2008 Interim
Management Discussion & Analysis
for the nine and three months ended September 30, 2008

To Our Unit Holders

Much has changed since our last interim report. Fallout from the subprime mortgage debacle in the United States and the resulting credit collapse has now spilled into stock exchanges the world over. The unwinding of leveraged positions as companies and lenders look to shore up their balance sheets and investors moving to the safety of cash has put excessive pressure on stock valuations. Is it over done? Time will tell, but one thing is for sure, well performing companies with prudent management and solid balance sheets have been swept up in the flood.

In our last interim report we had already begun to discuss this changing economic reality. Given the rising global and local headwinds, management and trustees of Gamehost Income Fund (the "Fund") are very pleased with results for the three months ended September 30, 2008 (the "Quarter"). Northern properties have shown surprising resilience, while Calgary property performance has been tempered by a more competitive landscape. Results include, for the first time, a complete quarter of operations from the new Stampede Casino.

Give a Little, Take a Little

Revenues for the Quarter totaled $14.4 million up marginally by 0.7% from the $14.3 million posted in Q3 2007 but up 6.2% from the previous quarter when revenue totaled $13.5 million. The new Stampede Casino together with Boomtown Casino gave enough to offset year over year declines at other Fund properties.

Earnings before interest, taxes, depreciation and amortization ("EBITDA") for the Quarter totaled $6.2 million down 10.2% from $6.9 million recorded in Q3 2007 and down marginally by 1.5% to the previous quarter's $6.3 million. EBITDA margins for the Quarter declined to 43.3% off 5.2% from one year earlier and down 3.7% from the previous quarter. The Stampede Casino took some luster off EBITDA margin performance which is to be expected with a startup property.

What Credit Crunch?

Fallout created by the collapse of the USA subprime mortgage industry is having a profound impact on many organizations ability to raise or renew required capital. In this regard the Fund is in an enviable position. The Fund has relatively little debt all placed with Canadian chartered banks. The International Monetary Fund rates the Canadian banking system to be in the strongest financial position of all the world's banking systems. The Fund's total combined debt is secured by 'brick and mortar' assets and real estate that produce strong cash flow. The bulk of this debt is committed for periods ranging from three to five years in the future. Furthermore, the Fund is benefiting from continued pressure on the Bank of Canada to lower interest rates with all the Funds debt being tied to variable lending rates.

Count on It

The Fund made consistent payments of $0.0733 per unit throughout the Quarter. The Fund has maintained a conservative payout ratio on regular monthly distributions. For the nine months ended September 30, 2008 (the "Period") the Fund's payout ratio on Standardized Distributable Cash sits at 84.1%. We remain confident in the Fund's ability to sustain current levels of distributions to unit holders.

Northern Lights

Boomtown Casino and Service Plus Inns & Suites continued to put up impressive results into November of 2008. To the end of Q3 2008 Boomtown Casino posted year over year growth of 8% and narrowly missed achieving record revenue for the Quarter. In Grande Prairie, despite significant added room capacity in the area, Service Plus Inns & Suites hotel is proving that premier location and more effective management can go head to head with those that choose to compete on price alone. Average Daily Rates (ADR) for the hotel have remained steady and the property continues to hold an overweight share of the market. Our Great Northern Casino too, showed signs of life during the Quarter. Our Grande Prairie casino had struggled following the introduction of non-smoking and depressed natural gas prices at the beginning of the year. With the recovery of natural gas prices mid year activity was picking up in the oil patch and the benefits were being realized in the Casino.

Storm on the Horizon

With each passing day optimism is fading for a quick recovery for the world's economic woes. Like any prudently managed company in these uncertain times, management is preparing to hunker down. The dramatic fall in the price of oil during the time elapsed since the Quarter came to an end tells us the storm has turned. We may not be in the direct path of the eye of the storm, but for certain the winds will pick up soon. The remainder of 2008 continues to look positive, but expectations for 2009 should be tempered.

Yes we Can

If President Elect Barack Obama is confident in America's ability to rise to the challenges of difficult times, then we in Alberta, and certainly we here at Gamehost, are no less so. We are proving that we can run even leaner than before with effective results. The world will eventually right itself. When it does, we will be poised for the best period of productivity and profitability ever.

