



MENOMINEE INDIAN TRIBE OF WISCONSIN

P.O. Box 910
Keshena, WI 54135-0910

February 8, 2005

Mr. John M. Antaramian
Mayor
City of Kenosha
625 52nd Street
Kenosha WI 53140

Mr. Allan Kehl
County Executive
Kenosha County
1010 56th Street
Kenosha WI 53140

Gentlemen:

You have asked the Menominee Indian Tribe of Wisconsin and Menominee Kenosha Gaming Authority to address three project site planning issues:

1. Circulation of traffic from the site onto 60th Street;
2. Circulation of traffic from the site onto 104th Avenue; and
3. Landscaping along 60th Street to mitigate the site line of proposed above ground parking garages.

We are committed to implement the following in the actual project site plan:

1. Emergency controlled gated exit from the site onto 60th Street.
2. No southbound (left turn only) exit from the site onto 104th Avenue.
3. Along 60th Street, a landscape berm will be aligned to landscape the site lines of the proposed above ground parking garages with a rolling berm approximately fifteen (15) feet high, planted with semi-mature indigenous trees, subject to airport overlay district height restrictions.

Very truly yours,
MENOMINEE INDIAN TRIBE OF
WISCONSIN

Joan R. Delabreau
Joan Delabreau, Chairperson



MENOMINEE INDIAN TRIBE OF WISCONSIN

P.O. Box 910
Keshena, WI 54135-0910

June 15, 2004

John M. Antaramian, Mayor
City of Kenosha
625 52nd Street
Kenosha, WI 53140

Allan K. Kehl, County Executive
County of Kenosha
1010 56th Street
Kenosha, WI 53140

Re: Request for Intergovernmental Agreement Discussions

Dear Mayor Antaramian and County Executive Kehl:

The Menominee Indian Tribe of Wisconsin ("Tribe") is pleased to submit preliminary plans for the development and operation of a Class III casino gaming and regional entertainment center project ("Project") in Kenosha, Wisconsin. The Tribe and its developer, Kenesah Gaming Development, LLC ("Kenesah"), have determined that the Dairyland Greyhound Racetrack ("Dairyland") in Kenosha, Wisconsin, is the preferred site for the Project. Kenesah has executed a purchase option agreement with Dairyland to acquire the property for \$40,500,000, which will be assigned to the Tribe and the Tribe's wholly owned entity, the Menominee Kenosha Gaming Authority ("Authority"). The Tribe and Kenesah believe that the site will be developed into a premier entertainment destination that will serve patrons throughout the Midwest; offer such headline entertainment as Brooks and Dunn, Alan Jackson, and Tony Bennett at a 5,000- seat multi-purpose entertainment venue; and become one of Kenosha County's largest employers with thousands employed by the Tribe. Upon completion of the facility, we estimate 3,356 full time equivalents would be employed at the complex with 2,929 being directly employed by the Tribe.

This letter shall serve to officially notify the City of Kenosha ("City") and the County of Kenosha ("County") of the Tribe's and Kenesah's intent to develop the Project and seek the City's and County's support. The Tribe and Kenesah request that the City and the County agree to enter into discussions regarding an Intergovernmental Agreement ("IGA") in order to prepare a document from which the City Council and County Board of Supervisors can adopt resolutions supporting the Project. From a practical perspective, establishing local support is integral to securing federal and state approvals in order to acquire the Dairyland assets and develop the proposed Project.

The Tribe and Kenesah propose to create a true partnership with the City, the County and the community as a whole. This partnership will provide long-term benefits to the taxpayers of

the City and the County, as well as, Kenesah and the Tribe. This partnership will be instrumental in creating a premier entertainment venue in Kenosha that will increase tourism, expand the revenues for the City and the County, provide work for several thousand construction employees represented by organized labor during the construction of the Project and provide local employment opportunities with attractive pay, health care, and other benefits. The Tribe's annual payroll is projected at more than \$138 million including \$32 million in health care premiums. We believe that our plans for Dairyland represent the highest and best use of the property and will make a larger contribution to the greater community than any other possible development.

This development, consistent with any development of similar size and scope, will require the use and support of City and County resources. In return, as part of our ongoing partnership commitment, the Tribe will fairly compensate the government units for all necessary services. We hope that the following terms will provide the basis of an IGA between the City, the County, and the Tribe:

- 1) The City and the County shall provide all services to the Project that are normally provided to any business in the City and the County.
 - a) The Authority will make payments to the City and the County to mitigate the impact of the Project on the City and the County.
- 2) The Authority will pay for its share of any improvements to roads that serve the facility and that are required because of the incremental traffic to the site not previously anticipated by Dairyland.

To provide further clarification regarding the Project, the Tribe and Kenesah make the following statements:

- 1) The Tribe intends to take the 223 acres that currently encompass the Dairyland site, of which 183 acres are buildable, into trust. The trust land will not be subject to local property taxes, but any non-Indian interests on the trust land will be subject to personal property taxes.
- 2) The Kenosha Gaming Authority will provide a limited waiver of its sovereign immunity to the extent necessary to guarantee the obligations of the Authority to the City and the County. The Tribe's constitution was specifically amended to allow the Tribe to waive its sovereign immunity for a project such as this.
- 3) Local law enforcement agencies shall have the authority to enforce all non-gaming criminal laws on the Project's trust property.
- 4) The Authority shall comply with all state laws regarding the sale of alcoholic beverages at the Project.

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Mayor Antaramian
County Executive Kehl

- 5) The Authority will establish a program that addresses and supports efforts to assist problem gambling.
- 6) The Authority shall follow all applicable building codes and Federal Aviation Administration rules during the construction and operation of the Project.
- 7) The Authority, based on the overall financial performance of the Project, will support charitable efforts.

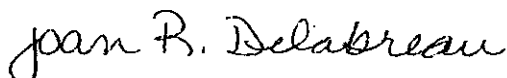
The Tribe, the Authority, and Kenesah will assist the City and the County in any way it can in their deliberations regarding the Project. The Tribe will support all efforts by the City and County to explain the development of the Project and supports an open process for the Kenosha community to hear about the Project and the IGA. Attached to this letter is information that provides the details of the Project including preliminary site drawings, exciting employment opportunities, estimated construction costs, an economic analysis of the Project, and initial project financing information.

In addition to the public hearings and meetings that may be held by the City Council and the County Board of Supervisors, the Bureau of Indian Affairs will also hold hearings open to the public. The Bureau of Indian Affairs will take comments and concerns of the community into account when deliberating its process of placing the Dairyland property into trust. The Bureau has engaged professionals to conduct an Environmental Impact Study (EIS) to assess the impact of the Project. This EIS performs a standard of diligence much greater than an environmental assessment process. The Tribe takes its responsibility to the environment surrounding the Project very seriously as it does on its reservation in Keshena, Wisconsin.

We hope to conclude any negotiations regarding the IGA as soon as possible, so the City Council and the County Board of Supervisors can vote on the IGA in a reasonable time frame. As you know, time is an extremely important element with this Project. Therefore, we respectfully request a meeting to discuss the process and timeline for completing an IGA in order to proceed with one giant step toward making this exciting Project a reality.

Thank you for your consideration, and if you have any comments or questions regarding this matter, please do not hesitate to contact me.

Very Truly Yours,



Joan R. Delabreau, Chairperson
Menominee Indian Tribe of Wisconsin

**Menominee Indian Tribe of Wisconsin
Menominee Kenosha Gaming Authority**



**Overview of A Proposed Kenosha,
Wisconsin, Casino Gaming and
Regional Destination Entertainment Center**

June 14, 2004

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Exhibits:

Exhibit A – Regional Economic Impact Report, PricewaterhouseCoopers, LLP

Exhibit B - Green Bay Press Gazette Article

Exhibit C - PWC Market Assessment

Exhibit D - Letter from Jeter, Cook and Jepson Regarding Federal Aviation Administration Requirements

Exhibit E - Master Site Plan and Massing Diagrams

Exhibit F - FTE Analysis for Temporary Phase, Phase I and Phase II

Exhibit G - Project Labor Agreement

1.0 INTRODUCTION

The Menominee Indian Tribe of Wisconsin ("Tribe") is a federally recognized Indian Tribe with over 8,100 members and a reservation located in northeastern Wisconsin. The Tribe also has historic ties to wide swaths of Wisconsin, including southeastern Wisconsin. Prior to the formation of the Tribe's current reservation, the Menominee possessed nearly twelve million acres of land in what is now the State of Wisconsin and upper Michigan. All but the Tribe's current reservation of two hundred thirty five thousand acres was ceded to Wisconsin and the United States of America leaving the Tribe with only 2.4% of its original land holding.

The Tribe is seeking to purchase for \$40,500,000 approximately two hundred twenty three acres of land and related improvements ("Site") in Kenosha, Wisconsin, which is currently owned by Dairyland Greyhound Park, Inc. ("Dairyland"). Dairyland's current facilities consist of a quarter-mile greyhound racetrack and simulcast betting facility. The Tribe proposes to acquire the Site and develop, in addition to the existing track and betting facility, a regional destination entertainment center, casino, and hotel with related amenities ("Project").

This *Overview of A Proposed Kenosha Casino Gaming and Regional Destination Entertainment Center* addresses many of the primary issues and needs of Kenosha that were identified during the Kenosha County Economic Summit in August 2001. In particular, the Project will provide good paying jobs with excellent fringe benefits that will improve the economic conditions of the entire community. The Tribe and Kenosha expect that the majority of the employees for the Project will be hired from the local community without negatively affecting Kenosha's school system.

1.1 Historical Data

The existence of Indian tribes as sovereign entities pre-dates the creation of the United States of America. The United States Supreme Court recognized the sovereign status of tribes in *Worcester v. Georgia*, 31 U.S. 515 (1832). This decision recognized that Tribes retain all attributes of sovereignty that have not been ceded to the federal government. Tribal sovereignty means that tribes have the right and power to govern their own affairs. This power is not a grant from the federal government, but is inherent in their status as a tribe. Both the federal government and the State of Wisconsin recognize the sovereign status of tribes and relate with tribes on a government-to-government basis.

In *Cherokee Nation v. Georgia*, 30 U.S. 1 (1831), the Supreme Court held that tribes "are in a state of pupilage, their relation to the United States resembles that of a ward to his guardian" *id* at 17. This comparison to the guardian-ward relationship established the basis for the trust relationship that exists between Indian tribes and the United States today. The historical failure of the federal government's "trust responsibility" led to extreme poverty among Indian tribes, and it resulted in the wholesale removal of Indian tribes from their historic lands to remote reservations around the country. Acting as the guardian of Indian tribes, Congress passed the Indian Gaming Regulatory Act ("IGRA") in an attempt to ensure that Indian gaming was properly regulated and benefited primarily Indian tribes.

Currently, Class III gaming activities operated by Indian tribes must meet a strict set of rules and criteria. Tribes that conduct Class III gaming must establish a regulatory process that licenses vendors, licenses employees, and otherwise regulates gaming. States regulate Indian gaming pursuant to the terms of the gaming compact negotiated between a specific tribe and a state. On the federal level, the National Indian Gaming Commission ("NIGC"), established pursuant to IGRA, provides regulatory oversight to Indian gaming throughout the United States. With three distinct layers of regulation, Indian gaming is the most regulated form of gaming in the United States.

In addition, IGRA mandates that Indian gaming be conducted only on "Indian lands". "Indian lands" are defined as lands within the boundaries of a reservation and "any lands title to which is either held in trust by the United States for the benefit of any Indian tribe or individual or held by any Indian tribe or individual subject to restriction by the United States against alienation and over which an Indian tribe exercises governmental power." 25 U.S.C. §2703(4)(B). Therefore, as noted above, the Tribe can only conduct gaming on the Site after the Site has been taken into trust by the United States for the benefit of the Tribe. The process for having fee land taken into trust includes the two-part determination discussed below.

Ultimately, the Secretary of the Department of Interior in Washington, D.C. will determine whether or not land will be taken into trust pursuant to an application from the Tribe. The Tribe expects to submit a land-into-trust application to the Bureau of Indian Affairs ("BIA"), a bureau of the Department of the Interior, no later than July 1, 2004. This application will be supplemented with supporting information necessary for the Secretary to make a determination.

1.2 The Indian Gaming Regulatory Act ("IGRA")

Indian tribes have engaged in certain forms of gaming for centuries. In the 1970s, certain tribes began offering high-stakes gaming on their reservations. In 1988, the United States Congress passed the Indian Gaming Regulatory Act, 25 U.S.C. §2701 et seq. ("IGRA") to regulate Indian gaming throughout the United States. IGRA provided a formal, regulatory framework for Indian casinos. It did not, contrary to popular belief, legalize gaming on Indian lands. Prior to the enactment of IGRA, the United States Supreme Court recognized that states did not have the authority to regulate gaming conducted by Indian tribes on Indian lands if some form of gaming was allowed in that state. *California v. Cabazon Band of Mission Indians*, 480 U.S. 202 (1987).

In October 1988, the United States Congress enacted IGRA "to provide a statutory basis for the operation of gaming by Indian tribes as a means of promoting tribal economic development, self-sufficiency, and strong tribal governments." 25 U.S.C. §2702(1). IGRA sets forth the conditions under which Indian tribes may conduct gaming on Indian lands.

IGRA defines three classes of gaming. "Class I gaming" is defined as "social games solely for prizes of minimal value or traditional forms of Indian gaming engaged in by individuals as part of, or in connection with, tribal ceremonies or celebrations." 25 U.S.C. §2703(6). "Class II gaming" includes Bingo and "included" card games. 25 U.S.C. §2703(7). "Class III gaming" includes all forms of gaming that are not defined as Class I or Class II gaming. 25 U.S.C. §2703(8). Class III gaming includes most games that would normally be considered "casino-style" games, including slot machines, blackjack, and other table games. Pursuant to §2710(d) of

IGRA, Class III gaming may only be conducted pursuant to the terms of an approved tribal-state gaming compact. Class I and Class II gaming may be conducted without a compact.

Under IGRA, tribal governments may use gaming revenue to "(i) fund tribal government operations or programs; (ii) to provide for the general welfare of the Indian tribe and its members; (iii) to promote tribal economic development; (iv) to donate to charitable organizations; or (v) to help fund operations of local government agencies." 25 U.S.C. §2710(b)(2)(B). Revenue generated at the Project will be used for all of the purposes allowed under IGRA. The Tribe intends to use Project revenues to fund tribal government, provide for the general welfare of its members, promote economic development, and donate to charities. The intergovernmental agreements ("IGA") between the Authority and the City and County of Kenosha will help fund the operations of local government agencies as allowed by IGRA. Ultimately, the revenue generated by the Project will strengthen the Tribal government, relieve some of the financial burdens on the State's social welfare programs, and will positively impact the greater Kenosha area through both job creation and the resulting relief on local social services programs.

1.3 Related Parties

The Site is located at 5522 104th Avenue, Kenosha, Wisconsin. It is situated almost equally between Chicago, Illinois and Milwaukee, Wisconsin. Dairyland has granted an option to purchase the Site to Kenesah at a negotiated price of \$40,500,000. The option period, including all extensions, expires on March 31, 2008.

The Authority, through a development agreement ("Development Agreement") with Kenesah, has appointed Kenesah as its limited agent and has granted Kenesah the exclusive right to carry out any and all activities necessary to develop the Project. Upon the request of the Tribe, Kenesah will assign its interest in the option agreement and subsequent asset purchase agreement to the Authority. Kenesah's rights and duties end upon the commencement of operations of a permanent gaming facility. The Development Agreement provides that Kenesah will be compensated for its services for a period of seven years after the commencement of permanent gaming operations.

Kenesah has been established solely for the purpose of performing the duties as defined in the Development Agreement and will underwrite the costs of the land into trust application and pre-development work. Kenesah is a single member limited liability company, owned by Dennis M. Troha, a Kenosha businessman. Kenesah will have no role in the management or operation of the Project. The Tribe currently operates a gaming facility on its reservation in Keshena, Wisconsin, but the Authority intends to hire qualified gaming professionals to manage and operate the Project or contract with a third party manager experienced in such matters.

Additionally, the Tribe, because of the scope and size of this project, believed it paramount to seek the advice from another operator of a Native American casino that could bring experience and expertise to the Project. The Mohegan Tribe of Indians of Connecticut ("Mohegan Tribe") was subsequently contacted and they agreed to provide assistance. The Mohegan Tribe is a federally recognized Indian Tribe, who operates the Mohegan Sun casino, located in Uncasville,

Connecticut. The Mohegan Sun is one of the largest casinos in the world and employs over 10,000 people.

The participation of the Mohegan Tribe was structured via the formation of Mohegan Ventures, LLC ("Mohegan Ventures") a company established under the laws of the Mohegan Tribe. Mohegan Ventures provides funding to Kenesah in the form of a loan that can be converted to an equity position at a later date.

1.4 Intergovernmental Agreement and Kenosha Community Impact

One part of the Secretary's two part determination concerns potential impacts of the Project on the local community. In order to mitigate any potential impacts of the Project, the Tribe has held preliminary discussions with the City and County of Kenosha for an Intergovernmental Agreement ("IGA").

Keeping in mind that the primary beneficiary of the Project must be the Tribe, the Tribe intends to compensate the City and County of Kenosha, through IGA payments, for any lost tax revenues in addition to compensating the City and County of Kenosha for any increased services that may be required by the Tribe. As part of the final IGA document, the Tribe contemplates compensating the City and County of Kenosha a percentage of the net win of the Project. Net Win is defined as "the total amount wagered in Class III gaming, less the amount paid out in prizes, including the actual cost of non-cash prizes, which shall mean any personal property distributed to a patron as the result of a specific legitimate wager." (Source: 1992 Gaming Compact between the State of Wisconsin and the Tribe, as Amended; Section XXXIII.B.2) Using Net Win would allow the payments to the City and the County to fluctuate with the success of the Project. If the Project is more successful, more people will be visiting the Project and potentially affecting the local services, and therefore, that is the reason the Tribe contemplates compensating the City and County as proposed. It is clear from PricewaterhouseCoopers' ("PWC") report that the Project will provide substantial economic benefits to the local community (Exhibit A), and the IGA will ensure that any potential impacts are mitigated.

In addition to the public hearings and meetings that may be held by the City Council and the County Board of Supervisors as part of the IGA process, the Bureau of Indian Affairs will also hold hearings open to the public. The Bureau has engaged professionals to conduct an Environmental Impact Study ("EIS") to assess the impact of the Project. This EIS performs a standard of diligence much greater than an environmental assessment process, and will include how the Project could potentially affect the City and County of Kenosha. The Bureau of Indian Affairs will take comments and concerns of the community into account when deliberating its process of placing the Dairyland property into trust. The Tribe takes its responsibility to the environment surrounding the Project very seriously as it does on its reservation in Keshena. The draft EIS is scheduled to be published and distributed in late 2004.

The Kenosha Gaming Authority will provide a limited waiver of its sovereign immunity to the extent necessary to guarantee the obligations of the Authority to the City and the County. The Tribe's constitution was specifically amended to allow the Tribe to waive its sovereign immunity for a project such as this. Based on a final IGA document, the Tribe's legal counsel, Holland &

Knight LLP, will provide an opinion regarding the enforceability of any IGA against the Tribe and the Authority.

1.5 Tourism Agreement

The Tribe has proposed a tourism agreement with the Kenosha Area Tourism Corporation ("Bureau"). The Tribe, like the Bureau, is committed to increasing tourism to the Kenosha Community. In order to properly fund the Bureau and to insure that the Project hotel and the community hotels are subject to equivalent tax rates, the Tribe intends to enact a room tax ordinance that will be equal to the room tax imposed by the Bureau member communities. The room tax imposed by the Tribe will be used to compensate the Bureau for tourism services provided to the Project.

2.0 GAMING/ENTERTAINMENT CENTER

2.1 Project Concept

The Tribe has developed a business plan described herein for the proposed Project. The Tribe currently operates a small gaming facility in Keshena, Wisconsin. This facility is unable to sustain the needs of the Tribal government, and the Tribe remains among the poorest in Wisconsin (See Exhibit B, *Gaming Jackpot Eludes Most State Tribes*, December 10, 2003, Green Bay Press-Gazette). The successful development of the Project will allow the Tribe to meet many of the unmet needs of its government and its members.

Prior to offering gaming on the Site, the Tribe must secure the land. The Tribe has entered into an agreement with Kenesah Gaming Development, LLC ("Kenesah"), for the purpose of assisting the Tribe in the development of the Project. Kenesah, on behalf of the Tribe and the Authority, has secured an option for the purchase of the Site from Dairyland. A condition of the option to purchase the Site is that the Secretary of the Interior must accept title of the Site in trust for the benefit of the Tribe. Prior to accepting the title of the Site into trust for the benefit of the Tribe, the Secretary must make a two-part determination that (1) the Project will primarily benefit the Tribe and (2) the Project will not be a detriment to the surrounding community. Once the Secretary determines that the Project's main beneficiary will be the Tribe and the Project will not harm the surrounding community, the Governor must concur with the determination of the Secretary before title to the Site can be accepted into trust. Gaming may only be offered at the Site once the Secretary has taken the land into trust on behalf of the Tribe, and the Site has become "Indian Lands" under Section 2703 of IGRA.

Once the Site has been taken into trust, the Tribe, through the Menominee Kenosha Gaming Authority ("Authority"), will develop the Site into the Project. The gaming portion of the Project will be operated under the terms and conditions set forth in the 1992 Gaming Compact between the Tribe and the State of Wisconsin, as amended.

2.2 Current Approved Concept Program Summary

The proposed concept program includes the following attributes. Specific detail is provided in the subsequent section on the project.

- The temporary facility will consist of 1,000 slot machines and 50 table games with a projected net win of \$187,562,788 over a 14-month period. When opened, the temporary facility will employ 1,109 Full Time Equivalents (FTE), exclusive of Senior Executive Management of the facility. The average annualized salary and benefit cost for the 1,109 FTE's is \$42,382 including an estimated hourly tip amount for those positions that will receive tips. The projected average annualized salary is comprised of \$29,682 in wages and employer-sponsored benefits totaling \$12,700 (includes health care costs of \$9,557 annualized and other benefits of \$3,143).

- Net win for Phase I of the permanent facility, once operational, is estimated to be \$795,287,284 over the 24-month period. The facility will operate 2,700 slot machines and 75 table games. Amenities will include a 5,000-seat multi-purpose entertainment facility, numerous food and beverage outlets, and 50,000 square feet of retail space. The Authority will then employ 2,408 Full Time Equivalent (FTE), exclusive of Senior Executive Management of the facility. The average annual salary and benefit cost for the 2,408 FTE's is \$40,596 including an estimated hourly tip amount for those positions that will receive tips. The projected average annual salary for Phase I is comprised of \$28,430 in wages and employer-sponsored benefits of \$12,166 (includes health care costs of \$9,557 and other benefits of \$2,609). The total premium for health care for Phase I is estimated at \$23,169,693 on an annual basis.
- Phase II of the permanent facility will include additional gaming (400 more slot machines), a 400 room hotel, conference center, and a spa. The total projected net win is \$2,589,157,932 for the next five-year period. The Authority will then employ 2,910 Full Time Equivalent (FTE), exclusive of Senior Executive Management of the facility. The average annual salary and benefit cost for the 2,910 FTE's is \$43,152 including an estimated hourly tip amount for those positions that will receive tips. The projected average annual salary of Phase II consists of \$30,158 in wages and benefit costs of \$12,994 (includes health care costs of \$11,043 and other benefits of \$1,951). The total health care premiums for Phase II total \$32,346,071 on an annual basis.

