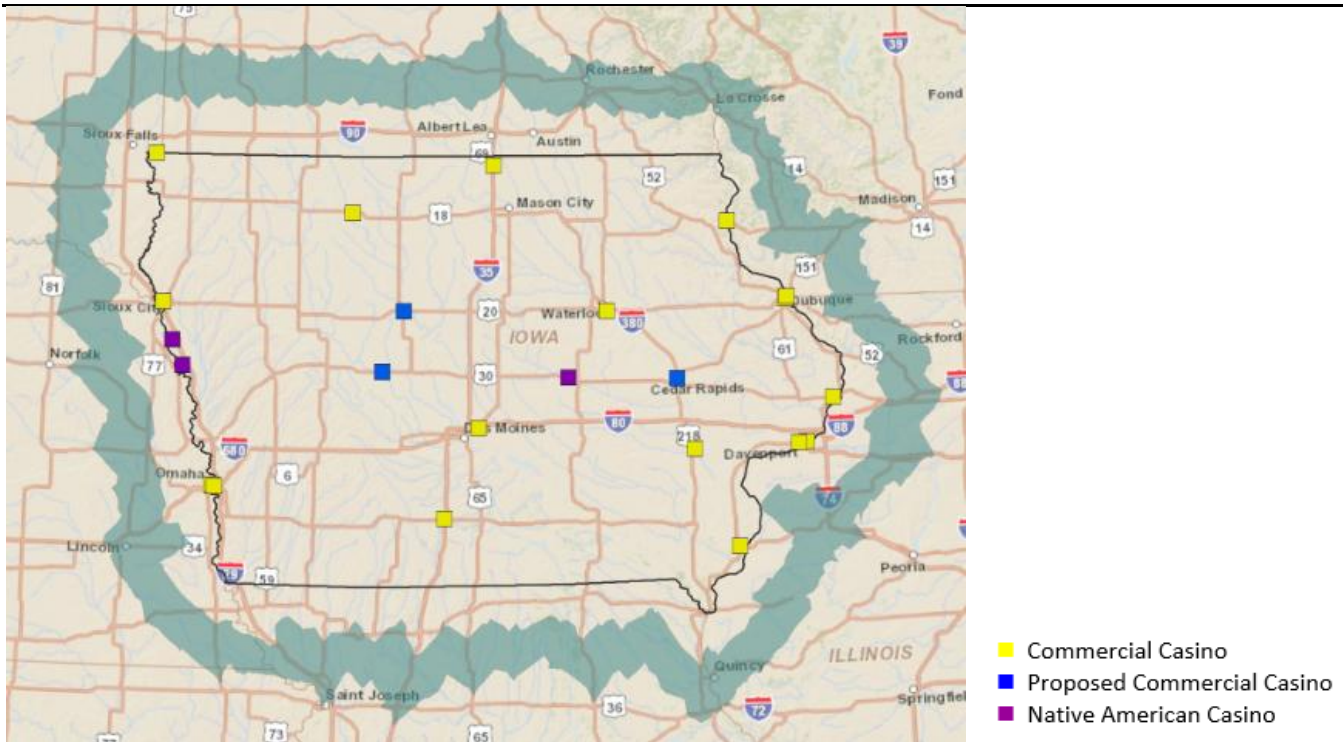
Source: Union Gaming Analytics, ESRI

Figure 73: Mid Regional Population Composition by State - 2013

Mid Regional (30 to 60 min Drive Radius)	
Minnesota	407,017
Nebraska	395,617
Illinois	338,740
Wisconsin	206,649
Missouri	147,053
South Dakota	53,479
Total Population	1,548,555

Source: Union Gaming Analytics, ESRI

Figure 74: Mid Regional Drive Time (30 to 60 minutes)



Source: Union Gaming Analytics, IRGC, ESRI

Super Regional Market Revenues

We estimate 7,666,695 people live between a 60 to 120 minute drive of Iowa, of which 5,673,576 are adults with a per capita income of \$29,731. We estimate 34% of the adult population gambles. We estimate an annual gaming spend of \$1,041, \$1,160, and 1,278. We model individual annual gaming spend based on 3.5%, 3.9%, and 4.3% (low, base and high, respectively) of per capita income. Additionally, we assume capture rates of 10%, 12.5%, and 15% – significantly lower capture rates based on increased drive time and availability of other more convenient gambling opportunities in the non-residents home markets. We estimate annual potential gaming revenues from the super regional market between \$201 million, \$280 million and \$390 million.

Figure 75: Super Regional Market & Gross Gaming Projection - 2013

Super Regional (60 to 120 min Drive Radius)			
	Low	Base	High
Total Population	7,666,995	7,666,995	7,666,995
Adults	5,673,576	5,673,576	5,673,576
Per Capita Income	\$29,731	\$29,731	\$29,731
% who participate in gaming (34%)	1,929,016	1,929,016	1,929,016
% capture rate	10%	12.5%	15%
% of income on gaming (3.5%, 3.9%, 4.3%)	\$1,041	\$1,160	\$1,278
Super Regional Forecasted GGR	\$201	\$280	\$370

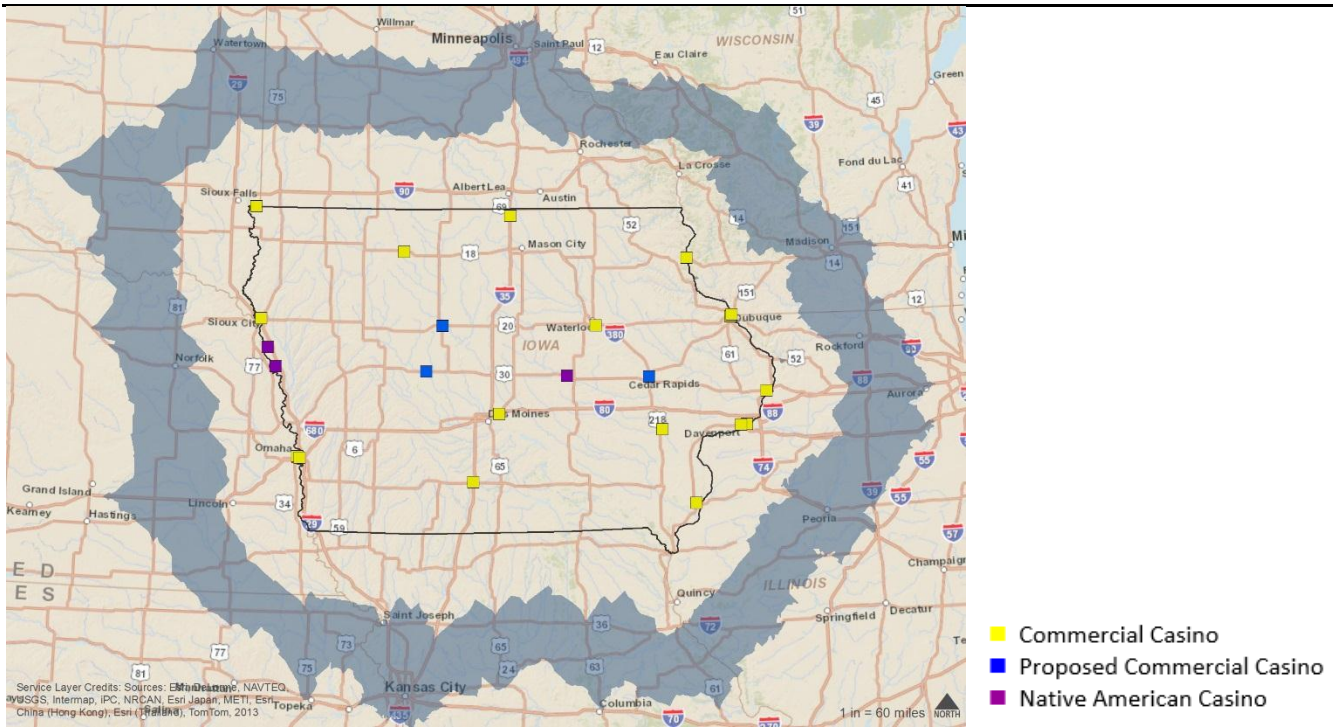
Source: Union Gaming Analytics, ESRI

Figure: 76: Super Regional Population Composition by State - 2013

Super Regional (60 to 120 min Drive Radius)	
Minnesota	2,965,294
Illinois	1,429,370
Missouri	1,298,466
Wisconsin	980,547
Kansas	633,059
Nebraska	222,957
South Dakota	137,302
Total Population	7,666,995

Source: Union Gaming Analytics, ESRI

Figure 77: Drive Time 60 to 120 minutes



Source: Union Gaming Analytics, IRGC, ESRI

Aggregate Population Set

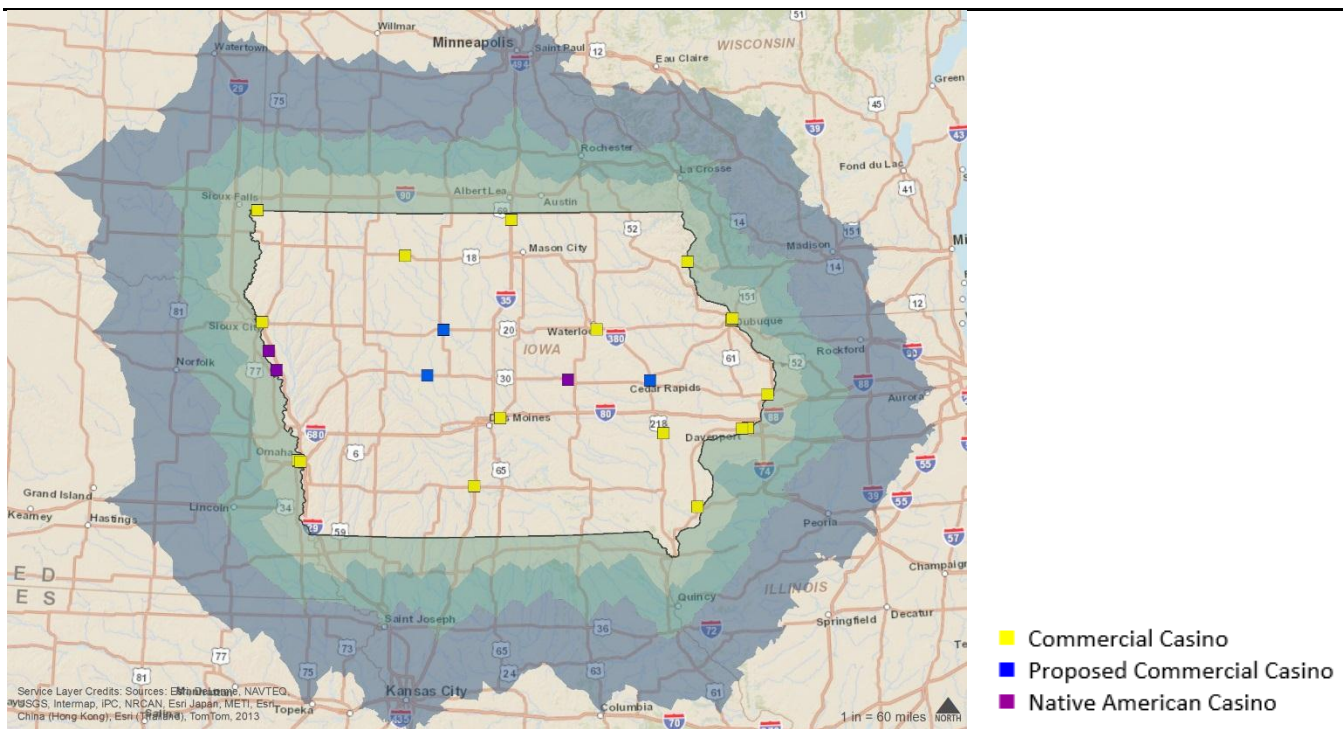
The total population set for all Iowa residents, plus the populations within the three drive time rings total 13,923,586 million people and 10,272,483 million adults with an average per capita income of \$28,243.

Figure 78: Iowa Market – Aggregate Population

Local Market	2013			
	Population	Adult Population	Per Capita Income	% of U.S. Average
Iowa residents	3,097,091	2,260,876	\$26,198	95%
Non-Resident Local Gaming Market (0 to 30 min Drive Radius)	1,610,945	1,192,099	\$27,572	100%
Mid Regional (30 to 60 min Drive Radius)	1,548,555	1,145,931	\$25,612	93%
Super Regional (60 to 120 min Drive Radius)	7,666,995	5,673,576	\$29,731	108%
Total Iowa Market	13,923,586	10,272,483	\$28,243	102%

Source: Union Gaming Analytics, ESRI

Figure 79: Aggregated Drive Times



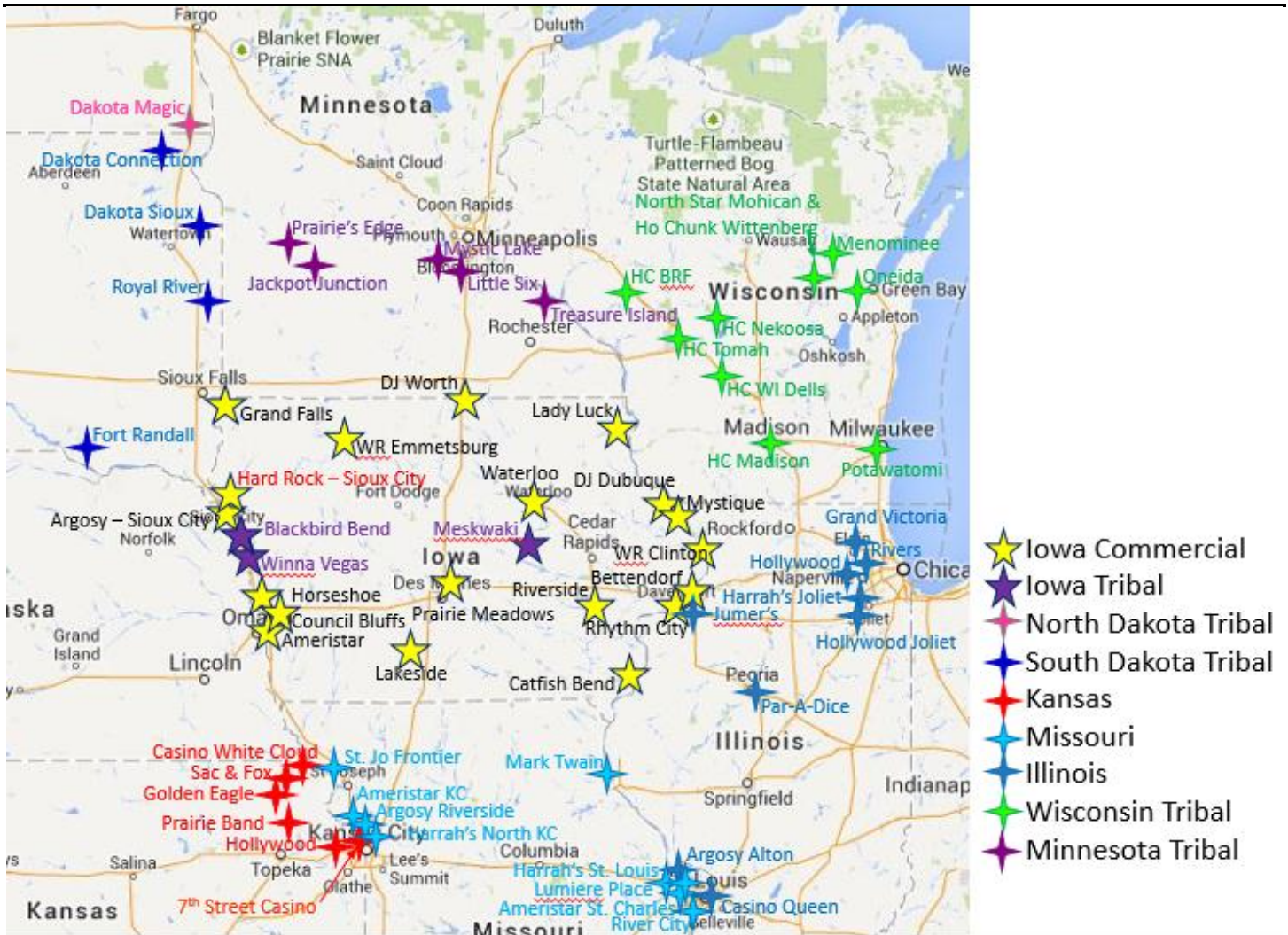
Source: Union Gaming Analytics, IRGC, ESRI



Competition from Casinos & Other Gaming in Neighboring States

Competitive Landscape

Figure 80: Iowa and Surrounding States with Competitive Casinos

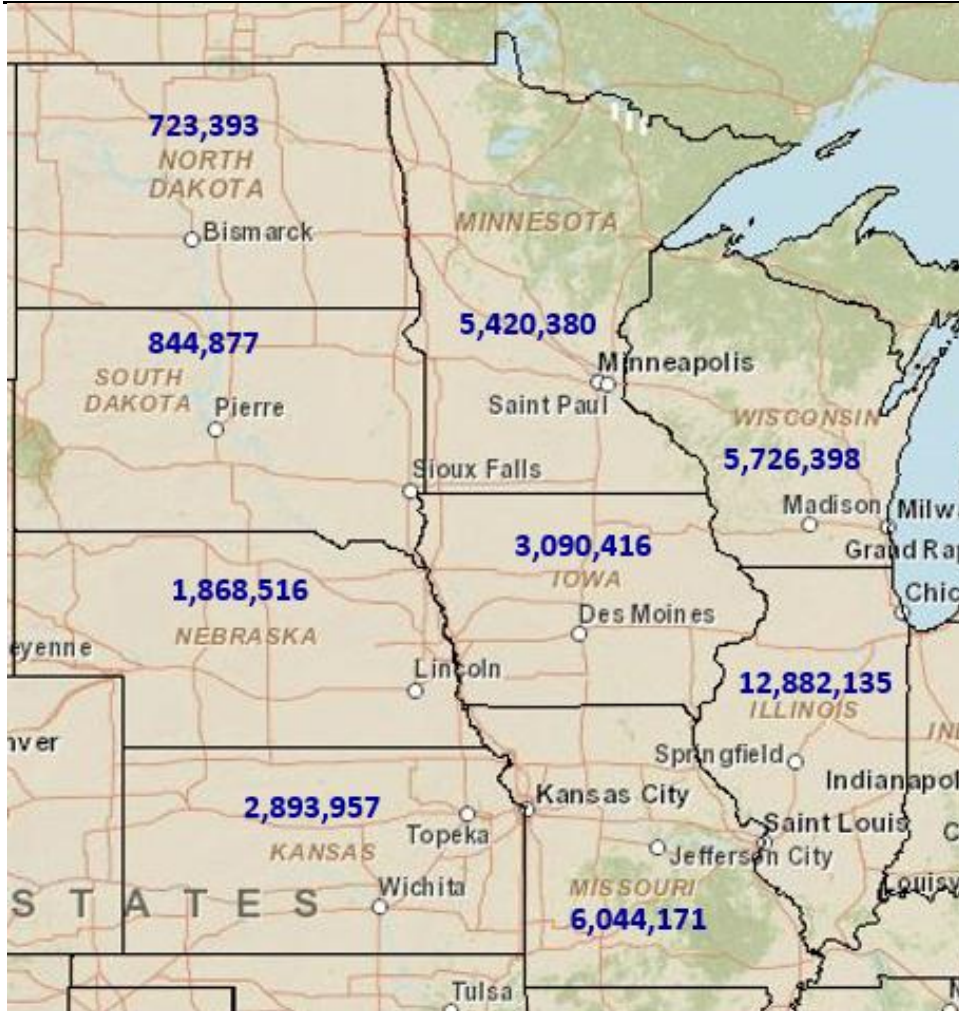


Source: Union Gaming Analytics, Google Maps

Population

During 2013, Iowa's population was estimated at 3,090,416. While not one of the smallest states on a population basis, Iowa does not have the population depth like Illinois to help keep casino floors operation near capacity most of the time. As a result, we view the lack of population as a structural headwind as a long-term risk to commercial gaming in Iowa.

Figure 81: 2013 Population by State for the Region



Source: United States Census Bureau and Google Maps



As part of our research and study we reviewed states with Native American gaming, commercial gaming, and both. For each state we reviewed total slot machines and table games to arrive at total gaming positions. We then reviewed state total populations against total gaming positions as well as adult population versus total gaming positions. We sorted the states into two groups – the Upper Midwest and Other States.

For the Upper Midwest region we compared Iowa (in blue) against states with Class III gaming (in green) and states with Native American gaming (in white). Outside of South Dakota which has a very small resident population and very large video lottery terminal gaming base, Iowa has the lowest number of adults per gaming position at 97 as compared to Indiana with at 172, Missouri at 189 and Illinois at 359.

Figure 82: Midwest States - Current Population & Gaming Positions

State	2013 Population	Population Slots per slot	Tables	Total Positions	Population per Position	Adults Per Position	
Illinois	12,882,135	24,603	524	270	26,223	491	359
Indiana	6,537,334	23,113	283	759	27,667	236	172
Iowa	3,090,416	20,104	154	524	23,248	133	97
Minnesota	5,420,380	22,293	243	478	25,161	215	157
Missouri	6,044,171	20,088	301	533	23,286	260	189
South Dakota	844,877	14,780	57	188	15,908	53	39
Wisconsin	5,726,398	18,418	385	385	20,728	276	202

Source: Union Gaming Analytics

Away from the Upper Midwest, New Jersey has 173 adults per gaming position, Colorado at 213, Mississippi at 50 and West Virginia at 58.

Figure 83: Other States - Current Population & Gaming Positions

State	2013 Population	Slots	Pop/ slot	Tables	Total Positions	Population per Position	Adults Per Position
Colorado	5,187,582	15,808	328	324	17,752	292	213
New Jersey	8,901,163	28,113	317	1579	37,587	237	173
New Mexico	2,055,538	18,135	113	301	19,941	103	75
New York	19,570,261	25,006	783	294	26,770	731	534
Ohio	11,569,798	8,381	1380	431	10,967	1,055	770
Pennsylvania	12,806,968	26,837	477	1010	32,897	389	284
Mississippi	2,984,926	36,685	81	1102	43,297	69	50
West Virginia	1,875,847	21,496	87	348	23,584	80	58

Source: Union Gaming Analytics

Minnesota

Mystic Lake Casino

Mystic Lake Casino, Prior Lake, Minnesota

Operated by the Shakopee Mdewakanton Sioux Tribe, Mystic Lake features more than 4,000 slot machines and 100 blackjack tables over a 125,000 square-foot casino floor. About 1,135,600 people with an average per capita income of \$37,587 and an average household income live within 30 minutes of Mystic Lake casino while an additional 2,081,000 people live within 30 to 60 minutes of the casino and have an average per capita income of \$31,575 and an average household income of \$81,924.

Figure 84: Mystic Lake Casino – 30, 60, & 120 minute drive times

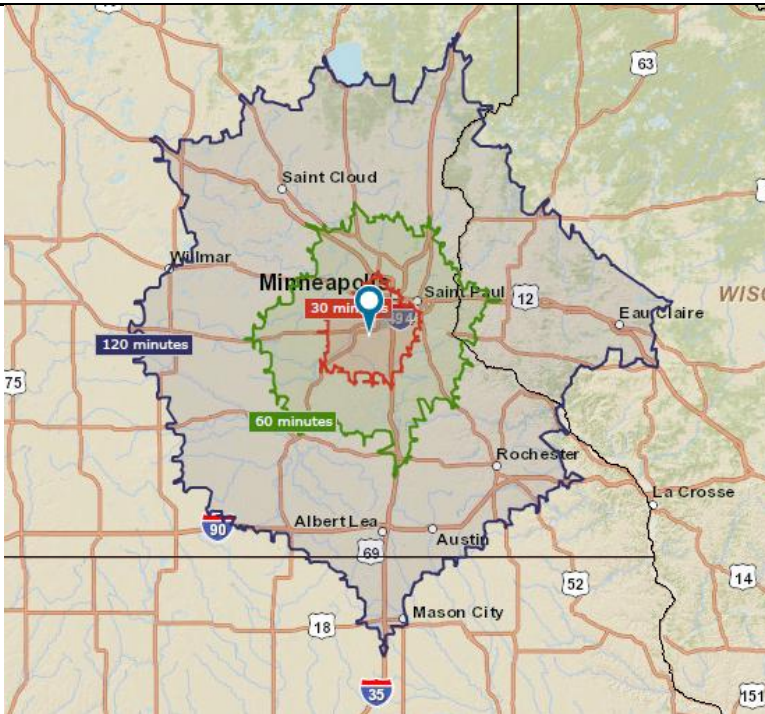


Source: ESRI

Little Six Casino, Prior Lake, Minnesota

Also operated by the Shakopee Mdewakanton Sioux Tribe, Little Six is often referred to Mystic Lake's little sister. Little Six features 800 slot machines and 8 blackjack tables as well as video poker and keno. About 1,283,000 people with an average per capita income of \$37,291 and an average household income of \$90,400 live within 30 minutes of Little Six casino while an additional 1,965,000 people live within 30 to 60 minutes of the casino and have an average per capita income of \$31,253 and an average household income of \$81,726.