Thank you for your continued support,

November 13, 2008

On behalf of all management and trustees, sincerely,

David J. Will
President and Chief Executive Officer
Gamehost Management Inc.

Darcy J. Will
Vice President
Gamehost Management Inc.

This Management's Discussion and Analysis ("MD&A") of the business, operating results, liquidity and capital resources and other financial information of Gamehost Income Fund (the Fund") is dated November 13, 2008. This MD&A should be read in conjunction with the audited annual consolidated financial statements of the Fund and accompanying notes to the audited annual consolidated financial statements for the year ended December 31, 2007.

Interim Financial Statements of the Fund for the nine months ended September 30, 2008 (the "Period") and three months ended September 30, 2008 (the "Quarter") have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles ("GAAP") and include the operating results of the Fund, its subsidiaries and a proportionate share of its joint ventures.

Certain prior year figures have been reclassified to conform to the current year presentation. All figures are reported in Canadian dollars.

This MD&A focuses on year over year comparative results for the Quarter. When significant, this MD&A will elaborate on results for the Quarter compared to results in the immediately preceding quarter and year over year results for the Period. Readers are directed to prior MD&A for specific discussion of results of previous quarters. Earlier financial statements and management discussion and other disclosures of the Fund can be found on SEDAR at www.sedar.com.

Caution to the Reader

Auditor Review

Nine and three month figures and comparisons contained in this MD&A have been independently reviewed by the Fund's external auditors.

Use of Non-GAAP Financial Measures

This MD&A makes reference to financial measures that do not have any standardized meaning prescribed by GAAP. Specifically, the MD&A may reference Earnings before interest, taxes, depreciation and amortization ("EBITDA") or "distributable cash from operations" which are both non-GAAP financial measures.

EBITDA is a commonly used measure of financial performance by the broader financial community. Management believes that EBITDA provides information to the reader on the Fund's performance in generating cash from normal operations before any financing costs associated with generating those earnings. The Fund's means of financing can change over time at the discretion of management. As such, EBITDA can assist the reader in assessing not only the Fund's performance in generating cash, but also the Fund's ability to meet current or future financing obligations. There is no standardized meaning prescribed by GAAP for EBITDA. Comparing EBITDA of the Fund to EBITDA reported by other issuers may be misleading. EBITDA should not be relied upon as a sole measure of performance. A reconciliation between EBITDA and net earnings as defined by GAAP can be found on page 18 of this MD&A.

This MD&A is in all material respects in accordance with the recommendations provided in Canadian Institute of Chartered Accountants (CICA) publication *Standardized Distributable Cash in Income Trusts and Other Flow-Through Entities: Guidance on Preparation and Disclosure.* A reconciliation of standardized distributable cash to cash from operating activities as reported on the Consolidated Statements of Cash Flow can be found on page 24 of this MD&A.

Industry specific terms relating to the operations of the Fund are used throughout this MD&A. They are defined when they first appear and capitalized throughout this MD&A.

Forward Looking Statements

This MD&A may contain forward-looking statements. Forward-looking statements may contain words such as “anticipates”, “believes”, “could”, “expects”, “indicates”, “plans” or other similar expressions that suggest future outcomes or events. Forward looking statements have risks and uncertainties of varying significance. Management attempts to minimize the use of forward looking statements. Any use of forward looking statements reflect reasonable assumptions made on the basis of management’s current beliefs with information known by management at the time of writing. Factors that may affect results include, but are not limited to, governmental legislation and regulation at the national, provincial or municipal level, general or local business and economic conditions, the good standing of business, gaming and liquor licenses, competition, consumer preferences and disposable incomes, demographic shifts and weather patterns. Any number of these factors, and others, could cause actual results to differ from forward-looking statements. Additional information about the inherent risks in forward looking statements and any management assumptions of risk can be found in the Business Risks and Opportunities section at the end of this MD&A.

Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Fund. The Fund’s internal control over financial reporting includes policies and procedures that (1) pertain to the maintenance of records that reasonably, accurately and fairly represent transactions of the Fund, (2) provide reasonable assurance that transactions are recorded as required to permit the preparation of Financial Statements in accordance with Canadian GAAP and that receipts and expenditures are made with appropriate authorization of the Fund’s management and directors and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Fund’s assets that could have a material effect on the Financial Statements.