2.3 Project Background Details

In 2000, the Tribe renegotiated its gaming compact with then Governor Tommy Thompson to allow the Tribe to operate a gaming facility in Kenosha, Wisconsin. The projected economic benefits to the Tribe and the local community are significant, and the Project will generate substantial resources to allow the Tribe to address the unmet needs of its government and its members. The Project will stimulate job growth both on and off the reservation, with the most significant job growth occurring in the greater Kenosha area. The Project will also have, through direct and indirect employment, purchases of supplies and materials, IGA payments, and other such benefits, a positive economic impact on Kenosha and the surrounding community.

In order to substantiate the economic impacts of the Project, the Authority and Kenesah engaged PWC to perform market financial assessment analysis of a proposed casino in Kenosha, Wisconsin. PWC specifically looked at the existing Dairyland Greyhound Park. The market study considered the advantages and disadvantages of the Site, including known and expected primary casino competition. The known and expected competition includes the issuance of the tenth Illinois license in Rosemont, Illinois, and the proposed expansion of the Potawatomi Bingo and Casino in Milwaukee.

A thorough review was also conducted regarding the expected number of visitations. The number of gaming visits is estimated at 4,154,652 annually in fiscal year 2008 (ending May 31, 2008); visitations increase to 4,796,678 in fiscal year 2010. PWC determined that the number of adults living within a reasonable driving distance from the Site would make the Project more convenient to visitation than the known or expected competition. This convenience is a positive factor in PWC's analysis.

Based on the assessment, PWC concluded that a phased development approach would be supported by the demand. Besides the support for the project indicated in the PWC report, the Tribe and Kenesah have participated in presentations and have had discussions regarding the Site and Project with investment banking groups experienced in the gaming industry. All of the banking groups have viewed the Project as a premier facility and believe the Project would establish a casino and entertainment destination center that is more exciting than anything currently in the Wisconsin or Illinois competitive market place.

The Tribe adopted a concept program that reflects PWC's recommendations (Exhibit C – Market Assessment). The current concept program consists of a multi-phase plan of development for a regional destination entertainment center. In addition to the market potential, PWC examined the projected operating performance of the Project and the financial strategy for the Project's capital structure. It is also possible to include additional development on the Site by third parties. The currently approved concept program is shown in *Table 1* below:

Table 1

**CURRENT APPROVED CONCEPT PROGRAM
CUMULATIVE DEVELOPMENT
(Without Contingency)**

	Temporary	Phase I	Phase II
Gaming Positions/Square Footage			
Slots	1,000	2,700	3,100
Tables	50	75	75
Square Footage	37,600	101,000	116,100
Greyhound/Simulcast			
Availability	Yes	Yes	Yes
Bingo			
Availability	Not Planned	Not Planned	Not Planned
Multipurpose Entertainment Venue			
Flexible Seating	0	3,300	3,300
Balcony Seating	0	1,500	1,500
Box Seating	0	200	200
Square Footage	0	92,100	92,100
Parking, Number of Cars			
Below Grade Valet	None	2,000	2,000
Parking Structure	None	5,000	6,500
Employee Surface	TBD	1,500	1,500
Patron Surface	TBD	0	0
Food & Beverage Type/Square Footage			
4 Gourmet Restaurants (625 Seats)	None	27,500	27,500
Buffet (375 Seats)	None	28,500	28,500
Coffee Shop (24-hour, 275 Seats)	None	None	12,600

Nite Club	None	None	9,000
Entertainment Lounge	None	12,000	12,000
Bar/Lounges	5,400	5,800	5,800
Quick Serve (24-hour)	7,700	11,800	11,800
Employee Dining (240 Seats, Phase I)	3,000	9,000	9,000
Total Square Footage	16,100	94,600	116,200
Hotel/Conference Center/Recreation			
Guest Rooms --			
Suites	None	None	40
Typical	None	None	340
Accessible (including suites)	None	None	20
Conference Facility Seating Capacity			
Ballroom No. Seats	None	None	1,500
Meeting rooms/number seats	None	None	4 - 860
Conference Facility Seating Capacity (Cont.)			
Board rooms/number seats	None	None	200
Recreation Facilities			
Health Club	None	None	Yes
Spa	None	None	Yes
Pool/Whirlpool	None	None	Yes
Salon	None	None	Yes
Family Entertainment Center	None	None	Yes
Retail			
No. of Shops--Sq.Ft.	1--700	12-- 49,400	12--49,400
Administration			
Local Gaming/Security/F&B Sq.Ft.	5,700	28,400	28,400
Central	1,000	85,800	99,800
Employee Services	900	34,800	34,800
Back of House (count room, etc.)	4,100	18,900	18,900
Gaming Commission/ Background Investigation	1,200	5,800	5,800
Building Support (excluding circulation)			
Loading/Records Sq.Ft.	Existing	15,230	15,230
Warehousing Sq.Ft.	Existing	135,000	150,000
Mechanical/Electrical Sq.Ft.	3,000	23,800	31,300
Environmental Services Sq.Ft.	950	1,810	1,810
Food & Beverage Storage Sq.Ft.	Existing	18,000	18,000
Workshop Sq.Ft.	None	13,100	13,100
Public Spaces (excluding circulation)			
Grand Lobby/Entry Sq.Ft.	8,600	10,600	10,600
Coat Rooms/Restrooms, etc. Sq.Ft.	1,965	10,400	10,400
Bus Lobby Sq.Ft.	None	6,400	6,400
Grand Concourse Sq.Ft.	None	10,000	10,000

The approved master site plan reflects development of a water park with additional hotel space on the southwest portion of the property. This development is not expected to increase visitation to the gaming operations, but it will provide substance to the regional entertainment center conceptual theme. All non-Indian, third party improvements to the Site and third party leaseholds will be a source of property taxation for the local community. Taxation of third parties was established in *Town of Menominee v. Skubitz*, 192 N.W.2d 887 (Wis. 1972); *State ex rel. Michell Aero, Inc. v. Board of Review of City of Milwaukee*, 246 N.W.2d 521 (Wis. 1976); *State ex rel. Keane v. Board of Review of the City of Milwaukee*, 299 N.W.2d 638 (Wis. 1980). The site plan also anticipates a RV park on the southeastern portion of the Site. This amenity is expected to increase the number of gaming visits.

Analytical Environmental Services ("AES") of Sacramento, California, has been retained by the BIA to complete an Environmental Impact Statement on the Project. AES will be evaluating a number of site conditions and assessing the impact of the Project on grading, drainage, water consumption, wastewater production, and traffic.

The Tribe, in its application to the United States to take the land into trust, will request that the entire 223-acre parcel be taken into trust. According to land use studies conducted by Graef, Anhalt, Schloemer, and Associates, Inc., approximately 18% of the parcel is undevelopable (Table 2). The remaining acreage will be dedicated to gaming and related amenities (eastern portion of the parcel) and other third party improvements (western portion).

Table 2

DEVELOPABLE LAND SUMMARY

	Eastern Portion	Western Portion	Total Acres
Total Acreage	151.17 acres	71.81 acres	222.98
Ponds	22.08 acres	5.35 acres	27.43
Other Wetlands	None	7.91 acres	7.91
Landfill	4.00 acres	None	4.00
Undevelopable Land	26.08 acres	13.26 acres	39.34
Net Developable Land	125.09 acres	58.55 acres	183.64

None of the property will be held in fee, and therefore, none of the Site's real property will be subject to the property taxes imposed by the local taxing authorities. As noted above, however, non-Indian, third party property interests will be taxable as personal property by the local governments.

2.4 Project Timeline

The Tribe and Kenesah anticipate that Phase I and Phase II of the planned Site development will take place over a span of thirty-eight (38) months following federal and state approvals regarding the status of the land. Construction of the Project will create several thousand construction jobs with an estimated Project compensation for employees of \$164 million.

A synopsis of the currently planned Project is as follows:

- A temporary casino operation; including continuation of greyhound racing and simulcasting, through the retrofitting of the current Dairyland clubhouse for slot machines and table games. Construction is scheduled to begin on January 1, 2006 and will last approximately three months. The temporary facility will begin operations on April 1, 2006 and will be operational for 14 months while Phase I is developed.
- Phase I permanent operation; construction of a new casino, 5,000-seat entertainment venue, and related amenities will be concurrent with the operation of the temporary casino and will commence on April 1, 2006. Retrofitting of existing Dairyland clubhouse will also occur to create accommodations for casino support functions. Construction is expected to take 14 months and Phase I of the project is slated to open on June 1, 2007.
- Phase II permanent operation; expands Phase I by adding a hotel, conference center, and spa. Phase II will also expand the gaming space and number of gaming positions at the Site. Construction is expected to take 12 months and will begin on June 1, 2008, one year after the opening of Phase I. The completed project will open to the public on June 1, 2009.

The professionals engaged or to be engaged are aware of the required interaction with the Federal Aviation Administration, to insure that the site is developed in compliance with height and other restrictions applicable to the Site (Exhibit D, Letter from Jeter Cook and Jepson to the Tribe regarding FAA Restrictions). Please refer to Exhibit E for an overview of the Menominee Site Plan and for massing diagrams of the Project.

The key events are expected to occur as follows:

- On or before July 1, 2004, an application to take the Site into trust will be filed with the BIA. Key components of the application, such as the Environmental Impact Study and IGA's, will continue to be submitted as the application is pending.
- On or before December 31, 2005, the Secretary will make a favorable determination regarding the Site and the governor will concur with the second part of the Secretaries determination.

- Commencing January 1, 2006, Kenesah will secure financing and exercise option to purchase the Site. Title to the Site will transfer to the United States for the benefit of the Tribe. Kenesah and the Authority will select professionals required to implement the approved concept program, and commence retrofit of Dairyland clubhouse for a temporary casino operation as noted above.
- April 1, 2006, the Authority will commence temporary casino operations in the retrofitted Dairyland clubhouse and commence construction of the Phase I permanent operation.
- June 1, 2007, the Authority will begin operation of the Phase I permanent operation.
- June 1, 2008, the Authority will begin construction of the Phase II permanent operation.
- June 1, 2009, the Authority will commence operation of the Phase II permanent operation.

2.5 Scope of Games and Base Case for the Current Approved Concept Program

On May 13, 2004, the Wisconsin Supreme Court issued a decision in the case of Panzer v. Doyle, Case No. 03-0910-OA. The Supreme Court held that Governor Doyle exceeded his authority when he negotiated and approved tribal/state compact amendments with the Forest County Potawatomi Indian Community ("FCP"). The court ruled that, among other things, Governor Doyle improperly extended the term of the compact and added games that were deemed to violate a 1993 amendment to Wisconsin's constitution. The decision of the Court does not directly affect the Tribe, because it only deals with the compact between the state and FCP. The term issue is most likely an issue of state law over which the state supreme court has jurisdiction, but the scope of games issue will probably be the subject of federal litigation.

The Tribe's base case model is limited to offering dog and simulcast racing, slot machines, and blackjack (21) at the Project. The preferred model of the Tribe includes the full scope of table games and reflects an increase in net revenues of \$261,150,000, additional wages and benefits of \$96,118,000, non-labor expenditures of \$54,418,000 more than the base model, and increased mitigation payments to the city, county and state. Visitations under the preferred model with a full scope of games would be 5,195,775 versus 4,796,678 under the proposed model for the first year of operation of Phase II (fiscal year 2010). Changes in financial projections are based from the opening of the temporary facility through five years of operation of Phase II.

Section XXXVIII of the 2000 amendments to the Tribe's gaming compact with the State of Wisconsin allows the Authority to request that the Wisconsin Department of Administration approve the conduct of games operated within a competitive 60 mile radius of Kenosha. This would allow games contemplated in the 2003 amendments. The 2000 amendments also allow the Tribe to extend the term of the compact for a term contemplated by the financing documents.

2.6 Problem Gamblers

Research indicates that the percentage of problem gamblers in society is approximately 1%.¹ This figure has not appreciably changed over the last twenty-five (25) years even though gaming revenues over that time have increased by 1600%.² This indicates that the expansion of gaming does not correlate with an increase in problem gamblers. A report issued by the Florida Institute of Government at Florida State University found:

“... in light of the large extent to which gambling has been legalized in America over the past few decades, the failure to find an obvious pattern of increasing prevalence of pathological gambling should raise serious doubts about just how likely the disorder is to be triggered by increasing opportunities to gamble.”³

Regardless of whether expansion of gambling will increase the incidence of problem gambling in the Kenosha area, the Tribe is committed to being a leader in Wisconsin and the nation in addressing this issue.

The Tribe and the Authority recognize that problem gambling has a disruptive effect on affected individuals and families. The Authority will make active efforts to combat problem gambling in the Kenosha area. It is the Authority's goal to promote and support responsible gaming at the Tribe's proposed casino in Kenosha.

The Authority will create and implement a detailed responsible gaming policy. In creating this policy, the Authority will review the policies of other casino operators throughout the nation, and will seek the advice of the Wisconsin Council on Problem Gambling and the Kenosha County Department of Health and Human Services. At a minimum the Authority's responsible gaming policy will include:

- Financial support for the Wisconsin Council on Problem Gambling and other problem gambling organizations that provide these types of services in the Kenosha area.
- Development of brochures, pamphlets, videos and other materials for the purpose of promoting responsible gambling. Such materials shall contain a help line number used

¹ Gerstein, et al., *Gambling Impact and Behavior Study: Report to the National Gambling Impact Study Commission*, National Opinion Research Center (NORC) (University of Chicago, April 1, 1999), at 3, 25; Committee on the Social and Economic Impact of Pathological Gambling [and] Committee on Law and Justice, Commission on Behavioral and Social Sciences and Education, National Research Council, *Pathological Gambling: A Critical Review* (Washington, DC: National Academy Press, 1999), at Exec-3.

² Ibid

³ Public Sector Gaming Study Commission, *Gambling Policy and the Role of the State: An Assessment of America's Gambling Industry and the Rights and Responsibilities of State Governments*, Final Report of the Public Sector Gaming Study Commission (Tallahassee, FL: Florida Institute of Government, Florida State University), March 2000, at 48. Also see, e.g., Abbott, Max Wenden, Maynard Michael Williams, and Rachel Ann Volberg, *Seven Years On: A follow-up study of frequent and problem gamblers living in the community, Report number two of the New Zealand Gambling Survey* (Wellington, NZ: The Department of Internal Affairs, December 1999), at 7, 86.

by the Wisconsin Council on Problem Gambling. The Authority will also make a help line number available on other signage in the Casino.

- Cooperation with local media to promote awareness of problem gambling
- Institution of self-limitation policies
- Institution of self-exclusion policies
- Institution of exclusion policies
- Training for all employees on issues of problem gambling. This training will include educating employees on the nature of problem gambling, how to recognize problem gambling behavior, and what resources are available to help problem gamblers.
- Sponsorship and support for problem gambling conferences and workshops
- Zero tolerance for underage gambling. Such a policy will include strictly checking identification of gambling customers, prominently displaying and advertising the legal age to gamble, raising customer awareness as to their responsibilities when bringing children to the property, and working with the local schools and other local organizations to raise awareness of the issue in the community.
- Prohibition of gaming by employees of the casino

In addition to these efforts by the Authority, the Tribe hopes and intends that a portion of the funds paid to Kenosha County pursuant to an inter-governmental agreement will be used by the County to implement programs and services to assist problem gamblers and their families. The Authority will work closely with Kenosha County to ensure issues of problem gambling are addressed.

3.0 EMPLOYMENT AND LABOR RELATED MATTERS

Based on information provided by the owners of Dairyland Greyhound Park, Inc., employment levels at the dog track peaked in 1991 at 815 employees (*Table 3*). In 2003, the total number of employees was 258. In 1991, the wages and other benefits paid to Dairyland's employees was \$8,893,702 and, in 2003, that amount was \$4,643,203.

Table 3

DAIRYLAND GREYHOUND PARK, INC. EMPLOYMENT LEVELS 1991 and 2003

Period	Total Number of Employees	Total Actual Annual Salaries, Wages and Benefits
Dairyland (Actual 1991)	815	\$8,893,702
Dairyland (Actual 2003)	258	\$4,643,203

The proposed gaming and regional destination entertainment center will substantially increase the number of jobs providing greater salaries and benefits for all employees. *Table 4* below shows the total number of full time equivalent employees at 1,125 in the Temporary Phase of the project. These numbers will increase in Phase I to 2,768 and continue to increase to 3,356 in Phase II.

Table 4

PROJECTED EMPLOYMENT CASINO GAMING AND REGIONAL DESTINATION ENTERTAINMENT CENTER (Includes Senior Management)

Year	Total Number of FTE's ^(a)	Total Annual Salaries, Wages, Taxes, Tips & Benefits	Average Per FTE
Temporary Phase (2006)^(b)	1,125	\$54,109,035	\$48,097
Phase I	2,425	\$108,240,246	\$44,635
Phase I Non Tribally Owned Outlets	343	\$10,949,631	\$31,923
Phase I Totals (2008)	2,768	\$119,189,877	\$43,060
Phase II	2,929	\$138,347,039	\$47,234
Phase II Non Tribally Owned Outlets	427	\$14,643,602	\$34,294
Phase II Totals (2010)	3,356	\$152,990,641	\$45,587

- (a) All estimated staffing, wage, salary and benefits projections are based on a Full Time Equivalents (FTE) basis of 2,080 hours. FTE's include both part time and full time employees, and actual number of individuals employed could be significantly higher.
- (b) The Temporary Phase is for a duration of 39 weeks and all figures are reflected on an annualized basis.

The projected total annual salaries, wages, tips and benefits for the Project, include the following:

- a. Employer paid group health, dental and vision insurance
- b. Employer paid group disability insurance
- c. Employer paid group life insurance
- d. 401(k) plan with matching contributions
- e. Employer paid meals
- f. Employer sponsored child care subsidy
- g. Employer payroll taxes
- h. Workers' compensation insurance

Refer to Exhibit F for expanded data on employment for all phases of the project.

Federal laws generally applicable to employers do not necessarily apply to Indian tribes or tribally owned entities. In regard to employees' rights to organize, the National Labor Relations Board ("NLRB") issued a Decision and Order on May 28, 2004 ruling that the National Labor Relations Act ("NLRA") applies to casinos operated by Indian Tribes on their reservation. This decision overturns its former position that the NLRA did not apply to such entities. As a result of this ruling the NLRB will assert jurisdiction over Tribal Casinos as employers.

This decision of the NLRA will certainly be the subject of litigation in federal court. If ultimately upheld by federal circuit courts this decision will require Tribal casinos to comply with the NLRA unless they fall under exemptions contained in the Act.

On April 7, 2004, the Tribe and the Southeastern Wisconsin Building and Construction Trades Council, AFL-CIO ("Council") executed a project labor agreement ("PLA") (Exhibit G). In the PLA, the Tribe committed that all construction labor through Phase I on the Site would be provided through labor unions represented by the Council. In return, the Council represented employees agree not to strike against the Project. Any contractor performing work on the Site that is subject to the PLA and is not a member of a union represented by the Council must sign an appropriate Kenosha area labor agreement. The Project will create several thousand construction jobs with an estimated employee compensation for the Project of \$164 million. The Tribe and the Council expect to enter into a PLA for construction in subsequent phases of the Project.

4.0 PROJECT FINANCIAL INFORMATION

4.1 Projected Development Expenditures and Projected Capital Structure

The Tribe and Kenesah engaged the architectural firm of Jeter, Cook, & Jepson (Hartford, Connecticut) to develop a master space allocation program which details the current Approved Concept Program and all site and building components necessary to accomplish the business plan for the Project. In addition, the parties retained the professional firm of FoxCor (Little Rock, Arkansas), in conjunction with the resources provided by Mohegan Ventures, to facilitate the development of an Approved Facility Budget. Table 5 shows the projected expenditures and the anticipated capital structure required to fund the Approved Concept Program and the Approved Facility Budget.

Table 5

PROJECTED EXPENDITURES AND ANTICIPATED CAPITAL STRUCTURE

	Temporary	Phase I	Phase II	Total
Acquire Dairyland	\$40,500,000	***	***	\$40,500,000
Construction/Site Work	9,486,700	295,796,352	135,773,392	441,056,444
FF&E - Gaming Interior	1,369,750	22,286,886	8,753,797	32,410,433
FF&E - Hotel/Conference	***	***	10,249,734	10,249,734
Professional Fees	1,402,774	39,144,989	17,593,263	58,141,026
Information Technology	8,694,510	3,888,416	3,060,358	15,643,284
Signage/Vehicles	1,000,000	2,630,000	***	3,630,000
Multi-Purpose Entertainment Facility	***	13,687,000	***	13,687,000
Gaming Related Equipment	8,668,900	44,157,507	7,408,300	60,234,707
Pre-Opening	6,321,259	5,695,000	1,555,000	13,571,259
Financing/Debt Issuance Fees	3,253,012	19,138,015	3,921,569	26,312,596
Capitalized Interest	750,000	35,000,000	8,000,000	43,750,000
Casino Impressments	7,125,100	10,109,170	***	17,234,270
Subtotal	\$88,572,005	\$491,533,335	\$196,315,413	\$776,420,753
Contingency	\$1,427,995	\$26,466,665	\$3,684,587	\$31,579,247
Total Projected Facility Budget	\$90,000,000	\$518,000,000	\$200,000,000	\$808,000,000
Bridge Loan	January 1, 2006		\$90,000,000	
Sell High Yield Notes	April 1, 2006		516,800,000	
Secure Senior Subordinated Debt	April 1, 2006		91,200,000	
Retire Bridge Loan	April 1, 2006		(90,000,000)	
Secure Bank Credit Facility	June 1, 2008		200,000,000	
Total Proj. Aggregate Capital Structure	June 1, 2008		\$808,000,000	

In addition to the above sources to fund the Current Approved Facility Budget, in January 2006, a \$10,000,000 line of credit will be sought for operational purposes.

4.2 Charitable Donations

The Authority is chartered by the Tribe and is not a private, for-profit business. The Tribe's gaming revenues are analogous to the tax revenues of a city or county. The Tribe uses the revenues received to fund, among other things, police services, fire protection services, health care, social services, environmental regulation, land use regulation, schools, housing, alcohol and drug addiction programs and other services normally provided by a governmental entity. The Tribe is seeking a casino in Kenosha to improve the quantity and quality of governmental services provided to its members.

Even though revenues from the proposed casino in Kenosha are needed to adequately fund Tribal government, the Authority will make charitable donations to the local community. Such contributions are consistent with the Tribe's current practice of donating to charitable entities on and around the Menominee Reservation such as the Boys and Girls Club, College of the Menominee Nation, veterans groups, local churches, community centers and other 501(c)3 entities, and an allowable use of gaming revenues under IGRA. The Tribe wishes to be a positive influence in the local community, and contributions to local charities are consistent with this goal. The Authority recognizes that its casino will be a large economic force in the Kenosha community, and in the realm of charitable contributions, the Authority seeks to play a role commensurate with its position in the local economy.

The Authority intends to establish a charitable giving policy that will detail guidelines for donations by the Authority and will create a committee to implement that policy.

4.3 Site Usage in Declining Gaming Market

There are no indications that the gaming industry will decline in the foreseeable future. In the remote event that gaming could cease to be a viable economic activity, the Tribe, the City of Kenosha, and the County of Kenosha will need to renegotiate the economic provisions of any then existing intergovernmental agreement regarding provision of services to the Tribe's land in Kenosha. The governmental provisions of the intergovernmental agreements will not change, however. Pursuant to any agreement reached between the Tribe, the City and the County, the Tribe expects to enact ordinances and other laws that will mirror those of the City and County. Therefore, if the Tribe can no longer operate a gaming facility on the Site, the Tribe is bound to follow its own laws and ordinances that will be a part of any intergovernmental agreement.

The Tribe is internationally acknowledged for its leadership in sustainable development and takes pride in its legacy of stewardship of its forested ancestral lands, and will honor those similar efforts to other communities. The Tribe is dedicated to assuring a high quality of life for future generations and its communities while making a positive contribution in its endeavors. It is difficult to say with any accuracy what use the Tribe would make of the site in the remote event gaming is no longer viable. One example would include the Tribe selling the improvements on the land, and leasing the land to a third party for a fair market rent. It is likely

that the Tribe would utilize the site to its maximum economic potential so as to continue providing funds for the operation of Tribal government while protecting the land and surrounding communities.