Figure 85: Little Six Casino – 30, 60, & 120 minute drive times



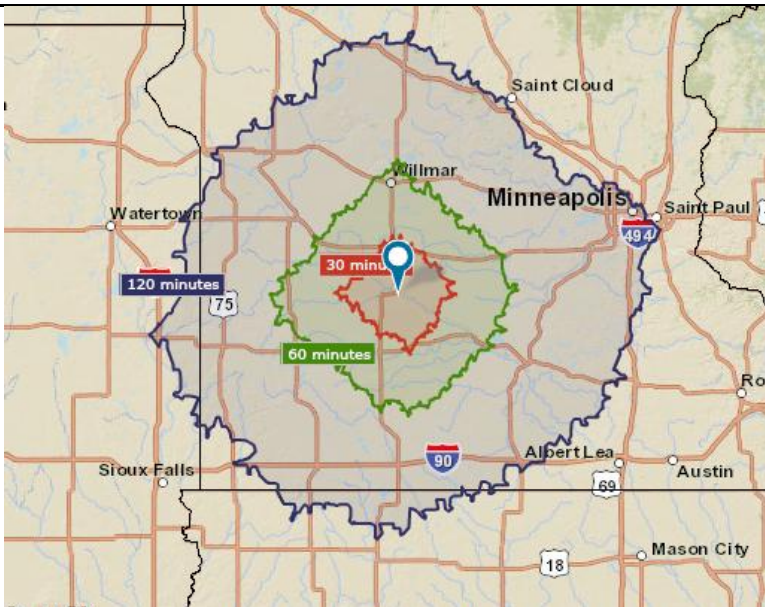
Source: ESRI

Jackpot Junction Casino, Morton, Minnesota

Jackpot Junction Casino is operated by the Lower Sioux Indian Community and features more 1,250 video slot machines and 38 table games across a 440,000 square foot casino. About 19,600 people with an average per capita income of \$24,909 and an average household income of \$58,833 live within 30 minutes of Jackpot Junction casino while an additional 111,700 people live within 30 to 60 minutes of the casino and have an average per capita income of \$24,827 and an average household income of \$60,715.

Note, Jackpot Junction is current undergoing a renovation and casino expansion with a completion estimated for December 2014. Highlights of the construction include an expanded gaming floor, a 60 seat center bar, a 225 seat bingo hall with 75 non-smoking seats, 160 seat sports bar, new entry to the exposition center and the installation of a floor displacement ventilation system.

Figure 86: Jackpot Junction Casino – 30, 60, & 120 minute drive times



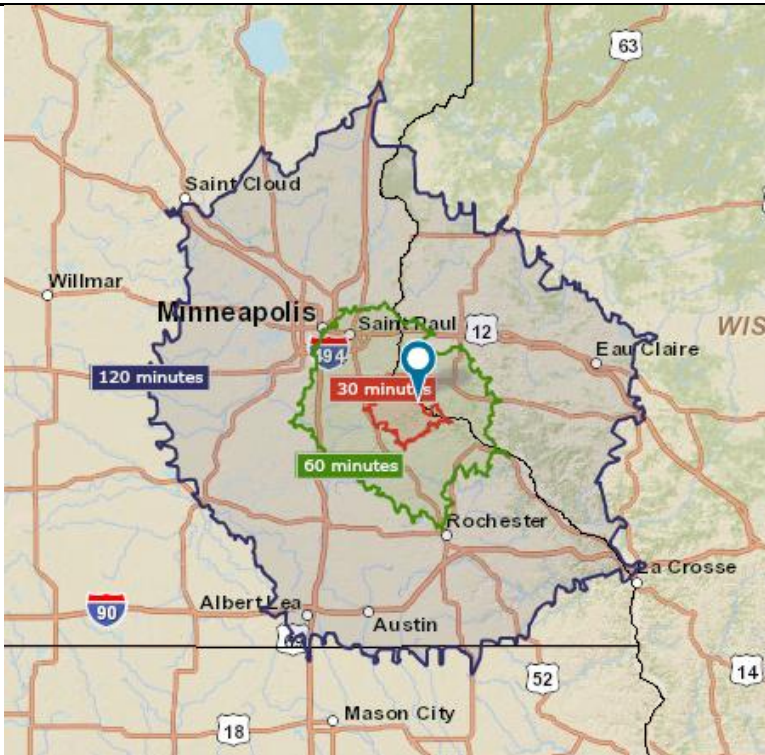
Source: ESRI



Treasure Island, Welch, Minnesota

Treasure Island Casino is operated by the Prairie Island Community of the Mdewakanton Sioux Tribe. The casino features an 116,000 square-foot gambling floor with 2,400 slot machines, 40 blackjack tables and 6 poker tables. About 34,000 people with an average per capita income of \$28,212 and an average household income of \$69,399 live within 30 minutes of Treasure Island casino while an additional 1,349,100 people live within 30 to 60 minutes of the casino and have an average per capita income of \$31,419 and an average household income of \$80,077.

Figure 87: Treasure Island – 30, 60, & 120 minute drive times



Source: ESRI

Prairie's Edge, Granite Falls, Minnesota

The Upper Sioux Community operate Prairie's Edge casino. The property features a 36,000 square foot casino with 1,000 video slot machines as well as blackjack and poker. About 21,200 people with an average per capita income of \$24,820 and an average household income of \$59,011 live within 30 minutes of Prairie's Edge casino while an additional 93,100 people live within 30 to 60 minutes of the casino and have an average per capita income of \$24,646 and an average household income of \$60,028.

Figure 88: Prairie's Edge Casino – 30, 60, & 120 minute drive times



Source: ESRI

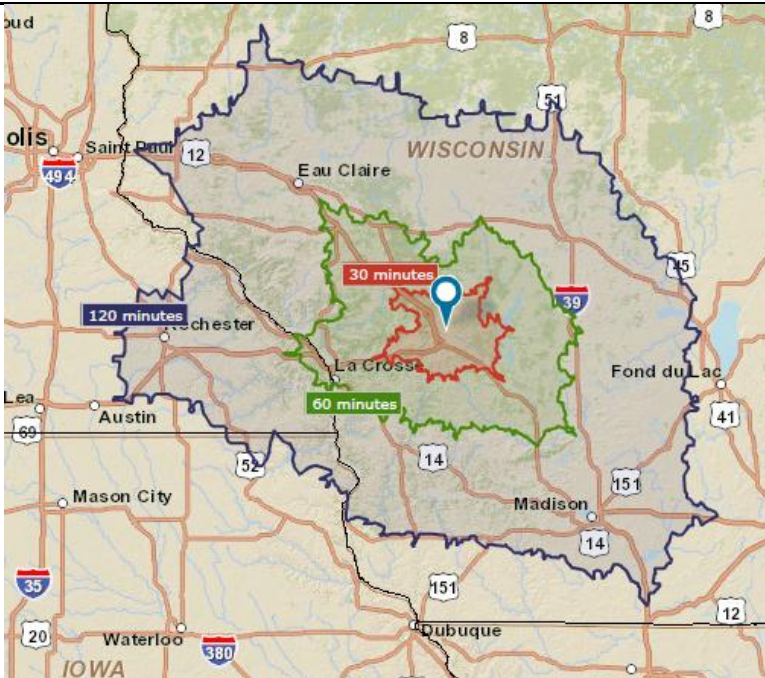
Wisconsin

Ho-Chunk Tomah Casino

Ho-Chunk Tomah Casino, Tomah, Wisconsin

Operated by the Ho-Chunk Nation, this property is small in comparison to other Ho-Chunk casinos with 100 slots over a 2,000 square foot casino. About 50,000 people with an average per capita income of \$21,907 and an average household income of \$54,373 live within 30 minutes of Ho-Chunk Tomah casino while an additional 286,900 people live within 30 to 60 minutes of the casino and have an average per capita income of \$24,007 and an average household income of \$58,436.

Figure 89: Ho-Chunk Tomah Casino – 30, 60, & 120 minute drive times



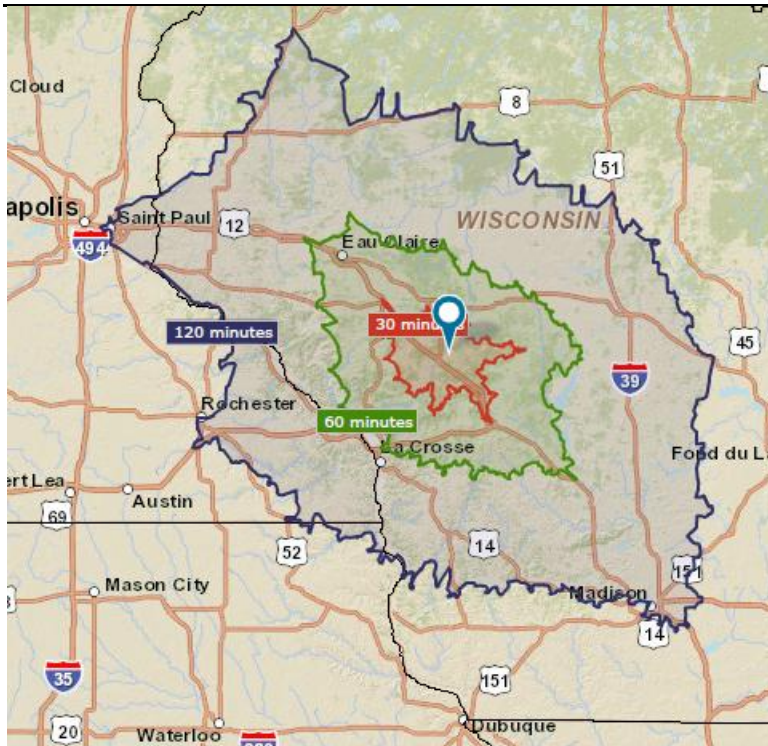
Source: ESRI

Ho-Chunk Black River Falls Casino

Ho-Chunk Black River Falls Casino, Black River Falls, Wisconsin

This casino features 600 slot machines as well as 10 table games and the property is also operated by the Ho-Chunk Nation. About 22,700 people with an average per capita income of \$21,876 and an average household income of \$54,870 live within 30 minutes of Ho-Chunk Black River Falls casino while an additional 274,400 people live within 30 to 60 minutes of the casino and have an average per capita income of \$23,973 and an average household income of \$59,321.

Figure 90: Ho-Chunk Black River Falls Casino – 30, 60, & 120 minute drive times



Source: ESRI

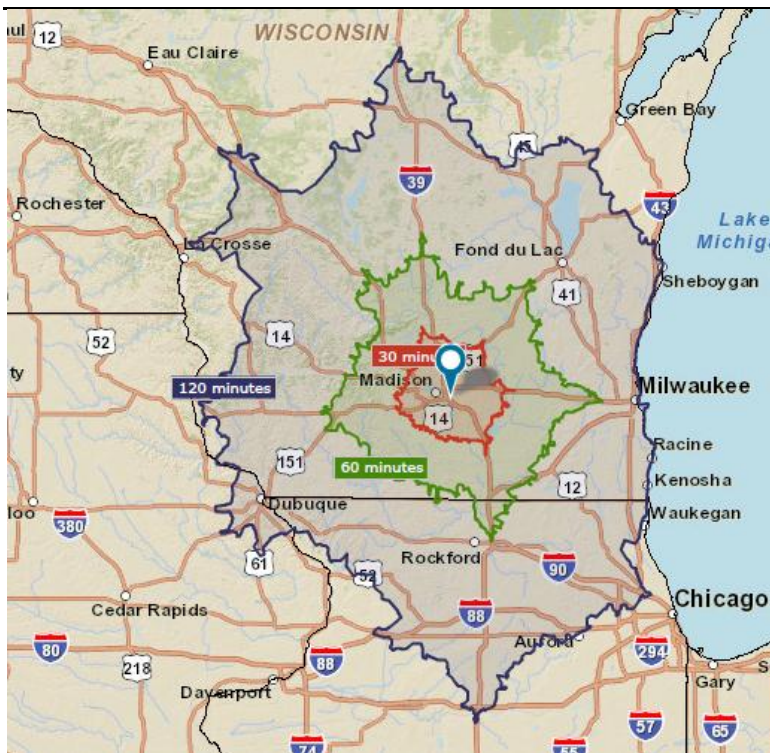


Ho-Chunk Madison Casino

Ho-Chunk Madison Casino, Madison, Wisconsin

Ho-Chunk Madison is Wisconsin's only casino dedicated to Class II gaming. Previously the property operated as Dejepe Bingo & Entertainment as a high-stakes bingo parlor. The property was renovated during 2006 and re-opened with 1,100 slot machines as Dejepe Gaming. In 2010, the property was renamed Ho-Chunk Madison as part of a rebranding project encompassing all Ho-Chunk casinos. About 492,700 people with an average per capita income of \$33,675 and an average household income of \$78,994 live within 30 minutes of Ho-Chunk Madison casino while an additional 636,700 people live within 30 to 60 minutes of the casino and have an average per capita income of \$27,811 and an average household income of \$70,067.

Figure 91: Ho-Chunk Madison Casino – 30, 60, & 120 minute drive times



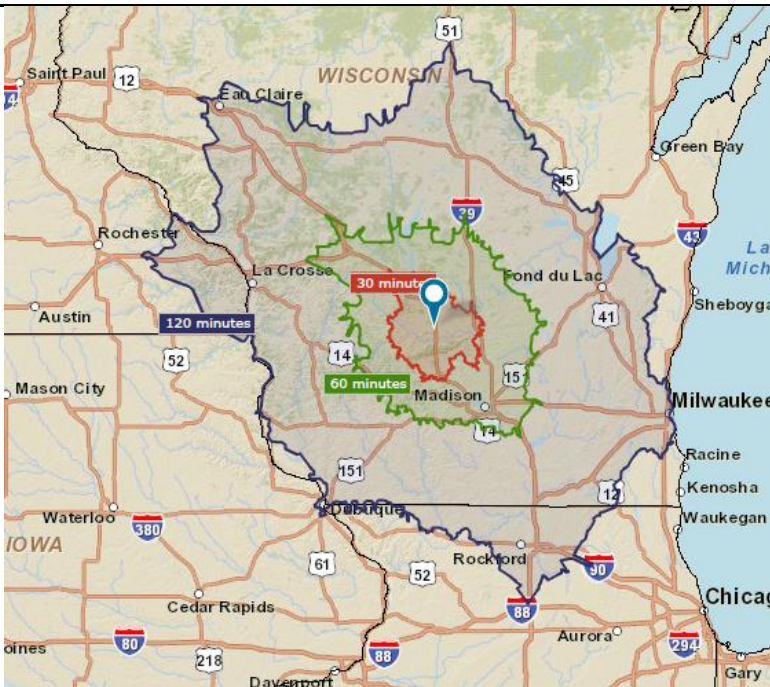
Source: ESRI

Ho-Chunk Wisconsin Dells

Ho-Chunk Wisconsin Dells, Wisconsin Dells (Baraboo), Wisconsin

Ho-Chunk Wisconsin Dells features 2,200 slot machines over a 98,000 square foot casino floor. Additionally, the property offers several variations of poker as well as off-track betting. About 86,900 people with an average per capita income of \$24,809 and an average household income of \$59,882 live within 30 minutes of Ho-Chunk Wisconsin Dells casino while an additional 592,100 people live within 30 to 60 minutes of the casino and have an average per capita income of \$31,514 and an average household income of \$74,558.

Figure 92: Ho-Chunk Wisconsin Dells Casino – 30, 60, & 120 minute drive times



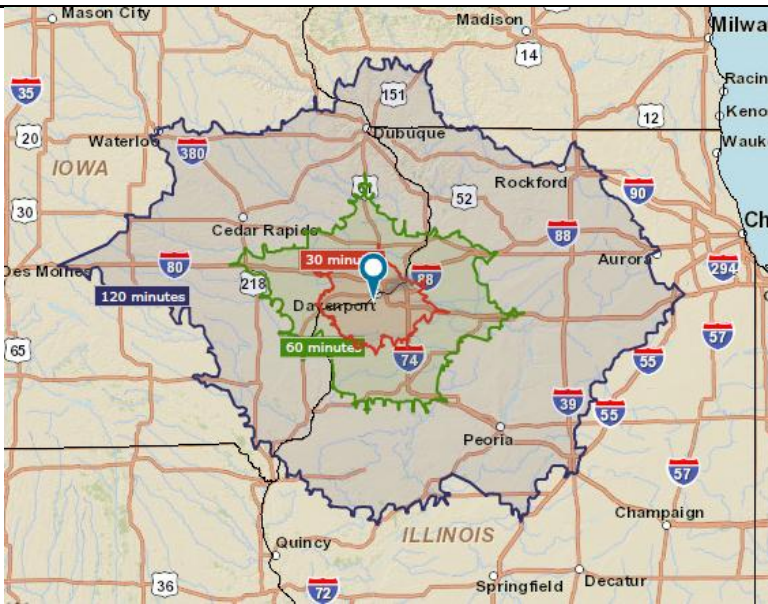
Source: ESRI

Illinois

Jumer's Casino & Hotel, Rock Island, Illinois

Privately owned and operated, Jumer's is a 42,500 square foot gaming floor that includes over 1,100 slot machines, 24 table games as well as poker. About 347,700 people with an average per capita income of \$26,827 and an average household income of \$64,552 live within 30 minutes of Jumer's casino while an additional 353,200 people live within 30 to 60 minutes of the casino and have an average per capita income of \$25,367 and an average household income of \$61,409.

Figure 93: Jumer's Casino & Hotel – 30, 60, & 120 minute drive times



Source: ESRI

Hollywood Aurora

Hollywood Casino, Aurora, Illinois

Operating more than 1,100 slot machines, as well as blackjack, poker, roulette and craps, Hollywood Aurora is a convenient Western suburb location for gamblers. About 1,072,800 people with an average per capita income of \$34,829 and an average household income of \$101,033 live within 30 minutes of Hollywood casino while an additional 6,026,000 people live within 30 to 60 minutes of the casino and have an average per capita income of \$29,557 and an average household income of \$79,053.

Figure 94: Hollywood Casino – 30, 60, & 120 minute drive times



Source: ESRI



Par-A-Dice

Par-A-Dice, Peoria, Illinois

Par-A-Dice located in Peoria features more than 1,100 slot machines and 20 table games and is convenient for Central Illinois gamblers. Approximately, 336,500 people with an average per capita income of \$27,871 and an average household income of \$67,922 live within 30 minutes of Par-A-Dice casino while an additional 365,800 people live within 30 to 60 minutes of the casino and have an average per capita income of \$26,276 and an average household income of \$64,926.

Figure 95: Par-A-Dice Casino – 30, 60, & 120 minute drive times

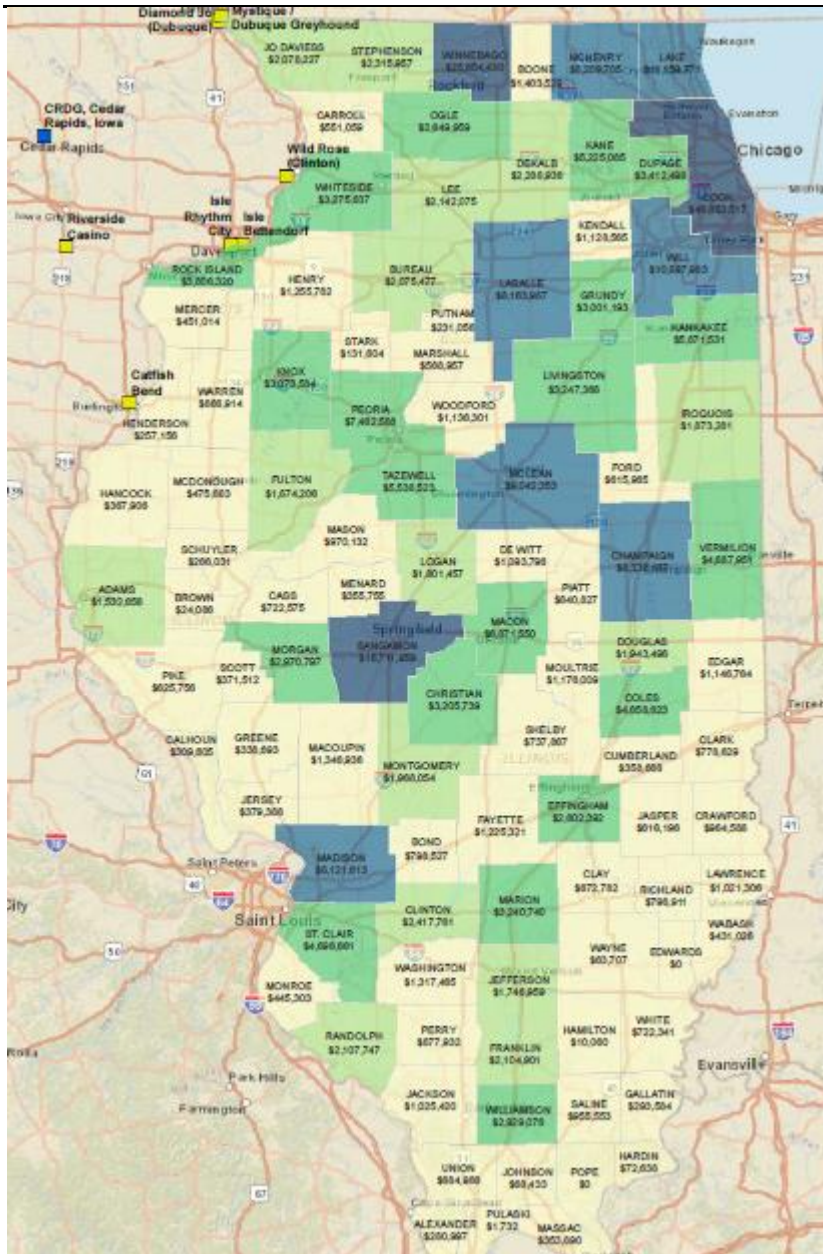


Source: ESRI

Video Gaming Machines (VGMs)

Illinois began Video Gaming Machine (VGM) installations in September 2012. As of December 31, 2012, the install base of VMGs totaled 2,290. One year later, on December 31, 2013, the total VGM install base was 13,374. During 2013, the total gross gaming revenue generated by Illinois VGMs was \$300.6 million. Cook County, Illinois (immediate Chicago and vicinity) generated \$46.85 million of net machine income (gross gaming revenue).