There has been no change in the Fund’s internal control over financial reporting that occurred during the Quarter that has materially affected, or is reasonably likely to materially affect, the issuer’s internal control over financial reporting.

Organizational Structure

The Fund

Gamehost Income Fund (the “Fund”) is an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta and is governed by a trust agreement dated April 9, 2003 (the “Fund Agreement”).

The Trust

Gamehost Trust (the "Trust") is an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta and is governed by a trust agreement dated April 10, 2003 (the “Trust Agreement”). All of the issued and outstanding units of the Trust are owned by the Fund. The trustees of the Trust are the trustees of the Fund.

The Limited Partnership

Gamehost Limited Partnership (the "Limited Partnership") is a limited partnership formed under the laws of the Province of Alberta. The Limited Partnership owns the assets and business operations of the Fund. The Limited Partnership began operations of the Fund effective June 1, 2003.

The Manager

The general partner of the Limited Partnership is Gamehost Management Inc. (the “Manager”). Pursuant to a management agreement (the "Management Agreement") between the Fund and the Manager, the administration and management of the Fund was delegated to the Manager.

Units

An unlimited number of Fund Units and Special Voting Units may be created and issued pursuant to the Fund Agreement. The Limited Partnership is authorized to issue unlimited numbers of both Fund Units and Class B Limited Partnership units (“B Units”). There are 10,773,153 Fund Units and 10,334,400 B Units of the Limited Partnership issued and outstanding. B Units are exchangeable, on a one-for-one basis, for Fund Units. Holders of Fund Units and holders of B Units have equal voting rights. Units of the Fund were split three-for-one effective April 21, 2008. Otherwise, there has been no change in the number of units issued or outstanding during the Period.

Overview of the Fund

The Fund’s activities are currently confined to the Province of Alberta, Canada. Operations include the Boomtown Casino in Ft. McMurray, the Great Northern Casino in Grande Prairie and Service Plus Inns & Suites (“Service Plus”), a limited service hotel, also located in Grande Prairie. As a complement to the hotel, the Fund owns a retail complex (the “Strip Mall”) that leases space to separate liquor store, pub and full service restaurant operations. The Fund is a 40% joint venture partner in Deerfoot Inn & Casino Inc. (the “Deerfoot Joint Venture”) in Calgary and a 20% joint venture partner in Calgary West Hospitality Inc. (the “Stampede Joint Venture”) which opened in Calgary on June 19, 2008

Gaming operations of the Fund include Fund owned and operated table games and the operation of government owned slot machines, video lottery terminals and lottery ticket outlets. Hotel operations of the Fund include full and limited service hotels and banquet and convention services. Food, beverage and entertainment are offered at each of the Fund’s casino locations.

Management believes in a combined entertainment and hospitality model. Our model targets the entertainment seeker and social occasional gamer. Clean, inviting venues that deliver live entertainment, lounging and dining, rest and relaxation together with gaming are situated in community based locales.

It is the intent and practice of the Fund to distribute taxable income of the Fund to unit holders by way of regular monthly cash distributions.

Selected Annual Information

Selected Annual Information	December 31 (twelve months)			
	2007	2006	2005	2004
Revenue	**57,619.9**	49,293.6	31,085.5	25,426.4
Net earnings [1]	**19,271.6**	21,178.6	15,340.3	12,726.5
Net earnings/unit [1, 2]	**$ 0.9130**	$ 1.0033	$ 0.7267	$ 0.6030
Total assets	**92,284.6**	91,682.3	92,403.4	76,500.6
Total long term liabilities	**2,234.8**	-	-	-
Cash distributions declared/unit [2]	**$ 1.1567**	$ 0.9267	$ 0.6767	$ 0.5733

(in thousands of dollars unless stated otherwise)

1 Before earning allocation to minority Class B Limited Partners. There were no discontinued operations or extraordinary items.