5.0 CONCLUSION

5.1 Conclusion

The Project will be a boon to Kenosha, Wisconsin. The construction of the Project will employ thousands of contractors and laborers with an estimated employee compensation for the Project of over \$164 million. During construction, the Tribe, Kenesah, and their affiliates will purchase large amounts of building materials and other products from merchants and vendors in and around Kenosha. Once the Project is completed, it will employ 3,356 FTE's and indirectly support the employment of thousands more. The projected annual payroll (including taxes, tips, and benefits) for the Authority is over \$138 million at the conclusion of development with an average total annual wage (including taxes, tips and benefits) of \$47,234 per full time equivalent. Available jobs will be in a number of diverse disciplines, including property operations, finance, marketing, administration, gaming, food and beverage, and entertainment, and employees will participate in a variety of employer-sponsored benefits, including group health, dental and vision, life insurance, 401(k) plan with matching contributions, and child care subsidy. The cost of the employer-sponsored benefits is significant with health care premiums alone exceeding \$32 million upon completion of Phase II.

The Project will allow the Tribe to begin to meet the needs of its people, and also provide the City and County of Kenosha with much needed revenue through taxes, intergovernmental agreement payments, and increased tourism. The Authority will contribute to the social fabric of Kenosha through charitable donations and problem gambling programs. While there are many challenges to conquer before the Project reaches its successful completion, the Tribe and Kenesah are confident that the partnership established between the Tribe and the City and County of Kenosha will provide positive returns for many years to come.

EXHIBIT “A”

OF

EXHIBIT “E”

Exhibit A

Regional Economic Impact of the

Proposed Kenosha Casino

Prepared for Kenesah Gaming Development, LLC

June 14, 2004

PricewaterhouseCoopers LLP

Hospitality & Leisure Consulting Group

June 14, 2004

Mr. Dennis Troha
Manager
Kenesah Gaming Development, LLC
1709 – 32nd Ave.
Kenosha, WI 53144

Dear Mr. Troha:

In accordance with PricewaterhouseCoopers (“PwC”) engagement letter dated January 14, 2003, this report contains an executive summary of our findings.

The objective was to provide Kenesah Gaming Development, LLC (“Kenesah Gaming”) certain advisory services relative to the potential development of a Class III gaming facility (the “Kenosha Casino”) in Kenosha, Wisconsin. As such, we have prepared an analysis of the potential economic impact of the Kenosha Casino.

Our report is subject to the Assumptions and Limiting Conditions, which follow.

June 14, 2004

ASSUMPTIONS AND LIMITING CONDITIONS

The accompanying analyses do not constitute an audit, examination, review or compilation of historical or prospective financial information conducted in accordance with Generally Accepted Auditing Standards or with standards established by the American Institute of Certified Public Accountants ("AICPA"). Accordingly, we are unable to express any opinion or any other form of assurance with respect to whether the prospective financial information is presented in conformity with AICPA presentation guidelines.

To the best of our knowledge and belief, the statements of facts contained in this report, upon which the analysis and conclusion(s) expressed are based, are true and correct. Information, estimates and opinion furnished to us and contained in the report were obtained from sources considered reliable and believed to be true and correct. However, no representation, liability or warranty for the accuracy of such items is assumed by or imposed on us, and is subject to corrections, errors, omissions and withdrawals without notice.

Our analyses are based on estimates and assumptions developed in connection with this engagement. Some assumptions, however, inevitably will not materialize, and unanticipated events and circumstances will occur.

This report and its comments are intended solely for the internal use of Kenesah Gaming Development, LLC and may not be relied on for any other purpose or by any other entity. Neither our report, nor its contents, nor any reference to PwC may be included or quoted in any loan document, offering circular, registration statement, prospectus, sales brochure, appraisal, or other agreement.

Respectfully submitted,

PricewaterhouseCoopers L.L.P.

By: Michael G. French, Philadelphia

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EXECUTIVE SUMMARY

PricewaterhouseCoopers ("PwC") has assisted Kenesah Gaming Development, LLC ("Kenesah Gaming") at several points during its planning for a proposed Native American casino in Kenosha, Wisconsin ("Kenosha Casino") at the site of the existing Dairyland Greyhound Park ("Dairyland") during the past 16 months. The Menominee Indian Tribe of Wisconsin ("Menominee Indian Tribe") is a federally recognized Indian Tribe with over 8,100 members and a reservation located in northeastern Wisconsin. The Menominee Indian Tribe, and its Menominee Kenosha Gaming Authority, have signed a development agreement with Kenesah Gaming, contracting the services of Kenesah Gaming to plan, design, develop, construct and furnish the Kenosha Casino.

When plans related to the Kenosha Casino were in initial stages, PwC prepared a preliminary economic impact analysis that was referenced in public statements by the Menominee Indian Tribe of Wisconsin. Now that plans for the Kenosha Casino have been further refined, PwC has updated the economic impact analysis and summarized the results in this document. This analysis measures the regional economic impact associated with casino construction and operation, using an economic impact model that quantifies the direct and indirect impacts on the regional economy. The estimated operating performance of the Kenosha Casino is based on market research conducted by PwC on the behalf of Kenesah Gaming.

This updated economic analysis corresponds to what was, for a period, the expected development plan for the Kenosha Casino. In this plan (the "Preferred Case"), the facility is expected to offer a full scope of casino table games, include games such as roulette and craps. More recently, Kenesah Gaming has adapted its business plan to reflect an assumption that the types of table games offered by the Kenosha Casino will be limited to blackjack (the "Proposed Case"), and that as a result the facility will offer fewer table games than in the Preferred Case.

PwC has analyzed the expected net win of the Kenosha Casino in the Proposed Case, and this analysis is summarized in PwC's Market Assessment Executive Summary dated June 14, 2004. But PwC has not yet analyzed the expected economic impact in the Proposed Case. Since many of the Kenosha Casino characteristics remain unchanged in the Proposed Case relative to the Preferred Case – for example, key aspects of the facility design and its construction cost are expected to remain unchanged – the economic impacts are not expected to be substantially different. Indeed, in the case of construction-related impacts, since the facility that is expected to be constructed remains unchanged in either scenario, the construction industry impacts are expected to remain the same. The added benefits in the Preferred Case relative to the Proposed Case result from slightly increased number of gaming positions and gamer visitation, related to the popularity of a variety of table games, which are expected to support additional direct jobs at the Kenosha Casino, and in turn additional indirect impacts in the community.¹ PwC's analysis, shows that over a 105-month period of operation analyzed starting with the expected opening of a temporary phase in April 2006, the Kenosha Casino is expected to generate net win that is

¹ Gaming positions refers to the number of slot machines plus the number of table game positions, counting each table game as six gaming positions.

approximately nine percent greater in the Preferred Case than in the Proposed Case, and it may be expected that intergovernmental payments calculated as a percentage of net win may show a similar difference.² In summary, PwC's analysis of the Proposed Case provides useful information on the approximate magnitude of economic impacts that may be anticipated, in either the Proposed Case or Preferred Case, though impacts in the Preferred Case may be slightly larger.

In addition to noting that the PwC estimates reported in this document reflect a somewhat different scope of casino gaming than is expected in the Proposed Case, it should be noted that certain other factors differ from the analysis that has been prepared by Kenesah Gaming. The PwC estimates are presented on a fiscal year basis, using 12-month years that end on May 31, to coincide with the opening dates of certain phases of the Kenosha Casino. PwC dollar amounts are expressed as constant 2004 dollars, PwC employment figures include both full- and part-time employees, and PwC's analysis excludes certain leased retail outlets. For various reasons, the reader should take care in making comparisons between the PwC analysis and information prepared by Kenesah Gaming, because such comparisons may not be accurate. For example, information presented by the Menominee Indian Tribe of Wisconsin in its June 2004 "Overview of a Proposed Kenosha, Wisconsin, Casino Gaming and Regional Destination Entertainment Center" (the "Menominee Project Overview"), is expected to be in nominal dollars, rather than constant dollars; is expected to reflect time periods that differ from the fiscal year periods used by PwC; and is expected to refer to numbers of full-time employee equivalents, rather than the number of full- and part-time employees. Additional discussion of comparisons with the Menominee Project Overview is included in an Addendum at the end of this document.

Project Overview

The following outlines the Kenosha Casino and its development timeline, assuming a full scope of table games are offered.

In the **Temporary Phase**, the existing racetrack structure is expected to be retrofitted to contain separate spaces for slot machines and table games. In this phase, the Kenosha Casino is expected to include the following facilities and achieve the following performance levels:

- Casino offering 1,300 gaming positions, consisting of 1,000 slot machines and 300 table positions (50 table games with an average of six positions per table)
- Two quick service restaurants with approximately 200 seats
- Three bar outlets
- Annual net revenue of \$174 million in its first full year of operation, with \$170 million in gaming revenue, also referred to as net win³, based on 2.1 million visitors⁴

² Market Assessment Executive Summary, June 14, 2004, prepared by PricewaterhouseCoopers LLP for Kenesah Gaming Development, LLC.

³ The definition of net win used for this analysis corresponds to that in the compact between the Menominee Indian Tribe of Wisconsin and the State of Wisconsin, that is: total amount wagered in Class III gaming, less the amount

During its first 14 months of operation, the Temporary Phase Kenosha Casino is expected to generate net win of \$211 million, in nominal dollars. This compares to a Menominee Indian Tribe estimate of \$188 million, in nominal dollars, for the Proposed Case, which is expected to be presented in the Menominee Project Overview. It may be noted again that PwC estimates shown in this document are for the Preferred Case, which includes a full scope of table games, and a greater number of table games than the Proposed Case presented in the Menominee Project Overview.

In **Phase I**, a new casino structure is expected to open. In this phase, the Kenosha Casino is expected to include the following facilities and achieve the following performance levels:

- Casino offering 3,300 gaming positions, consisting of 2,700 slot machines and 600 table positions (most of the 1,300 gaming positions in the Temporary Phase will be removed from the existing racetrack structure, however 150 gaming positions are expected to remain on the third floor of the grandstand)
- Six restaurants with 1,200 seats
- Three lounges and a sports bar
- Multi-purpose events hall with approximately 5,000 seats
- Parking garages with 7,000 spaces
- Annual net revenue of \$364 million in its first year of operation, with \$356 million in net win, based on 4.4 million casino visitors⁵

During its first two years of operation, the Phase I Kenosha Casino is expected to generate \$821 million in net win, in nominal dollars. This compares to a Menominee Indian Tribe estimate of \$795 million, in nominal dollars, for the Proposed Case, which is expected to be presented in the Menominee Project Overview.

The Phase I facility is also expected to include 49,400 square feet of retail space. PwC limited its analysis to the expected performance of a single casino gift shop and vending machines, and the impacts of the additional retail space, such as retail outlet employees and purchases from local businesses, are not included. This is because the proposed size of the retail component was expanded after PwC had completed much of its market research, and PwC has not estimated the expected performance of the expanded retail component.

In **Phase II**, the Kenosha Casino is expected to expand its facilities by adding the following facilities:

paid out in prizes, including the actual cost of non-cash prizes, which shall mean any personal property distributed to a patron as the result of a specific legitimate wager.

⁴ In the Proposed Case, the number of casino visitors during the first full year of operation of the Temporary Phase is expected to approximate 2.0 million.

⁵ In the Proposed Case, the number of casino visitors during the first full year of operation of Phase I is expected to approximate 4.2 million.

- Additional gaming space with 496 gaming positions (400 slot machine positions and 96 table game positions)
- Additional 275-seat coffee shop
- Full-service, 400-room hotel with 45,300 square of meeting space, and spa, health club, salon, business center, and indoor pool
- Night club
- Parking garage with 1,500 spaces

In the first year of operation with the Phase II facilities, the Kenosha Casino is expected to generate annual net revenue of \$469 million, with net win of \$445 million, based on 5.2 million visitors.⁶ In total, during the first five year of operations of the Phase II facilities, the Kenosha Casino is expected to generate net win of \$2.8 billion, in nominal dollars. This compares to a Menominee Indian Tribe estimate of \$2.6 billion, in nominal dollars, for the Proposed Case, which is expected to be presented in the Menominee Project Overview. The cumulative net win of the Kenosha Casino during calendar years 2006 through 2014 in the Preferred Case is expected to total approximately \$4.2 billion, in nominal dollars, corresponding to the estimate that is cited in PwC's Market Assessment Executive Summary.

Kenesah Gaming has outlined a development timeline for the three phases of the Kenosha Casino which is converted to fiscal years and summarized in Table 1. The Temporary Phase is expected to open April 1, 2006, replaced by the Phase I facility on June 1, 2007, and expanded to the Phase II facility opening June 1, 2009. Year one is expected to consist of a three-month temporary phase construction period followed by a two-month period of operation, while year two and future years are 12-month periods. For the purposes of this analysis, year one is also referred to as fiscal year 2006, and ends on May 31, 2006. Subsequent fiscal years also end on May 31 of the respective calendar year. It may be noted that Table 1 shows the expected number of gaming positions in the Preferred Case.

Table 1 – Development Timeline

Casino Facilities	Year One	Year Two	Year Three	Year Four	Year Five	Year Six	Year Seven
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2006 April '06 and May '06	2007 June '06 to May '07	2008 June '07 to May '08	2009 June '08 to May '09	2010 June '09 to May '10	2011 June '10 to May '11	2012 June '11 to May '12
	Temporary Phase		Phase I		Phase II		
Gaming positions	1,300	1,300	3,300	3,300	3,796	3,796	3,796
Restaurant seats	200	200	1,200	1,200	1,475	1,475	1,475
Hotel rooms	0	0	0	0	400	400	400
Structured parking	0	0	7,000	7,000	8,500	8,500	8,500

⁶ In the Proposed Case, the number of casino visitors during the first full year of operation of Phase II is expected to approximate 4.8 million.

Since the fiscal year labels are potentially confusing, it is also useful to think of each period in the following way:

- Year one is a stub year, consisting of only two months of operation of the temporary casino;
- Year two represents a full year of operation of the temporary casino;
- Year three is the first full year of operation of the Phase I facility;
- Year four is the second full year of operation of the Phase I facility;
- Year five is the first full year of operation of the Phase II facility;
- Year six is the second full year of operation of the Phase II facility; and,
- Year seven is a stabilized year of operation of the Phase II facility, and economic impacts are expected to remain at this level through the remainder of the analysis period.

PwC's market and financial analysis that supports many of the estimates used in the economic impact analysis was based on a number of assumptions, including the following.

The Kenosha Casino is expected to:

- offer full-scale casino gaming, complete with both table games and slot machines and be free of unusual gaming restrictions;
- be operated by experienced management;
- be designed by experienced casino designers and adhere to industry best practices in casino design;
- offer a quality facility that is consistent with its positioning as an upscale, full-service casino; and,
- offer the ancillary amenities described in this document.

Additionally, it is assumed that:

- a casino opens in Rosemont, Illinois;
- gaming tax rates in Illinois revert to levels in place before the July 2003 rule changes;
- the Potawatomi Bingo Casino opens an expansion, bringing the total number of gaming positions at its facility to approximately 3,000; and,
- gaming regulations and the existing gaming environment in Illinois, Indiana, Iowa, and Michigan are not significantly altered during the period of analysis.

Source of Visitors

The ability to attract new spending to the Study Area is an important aspect of the Kenosha Casino. Analysis that PwC conducted as part of its market assessment for the Kenosha Casino provide useful information that addresses the following question: How many of the casino

visitors are expected to come from outside the local area, representing new spending that would not otherwise have occurred in the area?

PwC's analysis supports the following results:

- An estimated 80 percent of Kenosha Casino visitors are expected to reside more than 20 minutes away from the Kenosha Casino. These visitors are expected to account for approximately 88 percent of casino net win. In other words, it may be estimated that 88 percent of casino net win at the Kenosha Casino is expected to be generated from areas more than a 20-minute drive away.
- Considering the five-county study area consisting of Kenosha, Racine, Waukesha, Walworth, and Milwaukee counties ("Study Area") gives a broader regional context. In total, approximately 62 percent of visitors are expected to come from outside the Study Area, accounting for 71 percent of casino net win. Assuming such visitors will also generate 71 percent of racetrack wagering and non-gaming revenue, it is estimated that visitors from outside the Study Area will spend \$258 million at the Proposed Kenosha Casino. Without the Kenosha Casino, much of this spending would not otherwise have occurred in the Study Area.

Economic Impact Results

Based on PwC's analysis, construction and operation of the Kenosha Casino is expected to have the following regional economic impacts on the five-county Study Area.

Temporary Phase: Fiscal Years 2006 and 2007

- Reconfiguration of the Dairyland grandstand to accommodate slot machines and table games, and refurbishment of certain facilities, is expected to account for approximately \$31 million of construction expenditures in fiscal year 2006, in 2004 dollars. Meanwhile, the first two months of construction on the Phase I facility, also occurring in fiscal year 2006, is expected to support approximately \$65 million in construction expenditures, bringing the expected fiscal year 2006 total to \$96 million in 2004 dollars (Table 2). In fiscal year 2007, it is expected that construction expenditures related to the construction of the Phase I facility will total \$380 million.
- Construction expenditures are expected to support the equivalent of 560 year-round construction sector jobs in the Study Area during the five-month construction period in fiscal year 2006, from January 1, 2006 through May 31, 2006, corresponding to \$24 million in employee compensation and \$8 million in other income.⁷ In fiscal year 2007, the equivalent to an estimated 2,170 full- and part-time year-round construction jobs are expected to be supported, with \$94 million in employee compensation and \$32 million in other income.

⁷ Employee compensation refers to wage and salary payments, as well as benefits including health and life insurance, retirement payments, and any other non-cash compensation. Other income refers to other property type income and proprietors' income such as the earnings of sole proprietors providing services in the construction project.

- Net win, which includes the casino and racetrack, is expected to increase from \$28 million during fiscal year 2006, a two-month period of operation, to \$170 million in fiscal year 2007.
- Output at the restaurants, lounges and gift shop is expected to total \$2 million in fiscal year 2006, increasing to \$12 million in fiscal year 2007.
- As a result of this activity, it is estimated that the Temporary Phase of the Kenosha Casino will employ an average of 1,170 people, supporting annual employee compensation of \$37 million. This direct impact represents jobs and income in the Study Area.
- Based on the multiplier effect and the structure of the Study Area economy, an estimated 3,070 indirect jobs, \$96 million in indirect employee compensation, and \$62 million in indirect other income is expected to be supported in fiscal year 2007 by the operation of the Temporary Phase of the Kenosha Casino and by the construction activities related to Phase I. This impact represents jobs in a variety of industries in the local economy, such as food and beverage distributors, and maintenance and repair services.
- The total economic impact of the Temporary Phase of the Kenosha Casino is expected to support 6,410 full- and part-time jobs in the Study Area, and \$321 million in employee compensation and other income in fiscal year 2007.
- Fiscal impacts to the state and to local governments in the Study Area, are expected to total \$36 million in fiscal year 2007. This estimate includes intergovernmental payments by the Kenosha Casino to the State of Wisconsin, but excludes any intergovernmental payments to Kenosha County or the City of Kenosha, which have not yet been determined.

Table 2 – Economic Impact of Kenosha Casino

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Output impact (millions) (a)							
Direct output							
Construction	\$96	\$380	\$0	\$176	\$0	\$0	\$0
Net win	28	170	356	388	445	482	482
Non-gaming revenue (b)	2	12	48	54	70	75	75
Less complimentaries	-1	-8	-40	-40	-46	-43	-44
Indirect output							
Purchases by Proposed Casino	5	29	61	66	71	73	73
Other indirect output	61	245	75	181	91	93	93
Total	\$191	\$827	\$501	\$825	\$631	\$678	\$679
Employment impact (full- and part-time jobs)							
Direct employment: construction	560	2,170	0	1,050	0	0	0
Direct employment: casino	1,170	1,170	2,970	2,970	3,800	3,800	3,800
Indirect employment	730	3,070	1,560	2,780	1,850	1,880	1,890
Total	2,470	6,410	4,530	6,800	5,650	5,680	5,680
Employee compensation impact (millions) (a)							
Direct employee compensation: construction	\$24	\$94	\$0	\$45	\$0	\$0	\$0
Direct employee compensation: casino	6	37	94	94	120	120	120
Indirect employee compensation	23	96	47	86	56	57	57
Total	\$54	\$227	\$140	\$225	\$175	\$176	\$176
Other income impact (millions) (a)							
Direct other income: construction	\$8	\$32	\$0	\$15	\$0	\$0	\$0
Indirect other income	15	62	29	54	34	35	35
Total	\$23	\$94	\$29	\$69	\$34	\$35	\$35
Fiscal Impact (millions) (a)							
State and local government direct and indirect taxes, including intergovernmental payments to the State	\$8	\$36	\$37	\$49	\$47	\$50	\$50
Notes							
(a) Dollar values are constant 2004 dollars.							
(b) Including leased restaurants.							
Figures may not sum due to rounding.							

Source: IMPLAN; Kenesah Gaming; and PricewaterhouseCoopers

Phase I – Fiscal Years 2008 and 2009

- At the beginning of fiscal year 2008, the Phase I facility is expected to open. This facility is expected to generate \$356 million in net win during the year, employ approximately 2,970 full- and part-time employees, and pay \$94 million in employee compensation. Operation of the Kenosha Casino is expected to support 1,560 indirect jobs during fiscal year 2008, with \$47 million in indirect employee compensation and \$29 million in other income. Fiscal impacts during fiscal year 2008 are expected to total \$37 million.
- At the beginning of fiscal year 2009, construction of the Phase II facility is expected to begin, and construction expenditures during the year are expected to total \$176 million. Construction activities are expected to support the year-round equivalent of

approximately 1,050 full- and part-time construction jobs, with \$45 million in employee compensation and \$15 million in other income.

- During fiscal year 2009, the Kenosha Casino is expected to generate \$388 million in net win, and continue to employ approximately 2,970 full- and part-time employees, paying \$94 million in employee compensation. As a result of construction activities and continued operations of the Phase I facility, during fiscal year 2009, indirect impacts supported by the Kenosha Casino are expected to represent 2,780 full- and part-time jobs, \$86 million in employee compensation and \$54 million in other income.
- The combined direct and indirect impact of approximately 6,800 jobs, and \$294 million of employee compensation and other income, in fiscal 2009 is expected to represent the peak level of impact of the Kenosha Casino during the period of analysis, because it represents the last year of expenditures on new construction related to Phase II.

Phase II – Fiscal Years 2010, 2011 and 2012

- The Phase II facilities are expected to open at the beginning of fiscal year 2010, enabling the Kenosha Casino to increase its net win to \$445 million during the year. With the added gaming positions, hotel and related amenities, the Kenosha Casino is expected to increase its number of employees to approximately 3,800, and its corresponding level of compensation to approximately \$120 million.
- Indirect impacts during fiscal year 2010 are expected to include approximately 1,850 jobs, \$56 million in employee compensation and \$34 million in other income.
- By fiscal year 2012, the Kenosha Casino is expected to reach a level of stabilized operation with approximately \$482 million in net win and \$75 million in non-net win, offset by \$44 million in complimentaries. At this stabilized level of operation, the total impact of the Kenosha Casino on the Study Area economy is expected to support \$679 million in output (consisting of net revenues of the casino and revenues of other businesses in the study area), 5,680 full- and part-time jobs, \$211 million in employee compensation and other income, and \$50 million in fiscal impacts, including intergovernmental payments by the Kenosha Casino to the State.