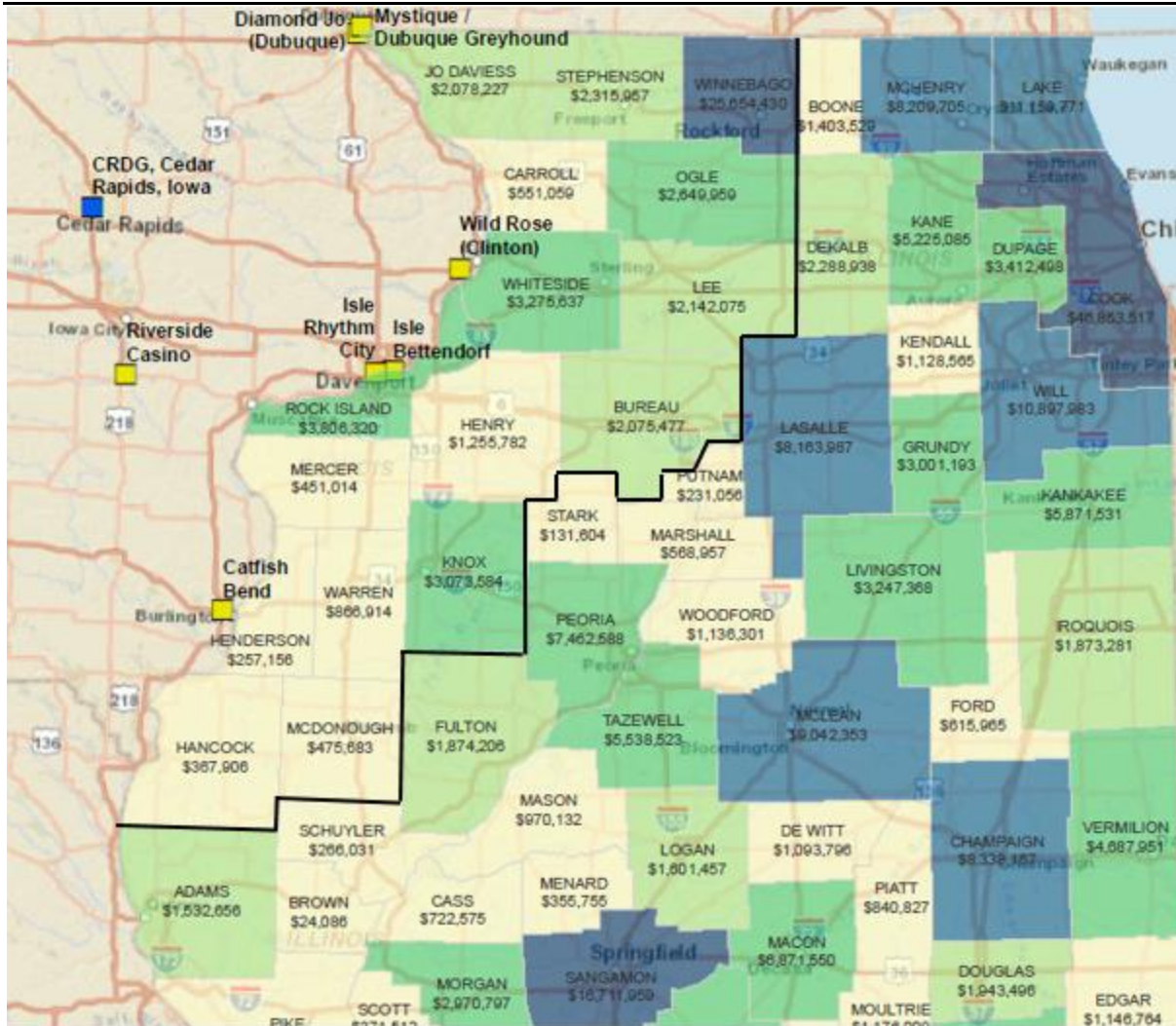
Figure 96: Illinois Total 2013 Video Gaming Machine Net Machine Income (GGR) by County



Source: Union Gaming Analytics, Illinois Gaming Board

In Figure 97 below, we highlight the Illinois counties that are key population capture areas for the Iowa casinos located along the Mississippi River – what we categorized as the “Eastern Region”. During 2013, these highlighted counties in total generated nearly \$51.3 million in video gaming machine net income (gross gaming revenue). We believe a significant portion of this \$51.3 million of video gaming machine net income represents lost wallet share for Iowa casinos. With the continued installation of additional video gaming machines across Illinois, we would expect the growth in Illinois video gaming machine net income to continue – and likely to result in a greater loss of wallet share from Iowa casinos.

Figure 97: Illinois Total 2013 Video Gaming Machine Net Machine Income (GGR) – Select Area



Source: Union Gaming Group, Illinois Gaming Board

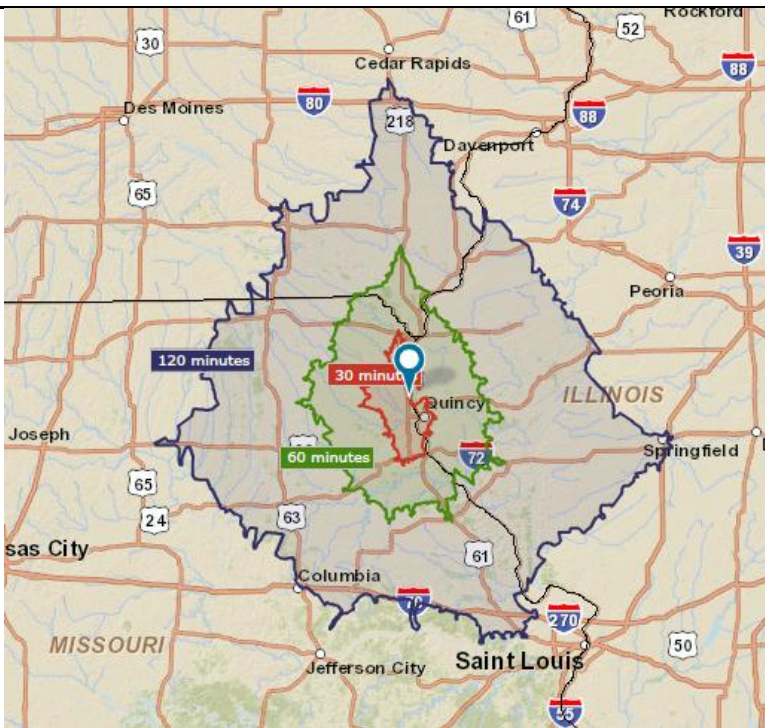
Missouri

Mark Twain

Terrible's Mark Twain Casino, La Grange, Missouri

Terrible's Mark Twain includes 15,000 square foot casino with 317 Video Reel Slots, 306 Reel Slots and 42 Poker Games and 14 total table games – including, Craps, Roulette, Double Deck Black Jack, 6 Deck Black Jack, and Texas Hold'em. About 66,800 people with an average per capita income of \$23,497 and an average household income of \$56,143 live within 30 minutes of Terrible's Mark Twain casino while an additional 105,000 people live within 30 to 60 minutes of the casino and have an average per capita income of \$21,473 and an average household income of \$52,638.

Figure 98: Mark Twain Casino – 30, 60, & 120 minute drive times



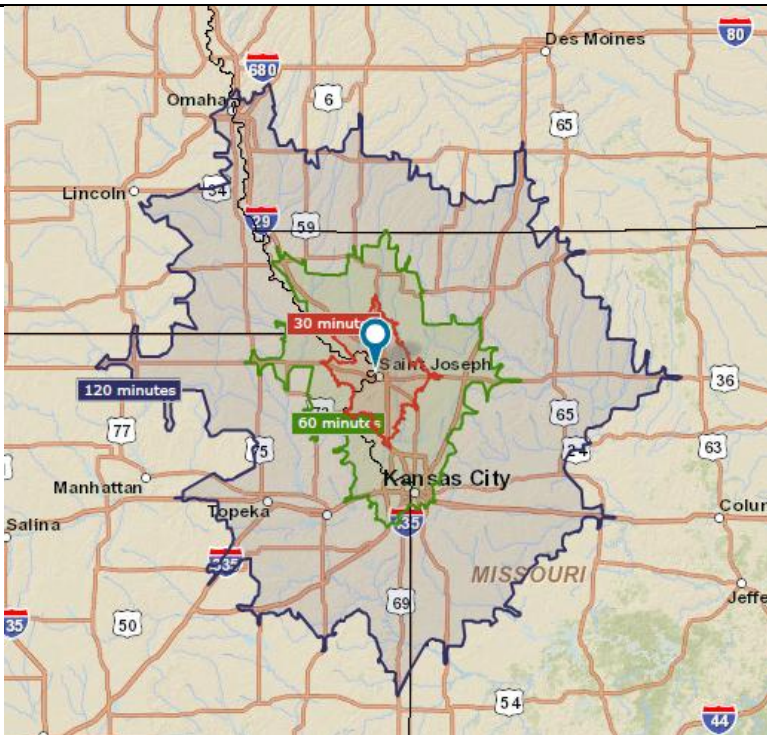
Source: ESRI

St. Joe Frontier

St. Joe Frontier Casino, St. Joseph, Missouri

St. Joe Frontier Casino features 510 gaming machines and 16 table games over an 18,000 square foot casino floor. About 121,000 people with an average per capita income of \$21,974 and an average household income of \$54,742 live within 30 minutes of St. Joe Frontier casino while an additional 1,004,200 people live within 30 to 60 minutes of the casino and have an average per capita income of \$26,367 and an average household income of \$65,077.

Figure 99: St. Joe Frontier Casino – 30, 60, & 120 minute drive times



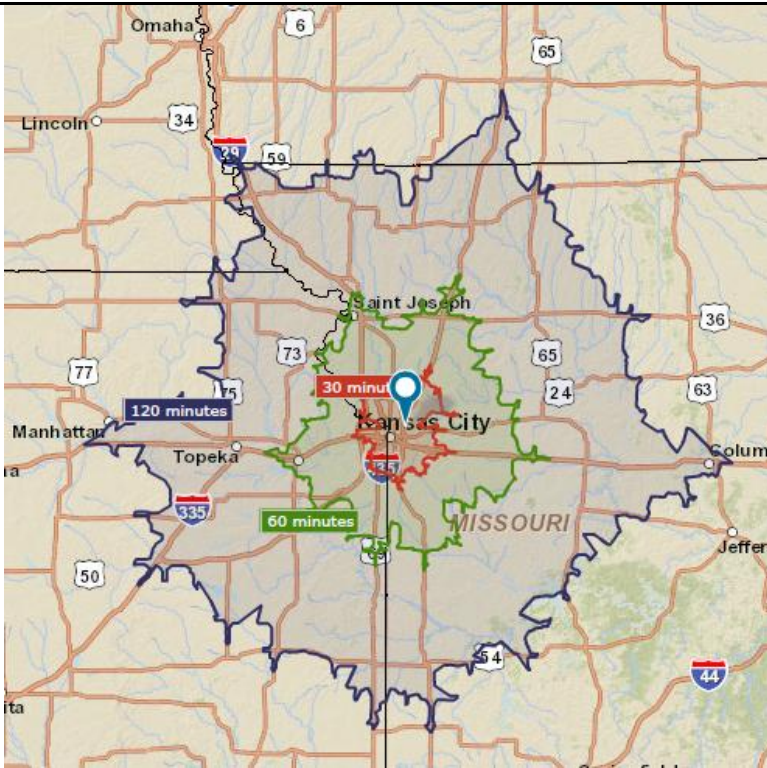
Source: ESRI

Ameristar

Ameristar Casino, Kansas City, Missouri

Ameristar Casino Kansas City features a 140,000 square foot casino with 2,800 slot and video poker machines, 57 table games, a live poker room with 15 poker tables, as well as an exclusive high-limit slot and table games areas. About 909,400 people with an average per capita income of \$26,026 and an average household income of \$62,741 live within 30 minutes of Ameristar casino while an additional 1,217,700 people live within 30 to 60 minutes of the casino and have an average per capita income of \$31,078 and an average household income of \$80,859.

Figure 100: Ameristar Casino – 30, 60, & 120 minute drive times



Source: ESRI



Harrah's North Kansas City

Harrah's North Kansas City Casino, Kansas City, Missouri

Harrah's North Kansas City features 2,100 slot and video poker machines and 40 table games across the 65,000 square foot casino. About 1,356,000 people with an average per capita income of \$28,286 and an average household income of \$68,499 live within 30 minutes of Harrah's North Kansas City casino while an additional 897,000 people live within 30 to 60 minutes of the casino and have an average per capita income of \$29,547 and an average household income of \$78,946.

Figure 101: Harrah's North Kansas City Casino – 30, 60, & 120 minute drive times



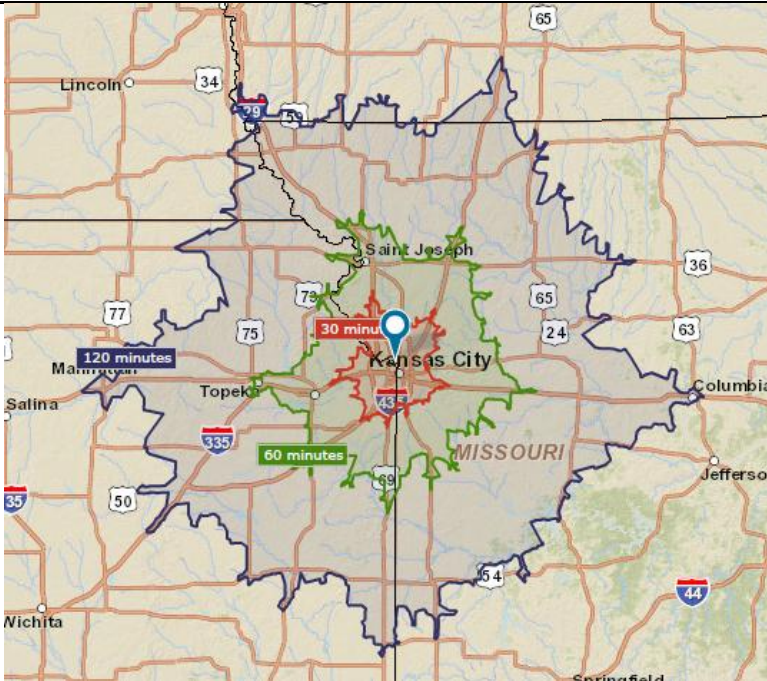
Source: ESRI

Argosy

Argosy Casino, Riverside, Missouri

Argosy Riverside features 1,750 slot machines and 45 table games across the 30,000 square foot casino. About 1,421,400 people with an average per capita income of \$29,649 and an average household income of \$72,687 live within 30 minutes of Argosy casino while an additional 894,200 people live within 30 to 60 minutes of the casino and have an average per capita income of \$26,689 and an average household income of \$69,811.

Figure 102: Argosy Casino – 30, 60, & 120 minute drive times



Source: ESRI

Kansas

Sac & Fox

Sac & Fox Casino, Powhattan, Kansas

The Sac and Fox Nation of Missouri in Kansas and Nebraska operate Sac & Fox casino. The property features a 29,735 square foot casino with 700 video slot machines and 10 table games. About 22,900 people with an average per capita income of \$22,859 and an average household income of \$55,066 live within 30 minutes of Sac & Fox casino while an additional 226,100 people live within 30 to 60 minutes of the casino and have an average per capita income of \$24,361 and an average household income of \$58,591.

Figure 103: Sac & Fox Casino – 30, 60, & 120 minute drive times



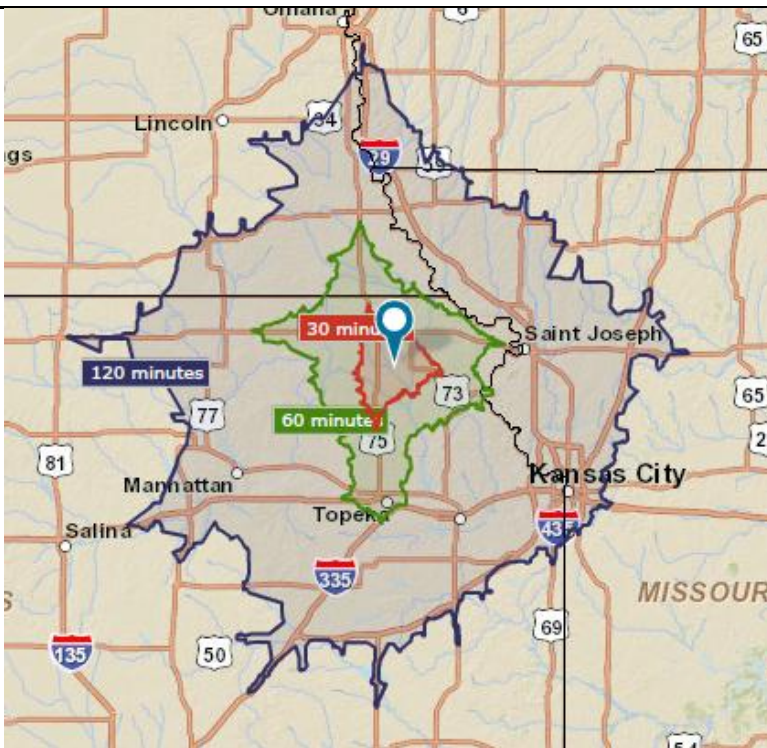
Source: ESRI

Golden Eagle

Golden Eagle Casino, Horton, Kansas

The Kickapoo Nation in Kansas operates the Golden Eagle casino. The property features a 75,000 square foot casino with 750 video slot machines and 16 table games. About 13,000 people with an average per capita income of \$20,891 and an average household income of \$50,871 live within 30 minutes of Golden Eagle casino while an additional 196,400 people live within 30 to 60 minutes of the casino and have an average per capita income of \$23,759 and an average household income of \$56,667.

Figure 104: Golden Eagle Casino – 30, 60, & 120 minute drive times



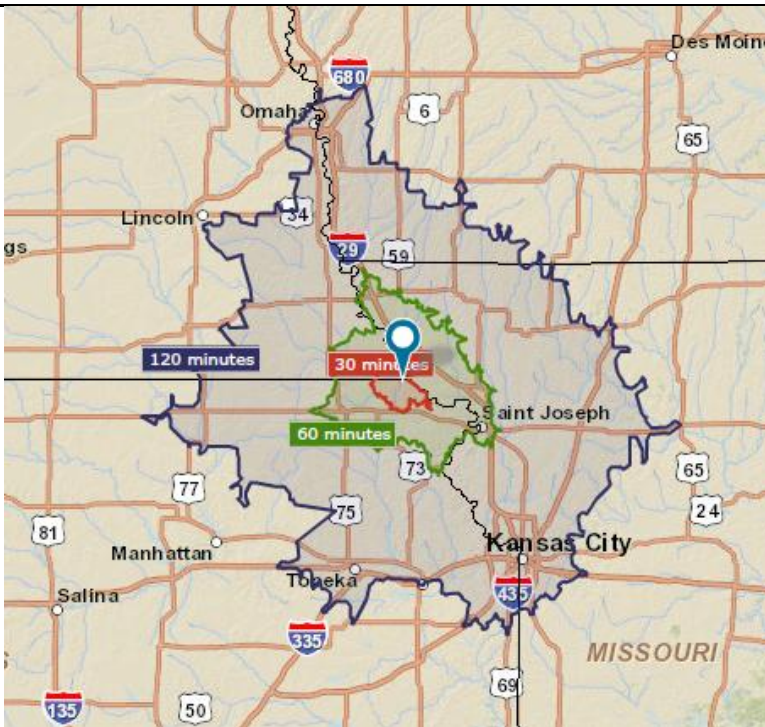
Source: ESRI

Casino White Cloud

Casino White Cloud, White Cloud, Kansas

The Iowa Tribe of Kansas and Nebraska operate the Casino White Cloud. The property features a 21,000 square foot casino with 380 video slot machines as well as blackjack, roulette, and 3 Card Poker. About 1,600 people with an average per capita income of \$23,038 and an average household income of \$54,421 live within 30 minutes of Cloud White casino while an additional 136,100 people live within 30 to 60 minutes of the casino and have an average per capita income of \$20,985 and an average household income of \$51,495.

Figure 105: Casino White Cloud – 30, 60, & 120 minute drive times



Source: ESRI

Hollywood

Hollywood Casino, Kansas City, Kansas

The Hollywood Casino at Kansas Speedway opened in February 2012. The property features 2,000 slots, 52 table games and a live poker room over 100,000 square feet of gaming space. About 1,403,100 people with an average per capita income of \$29,909 and an average household income of \$73,589 live within 30 minutes of Hollywood casino while an additional 1,001,300 people live within 30 to 60 minutes of the casino and have an average per capita income of \$26,854 and an average household income of \$68,955.

Figure 106: Hollywood Casino – 30, 60, & 120 minute drive times



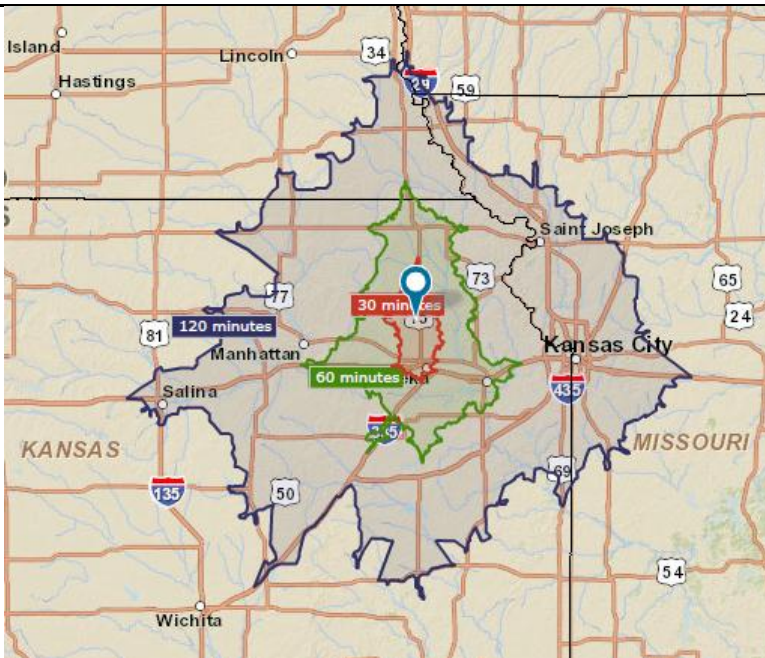
Source: ESRI

Prairie Band

Prairie Band Casino, Mayetta, Kansas

The Prairie Band of the Potawatomi operates the Prairie Band Casino. The property features a 35,000 square foot gaming floor with 1,100 slot machines and 31 table games. About 131,255 people with an average per capita income of \$23,984 and an average household income of \$55,895 live within 30 minutes of Prairie Band casino while an additional 216,300 people live within 30 to 60 minutes of the casino and have an average per capita income of \$26,206 and an average household income of \$64,920.

Figure 107: Prairie Band Casino – 30, 60, & 120 minute drive times



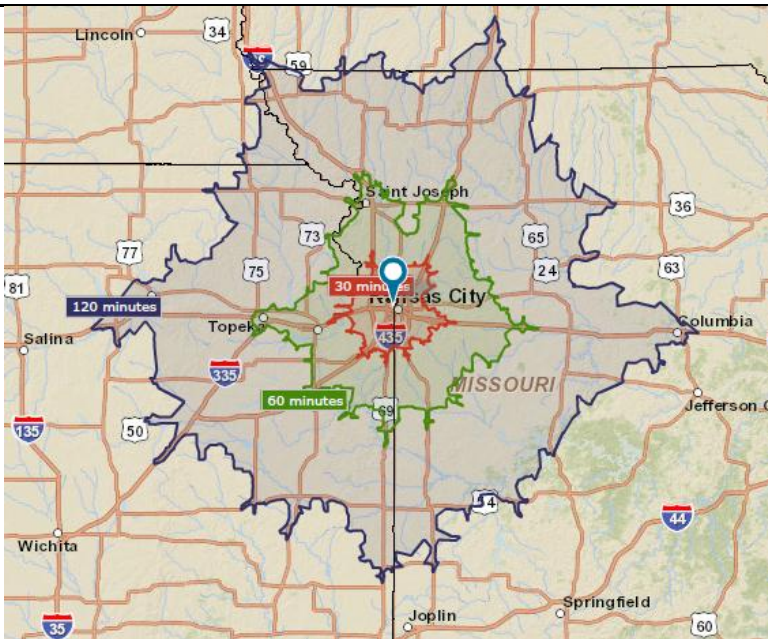
Source: ESRI

7th Street

7th Street Casino, Kansas City, Kansas

The Wyandotte Nation of Oklahoma operates the 7th Street Casino. The casino features 600 slots and a 20,000 square foot casino floor. About 1,534,900 people with an average per capita income of \$29,627 and an average household income of \$73,026 live within 30 minutes of 7th Street casino while an additional 837,400 people live within 30 to 60 minutes of the casino and have an average per capita income of \$26,230 and an average household income of \$67,584.

Figure 108: 7th Street Casino – 30, 60, & 120 minute drive times



Source: ESRI



South Dakota

Royal River

Royal River Casino

Operated by the Flandreau Santee Sioux Tribe, the Royal River Casino features 900 slots and 24 tables, the most for any Native American casino in South Dakota. There are approximately 36,800 people with an average per capita income of \$23,031 and an average household income of \$58,669 who live within 30 minutes of Royal River casino. An additional 265,100 people live within 30 to 60 minutes of the casino and have an average per capita income of \$27,715 and an average household income of \$69,294.

