



PRESQUE ISLE DOWNS & CASINO

In regard to § 1312A (b) (1), Presque Isle Downs is providing the following information:

Name: Presque Isle Downs, Inc.
D/B/A Presque Isle Downs & Casino

Physical Address: 8199 Perry Highway
Erie, PA 16509

Mailing Address: P.O. Box 10728
Erie, PA 16514

Contact Information:

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APPENDIX CHECKLIST

A PETITIONER SEEKING AUTHORIZATION TO CONDUCT TABLE GAMES SHALL INCLUDE THE FOLLOWING APPENDICES WITH THE PETITION. THE APPENDICES ARE DOCUMENTS THE PETITIONER MUST PROVIDE OR CREATE. THE PETITIONER HAS A CONTINUING DUTY TO UPDATE THIS INFORMATION. EACH APPENDIX SHALL BE PRESENTED IN A TABBED MANNER AND EACH TAB MUST INDICATE THE APPENDIX NUMBER AS LISTED BELOW. IF AN APPENDIX DOES NOT APPLY TO A PETITIONER, WRITE "DOES NOT APPLY" ON THE APPENDIX PAGE.

<input checked="" type="checkbox"/>	APPENDIX 1: THE NAME, BUSINESS ADDRESS, AND CONTACT INFORMATION OF THE PETITIONER.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 2: IF KNOWN, THE NAME AND BUSINESS ADDRESS, JOB TITLE AND A PHOTOGRAPH OF EACH PRINCIPAL AND KEY EMPLOYEE OF THE PETITIONER WHO WILL BE INVOLVED IN THE CONDUCT OF TABLE GAMES AND IS NOT CURRENTLY LICENSED BY THE BOARD.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 3: AN ITEMIZED LIST OF THE NUMBER AND TYPES OF TABLE GAMES FOR WHICH AUTHORIZATION IS SOUGHT.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 4: THE ESTIMATED NUMBER OF FULL-TIME AND PART-TIME EMPLOYMENT POSITIONS THAT WILL BE CREATED AT THE LICENSED FACILITY IF TABLE GAMES ARE AUTHORIZED AND AN UPDATED HIRING PLAN PURSUANT TO SECTION 1510 (RELATING TO LABOR HIRING PREFERENCES) WHICH OUTLINES THE PETITIONER'S PLAN TO PROMOTE THE REPRESENTATION OF DIVERSE GROUPS AND COMMONWEALTH RESIDENTS IN THE NEW EMPLOYMENT POSITIONS.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 5: A BRIEF DESCRIPTION OF THE ECONOMIC BENEFITS EXPECTED TO BE REALIZED BY THE COMMONWEALTH, ITS POLITICAL SUBDIVISIONS, AND ITS RESIDENTS IF TABLE GAMES ARE AUTHORIZED.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 6: THE DETAILS OF ANY FINANCING OBTAINED OR THAT WILL BE OBTAINED TO FUND AN EXPANSION OR MODIFICATION OF THE LICENSED FACILITY TO ACCOMMODATE TABLE GAMES.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 7: INFORMATION AND DOCUMENTATION CONCERNING FINANCIAL BACKGROUND AND RESOURCES, TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE OF THE FINANCIAL STABILITY, INTEGRITY AND RESPONSIBILITY OF THE PETITIONER.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 8: INFORMATION AND DOCUMENTATION TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THAT THE PETITIONER HAS SUFFICIENT BUSINESS ABILITY AND EXPERIENCE TO CREATE AND MAINTAIN A SUCCESSFUL TABLE GAME OPERATION. IN MAKING THIS DETERMINATION, THE BOARD MAY CONSIDER THE RESULTS OF THE PETITIONER'S SLOT MACHINE OPERATION, INCLUDING FINANCIAL INFORMATION, EMPLOYMENT FIGURES AND CAPITAL INVESTMENT.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 9: INFORMATION AND DOCUMENTATION TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THAT THE PETITIONER HAS THE FINANCIAL ABILITY TO PAY THE AUTHORIZATION FEE UNDER SECTION 1361A (RELATING TO TABLE GAME AUTHORIZATION FEE).	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 10: DETAILED SITE PLANS IDENTIFYING THE PETITIONER'S PROPOSED TABLE GAME AREA, INCLUDING RESTRICTED AREAS ASSOCIATED WITH TABLE GAMES OPERATIONS WITHIN THE LICENSED FACILITY OR ANY PROPOSED TEMPORARY FACILITY.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 11: IF THE PETITIONER IS A CATEGORY 1 OR CATEGORY 2 SLOT MACHINE LICENSEE, THE SIGNED WAIVER OF RIGHTS FORM REQUIRED BY SECTIONS 1312A(11) AND 1315A(8).	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 12: A DESCRIPTION OF THE LICENSEE'S PLAN TO PROVIDE TRAINING AND INSTRUCTION, OR EQUIVALENT, FOR PERSONNEL THAT WILL BE INVOLVED IN TABLE GAMES.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 13: TOTAL ANTICIPATED INVESTMENT BY THE LICENSEE ASSOCIATED WITH TABLE GAMES (CONSTRUCTION, RENOVATIONS, ETC.) AND THE APPROXIMATE NUMBER OF CONSTRUCTION JOBS INVOLVED.	MANDATORY