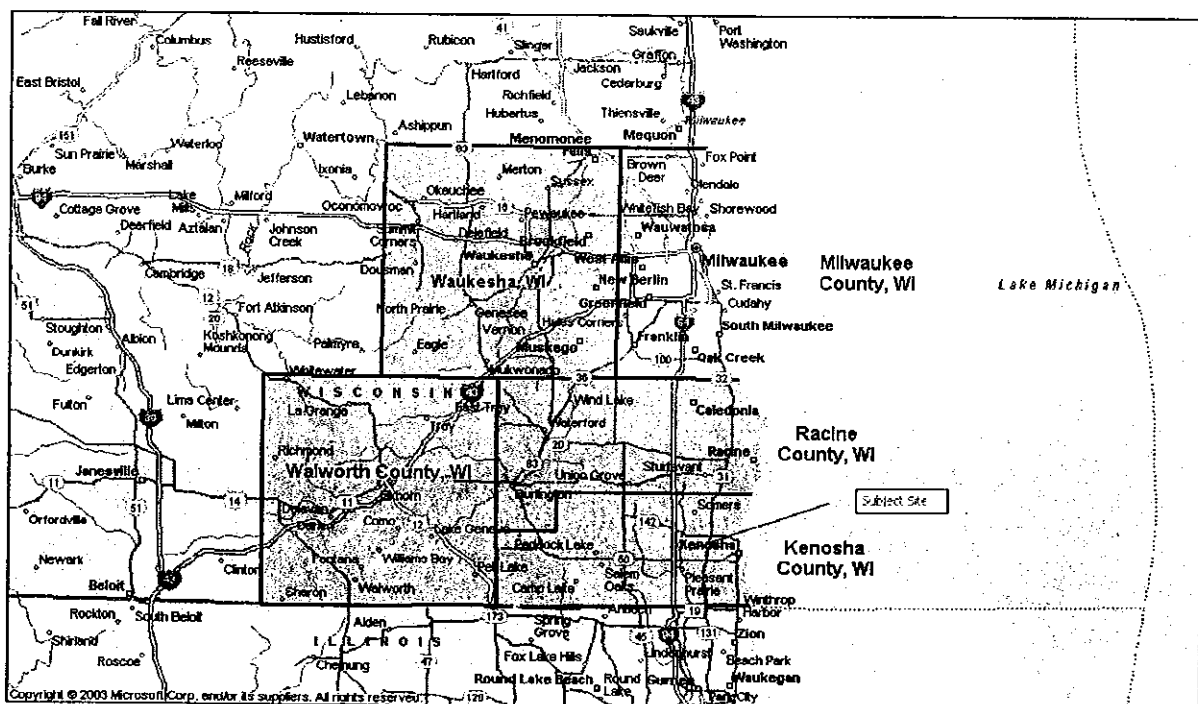
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Given the location of the Kenosha Casino, it is estimated that five Wisconsin counties will be primarily impacted by the generation of new jobs at the casino site, and by the purchases of the Kenosha Casino and its employees. Therefore, this region has been defined as the Study Area for this analysis. The counties that comprise the Study Area are shown in Map 2, and are:

- Kenosha County, Wisconsin;
- Milwaukee County, Wisconsin;
- Racine County, Wisconsin;
- Waukesha County, Wisconsin; and,
- Walworth County, Wisconsin.

Economic impacts described in this analysis are the estimated impacts to the Study Area, and exclude jobs and other impacts the Kenosha Casino may generate in other areas of Wisconsin. Additionally, it is likely that the Kenosha Casino may generate impacts in Illinois counties, and these are also excluded.

Map 2 – Study Area



Kenosha Casino Facilities and Development Timeline

The economic impact of a proposed casino development depends on the type of facilities that will be offered. Each aspect of a casino, for example the casino department or the hotel department, may have different demands for inputs, such as equipment, supplies, and labor. Therefore, for the purpose of economic impact analysis, it is important to understand the types of facilities the Kenosha Casino is expected to offer.

PwC assisted Kenesah Gaming during its planning and analysis by providing information on the characteristics of existing casino facilities in the U.S. and by describing the facility characteristics that may be best suited to a phased development at Dairyland. Ultimately, Kenesah Gaming, together with its advisers, formed a plan for the facilities and development timeline of Kenosha Casino, and it is that plan that is being used as an assumption in PwC's analysis.

Casino Facilities

The Kenosha Casino has been planned in three phases. In the Temporary Phase, spaces in the existing Dairyland Greyhound Park are expected to be retrofitted with slot machines and table games. In Phase I, a new casino facility opens, and in Phase II, the casino is expanded with additional facilities including a hotel. The facility program presented in Table 3, and described below, is based on information provided by Kenesah Gaming.

Temporary Casino

Casino: It is expected that in the Temporary Phase, 1,300 gaming positions will be installed in the existing Dairyland Greyhound Park, using approximately 37,600 square feet of gaming space. These gaming positions are expected to consist of 1,000 slot machines and 50 table games with an average of six positions per table, for a total of 300 table positions.⁸

Restaurants: Two existing quick service restaurants will be refurbished, together providing 200 restaurant seats.

Hotel: In the Temporary Phase, it is expected that the Kenosha Casino will not offer a hotel.

Retail: A single retail outlet is expected to be offered in the Temporary Phase, consisting of an existing 600 square-foot retail outlet that will be refurbished.

Entertainment: Three casino bar outlets are expected to be offered in the Temporary Phase. The existing sports bar is expected to be refurbished, offering 50 seats, and two existing bars are expected to be refurbished, offering 12 seats each.

Structured parking: The Kenosha Casino is not expected to offer structured parking during the Temporary Phase.

⁸ Gaming positions is a widely used industry measure that reflects the size of a casino. It refers to the number of slot machines or video lottery terminals ("VLTs"), plus the number of table game positions, assuming an average of six positions per table game.

Phase I

Casino: It is expected that the Kenosha Casino will open its Phase I facility with 3,300 gaming positions in 101,000 square feet of gaming space. These gaming positions are expected to consist of 2,700 slot positions and 600 table positions at 100 table games. It is anticipated that 3,150 of the gaming positions in Phase I will be in a new structure and that 150 gaming positions will remain on the third floor of Dairyland Greyhound Park structure.

Restaurants: The Kenosha Casino is expected to offer six restaurants with 1,200 seats in Phase I, including a 200-seat steakhouse, 175-seat Latin American cuisine restaurant, 125-seat Italian/seafood restaurant, 125-seat Asian cuisine restaurant, 200-seat coffee shop and 375-seat buffet.

Hotel: In Phase I, it is expected that the Kenosha Casino will not offer a hotel.

Retail: The Phase I facility is expected to offer approximately 49,400 square feet of retail space, including a souvenir shop, logo shop, jewelry shop, crafts shop, redemption shop and seven other retail outlets. PwC limited its analysis to the expected performance of a single casino gift shop and vending machines, and the impacts of the additional retail space, such as retail outlet employees and purchases from local businesses, are not included.

Entertainment: The Phase I facility is expected to offer a 5,000-seat multi-purpose events hall, as well as an entertainment lounge with 316 seats, a restaurant lounge with 50 seats, a VIP lounge with 14 seats, and a sports bar with 50 seats.

Structured parking: Phase I facilities are expected to include an above-ground parking structure with spaces for 5,000 cars, and a below grade parking structure, intended for valet use, with spaces for 2,000 cars.

Phase II

Additional facilities are expected to be added during Phase II. These facilities are shown in Table 3, and are incremental additions to the facilities existing in Phase I.

Casino: Gaming positions are expected to increase by 496 to 3,796, with an additional 15,400 square feet of gaming space, bringing the total to 116,400. The additional gaming positions are expected to consist of 400 slot machines and 96 table positions at 16 table games.

Restaurants: In Phase II, a new 275-seat coffee shop is expected to open bringing the total number of restaurant seats to 1,475. The 200-seat coffee shop from Phase I is expected to be converted to a 200-seat quick service restaurant.

Hotel: The addition of a high-quality, full-service hotel is expected to be an important element, permitting the casino to build loyalty with existing players, attract new guests (including those from more distant areas) and encourage longer visits. It is expected that the hotel will offer 400 guestrooms. The hotel is expected to be of a quality level consistent with upscale lodging brands, such as Marriott or Sheraton. Additionally, the hotel is expected to offer 45,300 square feet of meeting space, permitting the casino to attract groups, particularly during off-peak periods, with the goal of generating additional casino activity and covering some hotel costs.

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Other hotel facilities, including a business center, spa, indoor pool, salon, and health club are also expected.

Retail: Retail offerings during Phase II are expected to remain the same as in Phase I.

Entertainment: Phase II is expected to include the opening of a 6,900 square-foot night club with 115 seats.

Structured Parking: An additional 1,500 spaces for structured parking are expected to be added in Phase II.

Table 3 – Facilities in Development Phases

	Phase I	Phase II (additional facilities)
Gaming positions	3,300	496 additional positions
Casino gaming space	101,000 square feet	15,400 square feet of additional gaming space
Hotel	None	400-room, full-service hotel with 45,300 square feet of meeting space, spa, health club, salon, business center, and indoor pool
Food & beverage outlets	375-seat buffet 200-seat steakhouse (a) 200-seat coffee shop 175-seat Latin American cuisine restaurant (a) 125-seat Italian/seafood restaurant (a) 125-seat Asian cuisine restaurant (a)	275-seat coffee shop conversion of 200-seat coffee shop to 200-seat quick service restaurant
Entertainment	entertainment lounge restaurant lounge sports bar VIP lounge stage in lounge 5,000-seat multi-purpose events hall	night club
Other	49,400 square feet of retail space (b)	
Structured parking	7,000 spaces	1,500 spaces

Notes:

(a) Restaurant assumed to be leased to a third-party operator.

(b) A single 3,385 square-foot retail shop has been included in estimates in this report; the other retail space has been excluded.

Development Timeline

Kenesah Gaming has outlined a development timeline for the three phases of the Kenosha Casino which is summarized in Table 4. The Temporary Phase is expected to open April 1, 2006, replaced by the Phase I facility on June 1, 2007, and expanded to the Phase II facility

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opening June 1, 2009. Year one is expected to consist of a two-month period of casino operation, while year two and future years are 12-month periods. For the purposes of this analysis, year one is also referred to as fiscal year 2006, and ends on May 31, 2006. Subsequent fiscal years also end on May 31 of the respective calendar year.

Table 4 – Development Timeline

Casino Facilities	Year One	Year Two	Year Three	Year Four	Year Five	Year Six	Year Seven
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2006	2007	2008	2009	2010	2011	2012
	April '06 and May '06	June '06 to May '07	June '07 to May '08	June '08 to May '09	June '09 to May '10	June '10 to May '11	June '11 to May '12
	Temporary Phase		Phase I		Phase II		
Gaming positions	1,300	1,300	3,300	3,300	3,796	3,796	3,796
Restaurant seats	200	200	1,200	1,200	1,475	1,475	1,475
Hotel rooms	0	0	0	0	400	400	400
Structured parking	0	0	7,000	7,000	8,500	8,500	8,500

Source: Kenesah Gaming and PricewaterhouseCoopers

Expected Revenue

The level of activity at the Kenosha Casino will be a primary factor determining the expected economic impact. In its market analysis, which is summarized in an executive summary dated June 14, 2004, PwC analyzed the potential demand for casino gaming and estimated the expected gaming and non-gaming revenues of the Kenosha Casino.⁹ In this market analysis, PwC considered the attributes of the Subject Site, the market depth of the surrounding region, the performance of existing casinos in the surrounding region and in other regions of the U.S., and other factors.

The market analysis was based on several assumptions, including the assumed expansion of the Potawatomi Bingo Casino in Milwaukee, and the assumed opening of a casino in Rosemont, Illinois.

The results of the market analysis, summarized in Table 5, indicate that in the Temporary Phase, the Kenosha Casino is estimated to generate approximately \$174 million of net revenue (after deduction for complimentaries) during fiscal year 2007. In fiscal year 2008, the first year of Phase I, net revenue is expected to increase to \$364 million, and in fiscal year 2010, the first year of Phase II, net revenue is expected to increase to \$469 million. Net revenue at the Kenosha Casino is expected to reach a stabilized level of \$513 million in fiscal year 2012.

⁹ Market Assessment Executive Summary, June 14, 2004, prepared by PricewaterhouseCoopers LLP for Kenesah Gaming Development, LLC.

June 14, 2004

Table 5 – Estimated Revenue at Kenosha Casino

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Kenosha Casino							
Net win	\$28	\$170	\$356	\$388	\$445	\$482	\$482
Non-gaming revenue (including leased restaurants)	2	12	48	54	70	75	75
Less: non-gaming complimentaries	-1	-8	-40	-40	-46	-43	-44
Total net revenue	\$29	\$174	\$364	\$402	\$469	\$513	\$513

Note: Figures are in millions of constant 2004 dollars.

Source: PricewaterhouseCoopers

Net win shown in Table 5 includes casino gaming revenue and racetrack gaming revenue from the continued operation of the Dairyland racetrack. Non-gaming revenues shown in Table 5 include the revenue at restaurants leased to third-party operators, and these employees have been included in the casino employment estimate. Revenues and employment at leased retail outlets have been excluded because the facilities were added to the facilities program after PwC had completed much of its market research.

Source of Visitors

In preparing the market analysis referenced above, PwC analyzed the characteristics and performance of a number of casinos, including riverboat casinos in the Chicago area and nearby states, and Native American casinos in Wisconsin and other areas of the country. PwC also prepared a visitation and win analysis to estimate the number of expected visitors and the amount of net win per visitor.

Such a visitation and win analysis was used because observations of existing casino markets support the expectation that an adult living closer to a given casino is more likely to visit the casino more frequently than an adult that lives further away. Meanwhile, it is reasonable to assume that a typical casino visitor who resides closer to the casino, tends to spend less on a typical visit than a casino visitor who traveled a greater distance and who likely intends to play for a longer period.

Therefore, in the visitation and win analysis, the region around the Kenosha Casino was separated into concentric zones. The first such zone included areas estimated to be within a 20-minute drive of Dairyland. The next zone included areas estimated to be within a 20- to 40-minute drive of the Dairyland. Additional zones included areas within a 40- to 60-minute drive, and the area that is within a 100-mile radius, but more than a 60-minute drive.¹⁰ PwC further

¹⁰ These specific zones were selected to provide a reasonable level of detail to prepare the visitation and win analysis. Behavior of residents living slightly less than a 40-minute drive away from the Proposed Casino may not be significantly different from the behavior of adults living slightly more than a 40-minute drive. However, separating these areas provides a means to prepare quantitative estimates based on visible assumptions. Our prior experience has shown that while a casino located proximate to a major interstate typically attracts some visitors from

divided each of these zones into areas that were closer to the Dairyland than to any other casino, and areas that were closer to other casinos, including a proposed casino in Rosemont, Illinois. Using a nationally recognized geographic information system, PwC estimated the number of adult residents expected to live in each concentric zone.¹¹ Next, PwC formed estimates of the potential gaming participation rates (share of adults expected to visit the Proposed Casino at least once a year), average number of annual visits and average casino net win per visit, based on comparisons with other gaming markets.

The estimates prepared in the market visitation and win analysis give an indication of the expected sources of visitation to the Proposed Kenosha Casino. A summary of these estimates is shown in Table 6, which may be read as follows. The first section shows the estimated adult population in 2006 living in each of eight zones. For example, by 2006 an estimated 274,000 adults (21 and older) are expected to live within a 20-minute drive of the Kenosha Casino, 103,000 in areas to the north, and 172,000 in areas to the south. The next sections show that residents living within a 20- to 40-minute drive of the Kenosha Casino are expected to visit a total of 1.4 million times during fiscal year 2008, spending a total of \$100 million on casino gaming, excluding spending on racetrack gaming.¹² In total, the Kenosha Casino is expected to generate annual casino net win of \$347 million in fiscal year 2008, excluding racetrack revenue.

distances of more than 100 miles, much of the business originates from within 100 miles, and that in many cases the market opportunity may be effectively estimated by considering a finite radius such as 100 miles.

¹¹ Software and data are from ESRI, a company based in Redlands, California.

¹² Estimates are shown for fiscal year 2008, the first year of operation of Phase I.

Table 6 – Source of Visitors

	0 to 20 minutes	20 to 40 minutes	40 to 60 minutes	60 minutes to 100 miles	Total
Adult population (in 2006)					
North	103,000	755,000	393,000	2,271,000	3,522,000
South	172,000	636,000	3,177,000	7,312,000	11,296,000
Total	274,000	1,390,000	3,571,000	9,583,000	14,818,000
Casino visitors (in FY 2008)					
North	363,000	620,000	165,000	169,000	1,318,000
South	624,000	750,000	1,181,000	543,000	3,099,000
Total	988,000	1,370,000	1,346,000	712,000	4,417,000
Casino net win (in FY 2008, in millions)					
North	\$17	\$45	\$15	\$19	\$96
South	29	55	108	60	251
Total	\$45	\$100	\$123	\$78	\$347

Dollar figures are in 2004 dollars.

Source: ESRI and PricewaterhouseCoopers

From Table 6, and other estimates, several findings may be noted:

- An estimated 80 percent of Kenosha Casino visitors are expected to reside more than 20 minutes away from the Kenosha Casino. These visitors are expected to spend approximately \$306 million annually at the Kenosha Casino on casino gaming, which is 88 percent of the expected total casino net win.
- An estimated 62 percent of Kenosha Casino visitors are expected to be from outside the Study Area, and these visitors are expected to spend approximately \$246 million annually at the Proposed Kenosha Casino on casino gaming, which is 71 percent of the expected total casino net win.

PwC has not estimated the portion of spending by Study Area residents that represents recaptured spending that would have otherwise been spent at other out-of-state casinos, or on other goods and services from outside the state. However, given the proximity of casinos in Illinois, it is expected that such recapture may be significant. Recaptured spending represents a net gain for the Study Area and its residents.

METHOD OF ECONOMIC IMPACT ANALYSIS

PwC applied an expenditure-based method of economic impact analysis. In this approach, estimates of the expected expenditures of the Kenosha Casino on goods and services, including labor, provides valuable information on the scope of economic impact expected. Such an approach is preferred in situations such as those posed by the casino industry, for which generalized economic impact multipliers may be less accurate.

For the purpose of this analysis, the focus is on the expected impacts of the Kenosha Casino itself. Additional spending that may occur as gamers travel within the Study Area, for example dining at restaurants while en route to the casino, is not measured.

Based on an estimated level of business activity, PwC calculated the number of jobs and amount of employee compensation expected to be generated by the Kenosha Casino. This is known as the **direct economic impact**. The Kenosha Casino is also expected to purchase goods and services from other sectors of the Study Area economy. Meanwhile, the employees of the Kenosha Casino are expected to spend a portion of their compensation on goods and services at establishments in the Study Area. This spending by the Kenosha Casino and its employees is expected to support additional employment and wages and salaries, known as the **indirect economic impact**.¹³ In turn, a portion of this indirect spending generates further spending by suppliers to these facilities and their employees. This cycle is referred to as the multiplier process, or "multiplier effect". Certain aspects of the fiscal impact of the Kenosha Casino were also estimated, and are more completely described in the fiscal impact section.

PwC quantified the economic impact to the Study Area, using the IMPLAN input-output economic modeling system.¹⁴ IMPLAN is a widely used, nationally recognized, economic impact model. The model, and the associated local area data is supported and developed by the Minnesota IMPLAN Group, Inc., located in Stillwater, Minnesota.

¹³ In some forms of economic impact analysis, a third category of impacts known as induced effects is cited. These effects represent economic activity resulting from changes in household income that is generated through the direct and indirect effects. For the purpose of this analysis, the induced effects have been included in the indirect effects.

¹⁴ The analysis was conducted using a current set of IMPLAN data for the Study Area, and Type SAM multipliers which use a social account matrix.

ESTIMATED ECONOMIC IMPACTS

The following section presents the estimated economic impacts of the Kenosha Casino, separated into the direct, indirect and fiscal impacts. The discussion is focused on fiscal year 2007 as an example of the Temporary Phase, fiscal year 2008 as an example of Phase I, and fiscal year 2012 as an example of the Kenosha Casino at its stabilized Phase II level of operation.

Direct Economic Impact

Direct impacts are those related to the initial spending in the economy. In this case, the direct economic impact consists of:

- construction expenditures on the initial refurbishment of the existing Dairyland grandstand and the construction of the Phase I and Phase II casino facilities;
- jobs, employee compensation and other income generated as a direct result of the construction expenditures;
- revenues at the Kenosha Casino; and,
- jobs, and corresponding employee compensation, at the Kenosha Casino.

The impact of income earned by the entities developing the Kenosha Casino has not been estimated.

Construction Expenditures

The initial impact of the project is expected to result from renovation and construction expenditures, as the Dairyland grandstand is converted to accommodate casino gaming spaces and as existing food and beverage outlets are refurbished. Following that, construction is expected to start on April 1, 2006 on the new casino facilities outlined as Phase I. Phase I is expected to open June 1, 2007, and no major construction is expected during fiscal year 2008. Construction of Phase II is expected to begin June 1, 2008, and be complete twelve months later.

Based on information provided by Kenesah Gaming, it has been assumed that construction expenditures in 2004 dollars related to the Temporary Phase will approximate \$31 million, while expenditures related to Phase I and Phase II will approximate \$445 million and \$176 million, respectively. Construction expenditures are expected to total \$96 million in fiscal year 2006 (all of Temporary Phase and part of Phase I), \$380 million in fiscal year 2007, and \$176 million in fiscal year 2009. These construction cost estimates correspond to the items in the projected facility budget expected to be presented in the Menominee Project Overview that are related to construction activities. It may be noted that Kenesah Gaming's construction cost estimates are largely unchanged from the Preferred Case to the Proposed Case, as the casino structure to be constructed remains unchanged, and that as a result, PwC's estimates of the economic impact of construction expenditures are expected to be the same for the Proposed Case as shown here for the Preferred Case.

Compared to typical new industrial and commercial construction, a larger share of casino and restaurant construction expenditures may represent purchases, or leases, of furniture, fixtures, and equipment such as slot machines and restaurant equipment, which would typically be produced outside a study area. Therefore, PwC excluded a portion of construction costs before

using the industrial and commercial construction ratios in the IMPLAN model to calculate the economic impact to the Study Area. The amount remaining, estimated at 87 percent of the total for the Temporary Phase, 75 percent for Phase I, and 74 percent for Phase II, is expected to represent construction expenditures that have similar local impacts as the construction of other new industrial and commercial buildings in the local area.

Output

The estimated output of the Kenosha Casino, which is equivalent to its revenue after deduction of complimentary, is summarized in Table 7. As described previously, estimated gaming and non-gaming revenues of the Kenosha Casino are based on PwC's market analysis. Output of the facility is expected to reach a level of approximately \$513 million annually by fiscal year 2012.

Table 7 – Direct Impacts: Construction Expenditures and Operating Performance

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Construction expenditures (millions*)							
Construction	\$96	\$380	\$0	\$176	\$0	\$0	\$0
Operating revenues (millions*)							
Net win	\$28	\$170	\$356	\$388	\$445	\$482	\$482
Non-gaming revenue	2	12	48	54	70	75	75
Less: non-gaming complimentary	-1	-8	-40	-40	-46	-43	-44
Total net revenue (measure of output)	\$29	\$174	\$364	\$402	\$469	\$513	\$513

* Dollar values are constant 2004 dollars.

Source: Kenesah Gaming and PricewaterhouseCoopers

Employment, Employee Compensation and Other Income

The next step in the economic impact analysis is to estimate the number of direct jobs, and level of employee compensation, expected to be generated. Employee compensation refers to wage and salary payments, as well as benefits including health and life insurance, retirement payments, and any other non-cash compensation.

PwC based the construction industry job estimates on the IMPLAN model, and based the casino job estimates on the mix of services to be provided at the Kenosha Casino, and industry data on employment, wage, and salary levels at casinos in other states.