Figure 109: Royal River Casino Drive Times (30, 60, and 120 minutes)



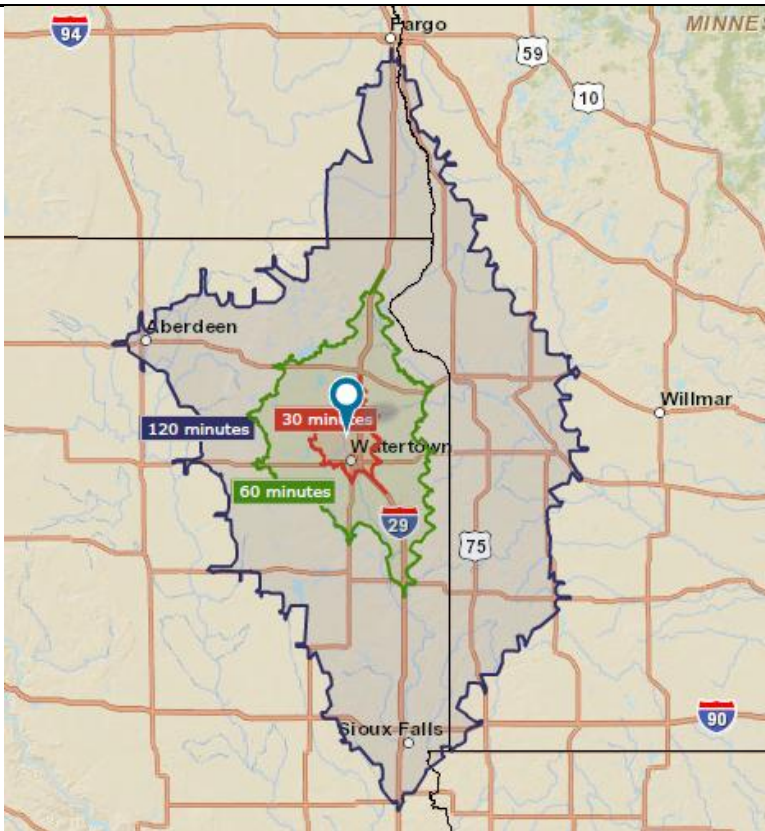
Source: ESRI

Dakota Sioux

Dakota Sioux Casino

Also operated by the Sisseton-Wahpeton Sioux Tribe, the casino operates 300 slots and 16 tables. Dakota Sioux Casino is located 8 miles north of Watertown. There are about 25,875 people with an average per capita income of \$24,864 and an average household income of \$58,314 who live within 30 minutes of Dakota Sioux casino. An additional 37,400 people live within 30 to 60 minutes of the casino and have an average per capita income of \$21,226 and an average household income of \$54,119.

Figure 110: Dakota Sioux Casino Drive Times (30, 60, and 120 minutes)



Source: ESRI

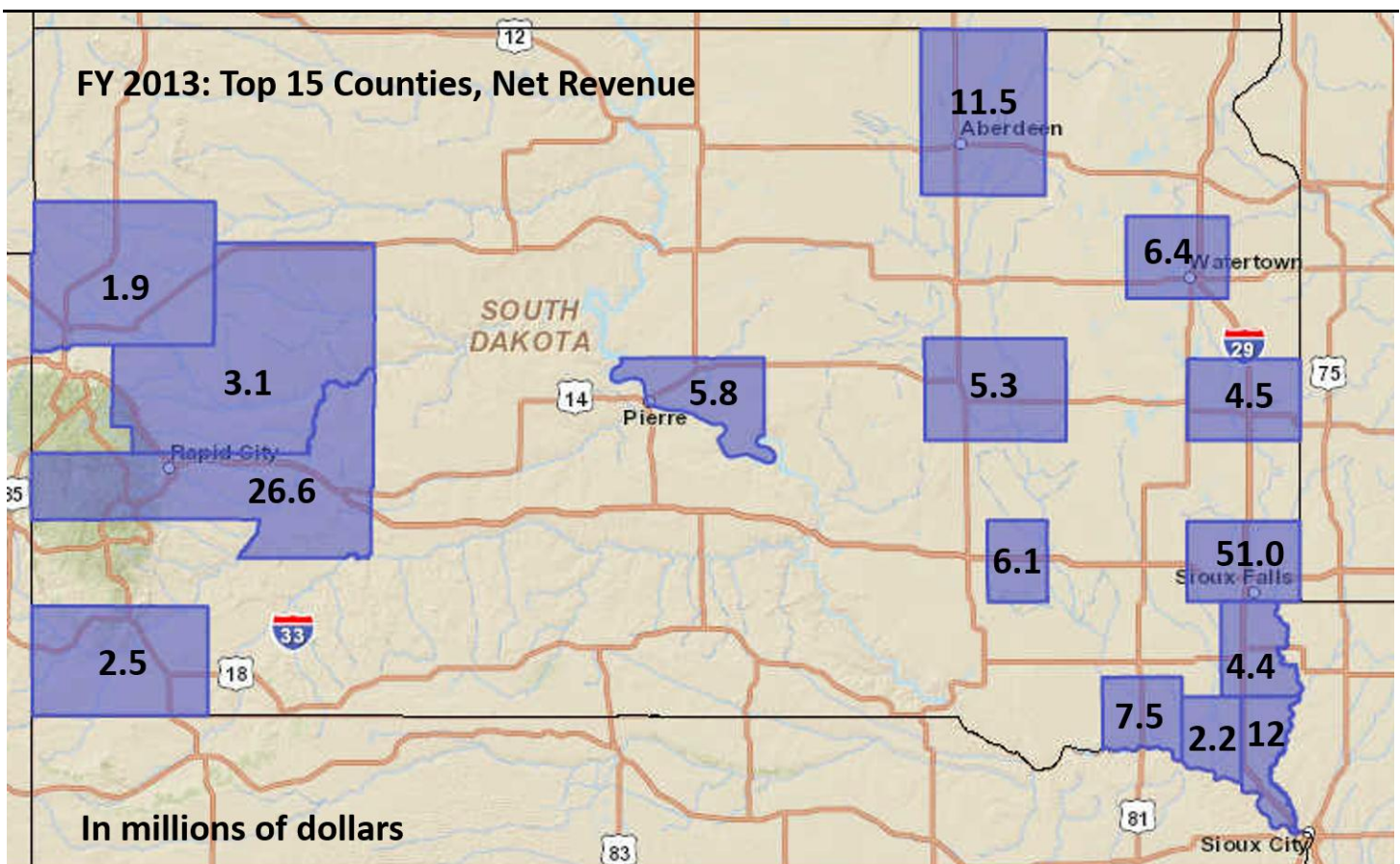


Video Lottery Terminals (VLTs)

On a geographic basis, the top 15 Counties for net machine income (gross gaming revenue) are mapped below. As expected, the cities with the highest population counts Sioux Falls and Rapid City, Minnehaha and Pennington Counties are ranked 1st and 2nd for net machine income contribution with \$51.0 million and \$26.6 million respectively in FY2013. However, Union County ranked 3rd for net machine income with \$12 million and approximately 14,800 residents.

We note the five counties located in southeast South Dakota generated \$77.1 million in net machine income (gross gaming revenue). Given the modest population counts in the four counties other than Minnehaha, it seems plausible that much of this net machine income is from gamblers border hopping into South Dakota to play video lottery terminals.

Figure 111: South Dakota Top 15 Counties by Net Machine Income FY 2013 (\$ millions)



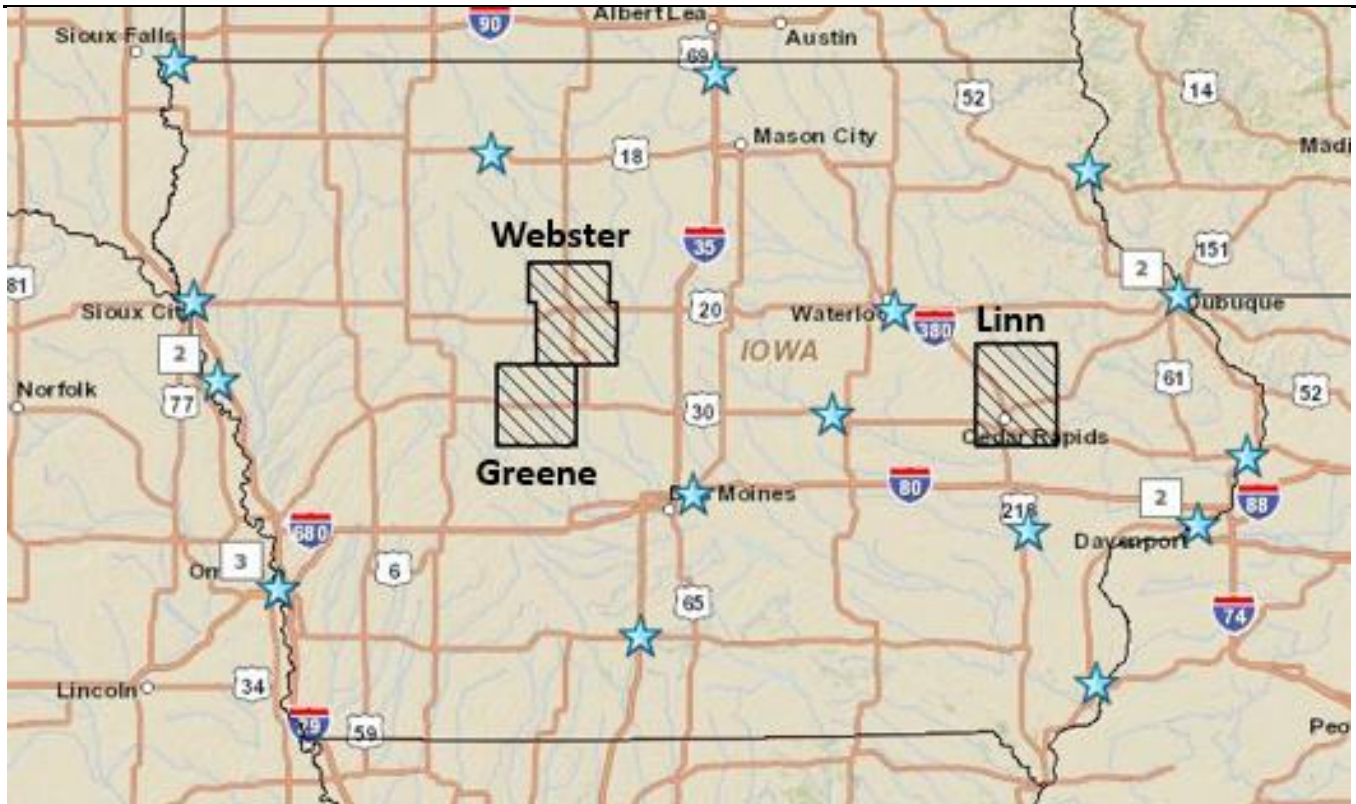
Source: Union Gaming Analytics, ESRI, South Dakota Lottery Annual Reports

Potential New Gaming Locations

Base Assumptions

The Iowa Racing and Gaming Commission

Figure 112: Iowa Commercial Casinos & Counties with Approved Gaming Referendums

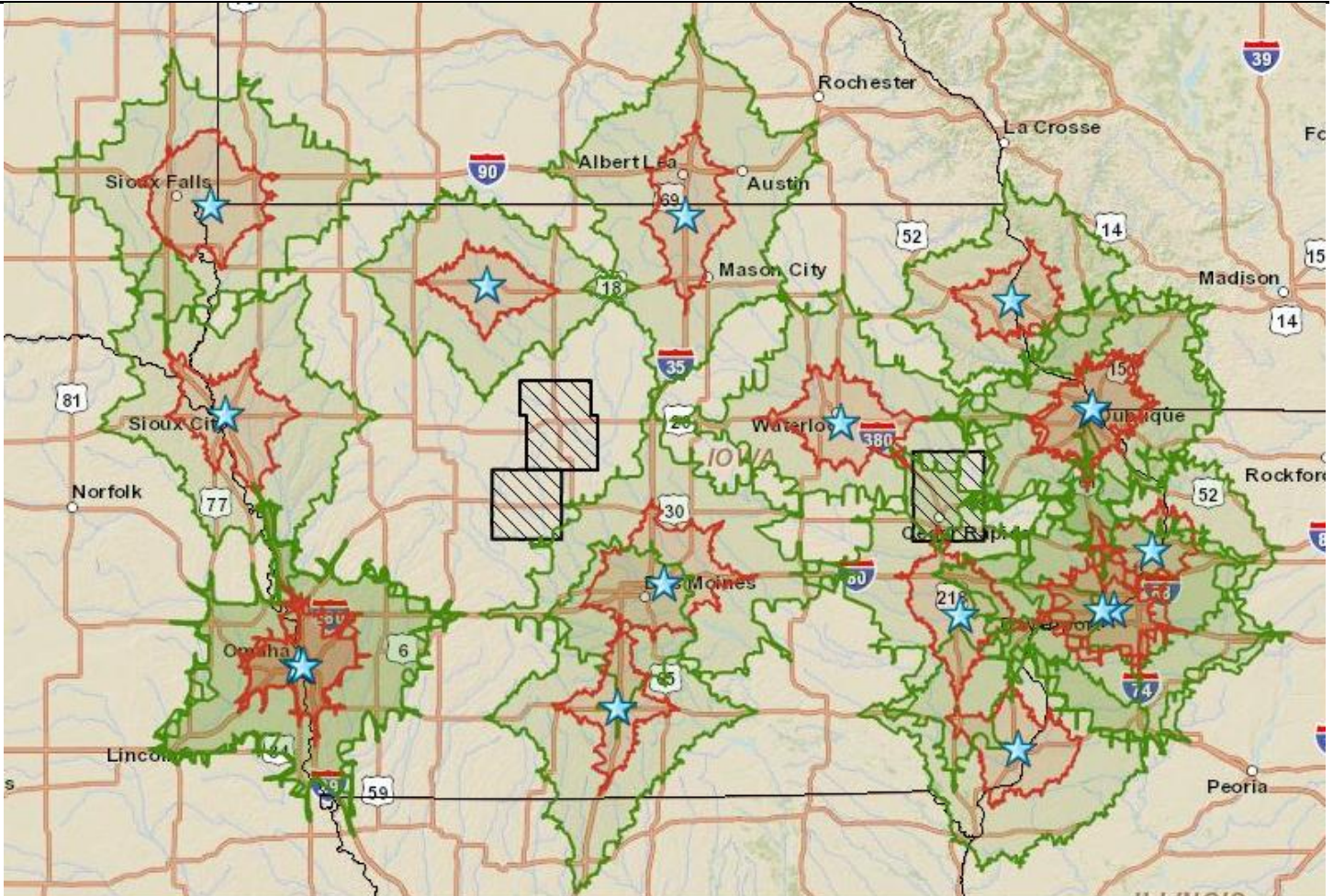


Source: Union Gaming Analytics, IRGC, ESRI



In the following figure, we map the current 18 commercial Iowa casinos with the 30 and 60-minute drive times area for each of the 18 casinos. Against the 18 commercial casino drive time maps, we overlay geographic boundaries of Greene, Linn and Webster counties.

Figure 113: Current Iowa Casinos and Proposed Counties – 30 & 60 minute drive times

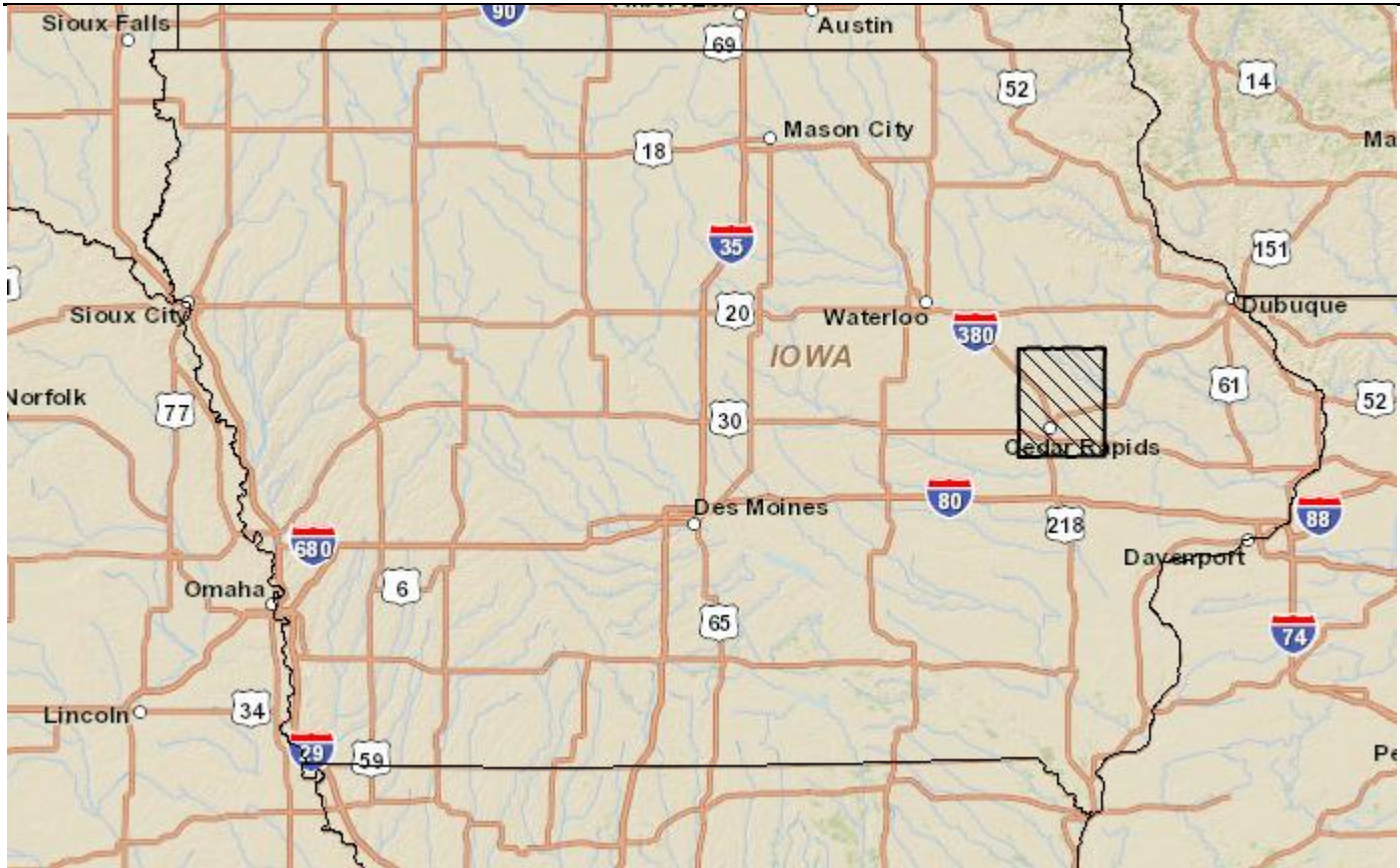


Source: Union Gaming Analytics, IRGC, ESRI

Linn County, Iowa

Linn County is located in east central Iowa – in the heart of an area known as the East Central Corridor. The East Central Corridor is bounded by Waterloo on the north and Iowa City on the south. The area roughly aligns with Interstate 380.

Figure 114: Geographic Location of Linn County, Iowa and Major Highways



Source: Union Gaming Analytics, IRGC, ESRI

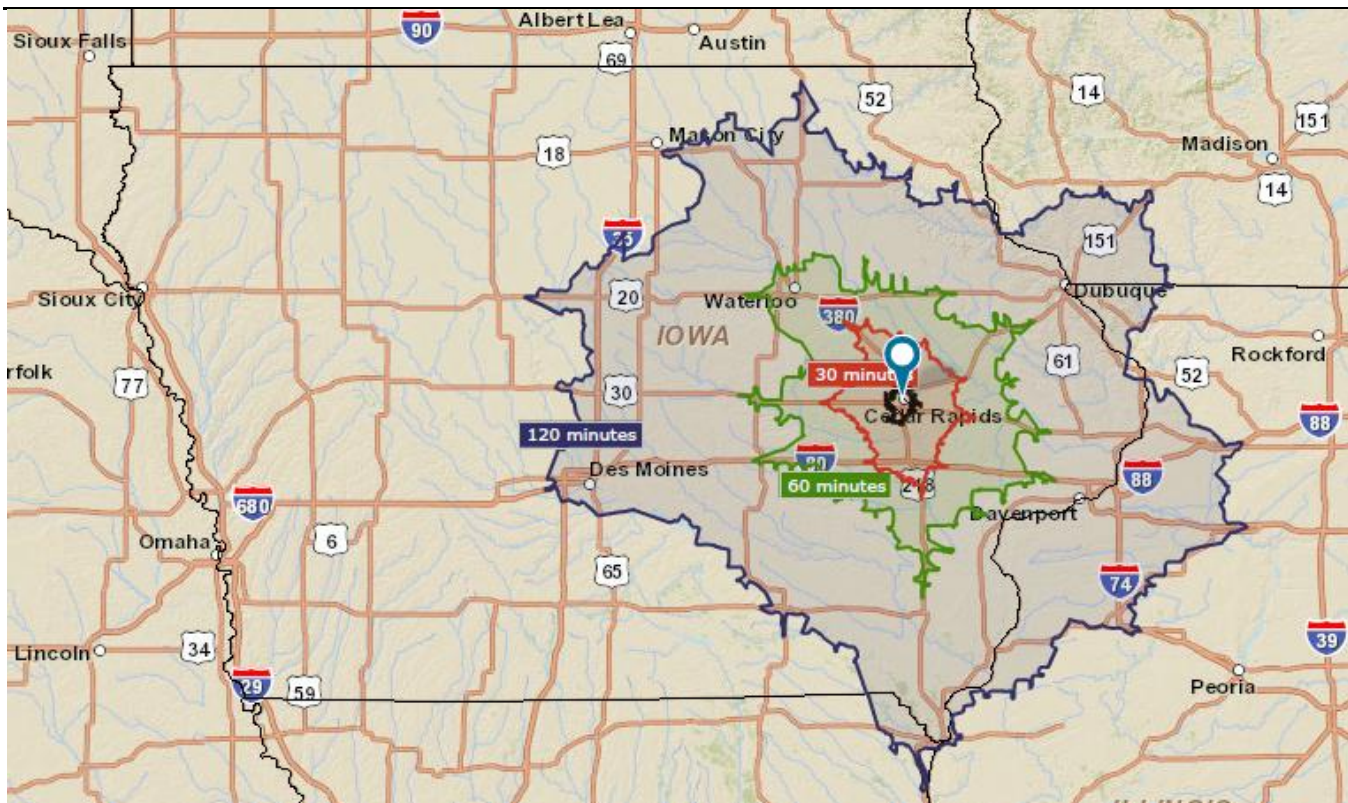


Linn County Gaming Revenue Projections – Base Assumptions

Our gaming projections assume a new Linn County casino would be built as proposed by the Cedar Rapids Development Group (CRDG) 101 1st Street SW in Cedar Rapids, Iowa. as bordered by 1st Avenue NW to 2nd Avenue and 1st Street SW to 3rd Street SW with the approximate latitude and longitude of 41.975603, -91.674074. We use the latitude and longitude as the base location for all our population and income forecasting. We further assume the Linn County casino would include 840 slot machines and 30 table games representing 1,020 total gaming positions as outlined in the CRDG licensing application documents.

For the purposes of analysis, we have split up our projected gaming revenues into several segments, including Local Market (the City of Cedar Rapids), Local Market (within 30 minute drive time radius net of the City of Cedar Rapids), Near Regional Market (30 to 60 minute drive time radius), and Regional Market (60 to 120 minute drive time radius).

Figure 115: Linn County – Proposed CRDG Casino Drive Times (30, 60, and 120 minutes)



Source: Union Gaming Analytics, ESRI

Linn County Gaming Market Demographics

Our forecasting utilizes population as well per capita income estimates.

For 2013, we estimate the population of the Local Market (the City of Cedar Rapids) at 128,606 with a per capita income of \$21,452 and a forecasted population of 130,895 with a per capita income of \$23,305 in 2016.

Local Market (within 30 minute drive time radius net of the City of Cedar Rapids) at 206,048 with a per capita income of \$34,580 and forecast population of 212,876 with a per capita income of \$38,367 in 2016.

Our Near Regional segment estimated population for 2013 is 271,621 with a per capita income of \$24,486 and forecast population of 277,117 with a per capita income of \$26,983 in 2016.

Our Regional Market segment estimated population for 2013 is 1,827,447 with a per capita income of \$26,306 and forecast population of 1,859,984 with a per capita income of \$28,863 in 2016.

Figure 116: Linn County Gaming Market Demographics (2013)

	2013	2013	2013
Cedar Rapids, Linn County, IA	Population	Adult Population	Per capita income
Local Market (Immediate Cedar Rapids)	128,606	93,882	\$21,452
Local Market (Casino to 30 Minutes Drive Time minus Cedar Rapids)	206,048	150,415	\$34,580
Near Regional Market (30 to 60 Minute Drive Time)	271,621	198,283	\$24,486
Regional Market (60 to 120 Minute Drive Time)	1,827,447	1,334,036	\$26,306
Total	2,433,722	1,776,617	\$26,547

Source: Union Gaming Analytics, ESRI

Figure 117: Linn County Gaming Market Demographics (2016E)

	2016E	2016E	2016E
Cedar Rapids, Linn County, IA	Population	Adult Population	Per capita income
Local Market (Immediate Cedar Rapids)	130,895	95,553	\$23,305
Local Market (Casino to 30 Minutes Drive Time minus Cedar Rapids)	212,876	155,399	\$38,367
Near Regional Market (30 to 60 Minute Drive Time)	277,117	202,296	\$26,983
Regional Market (60 to 120 Minute Drive Time)	1,859,984	1,357,788	\$28,863
Total	2,480,872	1,811,037	\$29,175

Source: Union Gaming Analytics, ESRI



Total Linn County Casino Gaming Revenue Projections

We have chosen the year 2016 as the base year for all our gaming projections. Our low, base, and high case projections include an assortment of variables that will directly affect gross gaming revenues for the Linn County casino. In 2016, we estimate gross gaming revenues of \$58.6mm for our low, \$82.3mm for our base, and \$111.6mm for our high case scenarios. Our base forecast of \$82.3mm translates into a win per position per day of \$221.