Pursuant to § 1312A (b) (2), Presque Isle Downs is currently conducting a search for a Director of Table Games. All other principals and key employees of the petitioner who will be involved in the conduct of table games are either licensed or pending licensure with the Board. As additional personnel are hired, Presque Isle Downs will keep the Board informed and submit applications for those who may require either a principal or key employee license.



PRESQUE ISLE DOWNS & CASINO

Presque Isle Downs, Inc. in regard to § 1312A (b) (3) anticipates installing the following table games:

- Twenty-six (26) Blackjack games
- Six (6) Craps games
- Four (4) Roulette games (double zero)
- Four (4) Three Card Poker games
- Two (2) Four Card Poker games
- Two (2) Let It Ride games
- Two (2) Texas Hold'em Bonus Poker games
- One (1) Mini-Baccarat game
- One (1) Pai Gow Poker game

Total banked games is forty-eight (48)

Total electronic table games is one (1)

Appendix 4 – Mark Confidential

Pursuant to §§§ 4PACS 1206 (f) (1); 1312A (b) (12); 1312A (c) this appendix is marked confidential.



PRESQUE ISLE DOWNS & CASINO

Pursuant to § 1312A (b) (5), Presque Isle Downs has prepared the following brief description of the economic benefits expected to be realized by the Commonwealth, its political subdivisions, and its residents if table games are authorized.

Preliminary Estimates of the Economic Impacts of the Table Games at PIDI

The development of table game operation at Presque Isle Downs will bring a substantial influx of money to the region. The revenue, which will have both direct and indirect impacts, will be generated by the substantial capital expenditures by the casino, as well as the revenue generated by employees and increase tourism and casino patronage. The projected influx of revenue will stimulate economic activity locally in Erie County and regionally throughout Northwestern Pennsylvania. The purchases of labor, supplies, and materials by the casino will generate indirect impacts as the providers of those goods and services, in turn, purchase labor, supplies, and materials. Similarly, the purchases of goods and services by casino employees will produce induced impacts as the suppliers of those outputs purchase and utilize labor and non-labor inputs. Finally, the purchases of food, beverages, lodging, and incidental items by casino visitors will induce analogous impacts from their suppliers.

The initial increased economic impacts will be occur during the construction of the casino and upon initially commencing operations. The estimated direct costs of constructing the casino facility, including necessary renovation of ancillary buildings and augmentation of infrastructure and pre-opening payroll, will meet or exceed \$11 million. The projected expenditures and use of key resources by the casino during the first five years of operation are summarized in Table 1 below. As shown in the table, Presque Isle Downs plans to begin operation of the casino with up to 50 table games in its first year of

operations. Because the table games will not be produced within the region, their costs have not been included in Table 1 as sources of indirect economic impacts for the region.

Table 1: Resource Use and Expenditures by the Casino and Casino Visitors

Resource / Expenditure Category	Year of Operation				
	1	2	3	4	5
Table Games	50	50	50	50	50
Employees	500	500	500	500	500
Casino expenditures:					
Payroll, incl. benefits	\$11,000,000	\$11,330,000	\$11,670,000	\$12,000,000	\$12,000,000
Food and beverage	\$2,500,000	\$2,600,000	\$2,650,000	\$2,732,000	\$2,800,000
Operating supplies	\$800,000	\$770,000	\$800,000	\$820,000	\$840,000
Other	\$750,000	\$4,070,000	\$4,120,000	\$4,180,000	\$4,220,000
Advertising/promotions	\$700,000	\$720,000	\$740,000	\$760,000	\$790,000
Total casino expenditures	\$15,750,000	\$19,490,000	\$19,980,000	\$20,490,000	\$20,650,000
Visitor expenditures:					
Net gaming expenditure	\$38,000,000	\$40,000,000	\$40,900,000	\$41,700,000	\$43,000,000
Food and incidentals	\$2,000,000	\$2,060,000	\$2,120,000	\$2,200,000	\$2,300,000
Total visitor expenditure	\$40,000,000	\$42,060,000	\$43,020,000	\$43,900,000	\$45,300,000
Total Expenditures	\$55,750,000	\$61,550,000	\$63,000,000	\$64,390,000	\$65,950,000