During fiscal year 2006, the equivalent of 560 full- and part-time year-round construction jobs are expected to be supported by construction expenditures, along with \$24 million in employee compensation as shown in Table 8. Since the bulk of the construction expenditures related to Phase I are expected to occur during fiscal year 2007, the construction related job impact during that period is expected to be much larger, reaching an estimated 2,170, corresponding to employee compensation of \$94 million, and other income of \$32 million.

Table 8— Direct Impacts: Employment, Employee Compensation and Other Income

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Employment (number of full and part-time jobs)							
Direct employment: construction	560	2,170	-	1,050	-	-	-
Direct employment: casino	1,170	1,170	2,970	2,970	3,800	3,800	3,800
Total direct employment	1,730	3,340	2,970	4,020	3,800	3,800	3,800
Employee compensation (millions*)							
Direct employee compensation: construction	\$24	\$94	\$0	\$45	\$0	\$0	\$0
Direct employee compensation: casino	6	37	94	94	120	120	120
Total	\$31	\$131	\$94	\$139	\$120	\$120	\$120
Other income (millions*)							
Direct other income (related to construction expenditures)	\$8	\$32	\$0	\$15	\$0	\$0	\$0

* Dollar values are constant 2004 dollars.
Note: Figures may not sum due to rounding.

Source: IMPLAN and PricewaterhouseCoopers

During fiscal year 2007, the Kenosha Casino, including the existing racetrack, is expected to employ an average of approximately 1,170 employees, in a mix of full- and part-time positions. Corresponding to these jobs, the Kenosha Casino is expected to pay employee compensation of approximately \$37 million. In fiscal year 2008, with the opening of Phase I, the Kenosha Casino is expected to support approximately 2,970 employees, growing to 3,800 by fiscal year 2012. These employees are expected to earn \$94 million in compensation during fiscal year 2008, including tips, benefits and taxes. This figure is expected to increase to \$120 million by fiscal year 2012.

While all of the casino employees are expected to work at the Kenosha Casino, it is expected that a portion will reside outside of the Study Area. It is estimated that approximately 60 percent of employees will be residents of the Study Area, reflecting an estimate that, of the adult population living within a 40-minute drive of Dairyland, approximately 62 percent live in the Study Area. Information on the employees of eight Indiana riverboat casinos was also considered. This information showed that at these casinos, between 28 percent and 75 percent of employees lived in the same county as the casino.¹⁵

Indirect Economic Impact

The initial direct expenditures, consisting of the construction spending and operating revenues of the Kenosha Casino, are expected to begin a series of spending in which dollars are cycled through the local economy. The Kenosha Casino is expected to purchase a portion of the supplies and services required for its operation from establishments in the Study Area, while the employees of the Kenosha Casino are expected to spend a portion of their wages and salaries in

¹⁵ From riverboat casino evaluation reports posted at the Indiana Gaming Commission website, and accessed on February 27, 2004. The same information was not available for the other riverboat casinos in Indiana. The median percentage of employees living in the same county as the riverboat casinos was 72 percent.

the Study Area. This additional demand for goods and services from establishments in the Study Area is expected to support further rounds of spending. The jobs supported by this cycle of spending, or multiplier process, are referred to as the indirect economic impact, and are quantified by the IMPLAN model. The estimated number of indirect jobs and the amount of income that results from this process will vary from region to region, depending on factors such as each region's industry mix, wage structure, spending and saving patterns, and connections to other economies.

Indirect Incremental Purchases

Spending by the Kenosha Casino and its employees, and the impacts occurring as these expenditures filter through the economy, are expected to result in incremental purchases from a variety of sectors in the Study Area. PwC determined the sectors that are expected to be impacted by using the IMPLAN model which reflects estimated input-output relationships in the Study Area. These input-output relationships reflect the types of goods and services that establishments in each industry typically purchase. For example, casinos such as the Kenosha Casino typically purchase supplies such as food and beverage items and gaming equipment, services such as linen services, maintenance and repair services, and advertising. On the household side, increased income leads to spending on retail and personal services.

The IMPLAN model reflects that the Study Area is a segment of the larger regional and national economies. A portion of profits and income earned within the Study Area will filter out to firms and households located elsewhere. This reality, referred to as "leakage," acknowledges that not all direct revenues are expected to become indirect purchases. Smaller, less economically diverse regions tend to experience a greater degree of leakage than larger, more diverse economies, and as a result are expected to experience a smaller multiplier effect.

By fiscal year 2012, purchases by the Kenosha Casino of goods and services are expected to approximate \$128 million annually. Of these purchases, an estimated \$73 million is expected to represent goods and services provided by business establishments in the Study Area, as shown in Table 9. This estimate reflects the expectation that the Kenosha Casino will not be able to purchase certain gaming equipment from within the Study Area, as many such items are not produced locally. The estimate is based on regional purchase coefficients available in the IMPLAN model. Additionally, it was assumed that a greater than typical share of purchases would be supplied by businesses outside the Study Area, because of the location of the Kenosha Casino near the southern border of the Study Area and its proximity to the Chicago, Illinois area, a potential source of goods and services.

Table 9 – Indirect Impacts: Purchases by Business Sector

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Purchases by Kenosha Casino (in millions of 2004 dollars)							
Purchases from establishments in Study Area	\$5	\$29	\$61	\$66	\$71	\$73	\$73
Additional indirect purchases (in millions of 2004 dollars)							
Services	\$22	\$87	\$27	\$65	\$33	\$33	\$33
Finance, insurance and real estate	10	42	17	34	21	21	21
Wholesale and retail trade	13	54	14	38	17	18	18
Transportation, communications, public utilities	5	20	7	15	8	8	8
Manufacturing	8	33	6	21	8	8	8
Other (construction, government, agriculture and mining)	2	9	4	7	5	5	5
Total indirect purchases including Kenosha Casino purchases	\$65	\$273	\$136	\$246	\$162	\$165	\$165

Source: IMPLAN and PricewaterhouseCoopers

Examples of casino purchases supplied by businesses in the Study Area are expected to include approximately \$11 million in goods manufactured in the Study Area, such as printed marketing materials and processed food items, and approximately \$5 million earned by wholesale distributors based in the Study Area, in fiscal year 2012.

After indirect effects are included, a total of approximately \$165 million in Study Area purchases are expected to be supported by the Kenosha Casino, in fiscal year 2012, as shown in Table 9. This \$165 million represents the output of establishments in the Study Area. Secondary, or indirect purchases of \$93 million (rounded) are expected to be supported because businesses producing goods and services for the Kenosha Casino are expected to make additional purchases in the Study Area, and because many of the employees of the Kenosha Casino are expected to spend a portion of their wage and salary income in the Study Area. The additional indirect output includes an estimated \$33 million from establishments in the services sector, \$21 million in purchases from establishments in the finance, insurance and real estate sector, and \$18 million in purchases from establishments in the wholesale and retail trade sector. In the case of wholesale and retail trade, the estimate of output reflects only the trade margins attributable to the sector, not the value of goods purchased, which would be much greater. These indirect effects were estimated using the IMPLAN software and data on the Study Area.

Indirect Employment Impact

The number of full- and part-time jobs in the Study Area expected to be indirectly supported by the operation of the Kenosha Casino was also estimated using the IMPLAN model. As shown in Table 10, in fiscal year 2007, a total of 3,070 jobs in various sectors of the Study Area economy are expected to be supported by purchases made by the Temporary Phase of the Kenosha Casino, by construction activities related to the Phase I construction, and by the households of casino and

construction industry employees. In fiscal year 2008, without temporary effects related to the Phase I construction, the indirect employment impact is expected to approximate 1,560 jobs.¹⁶ By fiscal year 2012, the indirect employment impact is expected to increase to approximately 1,890 jobs.

Table 10 – Indirect Impacts: Employment by Business Sector

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Indirect employment							
Services	348	1,486	863	1,436	1,016	1,035	1,035
Wholesale and retail trade	225	912	319	706	389	395	395
Finance, insurance and real estate	54	229	135	224	161	164	165
Manufacturing	50	204	85	170	99	102	102
Transportation, communications, public utilities	30	124	65	115	77	79	79
Other (construction, government, agriculture and mining)	25	110	91	129	107	109	109
Total indirect employment	730	3,070	1,560	2,780	1,850	1,880	1,890

Note: figures may not sum due to rounding

Source: IMPLAN and PricewaterhouseCoopers

Indirect Employee Compensation

Approximately \$57 million in annual employee compensation is expected to be indirectly supported by the operation of the Kenosha Casino by fiscal year 2012, as shown in Table 11. This indirect impact, plus \$120 million of employee compensation at the Kenosha Casino itself, results in a total estimated employee compensation impact of \$176 million (total reflects rounding).

¹⁶ It should be noted that, for the purpose of this analysis, the timing of impacts has been matched to the timing of activities at the Proposed Casino. Such a representation is a common approach in economic impact analysis because it is difficult to estimate the length of time it will take for purchases to filter through a local economy. For example, some income earned by construction workers in one year may not actually be spent in that same year but may instead support jobs in later years. It should also be noted that jobs that are supported in one year by construction related activities at the Proposed Casino may in future years be supported by other construction projects in the region, and a fluctuation in jobs from year to year in this analysis (for example from fiscal year 2007 to fiscal year 2008) may not result in the same fluctuation of jobs in the Study Area economy.

June 14, 2004

Table 11 – Indirect Impacts: Employee Compensation Impact

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Indirect employee compensation (millions of 2004 dollars)							
Services	\$11	\$45	\$24	\$42	\$29	\$29	\$29
Wholesale and retail trade	6	23	8	18	9	9	9
Finance, insurance and real estate	2	8	4	7	5	5	5
Manufacturing	2	10	4	8	4	5	5
Transportation, communications, public utilities	1	6	3	5	4	4	4
Other (construction, government, agriculture and mining)	1	5	4	6	5	5	5
Total indirect employee compensation	\$23	\$96	\$47	\$86	\$56	\$57	\$57

Source: IMPLAN and PricewaterhouseCoopers

Other income

In addition to employee compensation, the economic activity supported by the Kenosha Casino is also expected to generate indirect other income in the Study Area. For the purpose of this study, other income includes:

- **Proprietors' income:** payments received by self-employed individuals as income, such as income received by private business owners, and certain doctors and lawyers.
- **Other property type income:** rents, royalties, and dividends. This includes payments to individuals in the form of rents received on property, royalties from contracts, and dividends paid by corporations. This also includes corporate profits earned by corporations.

The expected amount of indirect other income generated by the Kenosha Casino is expected to total \$62 million in fiscal year 2007, as shown in Table 12, \$29 million in fiscal year 2008, and \$35 million in fiscal year 2012.

Table 12 – Indirect Impacts: Other Income Impact

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Indirect other income (millions of 2004 dollars)							
Finance, insurance and real estate	\$5	\$20	\$12	\$20	\$14	\$15	\$15
Services	3	13	7	12	9	9	9
Transportation, communications, public utilities	1	6	4	6	4	4	4
Wholesale and retail trade	2	9	3	7	3	4	4
Manufacturing	1	4	2	3	2	2	2
Other (construction, government, agriculture and mining)	3	11	1	6	1	1	1
Total indirect employee compensation	\$15	\$62	\$29	\$54	\$34	\$35	\$35

Source: IMPLAN and PricewaterhouseCoopers

Fiscal Impact

It is expected that the casino and certain ancillary amenities will be located on land that will be taken into trust for the Menominee Indian Tribe and will not be required to pay federal, state or local taxes. However, the Kenosha Casino is expected to generate state and local tax revenues in two ways, first by making intergovernmental payments to the State of Wisconsin, and second by the direct and indirect impacts of the operation of the Kenosha Casino on the local economy. It is also expected that the Kenosha Casino will make intergovernmental payments to Kenosha County and the City of Kenosha, but the specifics of these payments has not yet been determined, and such payments have not been included in the fiscal impacts reported in this document.

The Kenosha Casino is expected to pay the equivalent of between 7.0 percent and 7.5 percent of its net win annually to the State of Wisconsin as an intergovernmental payment, with the precise percentage determined by level of net win at the facility and the number of years the casino has been operating. The Kenosha Casino is expected to begin its intergovernmental payments at a rate of 7.0 percent in fiscal years 2006 and 2007, as shown in Table 13.¹⁷ This percentage is expected to increase to 7.3 percent in fiscal year 2008, and to 7.5 percent in fiscal year 2010. By fiscal year 2012, the Kenosha Casino is expected to make an annual intergovernmental payment to the State of approximately \$36.1 million.

¹⁷ It is assumed for the purpose of this analysis that the 14 month period of operation covered by fiscal year 2006 and fiscal year 2007 counts as the first year of operation, and that fiscal year 2008 is counted as the second year of operation, and so on for future years.

Table 13 – Fiscal Impact: Intergovernmental Payments and Non-Gaming Taxes

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Intergovernmental payments							
Net win (including casino and racetrack)	\$28.5	\$170.4	\$356.4	\$388.0	\$445.1	\$481.5	\$481.5
Percentage of net win paid as intergovernmental payment	7.0%	7.0%	7.3%	7.3%	7.5%	7.5%	7.5%
Intergovernmental payments to the State	\$2.0	\$11.9	\$26.0	\$28.3	\$33.4	\$36.1	\$36.1
Non-gaming taxes							
State and local government							
Corporate profits and dividends taxes	\$0.2	\$0.7	\$0.3	\$0.6	\$0.4	\$0.4	\$0.4
Indirect business taxes	2.8	11.7	4.7	9.5	5.6	5.7	5.7
Personal and social insurance taxes	2.8	11.7	6.0	10.6	7.5	7.5	7.5
Subtotal	\$5.8	\$24.1	\$11.0	\$20.7	\$13.4	\$13.6	\$13.6
Total	\$7.8	\$36.0	\$37.0	\$49.0	\$46.8	\$49.7	\$49.7
Cumulative tax impact during analysis period, including intergovernmental payments to the State							\$276.1
Note: Dollar values are millions of constant 2004 dollars.							

Source: IMPLAN and PricewaterhouseCoopers

Additionally, the Kenosha Casino is expected to support state and local tax revenues by way of its significant impact on the local economy. For example, in some cases retail sales tax receipts may be supported by spending by workers, while corporate income tax receipts may be supported by corporate profits. Also, interest income from the savings of the individuals who receive these wages and salaries represents a source of potential tax revenue.

The fiscal impact component of the IMPLAN model is based on a social accounting matrix that tracks monetary flows between industries and institutions, including the flow of funds between households and government. The estimated relationships in the IMPLAN model are based on national data, supplemented with certain state and county data, and are expected to give an approximate estimate of the tax impact.

By supporting jobs and businesses in the Study Area, the direct and indirect impacts of the operation of the Kenosha Casino are expected to generate \$24.1 million in state and local taxes in fiscal year 2007, as shown in Table 13, and \$13.6 million in fiscal year 2012. The cumulative tax impact to state and local governments in the Study Area over the seven year period of analysis is expected to total approximately \$276.1 million.

ADDENDUM

At the request of Kenesah Gaming, PwC has prepared this supplement to aid readers in understanding how PwC's estimates of employment and employee compensation at the Kenosha Casino relate to the estimates expected to be reported in the Menominee Project Overview.

PwC understands that Kenesah Gaming has prepared detailed estimates of expected staffing and employee compensation at the Kenosha Casino that differ from the estimates that PwC has prepared. The primary difference is understood to be in the level of employee compensation per employee, which is higher in the Kenesah Gaming estimates than in the PwC estimates. For example, the Menominee Project Overview is expected to show an estimated Phase II amount of average annual salaries, wages, taxes, tips and benefits per full-time equivalent employee for tribally owned and non-tribally owned outlets of \$45,587 in 2010 dollars (includes senior management). After adjusting for inflation, assuming a 2.5 percent annual rate, this is equivalent to \$39,310 in 2004 dollars. PwC's estimate of employee compensation per full- and part-time employee in Phase II, which does not include employees at 11 of the retail outlets that have been modeled as leased outlets, is approximately \$31,500 in 2004 dollars, which is 20 percent lower than the \$39,310.

PwC based its employment and employee compensation estimates in part on figures reported by existing casino operations in other U.S. states, which provided a broad sample of operations. These estimates, like the Kenesah Gaming estimates, include wages, salaries, benefits and tips. At some of these casinos considered by PwC in forming its estimates, approximately 10 percent of employees are part-time; while at other casinos, almost all are full-time. The information that PwC used does not enable a detailed breakdown of differences between the two sets of estimates along categories such as wages and salaries, benefits, and tips. However, PwC understands that Kenesah Gaming has prepared its business plan with the expectation of differentiating the Kenosha Casino as an employer offering valuable employee benefits, and plans to provide employer sponsored benefits approximating \$12,700 per employee in the Temporary Phase and Phase I, and \$13,000 by Phase II (in nominal dollars). It is expected that such benefits packages may be more comprehensive than the benefits offered by casinos in the jurisdictions that PwC used as comparisons, and may be more costly because of the costs associated with healthcare in southeastern Wisconsin. PwC is also aware that some of the comparisons it used may not fully reflect tips earned by food and beverage employees, which are not typically tracked as closely as tips earned by casino dealers.

That said, PwC believes the estimates it has prepared are suitable to provide useful information on the approximate economic impacts that may be associated with the Kenosha Casino.

EXHIBIT “B”

OF

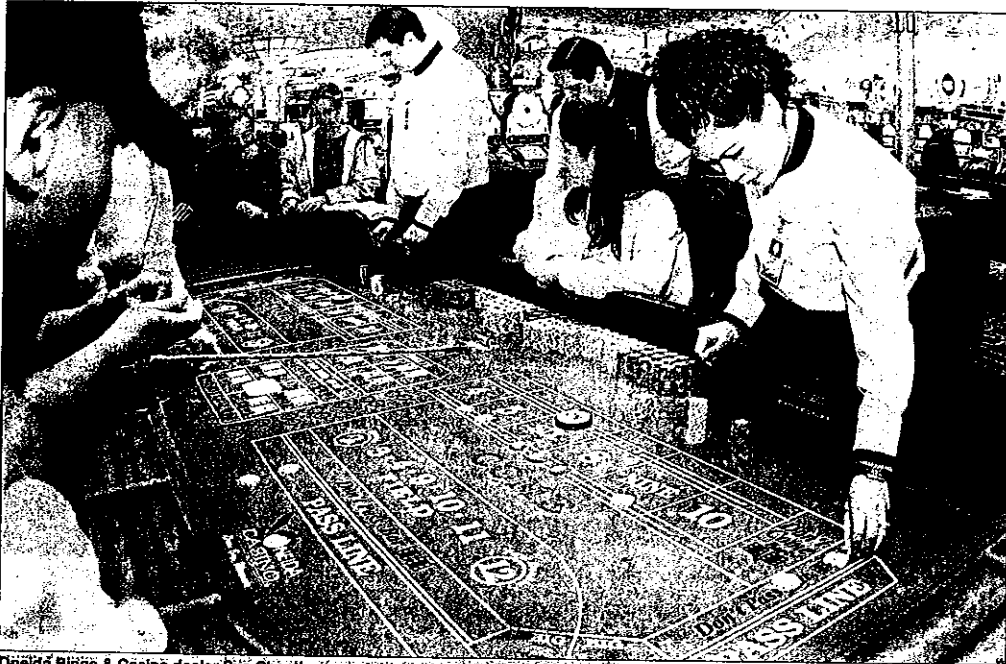
EXHIBIT “E”

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WEDNESDAY, DECEMBER 10, 2003

Gaming jackpot eludes most tribes



Oneida Bingo & Casino dealer Sue Chanthasana, right, works the bingo table recently. Ten years after tribal gambling began, gaming revenues have helped raise the Oneidas' living standards. Corey Wilson/Press-Gazette

Others still struggle to emulate success of Oneidas, Potawatomi

The Associated Press

RED CLIFF — A decade of tribal gambling has spread the wealth unevenly among Wisconsin's Native American reservations, bringing phenomenal increases in living standards for two tribes but leaving the other nine still struggling with poverty and lagging incomes, an Associated Press review found.

The review of U.S. Census Bureau figures found that the Oneida reservation in Northeastern Wisconsin and the Potawatomi reservation in northern Wisconsin saw their incomes skyrocket and their poverty rates plummet between 1990 and 2000.

However, despite sometimes sig-

► Oneidas put money to good use, A-2
► Chamber wants say on gaming case, B-1



Don Basin stands outside his trailer home on the Red Cliff reservation near Bayfield. The Red Cliff Band of Lake Superior Chippewa has struggled to escape poverty despite the presence of a casino. The Associated Press

nificant improvements in living standards, eight of the state's 11 tribal reservations still had higher poverty rates in 2000 than the state average. Nine remained below the state's median household income

Special report: A decade of gambling

level in the 2000 census.

On the bustling Oneida reservation, where the wealth is reflected in a gleaming new health center, a new school and scores of other projects, the poverty rate of families dropped to 4 percent in 2000 from 22.6 percent in 1990, the AP found.

Meanwhile, the median, or midpoint, household income adjusted for inflation rose nearly 145 percent, to \$60,404 during the decade.

After years of working off-reservation in dangerous, depressing jobs such as in a steel factory, Oneida member Dennison Danforth, 59, now works the land in the fresh air at an organic

► See Gaming, A-2

Gaming/Even modest success helps, some say

► From A-1

garden on an Oneida farm.

"There's more opportunity for the tribal members than when I was growing up," Danforth said. "It's changed. There's definitely less poverty."

The other tribe to hit it big, the Potawatomi in Forest County, saw median household income on its reservation climb more than 300 percent in the decade to \$62,250 in 2000. The family poverty rate dropped to 5 percent, from 46.2 percent in 1990.

However, at the far northern tip of Wisconsin, on a 15,000-acre reservation littered with trashed vehicles and trailers in need of repair, gambling has done little to improve the lives of the Red Cliff Band of Lake Superior Chippewa.

With little traffic, the casino struggles in a converted bowling alley, barely a break-even operation. Compacts with the state require the tribes to make annual payments of gambling revenue. But the Red Cliff casino has made so little that the tribe made no such payments under their old five-year compact. The tribe even received a \$52,000 monthly donation from the wealthy Potawatomi to help out, its chairman said.

Census figures show a quarter of the reservation's families lived in poverty in 2000, barely better than in 1990.

The median household income was \$24,412 in 2000, up only \$1,000 from 1990.

Tribal chairman Ray DePerry says the tribe can't afford to offer much-needed services such as dental care and home repair. "We have no revenue. We have no money," DePerry said. "I can't believe in this day and age we just don't have these things."

Off to the west, another tribe,

the Ho-Chunk Nation, has three relatively large casinos raking in millions a year. But the reservation, spread across parts of 13 counties, struggled with a family poverty rate of 18.6 percent in 2000, down just 4.5 percentage points from 1990.

Spokesman Ed Littlejohn said although progress has been slower there, facilities are improving on the reservation, and tribal members over 18 now receive a monthly payout of \$1,000 from gambling. More and more are dropping off the welfare rolls, he said.

"It's a godsend. We've ended up getting our people out of the tar-paper shacks in the backwoods and getting them into decent housing," he said.

Before Wisconsin signed its first Native American gaming compact in 1991, the tribes argued that gaming money would allow them to improve the quality of life for Native Americans by building better housing, schools and infrastructure.

Patricia Loew, a member of the Bad River tribe and an assistant professor of Indian rela-

tions at the University of Wisconsin, said driving onto a Wisconsin reservation before 1989, "you would have seen virtually no economic infrastructure."

"Now I see better cars, better housing, small little cafes, convenience stores, art shops," she said. Loew said the Oneidas are a textbook example of what to do with gaming money.

On their 20,000-acre reservation near Green Bay, the Oneida have a new \$16 million health facility with access to doctors, dentists, an optometrist and a pharmacy, all in a gleaming wood-and-stone center. Nearby, a day-care center offers a range of childhood programs, and a modern elementary school teaches children their Oneida history.