Figure 118: Total Linn County Casino Gaming Revenue Projections (2016E)

Cedar Rapids Development Group Projected Gaming Revenues (mm)	2016E		
	Low Case	Base Case	High Case
City of Cedar Rapids	\$16.9	\$23.6	\$31.9
Local Market net of Cedar Rapids (within 30 minutes)	\$24.6	\$31.6	\$39.8
Near Regional Market (30 to 60 Minute Drive Time)	\$4.7	\$7.2	\$10.4
Regional Market (60 to 120 Minute Drive Time)	\$8.5	\$13.0	\$18.7
Induced Pass-Through Visitation Gaming Revenue	\$1.1	\$2.2	\$3.8
Induced Destination Visitation Gaming Revenues	\$2.8	\$4.6	\$6.9
Total Cedar Rapids Market Gross Gaming Revenues	\$58.6	\$82.3	\$111.6

Source: Union Gaming Analytics, ESRI

Local Market – City of Cedar Rapids

We estimate 130,895 people will live in the Local Market – City of Cedar Rapids by 2016, of which 95,553 will be adults with a per capita income of \$23,305. We estimate that 31%, 34% and 37% of these adults will visit the casino for our low, base and high case scenarios. Likewise, we estimate an annual gaming budget of 3.5%, 3.9% and 4.3% of per capita income for our low, base and high forecasts. The 3.9% was the US average 2012 per capita spend on gaming while 4.3% was the average 2013 Iowa per capita spend on gaming. As a result, we model annual gaming budgets of \$816, \$909 and \$1,002 for our low, base and high forecasts. Lastly, we estimate that a Linn County casino will capture 80% of the potential gaming spend from this market segment for our Base Case. We estimate annual gaming revenues from the Local Market - City of Cedar Rapids residents of \$23.6mm in 2016 for our Base Case

Figure 119: Local Market (City of Cedar Rapids) Gross Gaming Revenue Projection (2016E)

City of Cedar Rapids Market Revenues	2016E		
	Low Case	Base Case	High Case
Total Population	130,895	130,895	130,895
Total Adult Population	95,553	95,553	95,553
Per Capita Income	\$23,305	\$23,305	\$23,305
% of Adult Gamers	31.0%	34.0%	37.0%
Number of Adult Gamers	29,622	32,488	35,355
Annual Gaming Budget	\$816	\$909	\$1,002
City of Cedar Rapids Gaming Market (mm)	\$24.2	\$29.5	\$35.4
Capture Rate	70.0%	80.0%	90.0%
Captured City of Cedar Rapids Gaming Revenues (mm)	\$16.9	\$23.6	\$31.9

Source: Union Gaming Analytics, ESRI



Local Market – Casino to 30 Minutes Away

We estimate 212,876 people will live in the Local Market (within a 30 minute drive time radius) by 2016, of which 155,399 will be adults with a per capita income of 38,367. We estimate that 31%, 34% and 37% of these adults will visit the casino for our low, base and high case scenarios. Likewise, we estimate an annual gaming budget of 3.5%, 3.9% and 4.3% of per capita income for our low, base and high forecasts. The 3.9% was the US average 2012 per capita spend on gaming while 4.3% was the average 2013 Iowa per capita spend on gaming. As a result, we model annual gaming budgets of \$1,343, \$1,496 and \$1,650 for our low, base and high forecasts. Lastly, we estimate that a Linn County casino will capture 40% of the potential gaming spend from this market segment for our Base Case. We model a lower capture rate due to the availability of gaming opportunities in the area. We estimate annual gaming revenues from the Local Market (within a 30 minute drive time radius) residents of \$31.6mm in 2016 for our Base Case.

Figure 120: Local Market (within 30 Minutes) Gross Gaming Revenue Projection (2016E)

Local Market (Casino to 30 Minute Drive Time net of Cedar Rapids)	2016E		
	Low Case	Base Case	High Case
Total Population	212,876	212,876	212,876
Total Adult Population	155,399	155,399	155,399
Per Capita Income	\$38,367	\$38,367	\$38,367
% of Adult Gamers	31.0%	34.0%	37.0%
Number of Adult Gamers	48,174	52,836	57,498
Annual Gaming Budget	\$1,343	\$1,496	\$1,650
Other Local (within 30 minutes) Gaming Market (mm)	\$64.7	\$79.1	\$94.9
Capture Rate	38.0%	40.0%	42.0%
Captured Local Market Gaming Revenue (net of Cedar Rapids) (mm)	\$24.6	\$31.6	\$39.8

Source: Union Gaming Analytics, ESRI

Near Regional Market

We estimate 277,117 people will live in the Near Regional Market (30 to 60 minute drive time radius) by 2016, of which 202,296 will be adults with a per capita income of \$26,983. We estimate that approximately 34% of these adults will visit the casino. We estimate an annual gaming budget of \$1,052 for our Base Case. Lastly, we estimate that a Linn County casino will capture 10% of the potential gaming spend from this market segment for our Base Case. We estimate annual gaming revenues from the Near Regional Market (30 to 60 minute drive time radius) residents of \$7.2mm in 2016 for our Base Case.

Figure 121: Near Regional Market (30 to 60 Minutes) Gross Gaming Revenue Projection (2016E)

Near Regional Market (30 to 60 Minute Drive Time)	2016E		
	Low Case	Base Case	High Case
Total Population	277,117	277,117	277,117
Total Adult Population	202,296	202,296	202,296
Per Capita Income	\$26,983	\$26,983	\$26,983
% of Adult Gamers	31.0%	34.0%	37.0%
Number of Adult Gamers	62,712	68,780	74,849
Annual Gaming Budget	\$944	\$1,052	\$1,160
Total Near Regional Gaming Revenues (mm)	\$59.2	\$72.4	\$86.8
Capture Rate	8.0%	10.0%	12.0%
Captured Near Regional Gaming Revenues (mm)	\$4.7	\$7.2	\$10.4

Source: Union Gaming Analytics, ESRI



Regional Market

We estimate 1,859,984 people will live in the Regional Market (60 to 120 minute drive time radius) by 2016, of which 1,357,788 will be adults with a per capita income of 28,863. For our base estimate, we forecast 34% of these adults will visit the casino. We estimate an annual gaming budget of \$1,126 for our Base Case. Lastly, we estimate that a Linn County casino will capture 2.5% of the potential gaming spend from this market segment for our Base Case. We estimate annual gaming revenues from the Regional Market (60 to 120 minute drive time radius) residents of \$13.0mm in 2016 for our Base Case.

Figure 122: Regional Market (60 to 120 Minutes) Gross Gaming Revenue Projection (2016E)

Regional Market (60 to 120 Minute Drive Time)	2016E		
	Low Case	Base Case	High Case
Total Population	1,859,984	1,859,984	1,859,984
Total Adult Population	1,357,788	1,357,788	1,357,788
Per Capita Income	\$28,863	\$28,863	\$28,863
% of Adult Gamers	31.0%	34.0%	37.0%
Number of Adult Gamers	420,914	461,648	502,382
Annual Gaming Budget	\$1,010	\$1,126	\$1,241
Total Regional Gaming Revenues (mm)	\$425.2	\$519.7	\$623.5
Capture Rate	2.0%	2.5%	3.0%
Captured Regional Gaming Revenues (mm)	\$8.5	\$13.0	\$18.7

Source: Union Gaming Analytics, ESRI

Induced Visitation Market

During 2011, Certec, Inc. conducted a study to quantify the magnitude of the economic impact of the Cedar Rapids/Linn County tourism and travel industry in 2011. This study indicated destination travelers to Cedar Rapids/Linn County totaled 2,384,421 compared to 2,337,529 in 2009, representing a growth rate of 1% annually. Additionally, 1,710,055 pass-through travelers visited Linn County compared to 1,693,124 in 2009, representing a 0.5% annual growth rate.

According to the study, a substantial majority of the visitation to the Cedar Rapids area is derived from four states. Namely, Iowa 29.2%, Illinois 13.2%, Minnesota 12.3% and Wisconsin 12.3%, totaling 68% of all visitations. MSAs with the largest representation include: Greater Chicago 9.4%, Greater Minneapolis-St. Paul, MN 4.7%, Greater Davenport, IA 3.8%, Iowa City, IA 3.8%, Des Moines 2.8%, Madison 1.9% and Sioux City, IA 1.9%.

Of the 2,384,431 destinations travelers to Cedar Rapids/Linn County, the reason or purpose of the visit was business/convention 8.5%, day trip 12.3%, vacation 17.0% and short stay (non-defined) 62.2% with an average 2.6 days length of stay.



Induced Pass-Through Visitation Market

During 2011, Certec, Inc. conducted a study to quantify the magnitude of the economic impact of the Cedar Rapids/Linn County tourism and travel industry in 2011. This study indicated destination travelers to Cedar Rapids/Linn County totaled 2,384,421 compared to 2,337,529 in 2009, representing a growth rate of 1% annually. Additionally, 1,710,055 pass-through travelers visited Linn County compared to 1,693,124 in 2009, representing a 0.5% annual growth rate.

According to the study, a substantial majority of the visitation to the Cedar Rapids area is derived from four states. Namely, Iowa 29.2%, Illinois 13.2%, Minnesota 12.3% and Wisconsin 12.3%, totaling 68% of all visitations. MSAs with the largest representation include: Greater Chicago 9.4%, Greater Minneapolis-St. Paul, MN 4.7%, Greater Davenport, IA 3.8%, Iowa City, IA 3.8%, Des Moines 2.8%, Madison 1.9% and Sioux City, IA 1.9%.

Of the 2,384,431 destinations travelers to Cedar Rapids/Linn County, the reason or purpose of the visit was business/convention 8.5%, day trip 12.3%, vacation 17.0% and short stay (non-defined) 62.2% with an average 2.6 days length of stay.

We begin by modeling the 2011 Certec Study Pass-Through visitation of 1,710,055. This population increased at 0.5% compound annual growth rate from 2009 to 2011. As such forecast the same growth rate from 2009 to 2016 – resulting in an estimated 2016 Pass-Through visitor count of 1,797,285.

We estimate 90% of this pass-through visitation population is adult age. For our base case, we forecast a 5% capture rate of this population set and an average spend per visit at the casino of \$25. We estimate annual gaming revenues from the segment of \$2.2mm in 2016 for our Base Case.

Figure 123: Induced Pass-Through Visitation Gross Gaming Revenue Projection (2016E)

Induced Pass-Through Visitation Market	Average Annual	Annual Visitors 2016E		
	Visitors	Low Case	Base Case	High Case
Pass-Through Visitors	1,710,055	1,797,285	1,797,285	1,797,285
Adult Population - assume 90%		1,617,556	1,617,556	1,617,556
% of Induced Visits from Pass Through Visitors		4.0%	5.0%	6.0%
Total Induced Casino Visits from Pass Through Visitors		71,891	89,864	107,837
Average Spend/Visit		\$15	\$25	\$35
Induced Pass-Through Visitation Gaming Revenue		\$1.1	\$2.2	\$3.8

Source: Union Gaming Analytics, Cedar Rapids Area Convention & Visitors Bureau, Certec

Induced Destination Visitation Market

Similar to the Pass-Through Visitation segment, we begin by modeling the 2011 Certec Study Destination Visitation of 2,384,421. This population increased at 1% compound annual growth rate from 2009 to 2011. As such forecast the same growth rate from 2009 to 2016 – resulting in an estimated 2016 Destination visitor count of 2,568,699.

We aggregated the out-of-state GGR mix for Riverside, Waterloo, Prairie Meadows and Meskwaki. These properties all have a long operating history and at this point it's our view that they have optimized their target marketing programs to both in-state and out of state customers. On average, these four properties currently derive 6% of their total GGR from out-of-state residents. This is not an estimate, but rather based on carded play data as presented by each of the properties. As a result, we conclude none of the existing four properties are “destination” casinos. As such, we conclude any casino located in Linn County would not be a destination casino – and that the majority of gross gaming revenue will be attributable to local residents, particularly an urban downtown Cedar Rapids casino with limited amenities and a detached hotel.

We readily acknowledge that there is always a novelty factor that may trigger a significant amount of induced out of state visits initially, but in this case (for the reasons mentioned above) we would expect any significant increase in induced visitation in the first year of operation to eventually wane and not be sustainable.

Our final point regarding a Linn County casino and purpose based visits – we must point out that the current destination traveler to Cedar Rapids (based on the Certec study) is coming from states and locations where there is no shortage of convenient and quality casinos. Therefore, there is no reason for prospective casino customers to visit a Linn County casino to gamble, when the prospective player is able to gamble closer to home with much greater convenience and ease. This is not to suggest that there will be no opportunity to induce visits and capture some wallet share, it's just our opinion that it will not be significant.

We estimate 90% of this destination visitation population is adult age. For our base case, we forecast a 5% capture rate of this population set and an average spend per visit at the casino of \$40. We estimate annual gaming revenues from the segment of \$4.6mm in 2016 for our Base Case.

Figure 124: Induced Destination Visitation Market Gross Gaming Revenue Projection (2016E)

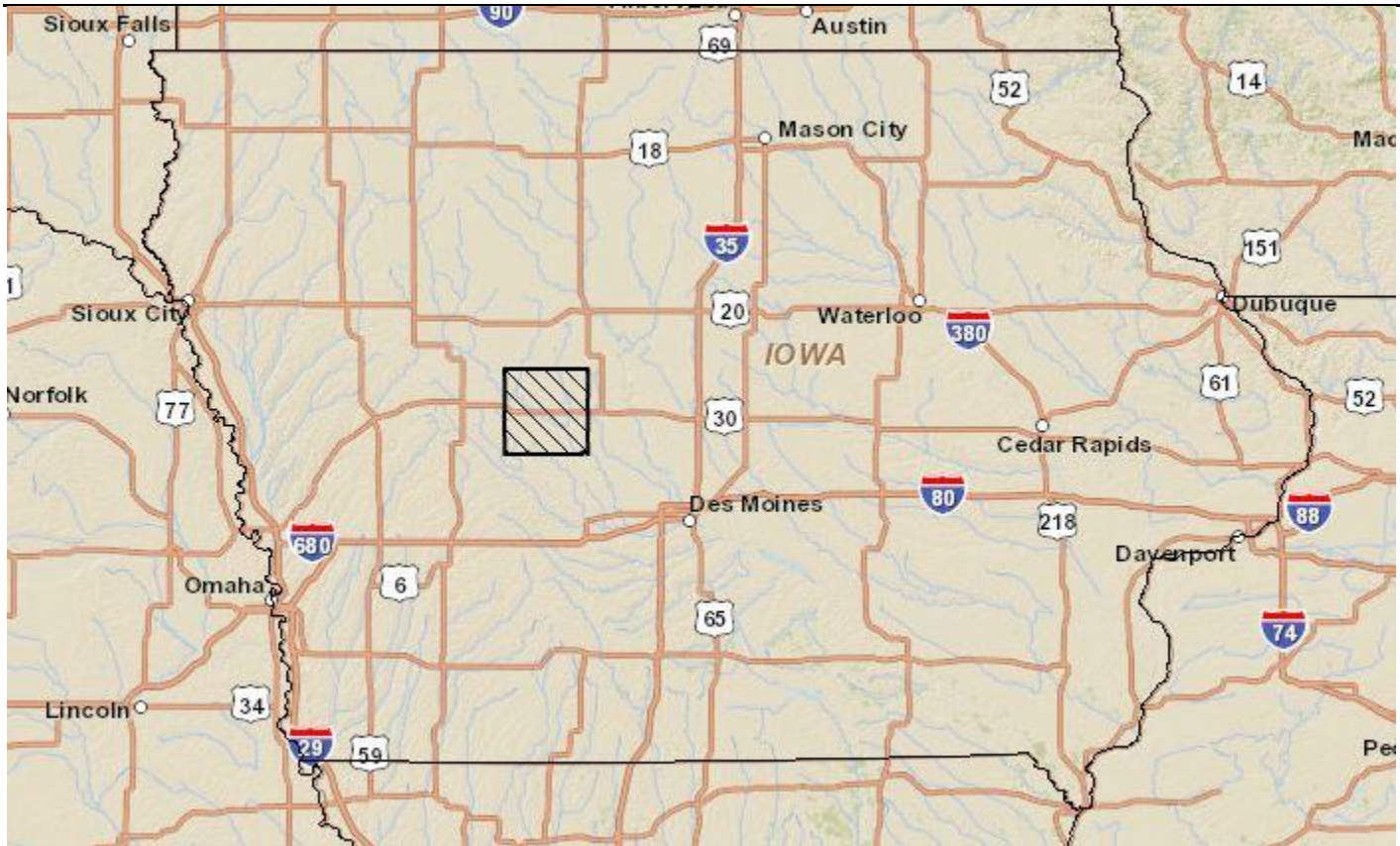
Induced Destination Visitation Market	Average Annual	Annual Visitors 2016E		
	Visitors	Low Case	Base Case	High Case
Destination Visitors	2,384,421	2,568,699	2,568,699	2,568,699
Adult Population - assume 90%		2,311,829	2,311,829	2,311,829
% of Induced Visits from Existing Visitors		4.0%	5.0%	6.0%
Total Induced Casino Visits from Visitors		92,473	115,591	138,710
Average Spend/Visitor		\$30	\$40	\$50
Induced Destination Visitation Gaming Revenues		\$2.8	\$4.6	\$6.9

Source: Union Gaming Analytics, Cedar Rapids Area Convention & Visitors Bureau, Certec



Greene County, Iowa

Figure 125: Geographic Location of Greene County, Iowa and Major Highways



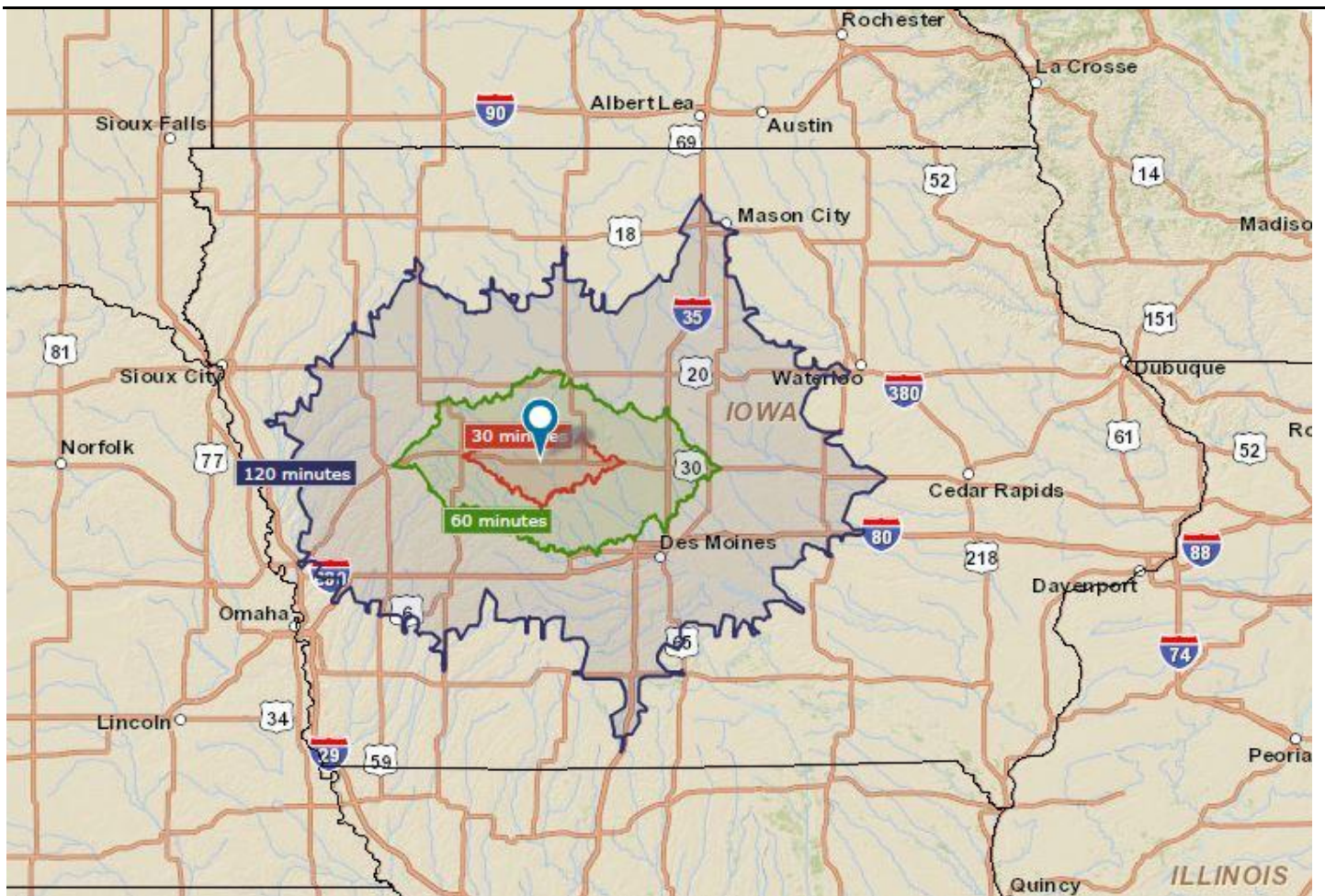
Source: Union Gaming Analytics, IRGC, ESRI

Greene County Gaming Revenue Projections – Base Assumptions

Our gaming projections assume a new Greene County casino would be built in the northwest quadrant at the intersection of US Highway 30 and Iowa Highway 4 at the latitude and longitude of 42.036465,-94.380695. We use the latitude and longitude as the base location for all our population and income forecasting. We further assume the Greene County casino would include 525 slot machines and 14 table games representing 690 total gaming positions.

For the purposes of analysis, we have split up our projected gaming revenues into several segments, including Local Market (within 30 minute drive time radius), Near Regional Market (30 to 60 minute drive time radius), and Region Market (60 to 120 minute drive time radius).

Figure 126: Greene County Casino Drive Times (30, 60, and 120 minutes)



Source: Union Gaming Analytics, ESRI



Greene County Gaming Market Demographics

Our forecasting utilizes population as well per capita income estimates. For 2013, we estimate the population of the Local Market segment at 17,962 with a per capita income of \$25,871 and forecast population of 17,828 with a per capita income of \$28,188 in 2016. Our Near Regional segment estimated population for 2013 is 201,029 with a per capita income of \$27,472 and forecast population of 205,586 with a per capita income of \$29,932 in 2016. Our Regional Market segment estimated population for 2013 is 936,243 with a per capita income of \$27,673 and forecast population of 957,467 with a per capita income of \$30,151 in 2016.

Figure 127: Greene County Gaming Market Demographics (2013)

	2013	2013	2013
Jefferson, Green County, Iowa	Population	Adult Population	Per capita income
Local Market (Casino to 30 Minute Drive Time)	17,962	13,112	\$25,871
Near Regional Market (30 to 60 Minute Drive Time)	201,029	146,751	\$27,472
Regional Market (60 to 120 Minute Drive Time)	936,243	683,457	\$27,673
Total	1,155,234	843,321	\$27,610

Source: Union Gaming Analytics, ESRI

Figure 128: Greene County Gaming Market Demographics (2016E)

	2016E	2016E	2016E
Jefferson, Green County, Iowa	Population	Adult Population	Per capita income
Local Market (Casino to 30 Minute Drive Time)	17,828	13,014	\$28,188
Near Regional Market (30 to 60 Minute Drive Time)	205,586	150,078	\$29,932
Regional Market (60 to 120 Minute Drive Time)	957,467	698,951	\$30,151
Total	1,180,881	862,043	\$30,083

Source: Union Gaming Analytics, ESRI

Total Greene County Casino Gaming Revenue Projections by Case

We have chosen the year 2016 as the base year for all our gaming projections. Our low, base, and high case projections include an assortment of variables that will directly affect gross gaming revenues for the Greene County casino. In 2016, we estimate gross gaming revenues of \$23.5mm for our low, \$33.2mm for our base, and \$45.3mm for our high case scenarios. Our base forecast of \$33.2mm translates into a win per position per day of \$132.