Table 1 also contains estimates of the net amounts that will be spent by casino visitors to play table games, and their expenditures on food, beverages, and incidental items that they will make while partaking in that entertainment. For local and regional residents, a portion of those expenditures would have been spent on alternative forms of entertainment or goods and services within the region if the casino were not available. Conversely, many of those casino visitors would otherwise have traveled to casinos out of state in the absence of table games in Erie. Thus, operation of table games in Erie will recover a portion of the expenditures that would otherwise have been made in other states

by regional residents. The estimated net effect of the substitution and recovery of alternative expenditures in each year is included in the table also.

A preliminary estimate of the total direct, indirect, and induced economic impacts that will result from the construction and the first five years of operation of the proposed casino are summarized in Table 2 below. The impact estimates have been produced by applying to the expenditure estimates in Table 1 multipliers from the Regional Input-Output Modeling System (RIMS II) that have been prepared by the Regional Economic Analysis Division of the Bureau of Economic Analysis in the U.S. Department of Commerce. Separate sets of multipliers have been prepared for Erie County and for the entire Northwestern Pennsylvania region. The multipliers produce estimates of the total impacts of the casino-related expenditures on total output, on the earnings of workers, and on employment in the county and throughout the region.

Table 2: Total Indirect and Induced Impacts on Output, Earnings and Employment from Expenditures by the Casino, Employees, Suppliers, and Visitors

		Estimated Impacts on		
		Output		Employment
Regional Impacts Throughout Northwestern Pennsylvania				
Construction Phase		\$22,000,000		200
Operation Phase	Year 1	\$23,000,000		350
	Year 2	\$23,700,000		360
	Year 3	\$24,400,000		370
	Year 4			380
	Year 5	\$25,100,000		390
		\$25,900,000		
Total impact over 5 years		\$144,100,000		

The estimates indicate that, during the construction phase, the planned \$11 million of direct expenditures will stimulate, in total, \$22 million of direct, indirect, and induced output throughout the region

Thus, in summary, it is preliminarily estimated that the construction and the first five years of operation of the proposed casino will generate cumulative economic impacts throughout the region consisting of in-direct \$144.1 million of output of up to 390 jobs. Additionally, it is preliminarily estimated that the operating phase first five years of operation of table games the property will generate \$308.7 million in direct output and up to 500 jobs. This represents \$452.8 million in economic growth and up to 890 jobs in throughout the region.

Appendix 6 – Mark Confidential

Pursuant to §§§ 4PACS 1206 (f) (1); 1312A (b) (12); 1312A (c) this appendix is marked confidential.

Appendix 7 Exhibit 3 – Mark Confidential

Pursuant to §§§ 4PACS 1206 (f) (1); 1312A (b) (12); 1312A (c) this appendix is marked confidential.



PRESQUE ISLE DOWNS & CASINO

Pursuant to § 1312A (b) (7), Presque Isle Downs is submitting the following information and documentation to establish by clear and convincing evidence that it has the financial stability, integrity and responsibility to warrant the Board authorization to conduct game operations and the issuance of a Table Games Certificate.

Presque Isle Downs is a wholly owned subsidiary of MTR Gaming Group, Inc. and as such is submitting the following documents for your review:

- 1) MTR Gaming Group, Inc. 10Q for 3Q 2009 SEC filing is attached (Appendix 7 - Exhibit 1)
- 2) MTR Gaming Group Inc. 10K 2008 Audited Financial Statements is attached for your review (Appendix 7 - Exhibit 2). MTR Gaming Group, Inc. is currently preparing its 10K for 2009 and it will be submitted to the Board upon completion in mid-March 2010.
- 3) Presque Isle Downs, Inc. Audited Financial Statements for 2008. Presque Isle Downs will submit the 2009 audited financial statements to the Board upon completion.

Additional financial documents are available on the MTR Gaming Group, Inc. website at www.mtrgaming.com or through the SEC's EDGAR reporting websites.