"We offer our community so many services now, when prior to gaming we were relying on welfare and social services to provide for us," tribal spokeswoman Bobbi Webster said.

Seven around-the-clock casinos with more than 3,200 slot and video poker machines, a

massive bingo hall and investments in banks and hotels pay for it. The tribe's \$3 million annual budget even includes sponsoring a gate entrance at Lambeau Field, home to the NFL's Green Bay Packers.

A Legislative Audit Bureau report said Wisconsin's 11 tribes made more than \$400 million in profits in 2002 at their 21 casinos around the state, up nearly 60 percent in five years.

Federal law requires that the tribes spend gaming revenue on governmental or charitable programs such as housing, schools, economic development and health care.

Meanwhile Red Cliff Chairman DePerry is banking on a new state deal that would allow the tribe to secure financing for a hotel-casino-marina destination on the Lake Superior shore. "If we have the revenue we could fix these roads, we could fix up these homes," DePerry said. "There's just so much to do up here, so much."

EXHIBIT “C”

OF

EXHIBIT “E”

Exhibit C

Market Assessment Executive Summary

Prepared for Kenesah Gaming Development, LLC

June 14, 2004

PricewaterhouseCoopers LLP

Hospitality & Leisure Consulting Group

June 14, 2004

ASSUMPTIONS AND LIMITING CONDITIONS

The accompanying analyses do not constitute an audit, examination, review or compilation of historical or prospective financial information conducted in accordance with Generally Accepted Auditing Standards or with standards established by the American Institute of Certified Public Accountants ("AICPA"). Accordingly, we are unable to express any opinion or any other form of assurance with respect to whether the prospective financial information is presented in conformity with AICPA presentation guidelines.

To the best of our knowledge and belief, the statements of facts contained in this report, upon which the analysis and conclusion(s) expressed are based, are true and correct. Information, estimates and opinion furnished to us and contained in the report were obtained from sources considered reliable and believed to be true and correct. However, no representation, liability or warranty for the accuracy of such items is assumed by or imposed on us, and is subject to corrections, errors, omissions and withdrawals without notice.

Our analyses are based on estimates and assumptions developed in connection with this engagement. Some assumptions, however, inevitably will not materialize, and unanticipated events and circumstances will occur.

This report and its comments are intended solely for the internal use of Kenesah Gaming Development, LLC and may not be relied on for any other purpose or by any other entity. Neither our report, nor its contents, nor any reference to PwC may be included or quoted in any loan document, offering circular, registration statement, prospectus, sales brochure, appraisal, or other agreement.

Respectfully submitted,

PriceWaterhouseCoopers L.L.P.

By: Michael G. French, Philadelphia

June 14, 2004

Mr. Dennis Troha
Manager
Kenesah Gaming Development, LLC
1709 – 32nd Ave.
Kenosha, WI 53144

Dear Mr. Troha:

In accordance with PricewaterhouseCoopers ("PwC") engagement letter dated January 14, 2003, this report contains an executive summary of our findings.

The objective was to provide Kenesah Gaming Development, LLC ("Kenesah Gaming") certain advisory services relative to the potential development of a Class III gaming facility (the "Kenosha Casino") in Kenosha, Wisconsin. As such, we have prepared a market assessment corresponding to the characteristics of the proposed development as described to us in conversations and documents provided by Kenesah Gaming.

Our report is subject to the Assumptions and Limiting Conditions, which follow.

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EXECUTIVE SUMMARY

PricewaterhouseCoopers ("PwC") has conducted a market assessment and preliminary financial analysis of a proposed Native American casino in Kenosha, Wisconsin ("Kenosha Casino"), at the site of the existing Dairyland Greyhound Park ("Subject Site" or "Dairyland"), for Kenesah Gaming Development, LLC ("Kenesah Gaming"). PwC assessed the potential demand for casino gaming in the local market to assist Kenesah Gaming in determining suitable casino sizing and characteristics. Based on this market assessment, PwC provided related analysis to Kenesah Gaming on existing casino facilities in other markets, and the facility characteristics that may be best suited to a phased development at Dairyland. Ultimately, Kenesah Gaming, together with its advisers, formed a plan for the facilities and a development timeline, and it is that plan that is being used as an assumption in PwC's analysis.

This document summarizes our underlying assumptions, our approach to assessing the potential demand for casino gaming, and our estimates of future net win, also referred to as gaming revenue, at the facility as proposed. PwC has also prepared detailed estimates of the financial performance of the Kenosha Casino, though these estimates are not summarized in this document.

Key Assumptions

Over the past 16 months, PwC has assisted Kenesah Gaming at several points during its planning for the Kenosha Casino. PwC team members visited Dairyland on February 19, 2003, and conducted initial research on the regional gaming market during the February 2003 to May 2003 time period. The analysis summarized in the following sections of this report is based on PwC's February 2003 site visit and market research through May 2003, and is, in places, supplemented with information that reflects more recent developments in the market. PwC's analysis initially assumed that the table games offered at the Kenosha Casino would include a full scope of table games, including games such as roulette and craps. More recently, Kenesah Gaming has shifted its base case assumption to a scenario in which blackjack is the only table game offered in the Kenosha Casino (this scenario is referred to as the "Proposed Case"), and PwC has also analyzed this scenario. As explained below, the scenario with a full scope of table games is expected to be more popular with gamers, and generate higher casino revenue, and is referred to as the "Preferred Case".

The Kenosha Casino is expected to:

- offer full-scale casino gaming, complete with both table games and slot machines in the Preferred Case, and blackjack and slot machines in the Proposed Case, and be free of unusual gaming restrictions;
- be operated by experienced management;
- be designed by experienced casino designers and adhere to industry best practices in casino design;

- offer a quality facility that is consistent with its positioning as an upscale, full-service casino; and,
- offer the ancillary amenities described in this document.

Additionally, it is assumed that:

- a casino opens in Rosemont, Illinois;
- gaming tax rates in Illinois revert to levels in place before the July 2003 rule changes;
- the Potawatomi Bingo Casino opens an expansion, bringing the total number of gaming positions at its facility to approximately 3,000; and,
- gaming regulations and the existing gaming environment in Illinois, Indiana, Iowa, and Michigan are not significantly altered during the period of analysis.

Critical Success Factors

PwC has summarized a number of factors that are important considerations during development and operation. The gaming revenue estimates presented later in this document assume that each of these critical success factors is satisfied.

Phase I Success Factor Assumptions

- **Casino offers an upscale gaming experience, similar to that at casinos operated by major casino operators.**
 - *Service and operations:* Casino management operates the casino in a professional manner, and employs industry best practices to support guest satisfaction and repeat visitation.
 - *New, high-quality construction:* In Phase I and Phase II, the casino gaming space is housed in a newly constructed casino building built to design standards consistent with first-rate gaming facilities in other gaming markets.
 - *Casino furnishing, fixtures, and equipment (FF&E):* The quality and appearance of furnishing, fixtures and equipment of all public facilities support the upscale positioning of the casino. An appropriate FF&E reserve is maintained and applied to the property.
 - *Games offered:* The Proposed Casino offers full-scale casino gaming, complete with a full range of table games in the Preferred Case, and modern, branded slot and video gaming machines, and is free of any unusual restrictions affecting hours of operation, pace of play, or allowable wager size. The gaming age is 21 and above, and alcohol service is not unusually restricted.
- **Visitor access supports gaming.**
 - *Single-floor gaming space:* The entire casino gaming space is situated on a single floor, at the same elevation as the casino entrance. This success factor is not expected to be met during the Temporary Phase, as table games are expected to be

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on a separate floor from the slot machines, and this has been considered in our estimate of gaming revenue during the Temporary Phase. PwC understands that in Phase I and Phase II a small portion of the total gaming positions may also remain situated in the Dairyland grandstand.

- *Planned routes for visitor foot-traffic:* The site positioning and layout of the casino is arranged so that all major visitor foot-traffic routes are through the casino gaming space, to the extent appropriate. Similarly, the buffet facility is situated to the rear or side of the gaming space so that visitors seeking to dine at the buffet must first pass through the gaming space.
- *Structured parking:* A structured parking facility is situated proximate to the casino gaming space and is connected by a protected walkway.
- **Other.**
 - *Frequent-players' club:* The casino operates a frequent-players' club that is positioned competitively with other single-casino offerings. Additionally, the casino may consider frequent-player partnerships with other casino operations (including major casino brands or other regional casinos), in addition to a range of travel and leisure industry partnerships.
 - *Visibility:* The visibility of the new casino structures from Interstate 94 ("I-94") and local roadways will be considered in the design process.
 - *Buffet:* The buffet facility offers sufficient capacity to accommodate demand during most periods.
 - *Lounge:* One or more new lounge facilities are integrated with the casino gaming space, permitting patrons to move easily between these two areas. One lounge offers a small stage for entertainment.

Phase II Success Factor Assumptions

- **A high-quality, full-service hotel is structurally integrated with the casino.**
 - *Ease of access to casino:* The hotel structure is fully integrated with the casino facility, so that hotel guests either pass through the gaming space on their way to hotel elevators, or use a hotel lobby that is in the same contiguous interior space, and floor level, as the casino gaming space.
 - *Facilities and positioning:* The hotel facility offers a restaurant with 24-hour room service, spa facility, and other hotel amenities; and has meeting space facilities suitable to attract group demand, particularly during off-peak periods.
 - *Policies and profit incentives aligned with casino operations:* The ability to use hotel rooms as complimentary rewards or incentives for casino guests is critical for the success of the casino, permitting it to attract gamers for overnight stays. The hotel operation is expected to be aligned with this goal, supporting opportunities for profit at the casino operation.

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Kenosha Casino Characteristics

For the purpose of this analysis, it was assumed that the Kenosha Casino will be situated at the site of the existing Dairyland. The racetrack is expected to continue to operate alongside the Kenosha Casino. The Kenosha Casino has been planned in three phases. We have assumed that a Temporary Phase will open on April 1, 2006, followed by the June 1, 2007 opening of Phase I, and June 1, 2009 opening of Phase II. In the initial or Temporary Phase, the existing Dairyland is retrofitted with slot machines and table games. In Phase I, a new casino facility opens, and in Phase II, the casino is expanded with additional facilities, including a hotel.

Separating the casino development into phases permits the Phase I development to be designed to achieve significant net win with a moderate level of initial investment in the short term. Consistent with these goals, the focus of Phase I is to provide gaming space and certain accompanying amenities that together create a gaming experience that is attractive to, and which has the capacity to handle, a high volume of day-trip visitors. It is anticipated that by providing a high-quality gaming experience during the operation of Phase I, the Kenosha Casino will be appropriately positioned to undertake Phase II, with an expanded gaming space, hotel and ancillary facilities. The assumed facilities in Phase I and Phase II are presented in Table 1.

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Table 1 – Facilities in Development Phases

	Phase I	Phase II (additional facilities)
Gaming positions (a)	3,150 in Proposed Case 3,300 in Preferred Case	400 additional positions in Proposed Case 496 additional positions in Preferred Case
Casino gaming space	101,000 square feet	15,400 square feet of additional gaming space
Hotel	None	400-room, full-service hotel with 45,300 square feet of meeting space, spa, health club, salon, business center, and indoor pool
Food & beverage outlets	375-seat buffet 200-seat steakhouse (b) 200-seat coffee shop 175-seat Latin American cuisine restaurant (b) 125-seat Italian/seafood restaurant (b) 125-seat Asian cuisine restaurant (b)	275-seat coffee shop conversion of 200-seat coffee shop to 200-seat quick service restaurant
Entertainment	entertainment lounge restaurant lounge sports bar VIP lounge stage in lounge 5,000-seat multi-purpose events hall	night club (b)
Other	49,400 square feet of retail space (c)	
Structured parking	7,000 spaces	1,500 spaces

Notes:

(a) Gaming positions refers to the number of slot machines plus the number of table positions, counting each table game as six gaming positions.

(b) Restaurant or night club assumed to be leased to a third-party operator.

(c) A single 3,385 square-foot retail shop was included in PwC's analysis, PwC did not estimate the performance of the other retail space.

As shown, the only difference in facilities between the Proposed Case and the Preferred Case is a greater number of gaming positions in the Preferred Case. In the Proposed Case, the facility is

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expected to offer 2,700 slot positions and 450 table positions (assuming six table positions per table game) in Phase I, and 3,100 slot positions and 450 table positions in Phase II. In the Preferred Case, the facility is expected to offer 2,700 slot positions and 600 table positions in Phase I, increasing to 3,100 slot positions and 696 table positions in Phase II.

Potential Demand for Casino Gaming

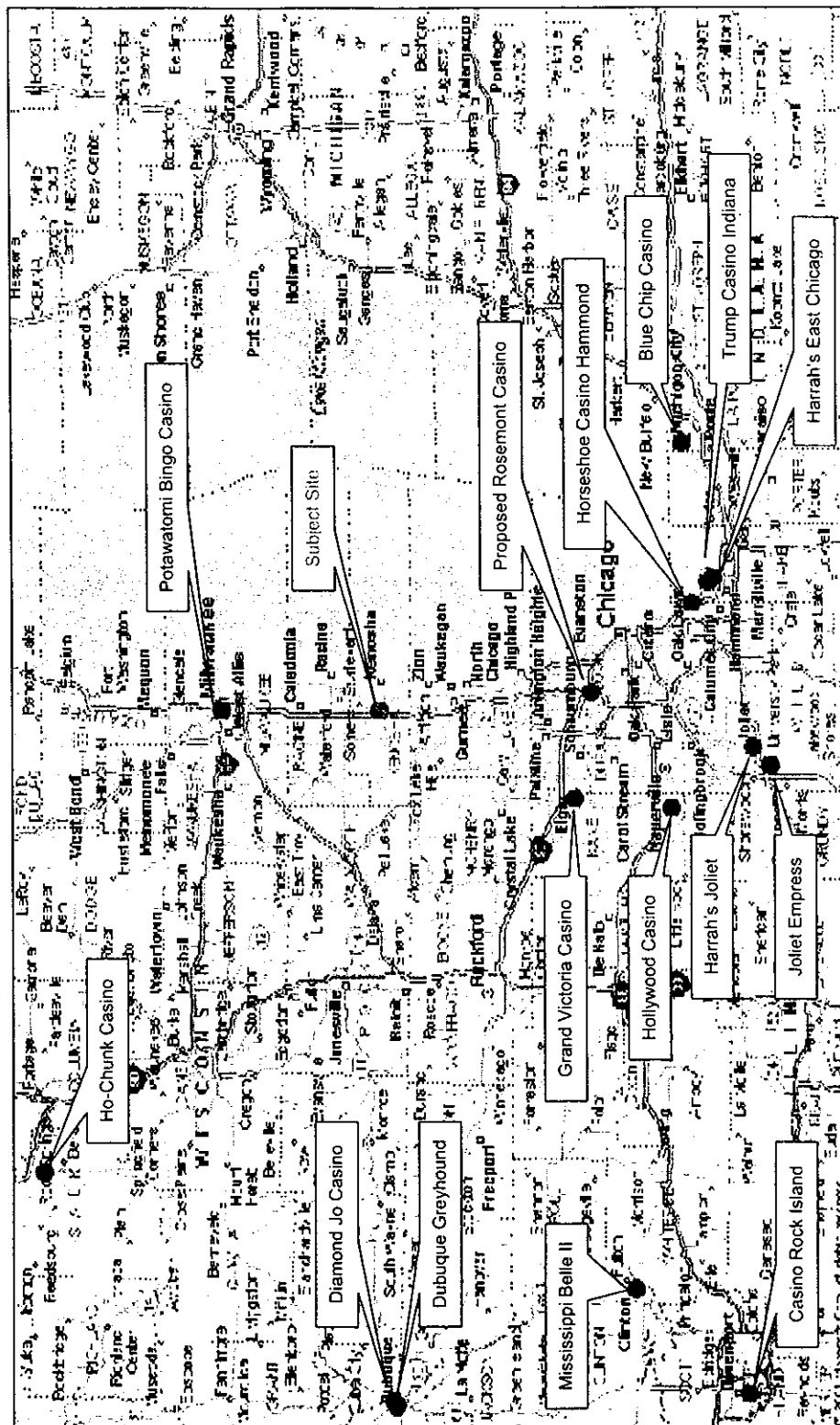
In forming its estimate of the potential demand, PwC analyzed the Subject Site, the market area around Dairyland, the existing competitive casinos in the area, expected future casino developments in the area, and the performance of comparable casino facilities in the Midwest and other U.S. regions.

The assumed location of the Kenosha Casino has a number of important advantages, including: high visibility and easy access from I-94; the availability of acreage sufficient for a sizable casino facility; and proximity to residential areas in the Kenosha area, and more importantly Chicago, Illinois and Milwaukee, Wisconsin. The primary disadvantage is the lack of other significant visitor draws, besides Dairyland, in the immediate vicinity of the assumed Subject Site.

The market area around Dairyland that was considered included areas within a 100-mile radius, which represents the region that is typically most important to the market potential of small-scale and mid-scale casinos. By 2006, the market area surrounding the Subject Site is expected to consist of 14.8 million adults living within 100 miles, of whom 1.7 million are expected to live within a 40-minute drive. This represents an increase of 0.8 percent annually from the estimated 2001 population. A number of other casinos already operate in the region, including four that are expected to be the primary competitors of the Kenosha Casino: Potawatomi Bingo Casino in Milwaukee, Wisconsin; Grand Victoria Casino in Elgin, Illinois; Hollywood Casino in Aurora, Illinois; and Ho-Chunk Casino in Baraboo, Wisconsin. In addition, a casino has been proposed in Rosemont, Illinois. Of the expected 14.8 million adults within 100 miles, four percent (or 580,000 adults) are expected to live closer to the Subject Site than to another competitive casino.

These casinos and other selected riverboat casinos in Illinois, Indiana and Iowa are shown on Map 1.

Map 1 -- Regional Gaming Market



Source: Microsoft MapPoint, properties and PricewaterhouseCoopers

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Of the four existing casinos expected to be primary competitors, two are commercial riverboat casinos in Illinois, for which operating performance information is publicly available. Both of these casinos are limited by the State of Illinois in the number of gaming positions they can offer, and operate at high levels of win per position, generating high levels of annual gaming revenue relative to their size (\$406 million and \$381 million at Grand Victoria Casino in 2002 and 2003, respectively; and \$272 million and \$247 million at Hollywood Casino, also in 2002 and 2003, respectively).¹ It appears that these two facilities, which have large potential markets given their location in the Chicago area, may be examples in which capacity constraints have limited gaming revenue to a lower level than would otherwise likely be achieved. Such capacity constraints are typically most acute during weekend periods, and special events or certain holidays. During such times, a given casino may become too crowded for the comfort of some gamers, who may not find preferred games available, or who may not find games with the betting minimums they prefer. Potawatomi Bingo Casino may be a similar example, given the low number of gaming positions offered relative to the apparent market potential of the local area (again using a 100-mile radius), and it is assumed that the Potawatomi Bingo Casino will expand to approximately 3,000 gaming positions during the period of analysis.

The proposed casino in Rosemont, Illinois is expected to be well-situated to attract gamers from the Chicago area, but is also expected to be limited in the number of gaming positions it can offer. PwC has assumed that the proposed casino in Rosemont will open, and will generate a high level of net win, attracting some gamers who would otherwise be part of the potential market for the Kenosha Casino.

PwC also identified two sets of benchmark casinos to consider as comparables in assessing the potential market for the Kenosha Casino. The small-scale casino set included three casinos that generated between \$106 million and \$146 million in gaming revenue in 2002, and the mid-scale casino set included four casinos that generated between \$180 million and \$400 million annually. It was based on comparisons with these markets, adjustments for existing competitive casinos and the expected presence of a casino in Rosemont, Illinois, and other considerations, that PwC estimated that the expected 2006 adult population in the market area around Dairyland may support a market potential, for an appropriately sized and equipped facility, of \$515 million in annual net win (in 2004 dollars).² This is the estimated revenue potential of the Subject Site. In considering this estimate relative to the comparable casinos, it is important to note that the market area around the Subject Site offers substantially greater numbers of adult residents, who are also in closer proximity, than any of the seven comparables in the small-scale and mid-scale casino benchmark sets considered.

Estimated Net Win at the Kenosha Casino

The facilities proposed by Kenesah Gaming are consistent with PwC's expectation that constructing a casino designed to capture the full estimated revenue potential of the Subject Site may not be as

¹ Tax rates on casino gaming revenues in Illinois increased significantly on July 1, 2003, reducing the profit margin on annual gaming revenues in excess of \$25 million. These increased tax rates appear to have contributed to the reduced gaming revenues in 2003 at these two casinos, compared to 2002.

² The definition of net win used for this analysis corresponds to that in the compact between the Menominee Indian Tribe of Wisconsin and the State of Wisconsin, that is: total amount wagered in Class III gaming, less the amount paid out in prizes, including the actual cost of non-cash prizes, which shall mean any personal property distributed to a patron as the result of a specific legitimate wager.

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profitable, and would likely be more risky, than developing a smaller facility. PwC therefore prepared net win estimates for the Preferred Case and the Proposed Case that correspond to the facilities proposed by Kenesah Gaming, following the proposed development timeline. In preparing these estimates, PwC considered various characteristics of the Subject Site, the market depth of the surrounding region, the financial performance of other existing casinos in the Eastern U.S. and other regions, assumptions stated in this document, and other factors. PwC analyzed historical annual operating statistics on the Dairyland racetrack, and, for the purpose of this analysis, estimated that annual racetrack net win will stabilize during the period of analysis at approximately \$8 million (in 2004 dollars).

PwC prepared its estimates on a fiscal year basis, using a fiscal year starting June 1 to coincide with the opening dates of Phase I and Phase II, and used constant 2004 dollars. To permit comparisons with estimates prepared by Kenesah Gaming, PwC calculated a calendar year approximation of net win, and adjusted the figures to reflect an assumed annual inflation rate of 2.5 percent. As summarized in Table 2, in the Proposed Case the Kenosha Casino is expected to generate approximately \$3.9 billion (nominal dollars) in net win during a 105-month period of casino operation analyzed starting with the expected opening of the Temporary Phase in April 2006 (equivalent to eight years and nine months), and nine years of racetrack operation starting January 1, 2006.³ In the Preferred Case, the Kenosha Casino is expected to offer a greater number of table positions in both Phase I and Phase II, because a greater variety of games are permitted. This greater number and variety of table games is expected to support additional casino net win, bringing the cumulative total net win to approximately \$4.2 billion (in nominal dollars).

³ The 105-month period was analyzed because it corresponds to the period that is expected to be reported by the Menominee Indian Tribe of Wisconsin in its June 2004 "Overview of A Proposed Kenosha, Wisconsin, Casino Gaming and Regional Destination Entertainment Center".

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Table 2 – Kenosha Casino Development Summary

Cumulative total 2006 to 2014 (in millions of nominal dollars)	
Proposed Case (blackjack)	
Casino gaming revenue	\$3,812
Racetrack gaming revenue	88
Total net win	<u>\$3,900</u>
Preferred Case (full-scope of games)	
Casino gaming revenue	\$4,159
Racetrack gaming revenue	88
Total net win	<u>\$4,247</u>

The Kenosha Casino is expected to reach a stabilized level of operation in its third year of operation of the Phase II facility. At its stabilized level in the Proposed Case, it is expected to attract 4.9 million visitors annually, and generate annual net win of approximately \$440 million (in 2004 dollars). At its stabilized level in the Preferred Case, the Kenosha Casino is expected to attract approximately 5.3 million visitors annually and generate annual net win of approximately \$482 million (in 2004 dollars). To consider 2014 as an example in nominal dollars, after adjusting to include the impact of inflation at 2.5 percent annually, Proposed Case the Kenosha Casino is expected to generate \$563 million in annual net win, and in the Preferred Case it is expected to generate \$616 million. If the Kenosha Casino operated at this level for the entire 105-month period the cumulative net win would be greater than is presented in Table 2, however, net win in the initial years of operation are expected to be lower because: 1) the Kenosha Casino is expected to start with Temporary Phase and Phase I facilities that are smaller than the Phase II facility, 2) casino operations are expected to experience periods of ramp-up, for example as management adjusts the operation and as the marketplace becomes more aware of the facility, and 3) because the impacts of inflation are not as great in the early years.