Figure 129: Total Greene County Casino Gaming Revenue Projections (2016E)

Projected Gaming Revenues (mm)	2016E		
	Low Case	Base Case	High Case
Captured Local Market Gaming Revenues (\$mm and within 30 minutes)	\$3.2	\$4.4	\$5.8
Captured Near Regional Market Gaming Revenues (\$mm and 30 to 60 minutes)	\$11.2	\$14.9	\$19.3
Captured Regional Gaming Market Revenues (\$mm and 60 to 120 minutes)	\$9.1	\$14.0	\$20.1
Total Greene County Market Revenues	\$23.5	\$33.2	\$45.3

Source: Union Gaming Analytics, ESRI



Local Market

We estimate 17,828 people will live in the Local Market (within a 30 minute drive time radius) by 2016, of which 13,014 will be adults with a per capita income of \$28,188. We estimate that 31%, 34% and 37% of these adults will visit the casino for our low, base and high case scenarios. Likewise, we estimate an annual gaming budget of 3.5%, 3.9% and 4.3% of per capita income for our low, base and high forecasts. The 3.9% was the US average 2012 per capita spend on gaming while 4.3% was the average 2013 Iowa per capita spend on gaming. As a result, we model annual gaming budgets of \$987, \$1,099 and \$1,212 for our low, base and high forecasts. Lastly, we estimate that a Greene County casino will capture 90% of the potential gaming spend from this market segment for our Base Case. We estimate annual gaming revenues from the Local Market (within a 30 minute drive time radius) residents of \$4.4mm in 2016 for our Base Case.

Figure 130: Local Market (within 30 Minutes) Gross Gaming Revenue Projection (2016E)

Local Market (Casino to 30 Minute Drive Time)	2016E		
	Low Case	Base Case	High Case
Total Population	17,828	17,828	17,828
Total Adult Population	13,014	13,014	13,014
Per Capita Income	\$28,188	\$28,188	\$28,188
% of Adult Gamers	31.0%	34.0%	37.0%
Number of Adult Gamers	4,034	4,425	4,815
Annual Gaming Budget	\$987	\$1,099	\$1,212
Total Local Gaming Revenues (mm)	\$4.0	\$4.9	\$5.8
Capture Rate	80.0%	90.0%	100.0%
Captured Local Gaming Revenues (mm)	\$3.2	\$4.4	\$5.8

Source: Union Gaming Analytics, ESRI

Near Regional Market

We estimate 205,586 people will live in the Near Regional Market (30 to 60 minute drive time radius) by 2016, of which 150,078 will be adults with a per capita income of \$29,932. We estimate that 31%, 34% and 37% of these adults will visit the casino for our low, base and high case scenarios. Likewise, we estimate an annual gaming budget of 3.5%, 3.9% and 4.3% of per capita income for our low, base and high forecasts. Recall, 3.9% was the US average 2012 per capita spend on gaming while 4.3% was the average 2013 Iowa per capita spend on gaming. As a result, we model annual gaming budgets of \$1,048, \$1,167 and \$1,287 for our low, base and high forecasts. Lastly, we estimate that a Greene County casino will capture 25% of the potential gaming spend from this market segment for our Base Case. We estimate annual gaming revenues from the Near Regional Market (30 to 60 minute drive time radius) residents of \$14.9mm in 2016 (Figure 131) for our Base Case.

Figure 131: Near Regional Market (30 to 60 Minutes) Gross Gaming Revenue Projection (2016E)

Near Regional Market (30 to 60 Minute Drive Time)	2016E		
	Low Case	Base Case	High Case
Total Population	205,586	205,586	205,586
Total Adult Population	150,078	150,078	150,078
Per Capita Income	\$29,932	\$29,932	\$29,932
% of Adult Gamers	31.0%	34.0%	37.0%
Number of Adult Gamers	46,524	51,026	55,529
Annual Gaming Budget	\$1,048	\$1,167	\$1,287
Total Near Regional Gaming Revenues (mm)	\$48.7	\$59.6	\$71.5
Capture Rate	23.0%	25.0%	27.0%
Captured Near Regional Gaming Revenues (mm)	\$11.2	\$14.9	\$19.3

Source: Union Gaming Analytics, ESRI



Regional Market Revenue

We estimate 957,467 people will live in the Regional Market (60 to 120 minute drive time radius) by 2016, of which 698,951 will be adults with a per capita income of \$30,151. We estimate that 31%, 34% and 37% of these adults will visit the casino for our low, base and high case scenarios. Likewise, we estimate an annual gaming budget of 3.5%, 3.9% and 4.3% of per capita income for our low, base and high forecasts. Recall, 3.9% was the US average 2012 per capita spend on gaming while 4.5% was the average 2013 Iowa per capita spend on gaming. As a result, we model annual gaming budgets of \$1,055, \$1,176 and \$1,296 for our low, base and high forecasts. Lastly, we estimate that a Greene County casino will capture 5% of the potential gaming spend from this market segment for our Base Case. We estimate annual gaming revenues from the Regional Market (60 to 120 minute drive time radius) residents of \$14.0mm in 2016 (Figure 132) for our Base Case.

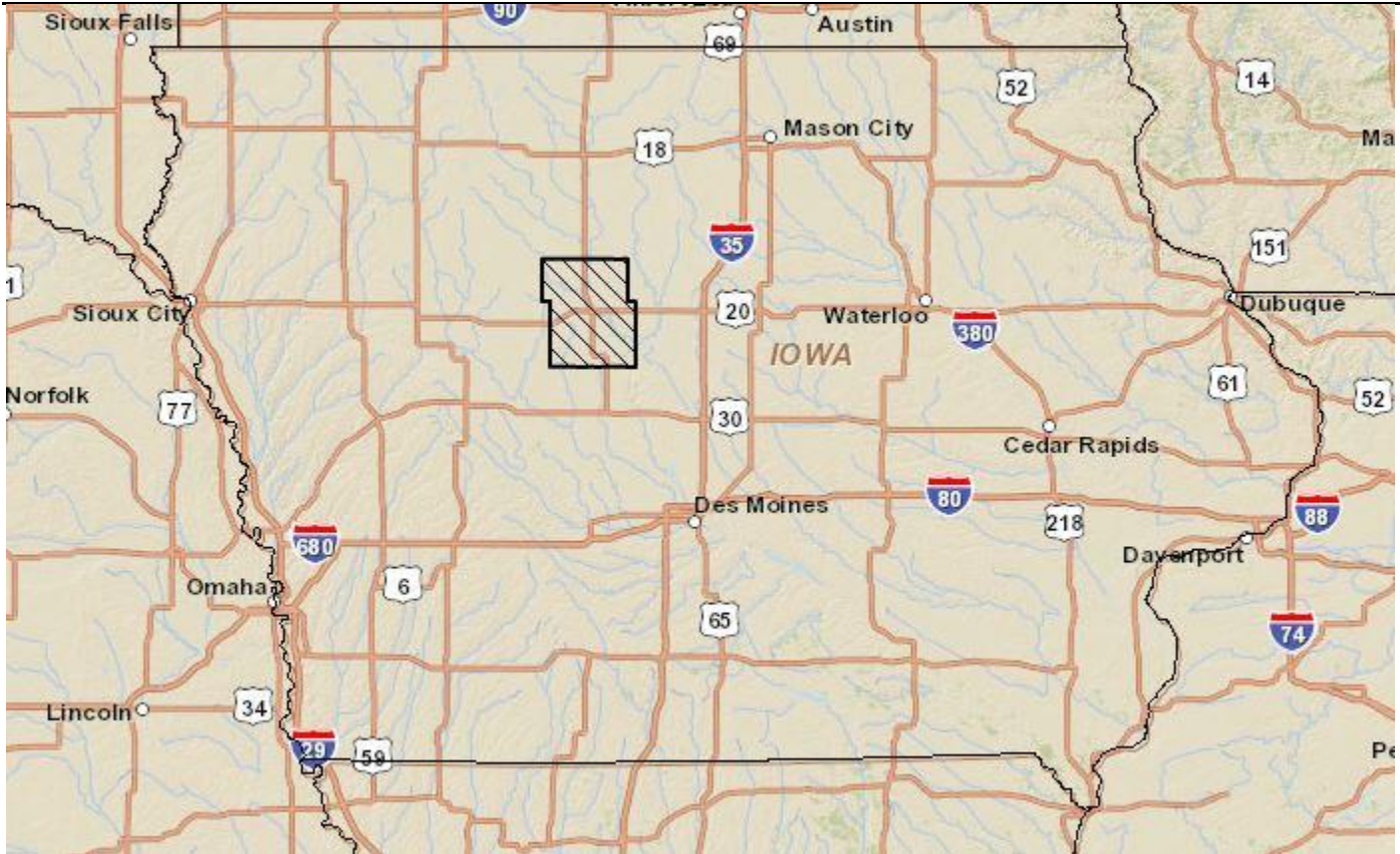
Figure 132: Regional Market (60 to 120 Minutes) Gross Gaming Revenue Projection (2016E)

Regional Market (60 to 120 Minute Drive Time)	2016E		
	Low Case	Base Case	High Case
Total Population	957,467	957,467	957,467
Total Adult Population	698,951	698,951	698,951
Per Capita Income	\$30,151	\$30,151	\$30,151
% of Adult Gamers	31.0%	34.0%	37.0%
Number of Adult Gamers	216,675	237,643	258,612
Annual Gaming Budget	\$1,055	\$1,176	\$1,296
Total Regional Gaming Revenues (mm)	\$228.7	\$279.4	\$335.3
Capture Rate	4.0%	5.0%	6.0%
Captured Regional Gaming Revenues (mm)	\$9.1	\$14.0	\$20.1

Source: Union Gaming Analytics, ESRI

Webster County, Iowa

Figure 133: Geographic Location of Webster County, Iowa and Major Highways



Source: Union Gaming Analytics, IRGC, ESRI

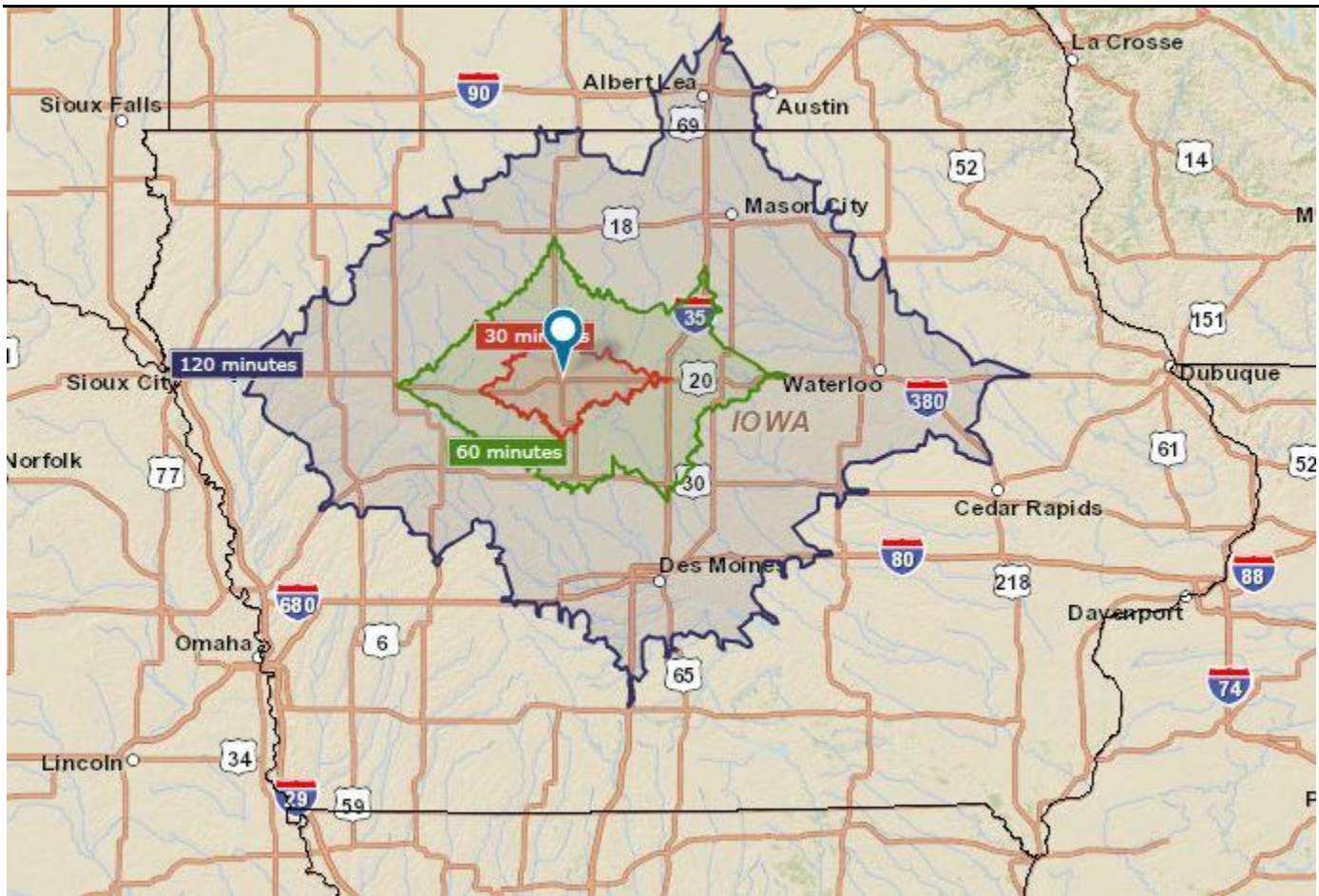


Webster County Gaming Revenue Projections – Base Assumptions

Our gaming projections assume a new Webster County casino would be built on eighty acres of land just north of the frontage road in the northeast quadrant of the intersection of US Highway 20 and US Highway 169 at the latitude and longitude of 42.450283, -94.17955. We use the latitude and longitude as the base location for all our population and income forecasting. We further assume the Webster County casino would include 600 slot machines and 15 table games representing 690 total gaming positions.

For the purposes of analysis, we have split up our projected gaming revenues into several segments, including Local Market (within 30 minute drive time radius), Near Regional Market (30 to 60 minute drive time radius), and Regional Market (60 to 120 minute drive time radius).

Figure 134: Webster County Casino Drive Times (30, 60, and 120 minutes)



Source: Union Gaming Analytics, ESRI

Webster County Gaming Market Demographics

Our forecasting utilizes population as well per capita income estimates. For 2013, we estimate the population of the Local Market segment at 47,744 with a per capita income of \$23,563 and forecast population of 47,387 with a per capita income of \$25,673 in 2016. Our Near Regional segment estimated population for 2013 is 132,193 with a per capita income of \$25,320 and forecast population of 135,190 with a per capita income of \$27,588 in 2016. Our Regional Market segment estimated population for 2013 is 1,218,366 with a per capita income of \$27,266 and forecast population of 1,245,985 with a per capita income of \$29,708 in 2016.

Figure 135: Webster County Gaming Market Demographics (2013)

Fort Dodge, Webster County, IA	2013 Population	2013 Adult Population	2013 Per capita income
Local Market (Casino to 30 Minute Drive Time)	47,744	34,853	\$23,563
Near Regional Market (30 to 60 Minute Drive Time)	132,193	96,501	\$25,320
Regional Market (60 to 120 Minute Drive Time)	1,218,366	889,407	\$27,266
Total	1,398,303	1,020,761	\$26,956

Source: Union Gaming Analytics, ESRI

Figure 136: Webster County Gaming Market Demographics (2016E)

Fort Dodge, Webster County, IA	2016E Population	2016E Adult Population	2016E Per capita income
Local Market (Casino to 30 Minute Drive Time)	47,387	34,592	\$25,673
Near Regional Market (30 to 60 Minute Drive Time)	135,190	98,688	\$27,588
Regional Market (60 to 120 Minute Drive Time)	1,245,985	909,569	\$29,708
Total	1,428,562	1,042,850	\$29,374

Source: Union Gaming Analytics, ESRI



Total Webster County Casino Gaming Revenue Projections by Case

We have chosen the year 2016 as the base year for all our gaming projections. Our low, base, and high case projections include an assortment of variables that will directly affect gross gaming revenues for the Webster County casino. In 2016, we estimate gross gaming revenues of \$25.4mm for our low, \$36.3mm for our base, and \$49.9mm for our high case scenarios. Our base forecast of \$36.3mm translates into a win per position per day of \$144.

Figure 137: Total Greene County Casino Gaming Revenue Projections (2016E)

Projected Gaming Revenues (mm)	2016E		
	Low Case	Base Case	High Case
Captured Local Market Gaming Revenues (\$mm and within 30 minutes)	\$7.6	\$10.5	\$13.9
Captured Near Regional Market Gaming Revenues (\$mm and 30 to 60 minutes)	\$6.6	\$8.8	\$11.4
Captured Regional Gaming Market Revenues (\$mm and 60 to 120 minutes)	\$11.1	\$17.0	\$24.5
Total Greene County Market Revenues	\$25.4	\$36.3	\$49.9

Source: Union Gaming Analytics, ESRI

Local Market

We estimate 47,102 people will live in the Local Market (within a 30 minute drive time radius) by 2016, of which 34,385 will be adults with a per capita income of \$25,486. We estimate that 31%, 34% and 37% of these adults will visit the casino for our low, base and high case scenarios. Likewise, we estimate an annual gaming budget of 3.5%, 3.9% and 4.3% of per capita income for our low, base and high forecasts. The 3.9% was the US average 2012 per capita spend on gaming while 4.3% was the average 2013 Iowa per capita spend on gaming. As a result, we model annual gaming budgets of \$892, \$994 and \$1,096 for our low, base and high forecasts. Lastly, we estimate that a Webster County casino will capture 90% of the potential gaming spend from this market segment for our Base Case. We estimate annual gaming revenues from the Local Market (within a 30 minute drive time radius) residents of \$10.5mm in 2016 for our Base Case.

Figure 138: Local Market (within 30 Minutes) Gross Gaming Revenue Projection (2016E)

Local Market (Casino to 30 Minute Drive Time)	2016E		
	Low Case	Base Case	High Case
Total Population	47,102	47,102	47,102
Total Adult Population	34,385	34,385	34,385
Per Capita Income	\$25,486	\$25,486	\$25,486
% of Adult Gamers	31.0%	34.0%	37.0%
Number of Adult Gamers	10,659	11,691	12,722
Annual Gaming Budget	\$892	\$994	\$1,096
Total Local Gaming Revenues (mm)	\$9.5	\$11.6	\$13.9
Capture Rate	80.0%	90.0%	100.0%
Captured Local Gaming Revenues (mm)	\$7.6	\$10.5	\$13.9

Source: Union Gaming Analytics, ESRI



Near Regional Market

We estimate 132,590 people will live in the Near Regional Market (30 to 60 minute drive time radius) by 2016, of which 96,791 will be adults with a per capita income of \$27,507. We estimate that 31%, 34% and 37% of these adults will visit the casino for our low, base and high case scenarios. Likewise, we estimate an annual gaming budget of 3.5%, 3.9% and 4.3% of per capita income for our low, base and high forecasts. The 3.9% was the US average 2012 per capita spend on gaming while 4.3% was the average 2013 Iowa per capita spend on gaming. As a result, we model annual gaming budgets of \$963, \$1,073 and \$1,183 for our low, base and high forecasts. Lastly, we estimate that a Webster County casino will capture 25% of the potential gaming spend from this market segment for our Base Case. We estimate annual gaming revenues from the Near Regional Market (30 to 60 minute drive time radius) residents of \$8.8mm in 2016 for our Base Case.

Figure 139: Near Regional Market (30 to 60 Minutes) Gross Gaming Revenue Projection (2016E)

Near Regional Market (30 to 60 Minute Drive Time)	2016E		
	Low Case	Base Case	High Case
Total Population	132,590	132,590	132,590
Total Adult Population	96,791	96,791	96,791
Per Capita Income	\$27,507	\$27,507	\$27,507
% of Adult Gamers	31.0%	34.0%	37.0%
Number of Adult Gamers	30,005	32,909	35,813
Annual Gaming Budget	\$963	\$1,073	\$1,183
Total Near Regional Gaming Revenues (mm)	\$28.9	\$35.3	\$42.4
Capture Rate	23.0%	25.0%	27.0%
Captured Near Regional Gaming Revenues (mm)	\$6.6	\$8.8	\$11.4

Source: Union Gaming Analytics, ESRI

Regional Market Revenue

We estimate 1,244,873 people will live in the Regional Market (60 to 120 minute drive time radius) by 2016, of which 908,757 will be adults with a per capita income of \$28,210.

We estimate that 31%, 34% and 37% of these adults will visit the casino for our low, base and high case scenarios. Likewise, we estimate an annual gaming budget of 3.5%, 3.9% and 4.3% of per capita income for our low, base and high forecasts. Recall, 3.9% was the US average 2012 per capita spend on gaming while 4.3% was the average 2013 Iowa per capita spend on gaming. As a result, we model annual gaming budgets of \$987, \$1,100 and \$1,213 for our low, base and high forecasts. Lastly, we estimate that a Webster County casino will capture 5.0% of the potential gaming spend from this market segment for our Base Case. We estimate annual gaming revenues from the Regional Market (60 to 120 minute drive time radius) residents of \$17.0mm in 2016 for our Base Case.

Figure 140: Regional Market (60 to 120 Minutes) Gross Gaming Revenue Projection (2016E)

Regional Market (60 to 120 Minute Drive Time)	2016E		
	Low Case	Base Case	High Case
Total Population	1,244,873	1,244,873	1,244,873
Total Adult Population	908,757	908,757	908,757
Per Capita Income	\$28,210	\$28,210	\$28,210
% of Adult Gamers	31.0%	34.0%	37.0%
Number of Adult Gamers	281,715	308,977	336,240
Annual Gaming Budget	\$987	\$1,100	\$1,213
Total Regional Gaming Revenues (mm)	\$278.1	\$339.9	\$407.9
Capture Rate	4.0%	5.0%	6.0%
Captured Regional Gaming Revenues (mm)	\$11.1	\$17.0	\$24.5

Source: Union Gaming Analytics, ESRI



Conclusions

Cannibalization Methodologies

We again emphasize we received carded play information from all 18 Iowa commercial casinos. This data was provided to us based on zip code origin, rather than on a street address basis. As a result, our cannibalization studies are based on zip code methodologies. Again, we assume the data provided to us for this study was complete, accurate and current. Thus, we are compelled to believe we have perfect information regarding the origin and amount of gaming play for each property – which we then aggregated for a state level view. Finally, we used the aggregated data for the basis of our cannibalization studies.

Method 1: Equal Competition Trade Area - Zip Code “Area” Selection

This methodology establishes a property level trade area. Trade area is established based on geographic proximity to competing properties. Said differently, the boundaries which define the trade area represent the alignment of geographic points which are equidistant between two or more casino – thus the resulting trade areas forms the shape of a polygon.

Method 2: Equal Competition Trade Area - Zip Code “Point” Selection

This methodology assumes that the other competing casinos maintain more of their current revenue. However, on a percentage basis, the impact would still be significant to the other casinos in the area.

Method 3: Huff Model

The Huff Model offers different cannibalization estimates based on the radius extent included in the algorithm. In simplified terms, by comparison to competing properties, if a new casino were highly attractive in terms of its amenities, perceived value, and proximity to other attractions – such a location would be considered a "destination" location. If that were the case, such a casino could have a large trade area that encompasses a 30-mile radius around the proposed location. Obviously, the higher the perceived value and the larger the trade area, such a casino would cannibalize the existing casinos even more. For this model we evaluated cannibalization based on a sixteen-mile radius from the proposed casino location. Note, the larger the radius the greater the cannibalization – we also ran 20 mile and 30 mile studies. However, believe the result for the 30-mile radius methodology holds greater validity under present circumstances.

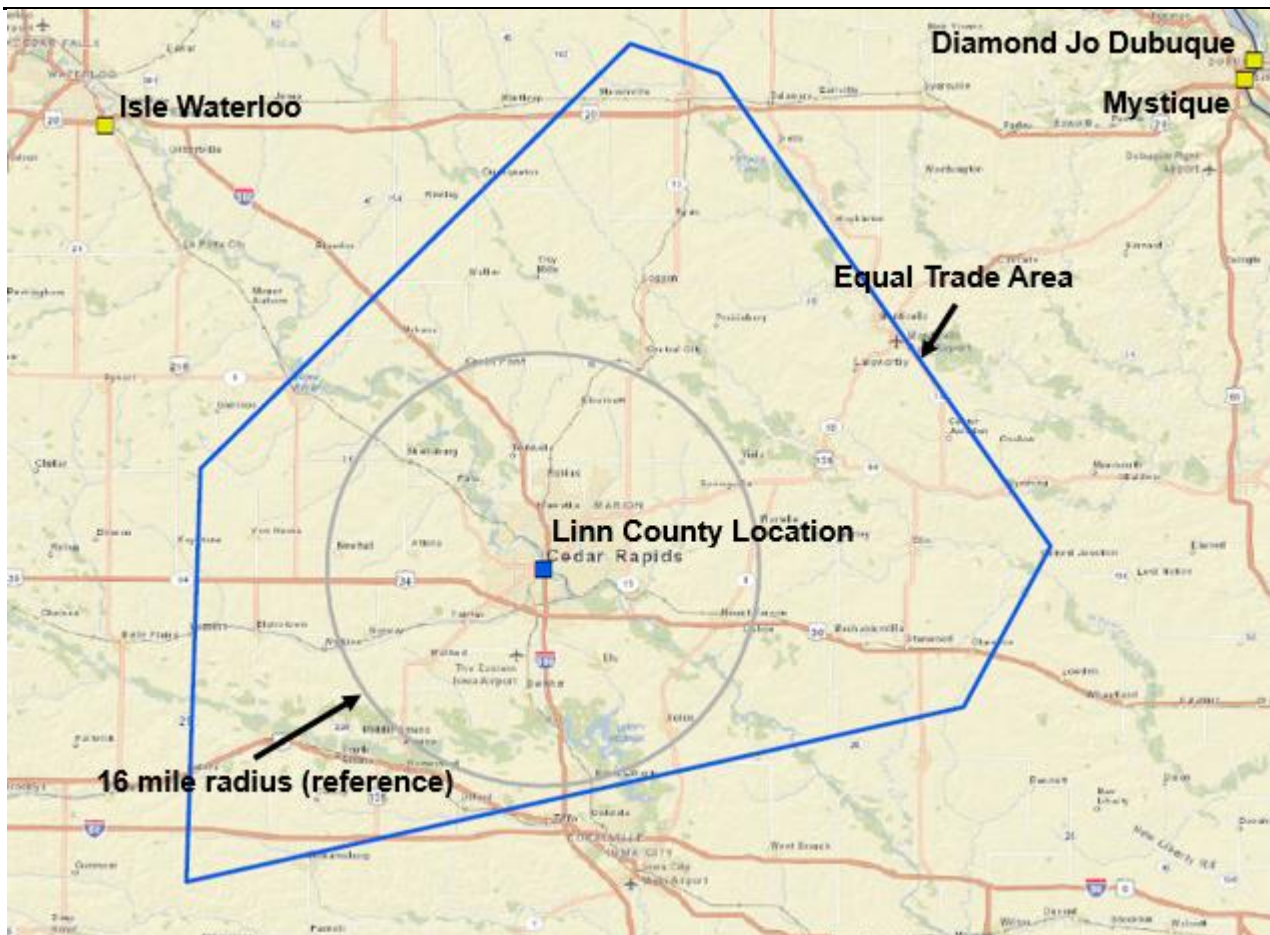
Method 4: Location Allocation Maximum Attendance Model

The Location Allocation model is similar to the equal competition models in that it defines the trade area by assigning a zip code to one casino or another, and assigns a weight value to each zip code -- thus reducing the overall sales revenue estimate for the new casino. The cannibalized revenue estimates for this model are usually lower than the other methods.

Linn County

The following map illustrates the equal trade area for a proposed Linn County casino. The equal trade or the area inside the blue polygon represents the area which is closer to the proposed Linn County casino as compared to all competing, surrounding properties including Meskwaki. We highlight the close proximity of the trade area to the south toward Riverside (just beyond 16 miles), a slightly further northwest boundary based on the proximity of Isle Waterloo and a significantly further trade area to the northeast based on the distance to Mystique.

Figure 141: Linn County Equal Trade Area



Source: Union Gaming Analytics, ESRI



Potential Cannibalization to Existing Casinos

Method 1:

Under this methodology, this model assumes the every casino patron who currently resides inside the equal trade area would migrate to the new casino. Also, the trade area will include any zip code when the boundary of the trade area touches any portion of the zip code geography or area. As a result, based on the data provided to us, this equal trade area represents potential cannibalization of \$77.06 million of gross gaming revenue gambled at all 18 commercial casinos, plus Meskwaki Casino. The potential cannibalization to the top five casinos represents \$71.87 million. Due to the geographic origin of Riverside’s patrons, this property’s potential cannibalization is \$40.91 million or 46.2% of its 2013 gaming revenue. Second highest potential cannibalization would be Meskwaki at \$12.69 million or 12.9% of the property’s estimated 2013 gaming revenue. The third highest potential cannibalization would be Isle Waterloo at \$10.23 million or 11.9% of the property’s 2013 gaming revenue. Diamond Jo Dubuque and Mystique represent approximately \$5.0 million and \$3.04 million of potential cannibalization.

Figure 142: Equal Competition / Trade Area – Area Selection

(Based on Equal Competition Areas Intersecting a Zip Code Polygon Area)

Casino Name	# of Zip Code Areas Selected	Cannibalized Zip Code GGR Total	Cannibalization Percent of Total Revenue
Ameristar Casino & Hotel	52	\$ 175,911.75	0.1%
Harrah's Council Bluffs	43	\$ 70,448.30	0.1%
Harrah'sHorseshoe	49	\$ 63,771.81	0.0%
Isle Lady Luck Marquette	67	\$ 533,193.03	1.9%
Diamond Jo (Dubuque)	69	\$ 4,999,707.72	7.6%
Mystique / Dubuque Greyhound	68	\$ 3,038,952.02	5.5%
Grand Falls Casino Resort	34	\$ 1,062.73	0.0%
Isle Bettendorf	69	\$ 1,410,979.67	1.9%
Isle Rhythm City	68	\$ 742,647.40	1.6%
Isle Waterloo	70	\$ 10,232,683.62	11.9%
Argosy Sioux City	27	\$ 23,415.18	0.0%
Catfish Bend	67	\$ 491,820.40	1.3%
Diamond Jo (Worth)	56	\$ 266,269.09	0.3%
Prairie Meadows	67	\$ 845,341.09	0.5%
Riverside Casino	70	\$ 40,909,533.47	46.2%
Terrible's Lakeside	53	\$ 106,710.34	0.2%
Wild Rose (Clinton)	67	\$ 427,640.05	1.2%
Wild Rose (Emmetsburg)	36	\$ 34,318.72	0.1%
Meskwaki Casino	70	\$ 12,686,074.51	12.9%
		Total Cannibalization:	
CRDG, Cedar Rapids, Iowa		\$ 77,060,480.90	
Top 5 Casinos		\$ 71,866,951.34	93.3%

Source: Union Gaming Analytics, ESRI

Method 2:

Under this methodology, this model assumes the every casino patron who currently resides inside the equal trade area would migrate to the new casino. Unlike Method 1, in this methodology the trade area will include the zip code only when the center of the zip code falls within the boundary of the equal trade area. As a result, based on the data provided to us, this equal trade area represents potential cannibalization of \$63.67 million of gross gaming revenue gambled at all 18 commercial casinos, plus Meskwaki Casino. The potential cannibalization to the top five casinos represents \$59.58 million. Due to the geographic origin of Riverside's patrons, this property's potential cannibalization is \$30.64 million or 34.6% of its 2013 gaming revenue. Second highest potential cannibalization would be Meskwaki at \$11.85 million or 12.0% of the property's estimated 2013 gaming revenue. The third highest potential cannibalization would be Isle Waterloo at \$9.28 million or 10.8% of the property's 2013 gaming revenue. Diamond Jo Dubuque and Mystique represent approximately \$4.8 million and \$2.97 million of potential cannibalization.

Figure 143: Equal Competition / Trade Area – Point Selection

Casino Name	# of Zip Code Points Selected	Cannibalized Zip Code GGR Total	Cannibalization
			Percent of Total Revenue
Ameristar Casino & Hotel	45	\$ 89,783.46	0.1%
Harrah's Council Bluffs	35	\$ 58,997.92	0.1%
Harrah'sHorseshoe	46	\$ 62,773.79	0.0%
Isle Lady Luck Marquette	56	\$ 498,727.88	1.7%
Diamond Jo (Dubuque)	60	\$ 4,845,953.74	7.3%
Mystique / Dubuque Greyhound	60	\$ 2,970,334.93	5.3%
Grand Falls Casino Resort	28	\$ (1,099.04)	0.0%
Isle Bettendorf	61	\$ 1,104,000.31	1.5%
Isle Rhythm City	58	\$ 398,303.22	0.9%
Isle Waterloo	61	\$ 9,278,173.99	10.8%
Argosy Sioux City	22	\$ 22,959.51	0.0%
Catfish Bend	60	\$ 426,051.40	1.1%
Diamond Jo (Worth)	48	\$ 239,333.94	0.3%
Prairie Meadows	55	\$ 692,100.04	0.4%
Riverside Casino	63	\$ 30,636,521.28	34.6%
Terrible's Lakeside	43	\$ 80,177.12	0.2%
Wild Rose (Clinton)	60	\$ 389,975.43	1.1%
Wild Rose (Emmetsburg)	27	\$ 26,617.72	0.1%
Meskwaki Casino	64	\$ 11,853,847.36	12.0%
Total Cannibalization:			
CRDG, Cedar Rapids, Iowa		\$ 63,673,534.00	
Top 5 Casinos		\$ 59,584,831.30	93.6%

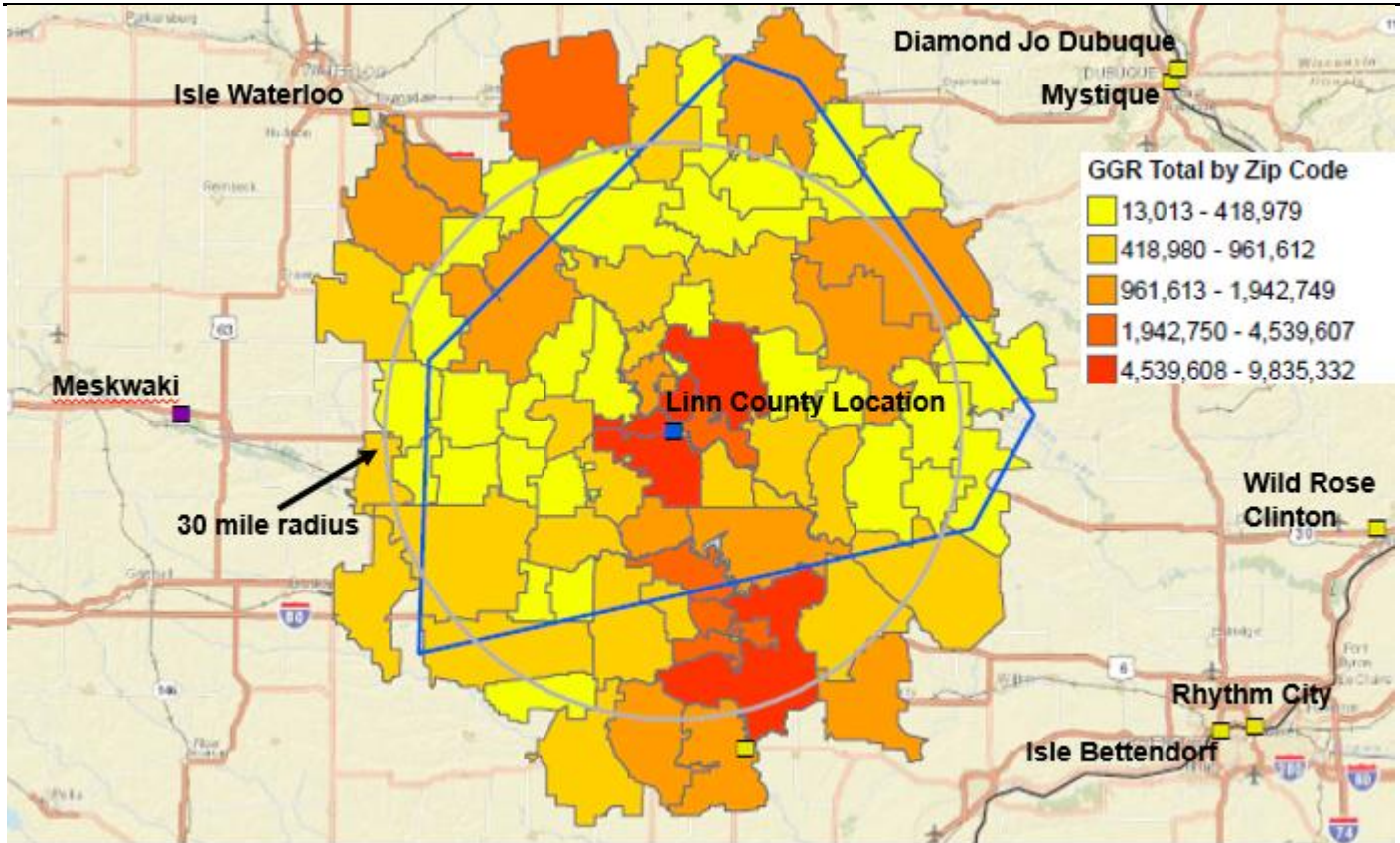
Source: Union Gaming Analytics, ESRI



Method 3:

Our Huff Model predicted cannibalization for a 30-mile radius is \$99.83 million for a proposed casino in Linn County, Iowa.

Figure 144: 30 Mile Radius Huff Cannibalization



Source: Union Gaming Analytics, ESRI

Method 4:

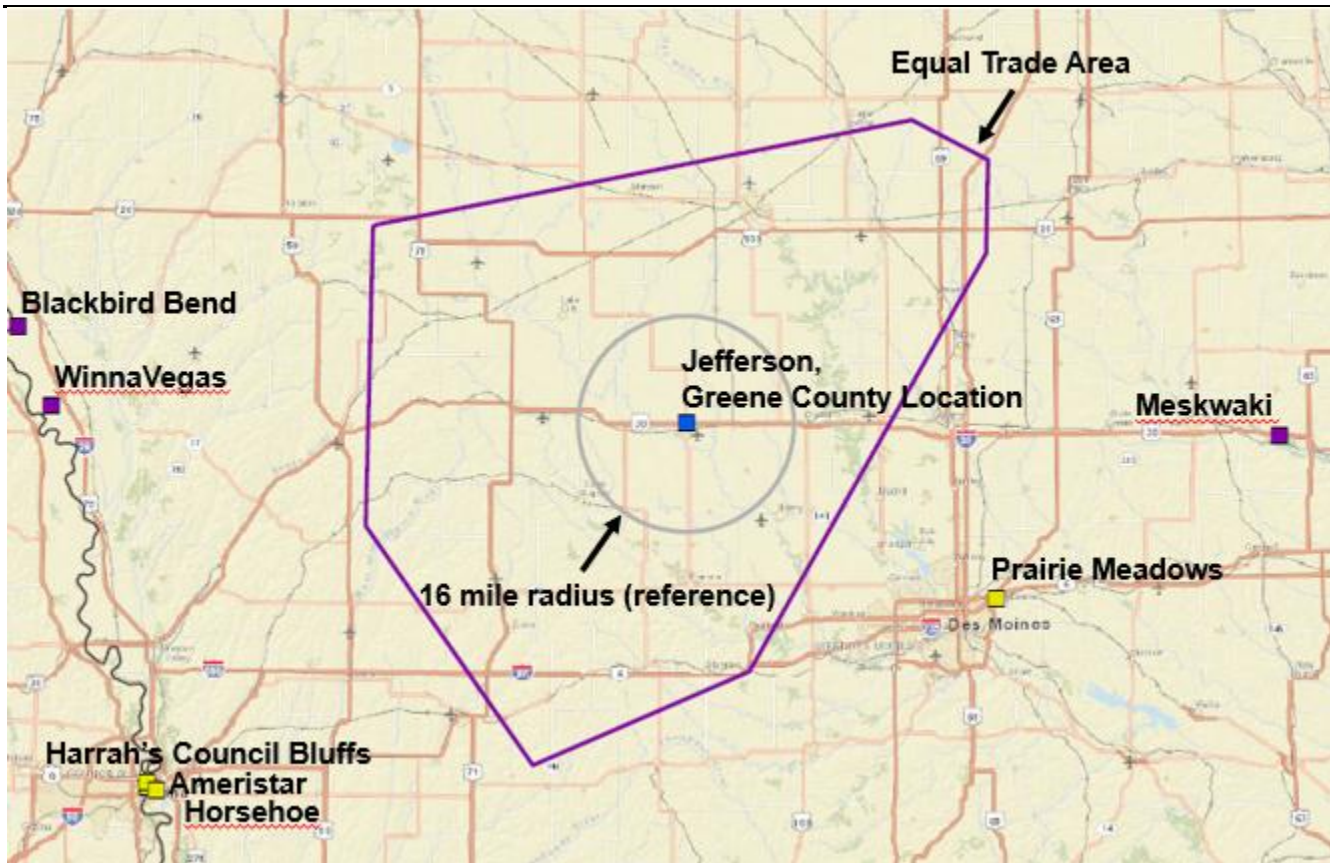
30 Mile Location Allocation Total potential cannibalized gaming revenue \$39.44 million

60 Mile Location Allocation Total potential cannibalized gaming revenue \$51.08 million

Greene County

The following map illustrates the equal trade area for a proposed Greene County casino. The equal trade or the area inside the blue polygon represents the area which is closer to the proposed Greene County casino as compared to all competing, surrounding properties including Meskwaki, Blackbird Bend, and WinnaVegas. We highlight the close proximity of the trade area to the southwest toward the Council Bluffs properties and the southeast towards Prairie Meadows.

Figure 145: Greene County Equal Trade Area



Source: Union Gaming Analytics, ESRI



Potential Cannibalization to Existing Casinos

Method 1:

Under this methodology, this model assumes every casino patron who currently resides inside the equal trade area would migrate to the new casino. Also, the trade area includes any zip code when the boundary of the trade area touches any portion of the zip code geography or area. Based on the data provided to us, this equal trade area represents potential cannibalization of \$44.20 million of gross gaming revenue gambled at all 18 commercial casinos plus Meskwaki Casino. The potential cannibalization to the top 5 casinos represents \$33.69 million. Due to the geographic proximity of Prairie Meadow's patrons, this property's potential cannibalization is \$15.42 million or 8.2% of its 2013 gaming revenue. Second highest potential cannibalization (on a dollar basis) would be Wild Rose Emmetsburg at \$4.99 million but larger 15.6% of the property's estimated 2013 gaming revenue. The third highest potential cannibalization would be Ameristar at \$4.56 million or 2.8% of the property's 2013 gaming revenue. Harrah's Horseshoe and Meskwaki represent approximately \$4.5 million and \$4.2 million of potential cannibalization. However, Harrah's Council Bluffs and Lakeside could see 3.3% and 4.4% potential cannibalization because of their lower property gaming revenues.

Figure 146: Equal Competition / Trade Area – Area Selection

(Based on Equal Competition Areas Intersecting a Zip Code Polygon Area)

Casino Name	# of Zip Code Areas Selected	Cannibalized Zip Code GGR Total	Cannibalization Percent of Total Revenue
Ameristar Casino & Hotel	108	\$ 4,564,684.62	2.8%
Harrah's Council Bluffs	104	\$ 2,306,262.87	3.3%
Harrah'sHorseshoe	113	\$ 4,517,272.04	2.8%
Isle Lady Luck Marquette	53	\$ 29,427.32	0.1%
Diamond Jo (Dubuque)	60	\$ 64,617.26	0.1%
Mystique / Dubuque Greyhound	30	\$ 58,999.08	0.1%
Grand Falls Casino Resort	75	\$ 155,375.69	0.3%
Isle Bettendorf	96	\$ 78,599.41	0.1%
Isle Rhythm City	56	\$ (4,057.86)	0.0%
Isle Waterloo	112	\$ 2,509,417.03	2.9%
Argosy Sioux City	76	\$ 492,560.46	1.0%
Catfish Bend	53	\$ 18,452.30	0.0%
Diamond Jo (Worth)	102	\$ 2,374,575.68	2.7%
Prairie Meadows	117	\$ 15,415,387.05	8.2%
Riverside Casino	95	\$ 240,014.25	0.3%
Terrible's Lakeside	104	\$ 2,145,676.64	4.4%
Wild Rose (Clinton)	41	\$ 37,330.69	0.1%
Wild Rose (Emmetsburg)	107	\$ 4,989,809.62	15.6%
Meskwaki Casino	113	\$ 4,207,581.55	4.3%
		Total Cannibalization:	
Jefferson, Greene County, Iowa		\$ 44,201,985.73	
Top 5 Casinos		\$ 33,694,734.88	76.2%

Source: Union Gaming Analytics, ESRI

Method 2:

Under this methodology, this model assumes the every casino patron who currently resides inside the equal trade area would migrate to the new casino. Unlike Method 1, in this methodology the trade area will include the zip code only when the center of the zip code falls within the boundary of the equal trade area. As a result, based on the data provided to us, this equal trade area represents potential cannibalization of \$26.72 million of gross gaming revenue gambled at all 18 commercial casinos plus Meskwaki, Casino. The potential cannibalization to the top five casinos represents \$20.64 million. Again, Prairie Meadows is forecasted to potentially lose \$10.3 million in cannibalized revenues or 5.5% of its 2013 gaming revenue. Second highest potential cannibalization would be Wild Rose Emmetsburg at \$3.26 million or 10.2% of the property’s estimated 2013 gaming revenue. The third highest potential cannibalization would be Meskwaki at \$2.97 million or 3% of the property’s estimated 2013 gaming revenue. Harrah’s Horseshoe and Isle Waterloo represent approximately \$2.26 million and \$1.85 million of potential cannibalization. While Terrible’s Lakeside and Harrah’s Council Bluffs are forecasted to potentially lose 2.6% and 2.0% of their 2013 gaming revenues.

Figure 147: Equal Competition / Trade Area – Point Selection

Casino Name	# of Zip Code Points Selected	Cannibalized Zip Code GGR Total	Cannibalization Percent of Total Revenue
Ameristar Casino & Hotel	83	\$ 1,571,857.74	1.0%
Harrah's Council Bluffs	81	\$ 1,398,123.96	2.0%
Harrah'sHorseshoe	87	\$ 2,260,106.64	1.4%
Isle Lady Luck Marquette	35	\$ 17,716.32	0.1%
Diamond Jo (Dubuque)	47	\$ 37,933.46	0.1%
Mystique / Dubuque Greyhound	18	\$ 48,316.52	0.1%
Grand Falls Casino Resort	55	\$ 80,114.60	0.1%
Isle Bettendorf	70	\$ 51,740.99	0.1%
Isle Rhythm City	39	\$ (7,107.80)	0.0%
Isle Waterloo	84	\$ 1,851,671.35	2.2%
Argosy Sioux City	55	\$ 306,622.66	0.6%
Catfish Bend	139	\$ 18,350.29	0.0%
Diamond Jo (Worth)	79	\$ 1,117,199.62	1.3%
Prairie Meadows	90	\$ 10,301,308.74	5.5%
Riverside Casino	72	\$ 146,137.15	0.2%
Terrible's Lakeside	79	\$ 1,261,686.14	2.6%
Wild Rose (Clinton)	29	\$ 27,221.82	0.1%
Wild Rose (Emmetsburg)	84	\$ 3,264,741.28	10.2%
Meskwaki Casino	88	\$ 2,965,011.94	3.0%
Jefferson, Greene County, Iowa		\$ 26,718,753.43	
Top 5 Casinos		\$ 20,642,839.95	77.3%

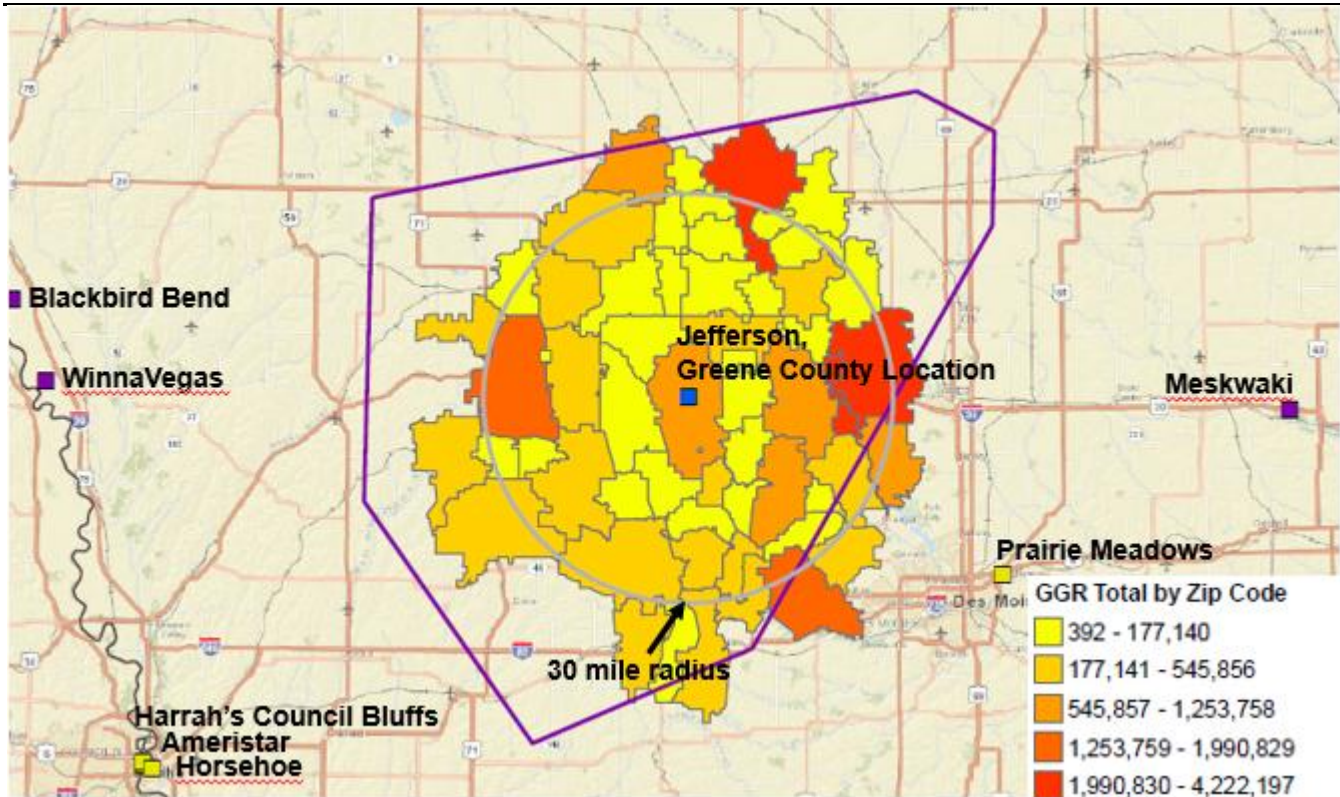
Source: Union Gaming Analytics, ESRI



Method 3:

Our Huff Model predicted cannibalization for a 30-mile radius is \$23.83 million for a proposed casino in Greene County, Iowa.