EXHIBIT “D”

OF

EXHIBIT “E”

June 3, 2004

Ms. Joan Delabreau
Menominee Kenesha Gaming Authority
W 2908 Tribal Office Road
P.O. Box 910
Kenesha, WI 54135

Re: Proposed Project Eagle Development
Dairyland Greyhound Track
Kenosha, Wisconsin
JCJ #0401.00

Dear Ms. Delabreau:

As a part of the Masterplanning/Concept Design work for the proposed project Eagle Development, Jeter, Cook & Jepson Architects, Inc. investigates potential constraints that could result on proposed construction adjacent to the Kenosha Regional Airport (ENW).

Proposed construction that may affect navigable airspace is governed by the U.S. Department of Transportation, Federal Aviation Administration, and The Wisconsin Department of Transportation, Bureau of Aeronautics.

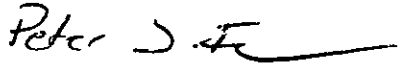
Communication with Mr. Gary Dickers, Airspace Manager for The Wisconsin Department of Transportation, Bureau of Aeronautics determined that a structure of no more the +/- 58 feet above ground level could be built on the site.

Even if the project is proposed at a lesser height, the Federal Aviation Authority will need to be notified of the plans so that they can complete a full aeronautical study of the proposal. The mechanism for doing this is to submit FAA Form 7460-1 "Notice of Proposed Construction or Alteration", to the FAA's Great Lakes Regional Office in Des Plaines, Illinois. There is no cost for the FAA study.

We have also been in communication with Mr. Wayne Buck of the Kenosha Regional airport. He stated that the Kenosha Planning Department has jurisdiction over any development close to the airport. The planned development is in compliance with the overlay zoning districts and the airport height limitation zoning map which are part of the zoning ordinance for the City of Kenosha, Wisconsin.

If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter J. Fabian", followed by a long horizontal flourish.

Peter J. Fabian
Project Manger

Cc: Kenesha Gaming Development, LLC

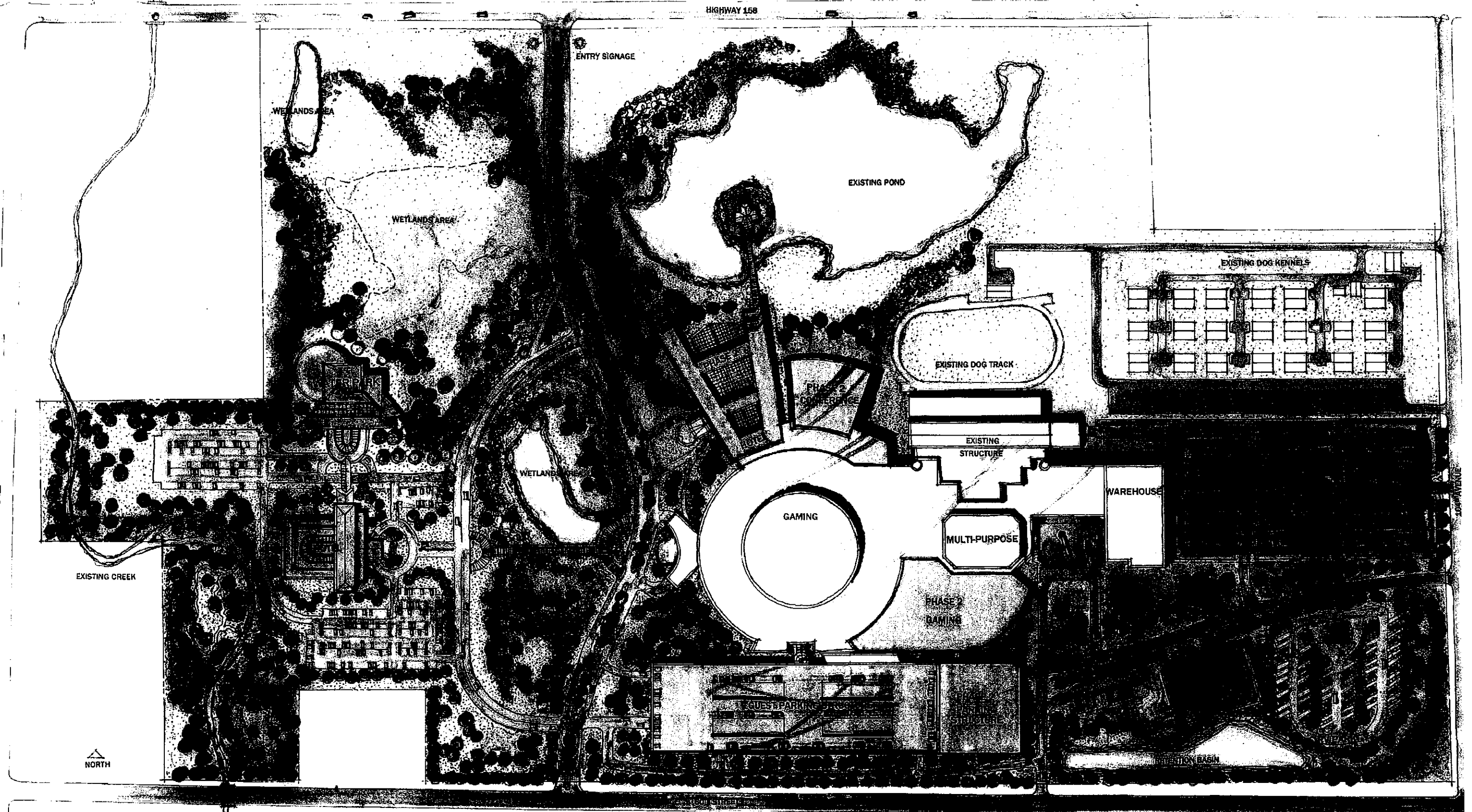
EXHIBIT “E”

OF

EXHIBIT “E”

INTERSTATE 94

TO CHICAGO

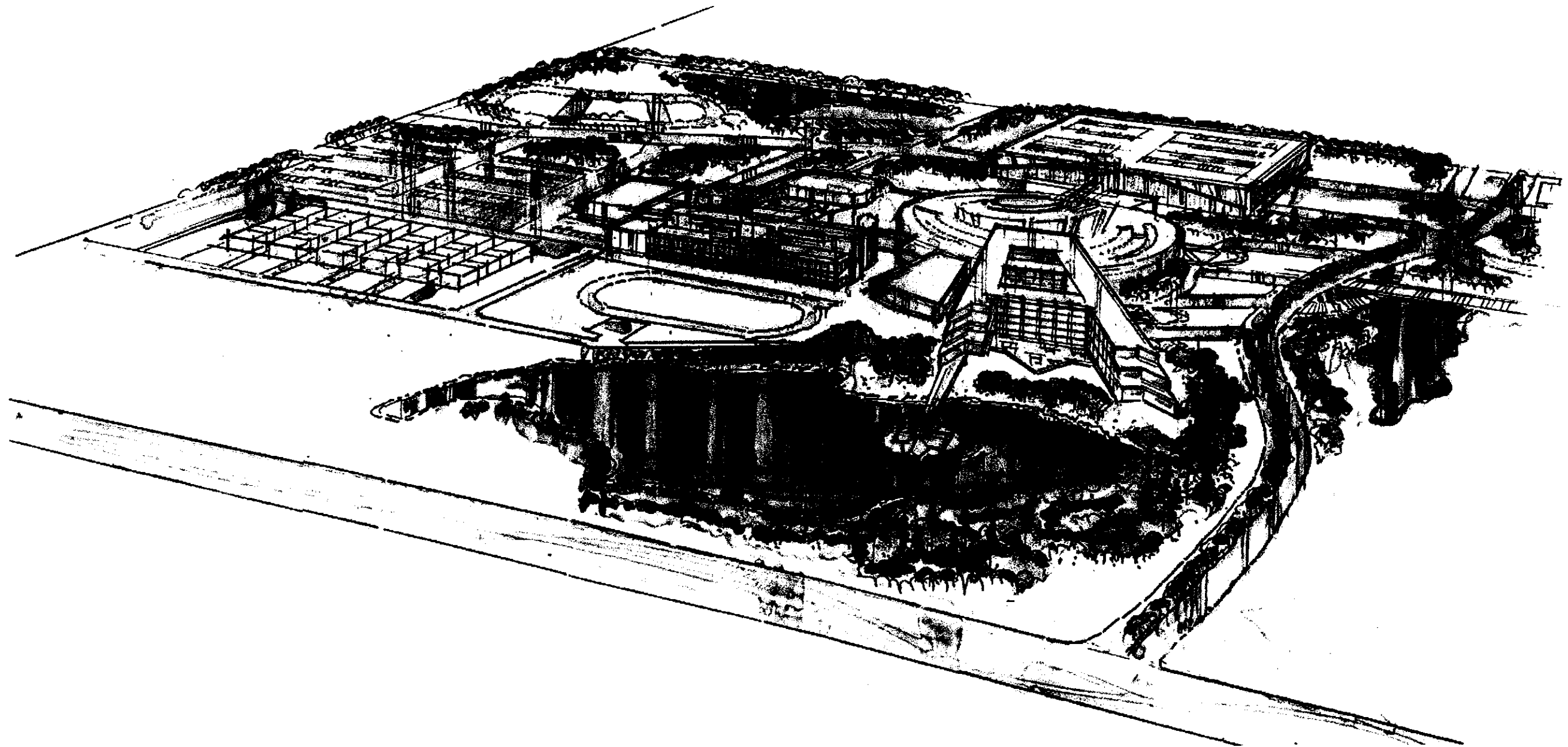


MENOMINEE SITE PLAN

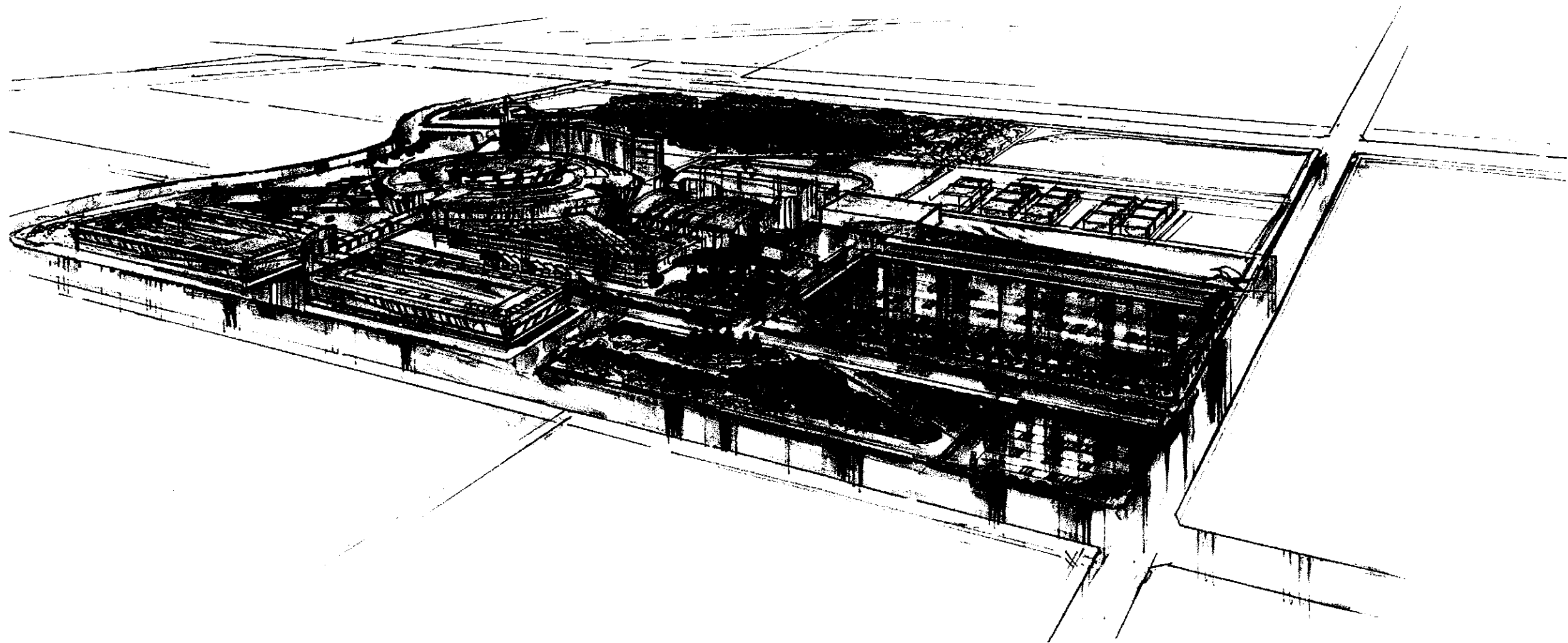
for Proposed Kenosha Casino & Regional Destination Center

Menominee Indian Tribe of Wisconsin
Menominee Kenosha Gaming Authority

MASSING DIAGRAM VIEW
(Viewing to the South / Highway 158)



MASSING DIAGRAM VIEW
(Viewing to the North / 60th Street)



MASSING DIAGRAM VIEW
(Viewing to the East / I-94)

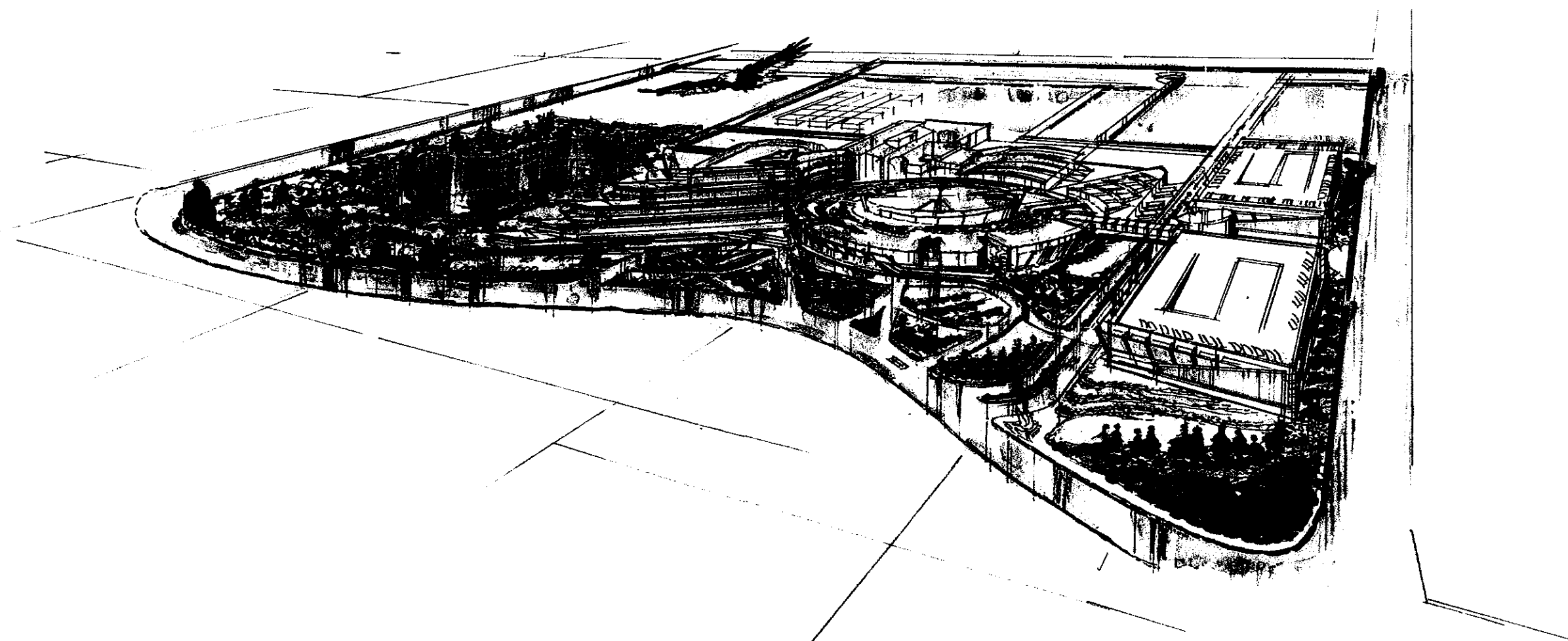


EXHIBIT “F”

OF

EXHIBIT “E”

**RENOSHA GAMING FACILITY
PROJECTED FTE ANALYSIS FOR TEMPORARY PHASE, PHASE I, AND PHASE II
EXCLUDING SENIOR EXECUTIVE MANAGEMENT**

PERMANENT GAMING FACILITY (PHASE I)

TEMPORARY		PHASE I ADDITIONS				
ESTIMATED CONSTRUCTION COST: \$ 90,000,000		ESTIMATED COST: \$ 518,000,000				
GAMING AMENITIES: Enhanced Racetrack Operations 1,300 gaming positions (1,000 slots, 50 blackjack tables)		GAMING AMENITIES: 1,850 gaming positions (1,700 slots, 25 blackjack tables) Race Book/Simulcast				
NON-GAMING AMENITIES:		NON-GAMING AMENITIES:				
Food - 24 hour - 200 seat Coffee Shop (6,400 square feet) 100 seat Employee Dining area (2,900 square feet) - Enhanced in Phase I		Food - 375 seat Buffet (24,800 square feet) 200 seat Coffee Shop (9,800 square feet) 300 seat Employee Dining area (7,200 square feet)				
Beverage - 50 seat Sports Bar (2,900 square feet) Two Casino Service Bars (1,600 square feet)		Beverage - 200 seat Entertainment lounge (12,000 square feet) 50 seat Restaurant Lounge (2,600 square feet) Two additional Service Bars (1,600 square feet) VIP Lounge (800 square feet)				
Retail - Souvenir Shop (700 square feet) - Enhanced in Phase I		Retail - Souvenir & Logo Shop (3,385 square feet) Entertainment - 5,000 seat Multi-purpose Event Center Third Party - 11 Retail outlets - 33,600 square feet of space 200 seat Steakhouse restaurant 125 seat Italian/Seafood restaurant 125 seat Asian restaurant 175 seat Latin American restaurant				
DIVISIONS	DEPARTMENTS AND NON MANAGEMENT POSITION DESCRIPTIONS	EMPLOYEE FULL TIME EQUIVALENTS (FTE) (a)	AVERAGE HOURLY RATE (b)	AVERAGE ANNUAL WAGES	ESTIMATED AVERAGE BENEFIT COST PER FTE (c)	ESTIMATED AVERAGE ANNUAL WAGES AND BENEFITS
GAMING	Departments: Table Games, Slots, Racetrack, Security, Surveillance, Racebook Positions: Table Game dealers, Floorperson, Pit Managers, Slot Attendants, Slot Technician, Officers	882	\$15.94	\$33,148	\$12,801	\$45,947
FOOD AND BEVERAGE	Departments: Employee Cafeteria, Cashiering, Buffet, Food Court, Sports Bar, Service Bar, Lounges Positions: Chefs, Cooks, Attendants, Servers, Cashiers, Bartenders, Barbacks	524	\$12.75	\$26,522	\$10,545	\$37,067
ENTERTAINMENT	Departments: Multi-purpose Event Center Positions: Entertainment System Specialist, Technicians, Ticket Agents, Line Servers, Ushers	65	\$13.44	\$27,959	\$11,347	\$39,306
RETAIL	Departments: General Store Positions: Cashiers, Associates, Salespersons	14	\$13.23	\$27,521	\$13,876	\$41,397
PROPERTY OPERATIONS	Departments: Purchasing, Distribution, Wardrobe, Engineering, Environmental Services, Parking Ops, Fleet Ops Positions: Electricians, Carpenters, Mechanics, Locksmiths, Shuttle Drivers, Attendants, Traffic Controllers, Doorperson	465	\$11.46	\$23,828	\$11,389	\$35,216
CASINO FINANCE	Departments: Casino Accounting, Cage Casino, Count Rooms, Coin Cashiering Positions: Accounting Representatives, Bankers, Hard and Soft Count Cashiers, Mechanics	210	\$10.88	\$22,622	\$11,406	\$34,029
MARKETING	Departments: Players Club, Player Development, Bus Sales, VIP Services, Executive Hosts Positions: Customer Service Representatives, Host/Hostess, Reservationists, Bus Receptionists	141	\$13.57	\$28,236	\$14,236	\$42,472
ADMINISTRATION & FINANCE	Departments: Executive, Legal, Finance, Information Systems, Accounting, Budgets, Revenue & Internal Audit Positions: IS Specialists, Analysts, Accountants, Auditors, Payroll Specialists, Accounts Payable	80	\$15.82	\$32,897	\$16,587	\$49,483
HUMAN RESOURCES	Departments: Personnel, Compensation & Benefits, Training & Employee Relations Positions: Benefit Specialists, Training Specialists, Counselor, Employment Representatives	37	\$12.61	\$26,022	\$13,120	\$39,143
TOTAL MENOMINEE GAMING FACILITY		2,408	\$13.67	\$28,430	\$12,166	\$40,597
THIRD PARTY (d)	Departments: Retail Outlets, Steakhouse, Italian, Asian, & Latin American restaurants Positions: Chefs, Cooks, Servers, Be Person, Bartenders, Barbacks, Cashiers	343	\$11.68	\$24,285	\$5,637	\$29,922
TOTAL FACILITY		2,751	\$13.94	\$28,996	\$10,099	\$39,085

(a) Full Time Equivalents are defined as 1 FTE equals 2,080 hours

(d) Includes third parties that will lease retail, restaurant, and other space at the facility.

(b) Average hourly rate includes estimated amounts for positions that earn tips for service performed.