Figure 148: 30 Mile Radius Huff Cannibalization



Source: Union Gaming Analytics, ESRI

Method 4:

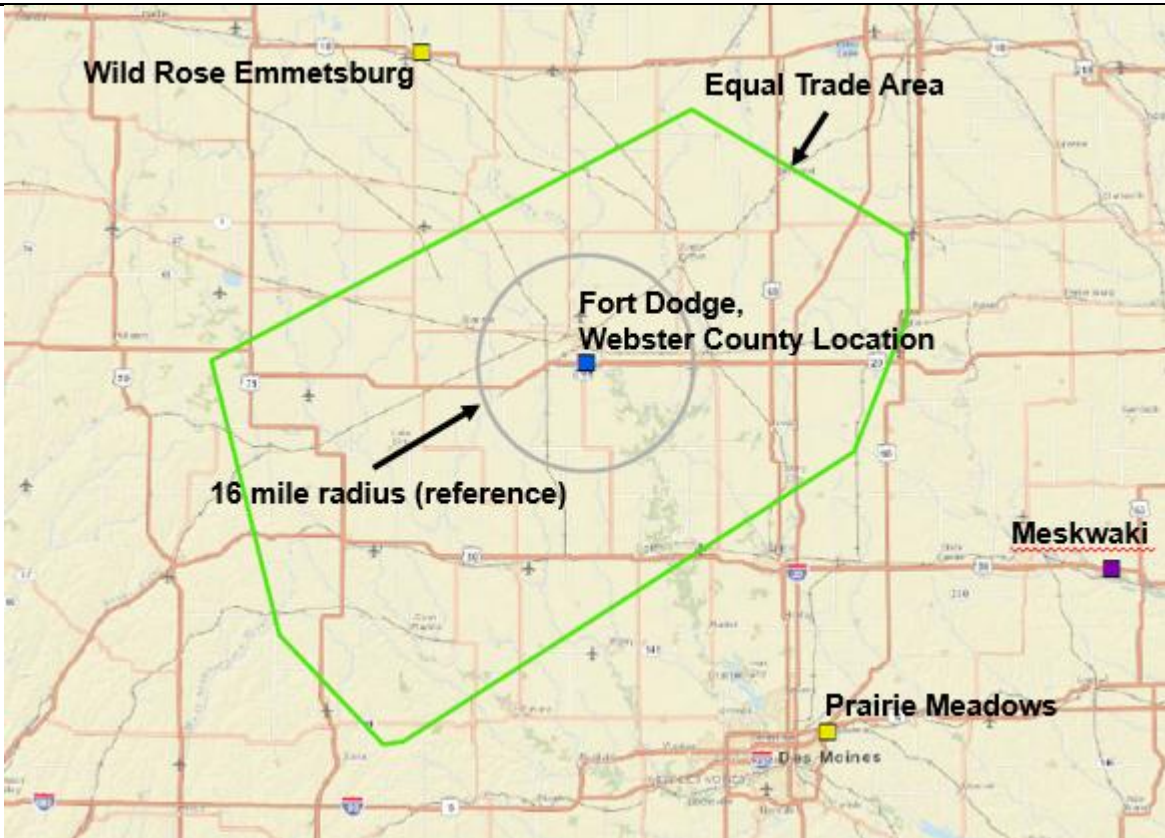
30 Mile Location Allocation Total potential cannibalized gaming revenue \$2.54 million

60 Mile Location Allocation Total potential cannibalized gaming revenue \$8.55 million

Webster County

The following map illustrates the equal trade area for a proposed Webster County casino. The equal trade area or the area inside the blue polygon represents the area which is closer to the proposed Webster County casino as compared to all competing, surrounding properties including Meskwaki, Blackbird Bend, and WinnaVegas. We highlight the close proximity of the trade area to the northwest toward Wild Rose Emmetsburg and the southeast towards Prairie Meadows.

Figure 149: Webster County Equal Trade Area



Source: Union Gaming Analytics, ESRI



Potential Cannibalization to Existing Casinos

Method 1:

Under this methodology, this model assumes the every casino patron who currently resides inside the equal trade area would migrate to the new casino. Also, the trade area will include any zip code when the boundary of the trade area touches any portion of the zip code geography or area. As a result, based on the data provided to us, this equal trade area represents potential cannibalization of \$37.94 million of gross gaming revenue gambled at all 18 commercial casinos, plus Meskwaki Casino. The potential cannibalization to the top five casinos represents \$31.73 million. Due to the geographic proximity of Prairie Meadow's patrons, this property's potential cannibalization is \$12.73 million or 6.8% of its 2013 gaming revenue. Second highest potential cannibalization (on a dollar basis) would be Wild Rose Emmetsburg at \$6.71 million but larger 20.9% of the property's estimated 2013 gaming revenue. The third highest potential cannibalization would be Meskwaki at \$4.42 million or 4.5% of the property's 2013 gaming revenue. Diamond Jo Worth and Isle Waterloo represent approximately \$4.3 million and \$3.6 million of potential cannibalization.

Figure 150: Equal Competition / Trade Area – Area Selection

(Based on Equal Competition Areas Intersecting a Zip Code Polygon Area)

Casino Name	# of Zip Code Areas Selected	Cannibalized Zip Code GGR Total	Cannibalization Percent of Total Revenue
Ameristar Casino & Hotel	97	\$ 1,264,492.98	0.8%
Harrah's Council Bluffs	88	\$ 1,207,230.26	1.7%
Harrah'sHorseshoe	100	\$ 1,770,837.76	1.1%
Isle Lady Luck Marquette	60	\$ 23,931.33	0.1%
Diamond Jo (Dubuque)	63	\$ 56,320.22	0.1%
Mystique / Dubuque Greyhound	34	\$ 48,039.45	0.1%
Grand Falls Casino Resort	75	\$ 155,865.59	0.3%
Isle Bettendorf	90	\$ 83,242.29	0.1%
Isle Rhythm City	51	\$ 5,838.81	0.0%
Isle Waterloo	113	\$ 3,552,915.79	4.1%
Argosy Sioux City	68	\$ 488,937.16	0.9%
Catfish Bend	45	\$ 35,110.75	0.1%
Diamond Jo (Worth)	109	\$ 4,312,087.14	5.0%
Prairie Meadows	111	\$ 12,731,317.78	6.8%
Riverside Casino	88	\$ 231,958.25	0.3%
Terrible's Lakeside	97	\$ 801,111.43	1.6%
Wild Rose (Clinton)	37	\$ 37,518.98	0.1%
Wild Rose (Emmetsburg)	107	\$ 6,711,394.87	20.9%
Meskwaki Casino	113	\$ 4,417,919.41	4.5%

Total Cannibalization:

Proposed Casino 22 (Fort Dodge, Webster County \$ 37,936,070.24

Top 5 Casinos \$ 31,725,634.98 83.6%

Source: Union Gaming Analytics, ESRI

Method 2:

Under this methodology, this model assumes the every casino patron who currently resides inside the equal trade area would migrate to the new casino. Unlike Method 1, in this methodology the trade area will include the zip code only when the center of the zip code falls within the boundary of the equal trade area. As a result, based on the data provided to us, this equal trade area represents potential cannibalization of \$28.58 million of gross gaming revenue gambled at all 18 commercial casinos plus Meskwaki Casino. The potential cannibalization to the top five casinos represents \$23.96 million. Again, Prairie Meadows is forecasted to potentially lose \$9.4 million in cannibalized revenues or 5.0% of its 2013 gaming revenue. Second highest potential cannibalization would be Wild Rose Emmetsburg at \$5.58 million but 17.4% of the property’s estimated 2013 gaming revenue. The third highest potential cannibalization would be Meskwaki at \$3.33 million or 3.4% of the property’s estimated 2013 gaming revenue. Diamond Jo Worth and Isle Waterloo represent approximately \$3.1 million and \$2.6 million of potential cannibalization.

Figure 151: Equal Competition / Trade Area – Point Selection

(Based on Equal Competition Areas Intersecting the Centroid of Zip Codes)

Casino Name	# of Zip Code Points Selected	Cannibalized Zip Code GGR Total	Cannibalization Percent of Total Revenue
Ameristar Casino & Hotel	75	\$ 948,111.93	0.6%
Harrah's Council Bluffs	70	\$ 1,022,008.80	1.4%
Harrah'sHorseshoe	79	\$ 1,265,179.39	0.8%
Isle Lady Luck Marquette	46	\$ 18,251.23	0.1%
Diamond Jo (Dubuque)	55	\$ 42,141.50	0.1%
Mystique / Dubuque Greyhound	28	\$ 45,569.55	0.1%
Grand Falls Casino Resort	60	\$ 126,705.43	0.2%
Isle Bettendorf	71	\$ 72,652.19	0.1%
Isle Rhythm City	40	\$ 3,010.36	0.0%
Isle Waterloo	90	\$ 2,568,244.90	3.0%
Argosy Sioux City	54	\$ 324,531.77	0.6%
Catfish Bend	125	\$ 16,689.51	0.0%
Diamond Jo (Worth)	88	\$ 3,113,288.05	3.6%
Prairie Meadows	89	\$ 9,377,572.79	5.0%
Riverside Casino	70	\$ 154,571.26	0.2%
Terrible's Lakeside	77	\$ 540,959.11	1.1%
Wild Rose (Clinton)	27	\$ 35,795.76	0.1%
Wild Rose (Emmetsburg)	87	\$ 5,577,293.59	17.4%
Meskwaki Casino	93	\$ 3,327,838.42	3.4%

Proposed Casino 22 (Fort Dodge, Webster County, \$ 28,580,415.56

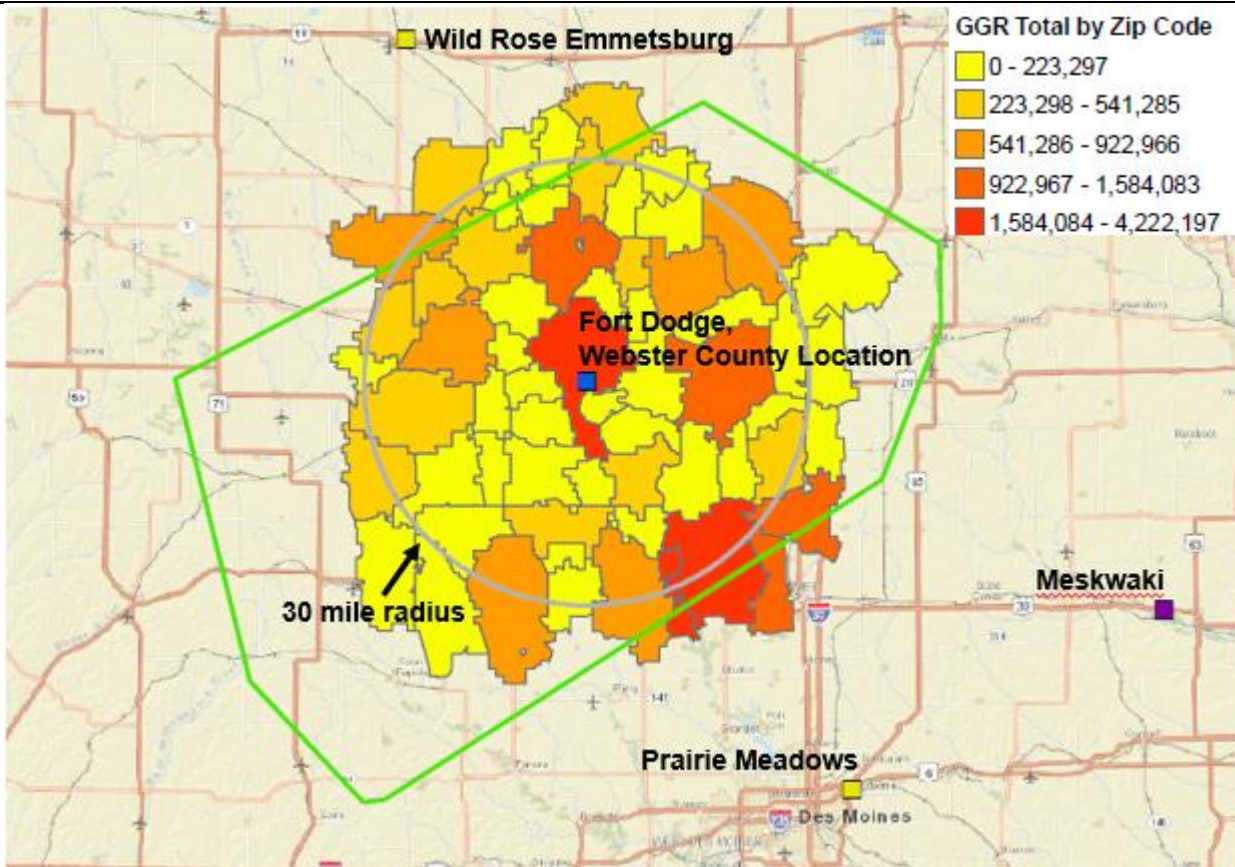
Top 5 Casinos \$ 23,964,237.76 83.8%

Source: Union Gaming Analytics, ESRI

Method 3:

Our Huff Model predicts cannibalization for a 30-mile radius is \$25.17 million for a proposed casino in Webster County, Iowa.

Figure 152: 30 Mile Radius Huff Cannibalization



Source: Union Gaming Analytics, ESRI

Method 4:

30 Mile Location Allocation Total potential cannibalized gaming revenue \$5.97 million

60 Mile Location Allocation Total potential cannibalized gaming revenue \$10.63 million

Cannibalization Conclusion

The various cannibalization methodologies illustrated above were developed in order to isolate the amount of existing “at risk” gross gaming revenue based on the distribution of actual carded play data by zip code for all 18 commercial casinos.

Given that we were able to aggregate what we believe to be a complete and accurate data set of statewide carded gaming play by zip code, the next step in our analysis was to forecast how much “actual” cannibalization we expect will occur (versus potential new market growth) assuming additional gaming positions are added in Linn, Greene and Webster counties. Our complete data set allowed us the ability to determine and analyze “actual” capture rates by zip code for all 18 commercial casinos and understand the underlying correlations and sensitivities to the most relevant variables inherent in such capture rates that influence consumer behavior, including geographic proximity (i.e. drive times), asset quality, competing venues, etc. We then developed financial models to project out a similar relationship pattern to determine what portion of our theoretical gross gaming revenues for the proposed Linn, Greene and Webster County casinos can be attributed to the cannibalization of gross gaming revenue from existing casinos and what portion can be attributed to incremental market growth.

To conclude, our cannibalization and market growth forecasts associated with the proposed Linn, Greene and Webster County casinos are illustrated as follows.

Figure 153: Cannibalization Estimates - Summary

Casino Name	Area		Point		30 Mile Location		60 Mile Location		Huff Model	Union Gaming
					Allocation	Total GGR	Allocation	Total GGR	Predicted	
CRDG, Cedar Rapids, Iowa	\$ 77,060,481	\$ 63,673,534		\$39,438,405		\$51,075,131		\$99,826,744		\$66,803,110
Fort Dodge	\$ 37,936,070	\$ 28,580,416		\$5,974,009		\$10,631,266		\$25,171,645		\$28,435,303
Jefferson	\$ 44,201,986	\$ 26,718,753		\$2,544,912		\$8,553,929		\$23,827,865		\$31,133,372

Source: Union Gaming Analytics



Linn County Cannibalization & Projected Market Growth

Under our base assumptions, our 2016 revenue projections for a Linn County casino include \$82.3 million of gross gaming revenue. Our proprietary cannibalization model which is based on actual carded play data on a zip code basis forecasts cannibalization of \$66.8 million, resulting in 2016 market growth of \$15.5 million. However, our model forecasts more than \$10.9 million of cannibalization to Meskwaki – which would be new gross gaming revenue to the State of Iowa. As a result, \$26.476 million of total new revenue is forecasted in 2016 to the State of Iowa.

Figure 154: Projected Market Growth – Linn County

Summary		
Projected 2016 Base Case Gaming Revenue	\$	82,300,000.00
Projected Cannibalization	\$	66,803,110.10
Projected Market Growth	\$	15,496,889.90
Recapture	\$	10,979,529.81
Total New Revenue	\$	26,476,419.71

Source: Union Gaming Analytics

The top five impacted casinos for cannibalization are as follows. We note Riverside is forecasted to experience cannibalization of almost 42.1% of its 2013 gross gaming revenue, Isle Waterloo 10.9% and Diamond Jo Dubuque 6.2%.

Figure 155: Linn County Cannibalization

Cannibalization Impact		% of 2013 GGR
Riverside Casino	\$ 37,337,313.01	42.1%
Meskwaki Casino	\$ 10,979,529.81	11.1%
Isle Waterloo	\$ 9,299,012.64	10.9%
Diamond Jo (Dubuque)	\$ 4,132,645.41	6.2%
Mystique / Dubuque Greyhound	\$ 2,431,638.36	4.4%
Top 5 Properties	\$ 64,180,139.22	

Source: Union Gaming Analytics

Greene County Cannibalization & Projected Market Growth

Under our base assumptions, our 2016 revenue projections for a Greene County casino include \$33.2 million of gross gaming revenue. Our proprietary cannibalization model which is based on actual carded play data on a zip code basis forecasts cannibalization of \$31.13 million, resulting in 2016 market growth of \$2.067 million. However, our model forecasts more than \$3.622 million of cannibalization to Meskwaki – which would be new gross gaming revenue to the State of Iowa. As a result, \$5.689 million of total new revenue is forecasted in 2016 to the State of Iowa.

Figure 156: Projected Market Growth – Greene County

Summary		
Projected 2016 Base Case Gaming Revenue	\$	33,200,000.00
Projected Cannibalization	\$	31,133,372.22
Projected Market Growth	\$	2,066,627.78
Recapture	\$	3,622,052.90
Total New Revenue	\$	5,688,680.68

Source: Union Gaming Analytics

The top five impacted casinos for cannibalization are as follows. We note Wild Rose Emmetsburg is forecasted to experience cannibalization of almost 11% of its 2013 gross gaming revenue while Prairie Meadows would experience 7% cannibalization.

Figure 157: Greene County Cannibalization

Cannibalization Impact		% of 2013 GGR
Prairie Meadows	\$ 13,175,377.16	7.0%
Wild Rose (Emmetsburg)	\$ 3,622,052.90	11.3%
Ameristar Casino & Hotel	\$ 2,985,760.21	1.8%
Meskwaki Casino	\$ 2,480,790.08	2.5%
Isle Waterloo	\$ 2,093,175.01	2.4%
Top 5 Properties	\$ 24,357,155.37	

Source: Union Gaming Analytics



Webster County Cannibalization & Projected Market Growth

Under our base assumptions, our 2016 revenue projections for a Webster County casino include \$36.3 million of gross gaming revenue. Our proprietary cannibalization model which is based on actual carded play data on a zip code basis forecasts cannibalization of \$28.4 million, resulting in 2016 market growth of \$7.9 million. However, our model forecasts more than \$6.0 million of cannibalization to Meskwaki – which would be new gross gaming revenue to the State of Iowa. As a result, \$13.9 million of total new revenue is forecasted in 2016 to the State of Iowa.

Figure 158: Projected Market Growth – Webster County

Summary		
Projected 2016 Base Case Gaming Revenue	\$	36,300,000.00
Projected Cannibalization	\$	28,435,303.11
Projected Market Growth	\$	7,864,696.89
Recapture	\$	6,025,416.49
Total New Revenue	\$	13,890,113.37

Source: Union Gaming Analytics

The top five impacted casinos for cannibalization are as follows. We note Wild Rose Emmetsburg is forecasted to experience cannibalization of almost 19% of its 2013 gross gaming revenue.

Figure 159: Webster County Cannibalization

Cannibalization Impact		% of 2013 GGR
Prairie Meadows	\$ 10,434,899.97	5.6%
Wild Rose (Emmetsburg)	\$ 6,025,416.49	18.8%
Diamond Jo (Worth)	\$ 3,726,173.68	4.3%
Isle Waterloo	\$ 2,963,586.54	3.5%
Meskwaki Casino	\$ 2,754,965.94	2.8%
Top 5 Properties	\$ 25,905,042.62	

Source: Union Gaming Analytics

As we highlighted in Figure 2, at present approximately 47% of reported 2013 Iowa gross gaming revenue was generated by out of state zip codes. This can be viewed both positively and negatively, depending on whether one sees the glass as half-full or half empty. While Iowa's gaming tax base has historically been (and may continue to be) greatly enhanced by border hopping casino customers - we also view this as a significant mid to long-term risk. We believe the risk to Iowa of a new casino gaming market eventually opening up in Nebraska (admittedly, this risk is longer-term.....) and the addition of significant gaming positions in all other border states that currently offer casino gaming to be quite high – namely, Illinois and Wisconsin. Our view here is simple, it is not a question of "if" this will happen but really a question of "when" because these states are highly incentivized to keep those tax dollars in-state, to create new jobs and stimulate capital investment. It is for these same reasons that Iowa was an early adopter of legalized casino gaming and the same reasons why gaming has since proliferated across the US and in turn, has put significant financial pressure on some of the other states that were also early adopters because they became dependent upon the tax revenue.

"When" this happens, it will have a profoundly negative impact on those Iowa casinos that are in closest proximity to the state line just like it has across many other states. The trickle down impact on the Iowa casino industry is likely to be far reaching. Those Iowa casinos most impacted will have no choice but to aggressively redirect their marketing efforts toward in-state residents adding additional competitive pressures beyond what we have already identified and highlighted throughout our report. Also, when comparing Iowa to other states on the basis of total adult population/gaming positions, it's interesting to point out that Iowa currently compares unfavorably than most other states with the exception of South Dakota (Figure 82). Further, there are already some approved planned expansions within the state that will add significantly more gaming positions into the market (the addition of Hard Rock Sioux City and the redevelopment of Rhythm City). Lastly, the projected statewide Iowa population and income growth rates are not expected to be significant growth drivers.

In closing, were it not for a significant number of cross border casino customers it is clear that there would not be 18 commercial and 3 tribal casinos in Iowa at this point in time. Taking the above factors into consideration along with our cannibalization estimates illustrated in Figures 153 - 159, at the present time we do not believe there are any underserved counties in the state of Iowa. As such, we believe the state's interests are better served by the existing casinos reinvesting in their current operations and keeping the assets current and competitive without the risk of additional in-state gaming supply that will negatively impact their operations and financial well being. Therefore, we recommend that the state of Iowa refrain from issuing additional casino licenses at this time and reevaluate at a later date.



Appendix

Interviewees, Casinos and Establishments Visited

Jurisdictions Consulted

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