The benefit cost estimates consist of the following:
Group Health Insurance
401 K Plan with Matching Contribution
Employee Meals
Employee Sponsored Child Care Subsidy
Workers Compensation Insurance
Life Insurance
Disability Insurance
Benefits for third party vendors are estimated at 25%

KENOSHA GAMING FACILITY
PROJECTED FTE ANALYSIS FOR TEMPORARY PHASE, PHASE I, AND PHASE II
EXCLUDING SENIOR EXECUTIVE MANAGEMENT

TEMPORARY GAMING FACILITY

		TEMPORARY					
ESTIMATED CONSTRUCTION COST: \$		90,000,000					
GAMING AMENITIES:		Enhanced Racetrack Operations					
		1,300 gaming positions (1,000 slots, 50 blackjack tables)					
NON-GAMING AMENITIES:		Food - 24 hour - 200 seat Coffee Shop (6,400 square feet)					
		100 seat Employee Dining area (2,900 square feet)					
		Beverage - 50 seat Sports Bar (2,900 square feet)					
		Two Casino Service Bars (1,600 square feet)					
		Retail - Souvenir Shop (700 square feet)					
DIVISION	DEPARTMENTS AND NON MANAGEMENT POSITION DESCRIPTIONS		EMPLOYEE FULL TIME EQUIVALENTS (FTE) (a)	AVERAGE HOURLY RATE (b)	AVERAGE ANNUAL WAGES	ESTIMATED AVERAGE BENEFIT COST PER FTE (c)	ESTIMATED AVERAGE ANNUAL WAGES AND BENEFITS
GAMING	Departments:	Table Games, Slots, Racetrack, Security, Surveillance	560	\$15.51	\$32,270	\$12,609	\$44,879
	Positions:	Table Game dealers, Floorperson, Pit Managers, Slot Attendants, Slot Technician, Officers					
FOOD AND BEVERAGE	Departments:	Employee Cafeteria, Cashiering, Food Court, Sports Bar, Service Bar	129	\$13.68	\$28,464	\$11,575	\$40,039
	Positions:	Chefs, Cooks, Attendants, Servers, Cashiers, Bartenders, Barbacks					
PROPERTY OPERATIONS	Departments:	Purchasing, Distribution, Wardrobe, Engineering, Environmental Services, Parking Ops	166	\$12.23	\$25,431	\$12,572	\$38,003
	Positions:	Electricians, Carpenters, Mechanics, Locksmiths, Shuttle Drivers, Attendants, Traffic Controllers, Doorperson					
CASINO FINANCE	Departments:	Casino Accounting, Cage Casino, Count Rooms, Coin Cashiering	122	\$15.06	\$31,326	\$11,770	\$43,096
	Positions:	Accounting Representatives, Bankers, Hard and Soft Count Cashiers, Mechanics					
MARKETING	Departments:	Players Club, Player Development, Bus Sales, VIP Services, Executive Hosts	75	\$14.47	\$30,092	\$15,172	\$45,264
	Positions:	Customer Service Representatives, Host/Hostess, Reservationists, Bus Receptionists					
ADMINISTRATION & FINANCE	Departments:	Executive, Legal, Finance, Information Systems, Accounting, Budgets, Revenue Audit	40	\$16.51	\$34,341	\$17,314	\$51,655
	Positions:	IS Specialists, Analysts, Accountants, Auditors, Payroll Specialists, Accounts Payable					
HUMAN RESOURCES	Departments:	Personnel, Compensation & Benefits, Training & Employee Relations	17	\$13.40	\$27,876	\$14,054	\$41,930
	Positions:	Benefit Specialists, Training Specialists, Counselor, Employment Representatives					
TOTAL MENOMINEE GAMING FACILITY			1,109	\$14.27	\$29,682	\$12,700	\$42,382

(a) Full Time Equivalents are defined as 1 FTE equals 2,080 hours

(b) Average hourly rate includes estimated amounts for positions that earn tips for service performed.

The benefit cost estimates consist of the following:
Group Health Insurance
401 K Plan with Matching Contribution
Employee Meals
Employee Sponsored Child Care Subsidy
Workers Compensation Insurance
Life Insurance
Disability Insurance

**KENOSHA GAMING FACILITY
PROJECTED FTE ANALYSIS FOR TEMPORARY PHASE, PHASE I, AND PHASE II
EXCLUDING SENIOR EXECUTIVE MANAGEMENT**

HOTEL AND CONVENTION FACILITY (PHASE II)

TEMPORARY		PHASE I ADDITIONS			PHASE II ADDITIONS	
ESTIMATED CONSTRUCTION COST: \$ 90,000,000		ESTIMATED COST: \$ 518,000,000			ESTIMATED COST: \$ 200,000,000	
GAMING AMENITIES: Enhanced Racetrack Operations 1,300 gaming positions (1,000 slots, 50 blackjack tables)		GAMING AMENITIES: 1,850 gaming positions (1,700 slots, 25 blackjack tables) Race Book/Simulcast			GAMING AMENITIES: 400 gaming positions (400 slots)	
NON-GAMING AMENITIES:		NON-GAMING AMENITIES:			NON-GAMING AMENITIES:	
Food - 24 hour - 200 seat Coffee Shop (6,400 square feet) 100 seat Employee Dining area (2,900 square feet) - Enhanced in Phase I		Food - 375 seat Buffet (24,800 square feet) 200 seat Coffee Shop (9,800 square feet) 300 seat Employee Dining area (7,200 square feet)			Food - 275 seat Coffee Shop (10,500 square feet)	
Beverage - 50 seat Sports Bar (2,900 square feet) Two Casino Service Bars (1,600 square feet)		Beverage - 200 seat Entertainment lounge (12,000 square feet) 50 seat Restaurant Lounge (2,600 square feet) Two additional Service Bars (1,600 square feet) VIP Lounge (600 square feet)			Hotel - 400 room Hotel Convention facility Recreation area consisting of a spa, health club, and pool	
Retail - Souvenir Shop (700 square feet) - Enhanced in Phase I		Retail - Souvenir & Logo Shop (3,385 square feet) Entertainment - 5,000 seat Multi-purpose Event Center Third Party - 11 Retail outlets - 33,600 square feet of space 200 seat Steakhouse restaurant 125 seat Italian/Seafood restaurant 125 seat Asian restaurant 175 seat Latin American restaurant			Third Party - Nite-Club Bar	
DIVISIONS	DEPARTMENTS AND NON MANAGEMENT POSITION DESCRIPTIONS	EMPLOYEE FULL TIME EQUIVALENTS (FTE) (a)	AVERAGE HOURLY RATE (b)	AVERAGE ANNUAL WAGES	ESTIMATED AVERAGE BENEFIT COST PER FTE (c)	ESTIMATED AVERAGE ANNUAL WAGES AND BENEFITS
GAMING	Departments: Table Games, Slots, Racetrack, Security, Surveillance, Racebook Positions: Table Game dealers, Floorperson, Pit Attendants, Slot Technician, Officers	1,044	\$17.13	\$35,624	\$13,948	\$49,572
FOOD AND BEVERAGE	Departments: Employee Cafeteria, Cashiering, Buffet, Food Court, Sports Bar, Service Bar, Lounges Positions: Chefs, Cooks, Attendants, Servers, Cashiers, Bartenders, Barbacks	573	\$13.76	\$28,621	\$11,355	\$39,976
ENTERTAINMENT	Departments: Multi-purpose Event Center Positions: Entertainment System Specialist, Technicians, Ticket Agents, Line Servers, Ushers	55	\$14.54	\$30,240	\$15,247	\$45,488
RETAIL	Departments: General Store Positions: Cashiers, Associates, Salespersons	13	\$12.41	\$25,817	\$13,017	\$38,834
PROPERTY OPERATIONS	Departments: Purchasing, Distribution, Wardrobe, Engineering, Environmental Services, Parking Ops, Fleet Ops Positions: Electricians, Carpenters, Mechanics, Locksmiths, Shuttle Drivers, Attendants, Traffic Controllers, Doorperson	537	\$12.38	\$25,744	\$12,258	\$38,002
CASINO FINANCE	Departments: Casino Accounting, Cage Casino, Count Rooms, Coin Cashiering Positions: Accounting Representatives, Bankers, Hard and Soft Count Cashiers, Mechanics	235	\$11.62	\$24,162	\$12,182	\$36,344
MARKETING	Departments: Players Club, Player Development, Bus Sales, VIP Services, Executive Hosts Positions: Customer Service Representatives, Host/Hostess, Reservationists, Bus Receptionists	151	\$14.53	\$30,227	\$15,241	\$45,468
ADMINISTRATION & FINANCE	Departments: Executive, Legal, Finance, Information Systems, Accounting, Budgets, Revenue & Internal Audit Positions: IS Specialists, Analysts, Accountants, Auditors, Payroll Specialists, Accounts Payable	91	\$16.96	\$35,315	\$17,806	\$53,121
HUMAN RESOURCES	Departments: Personnel, Compensation & Benefits, Training & Employee Relations Positions: Benefit Specialists, Training Specialists, Counselor, Employment Representatives	40	\$11.90	\$24,753	\$12,480	\$37,233
HOTEL	Departments: Operations, Convention Services, Room Service, Housekeeping, Hotel Sales Positions: Receptionists, Bell Person, Sales & Marketing Representatives, Attendants	171	\$10.97	\$22,811	\$10,937	\$33,748
TOTAL MENOMINEE GAMING FACILITY		2,910	\$14.50	\$30,168	\$12,994	\$43,162
THIRD PARTY (d)	Departments: Retail Outlets, Four Fine-dining Restaurants, Nite-Club, Children's Entertainment Center Positions: Chefs, Cooks, Servers, Bs Person, Bartenders, Barbacks, Cashiers, Associates	427	\$12.76	\$26,543	\$5,960	\$32,503
TOTAL FACILITY		3,337	\$14.76	\$30,706	\$10,762	\$41,468

(a) Full Time Equivalents are defined as 1 FTE equals 2,080 hours

(d) Includes third parties that will lease retail, restaurant, and other space at the facility.

(b) Average hourly rate includes estimated amounts for positions that earn tips for service performed.

The benefit cost estimates consist of the following:
Group Health Insurance
401 K Plan with Matching Contribution
Employee Meals
Employee Sponsored Child Care Sublety
Workers Compensation Insurance
Life Insurance
Disability Insurance
Benefits for third party vendors are estimated at 25%

EXHIBIT “G”

OF

EXHIBIT “E”

PROJECT LABOR AGREEMENT FOR CONSTRUCTION

OF

The Menominee Kenosha Gaming Authority

WHEREAS, this Agreement is entered into this 7th day of April, 2004, by and between the Menominee Kenosha Gaming Authority (hereinafter referred to as the "Company") and the Southeastern Wisconsin Building and Construction Trades Council, AFL-CIO (hereinafter referred to as the "Council"), acting as agent and representative of its member-unions;

WHEREAS, this Agreement will apply to Phase 1 of the Kenosha Area Casino, which will consist of construction of all facilities described in Phase 1 of the Master Plan, including, but not limited to a gaming facility and ancillary development (Phase 1 of the Kenosha Area Casino will hereinafter be referred to as the "Project"). The Master plan shall be attached as Exhibit A;

WHEREAS, the Council and the Company, by this Agreement, intend to provide close cooperation between the Council and its member-unions and the Company for the express purpose of completing the construction of the above-named Project, without delays, strikes or work stoppages caused by any reason or dispute; and

WHEREAS, the parties wish to have this Agreement continued in effect during the full course of the construction of said Project.

NOW, THEREFORE, in consideration of the above recitals and promises herein, the adequacy of which is hereby acknowledged, the parties agree as follows:

ARTICLE I: PURPOSE

The purpose of this Agreement is to promote an efficient Project construction site, and to provide for peaceful settlement of labor disputes without strikes or lockouts, thereby promoting the public interest in assuring the timely and economical completion of the work.

It is also the intent of the parties to set out uniformly standard working conditions, to establish and maintain harmonious relations among all parties to the Agreement, to secure optimum productivity and to eliminate delays in the prosecution of the work undertaken by the Employers on behalf of the Company.

ARTICLE II: SCOPE OF AGREEMENT

A. This Agreement shall apply to construction work, including trucking work, at the Project jobsite. The provisions of applicable local collective bargaining agreements shall apply to the work performed on the Project for those Employers signatory to the local agreement, unless any provision therein conflicts with a provision of this Agreement, in which case, this Agreement shall control. This Agreement shall remain in force until final completion of the Project or until such other time as may be mutually agreed upon by the Company and the Council. Items specifically excluded from the scope of this Agreement, include but are not limited to, the following:

- (1) Work of non-manual employees, including but not limited to, superintendents, supervisors, staff engineers, surveyors, inspectors, quality control and quality assurance personnel, construction engineering and inspecting consultants, timekeepers, mail carriers, clerks, office workers, including messengers, guards, emergency medical and first aid technicians, and other professional engineering, administrative, supervisory and management employees (except where expressly covered by the collective bargaining agreement).
- (2) All off-site handling of materials, equipment or machinery.
- (3) All employees of the Company not directly involved in the manual construction of the Project.
- (4) Any work performed on or near, or leading to or into, the Project site by state, county, city or other governmental bodies, or their contractors, or by private or public utilities or their contractors; and/or by the Company, or its contractors for work which is not part of the Project.
- (5) Off-site maintenance on leased equipment and on-site supervision of such work.
- (6) Laboratory or specialty testing or inspections.

B. As areas of the Project are inspected and accepted by the Company, the Agreement shall not have further force or effect on such items or areas, except when the general contractors or subcontractors are directed by the Company to engage in repairs, modifications, and/or warranty functions required by their contract(s) with the Company. Upon completion and acceptance of each contract let pursuant to this Project this Agreement shall have no further force or effect.

C. The Company and the Council may enter into a project labor agreement for subsequent phases of the Project.

ARTICLE III: UNION REPRESENTATION

Authorized representatives of the Unions shall have reasonable access to the jobsite for the purpose of administering this Agreement and the applicable local collective bargaining agreements provided they do not interfere with the work of employees and fully comply with the general rules established for visitors and security on the Project.

ARTICLE IV: NO STRIKE, NO LOCKOUT

As it is the specific intent of all parties that there shall be NO STRIKES OR LOCKOUTS, the Company shall include the following in the job specifications, to be adhered to by all parties:

- A. In the event of a strike or lockout in the building industry, the construction of the Project shall not be halted in any respect or for any reason, but will continue with the understanding that all settlements made between any affiliated local union of the Council and appropriate contractor groups shall be made effective as of the date specified in the applicable collective bargaining agreement.
- B. It is specifically agreed between the parties hereto that the no-strike, no lockout obligation set forth in this Agreement applies to any type of work stoppage, interruption, slow down or other disruptive activity for any reason at the Project site, or at any location that affects the Project, and with equal force to sympathy strikes of any kind whatsoever, including but not limited to the honoring of picket lines at the Project. Strikes, stoppages, work interruptions, slow downs and lockouts shall not occur under any circumstances.
- C. The Unions shall not sanction, and or abet, encourage or continue any work stoppage, strike, picketing or other disruptive activity at the Project site. No employee shall engage in activities which violate this Article. Any employee who participates in or encourages any activities which interfere with the normal operation of the Project shall be subject to disciplinary action, including discharge. (The term "employee" in this Agreement shall mean an employee of any contractor or subcontractor on the Project, and the term "subcontractor" shall mean a subcontractor of any tier, unless in either case the context requires otherwise.)

- D. The Unions shall not be liable for acts of employees for which they have no responsibility. The principal officer or officers of each Union will immediately instruct, order the employees it represents to cease any violations of the Article. A Union complying with this obligation shall not be liable for unauthorized acts of employees it represents.
- E. In the event of a violation in any respect of said no-strike, no-lockout obligation by any union, individual, contractor or subcontractor, any aggrieved party (including a union) may immediately commence an action for injunctive relief and, in said action, shall seek an order restraining such conduct. Upon a showing of such a violation, such injunctive relief may be issued by the court forthwith, without the need to show irreparable harm and without posting a bond. Any such action for injunctive relief shall not restrict the right of an aggrieved party to recover monetary damages for any such violation. The failure of the aggrieved party to exercise its right in any instance shall not be deemed a waiver of its right in any other instance.
- F. In all jurisdictional disputes, area and trade practices shall prevail as provided in the Rules and Procedures of the Plan for Settlement of Jurisdictional Disputes in the Construction Industry. Such Rules and Procedures shall govern all parties, including subcontractors, whether or not they or their associations are presently signators to the Plan. There shall be no strikes or stoppages as a result of such disputes. The no-strike, no-lockout conditions set forth herein shall apply to such disputes. Pending the resolution of such disputes, the work shall continue uninterrupted as assigned by the Company, general contractor or subcontractor.
- G. Prior to the commencement of construction work, and at the mutual direction of the employer and Building Trades Council, a pre-job conference shall be held between the representatives of the unions and employers to discuss the anticipated work assignments.
- H. In the event of a dispute or grievance other than jurisdictional disputes affecting the Project, the Business Representatives of the crafts involved shall submit such grievance to the Company Representative on the site, who shall have the authority to enforce the settlement of such grievances, and if settlements are not reached in this manner, grievance procedures prescribed in the applicable Local Agreement shall be followed. Any remedy may include back pay. There shall be no strikes or stoppages as a result of any such dispute. The no-strike,

no-lockout conditions set forth herein shall apply to such disputes, as well as any other disputes which may arise.

ARTICLE V: SUBCONTRACTORS

A. The Company agrees that neither it nor any of the general contractors or subcontractors on the jobsite shall subcontract any work to be done at the Project site except to a person, firm or corporation who is a party to, or who agrees to execute and be bound by the terms of, a collective bargaining agreement with an appropriate union affiliated with the Council and who continues that collective bargaining agreement in effect with respect to work related to this Project for the duration of said Project, provided there exists a collective bargaining agreement between a union and a contractor or contractor's association covering the work to be performed in Kenosha County, Wisconsin. Each contractor or subcontractor retains full authority for management of its operation, selection of employees and direction of work forces as provided in the applicable local labor agreement(s) and referral procedures.

B. The general contractor will not be required to become signatory to any collective bargaining agreement covering work that is not performed by the general contractor's employees. Subcontractors will be required to become signatory to the appropriate collective bargaining agreement if they perform work covered by the collective bargaining agreement on the Project, unless they are signatory to an existing agreement with the Union covering the work. Subcontractors will not be required to become signatory to a collective bargaining agreement if they do not perform work covered by that collective bargaining agreement.

C. If any collective bargaining agreement expires prior to the completion of the Project, there shall be no strike or stoppage of work. The terms of the expired contract shall be maintained until a new collective bargaining agreement is ratified. The terms and conditions of the new collective bargaining agreement will be applied to the Project and will be retroactive to the termination date of the expired collective bargaining agreement if so provided in the new collective bargaining agreement.

D. The Company and the general contractors have the absolute right to select any qualified bidder for the award of contracts on this Project without reference to the existence or non-existence of any agreements between such bidder and any union provided, however, only that such bidder is willing, ready and able to execute the appropriate collective bargaining agreement applicable for the Project, should it be designated the successful bidder.

E. The provisions contained in the appropriate collective bargaining agreement shall apply to the general contractors (as appropriate) and

subcontractors (as appropriate) performing on site construction work covered by the collective bargaining agreement for the Project. For purposes of this Agreement, material suppliers, irrespective of delivery terms, shall not be considered subcontractors. Delivery of on site materials in direct connection with the Project shall only be subcontracted to subcontractors who pay their employees the equivalent of the area standard of Teamsters Local 43 or other appropriate local union.

F. A general contractor which is a successful bidder with respect to the Project and subcontractors which will be performing work covered by the collective bargaining agreement, but which are not signatory to the collective bargaining agreement, shall be required to execute the appropriate collective bargaining agreement covering the Project within fourteen (14) days of being designated a successful bidder or awarded a subcontract. It is further understood that no general contractor or subcontractor is required, as a condition of performing work within the scope of this Agreement, to (a) sign any other collective bargaining agreement. If the collective bargaining agreement is not executed within that time period, said general contractor or subcontractor will be disqualified. The unions shall not interpose any objection or impediment to execution of the collective bargaining agreement by any general contractor or subcontractor.

ARTICLE VI: TRUST FUND PAYMENTS

In the event a union's collective bargaining agreement permits a withholding of services in response to an employer's willful failure to pay Union Trust Fund payments, withholding of services by employees of employers who have failed to make payments to the Union Trust Funds for established fringe benefits shall not be considered a violation of this Agreement, provided such withholding of services shall not be accompanied by picketing, hand billing or advertising to the public or any evidence of a labor dispute against the delinquent employer.

Before withholding services by employees from a delinquent employer, the appropriate union shall in all cases give the employer involved (5) five working days written notice and an opportunity to cure the delinquency, so that the delinquency can be remedied without the necessity of withholding services by employees of the delinquent employer, notwithstanding any shorter time period specified in a local union collective bargaining agreement. Copies of said notice shall also be sent to the Company, the general contractor and the Council.

ARTICLE VII: INCORPORATION INTO CONTRACT

The conditions set forth herein shall be made part of the Contract Documents and shall apply to all contracts and subcontracts relating to this Project. These conditions shall govern the no-strike, no-lockout obligations (and other obligations

set forth herein) of all contractors, unions and employees involved in this Project, notwithstanding any other provision of any other collective bargaining agreement or other agreement which may be inconsistent with the provisions hereof.

ARTICLE VIII: DISPUTES

In the event of a dispute between the parties as to the meaning and/or interpretation of any terms and conditions of this Agreement, it is specifically agreed that there shall be no strikes, lockouts or other interruptions of any nature with the progress of the Project. The no-strike, no-lockout obligations set forth herein shall apply. With respect to any such dispute involving the interpretation or application of this Agreement, the parties to such dispute shall make an effort to resolve such dispute by joint meetings and discussions. If such disputes cannot be resolved by such discussions, they shall be submitted to arbitration for resolution by a neutral arbitrator (chosen from a panel of seven (7) persons submitted by the Federal Mediation and Conciliation Service) for a final binding decision. Each party shall be responsible for its own expenses of said proceedings.

ARTICLE IX: NONDISCRIMINATION

The parties hereto agree not to discriminate against any individual with respect to hiring, compensation, terms or conditions of employment because of such individual's race, color, religion, sex, national origin, age, disability, or other protected class nor will they limit, segregate, or classify employees in any way to deprive any individual employee of employment opportunities because of race, color, religion, sex, national origin, age, disability or other protected class.

ARTICLE X: AFFIRMATIVE ACTION

A. The Southeastern Wisconsin Building Trades Council and the unions it represents recognize the Company's commitment to Affirmative Action on the Project and pledge their cooperation to the greatest extent possible with the contractors and subcontractors working on the project towards fulfilling this commitment.

B. The Council and its member-unions and all general contractors and subcontractors on the Project will use their best efforts to comply with all Indian preference laws, as exist now or as may be passed or modified in the future, for the hiring of employees and contractors and subcontractors for the Project. The Company shall provide to the Council copies of all new, updated, or modified Indian preference laws.

ARTICLE XI: SEVERABILITY

If any provision, section, subsection, or other portion of this Agreement is determined by any court of competent jurisdiction to be invalid, illegal, or unenforceable in whole or in part, and such determination becomes final, such provision or portion shall be deemed to be severed or limited, but only to the extent required to render the remaining provisions and portions of this Agreement enforceable.

ARTICLE XII: TERM

A. This Agreement shall be effective as of the date executed and shall remain in effect until final completion of the Project, with the understanding that Project contracts, commenced under the terms and conditions of this Agreement, shall be completed under this Agreement.

B. In the event any local collective bargaining agreement expires, the Company and its general contractors and subcontractors shall abide by the terms of the expired collective bargaining agreement until agreement is reached on a new local collective bargaining agreement, with any changes being subject to the provisions of this Agreement and being effective as of the date provided in such collective bargaining agreement.

IN WITNESS WHEREOF, the undersigned have cause these presents to be
executed this 7th day of April, 2004.

SOUTHEASTERN WISCONSIN BUILDING &
CONSTRUCTION TRADES COUNCIL

Dated: 4/7/04

By: Thomas W. Reuker
Title: President

MENOMINEE KENOSHA GAMING AUTHORITY

Dated: 4/7/04

By: Joan R. Delabrean
Title: Chairperson

ADDENDUM

TO PROJECT LABOR AGREEMENT

2004 WHEREAS, this Agreement is entered into this 7th day of April, 19 , by and between Men. Kenosha Gaming Authority ("Owner") and the Southeastern Wisconsin Building & Construction Trades Council, AFL-CIO ("Council") acting as agent and representative of its member unions; and

WHEREAS, the Council and _____ Company, ("Company") as general contractor for the Owner, have entered into a Project Labor Agreement for construction of the Kenosha Casino ("Project"); and

WHEREAS, the Owner and Council desire to extend the terms of that Project Labor Agreement to all work on the Project site to be performed by any entity under contract with the Owner or the Company.

NOW, THEREFORE, in consideration of the above recitals and promises herein, the adequacy of which is hereby acknowledged, the parties agree as follows:

1. All contracts awarded for construction work on the Project shall require the employer to enter into a Project Labor Agreement substantially in the form of the Project Labor Agreement between the Company and the Council.

2. This Addendum Agreement shall continue in full force and effect until completion of all work at the Project site.

SOUTHWESTERN WISCONSIN BUILDING AND
CONSTRUCTION TRADES COUNCIL

By: Thomas D. Reheizer
Title: President

MENOMINEE KENOSHA GAMING AUTHORITY

By: Jan R. Delabrean
Title: Chairperson