2 Basic and fully diluted

Over the selected annual periods organic growth has played a major role in the ongoing success of the Fund. All business segments of the Fund including food & beverage, hotel and gaming operations have made significant contributions. The Fund is a 40% joint venture owner of Deerfoot Inn & Casino which celebrated its grand opening in November of 2005. In early 2006, the Fund completed an expansion of Boomtown Casino effectively doubling its size. These expansions and organic growth coincided with the Fund's interest in slot machines increasing from 499 machines to 1,070 machines and gaming tables increasing from 32 tables to 46 tables. Hotel rooms increased from 123 to 198 over the same period and food, beverage and entertainment services grew in relation to these expansions. The Fund's success has been assisted by a strong Alberta economy, a growing population and higher than average disposable incomes.

On June 19, 2008, as a 20% joint venture partner, the Fund constructed and opened the new Stampede Casino. The Fund's proportionate share of the operation added 6 tables and 120 slot machines. Organic growth at the Deerfoot Joint Venture during the Period added a proportionate 16 slot machines. Current totals for the Fund stand at 52 tables and 1206 slot machines

Unless otherwise stated, all figures and results presented in this MD&A include only the Fund's 40% and 20% interests respectively in the assets, liabilities, equity and operating results of the Deerfoot Joint Venture and the Stampede Joint Venture.

Overall Financial Results and Condition of the Fund

At the end of the Quarter the Fund had $102.8 million in total assets $10.5 million greater than at the start of the year. Cash and cash equivalent balances of $12.7 million were down marginally from $13.1 million at the start of the year. For the Quarter and Period, the Fund's payout ratio on Standardized Distributable Cash was 84%. The Fund made regular monthly cash distributions of $0.0733 per unit throughout the Quarter.

In the Grande Prairie area the Fund operates the Great Northern Casino, Service Plus Inns & Suites hotels and a multi-tenant strip mall. A major downturn in USA home building is affecting the local forestry and forest products industry. The area is also a significant oil and natural gas producing region. The local energy industry showed some signs of recovery with higher commodity prices.

A provincial wide smoking ban including traditional gaming centres in the province was implemented on January 1, 2008. The initial adverse impact of the smoking ban has diminished over the Period. Competition and consumer pessimism have replaced non-smoking as larger threats to short term growth.

The new Stampede Casino opened June 19, 2008. Pre-opening costs for the new Stampede Casino are treated as operating costs and have resulted in short term downward pressure on the Fund's earnings.

The impending Federal government tax on distributions from income trusts, effective January 2011, will impact the Fund adversely. Management believes that current rates of distribution are sustainable. The growth rate in distributions, however, will be tempered. Dependant on the Fund's response to the tax there may be one time costs incurred prior to the effective date of the tax. These costs, if any, can not be estimated with any degree of certainty.

Quarterly Performance Summary

Quarterly Performance	**2008**			**2007**				**2006**
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Total revenue	**14,378**	13,545	13,333	14,912	14,280	14,345	14,083	13,485
Expenses	**8,149**	7,221	7,033	7,605	7,347	7,239	7,079	7,144
EBITDA [1 2]	**6,229**	6,324	6,300	7,307	6,933	7,106	7,004	6,341
EBITDA %	**43.3%**	46.7%	47.2%	49.0%	48.5%	49.5%	49.7%	47.0%
Net earnings before minority interest	**5,186**	5,586	5,471	6,558	259	6,268	6,186	5,445
Net earnings % before minority interest	**36.1%**	41.2%	41.0%	44.0%	1.8%	43.7%	43.9%	40.4%
Net earnings per unit [3]	**$0.246**	$0.265	$0.259	$0.311	$0.012	$0.297	$0.293	$0.258

(in thousands of dollars unless stated otherwise)

1 EBITDA is not a defined measure under Canadian GAAP. See Caution to Reader under MD&A

2 Before earnings allocation to minority Class B Limited Partners. There were no extraordinary items or discontinued operations

3 Basic and fully diluted, all classes

Results for the Quarter include the first full quarter of results for the new Stampede Joint Venture. Revenue earned by the Stampede Joint Venture provided all the revenue growth for the Fund for the Quarter. High initial operating costs at the Stampede Joint Venture contributed to lower EBITDA margins.

Revenues

Total Revenue

Total Revenue	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2008	2007	+(-)	**2008**	2007	+(-)	Q2 2008	+(-)
Total Revenue	**41,255.9**	42,708.2	(3.4%)	**14,378.1**	14,279.9	0.7%	13,544.8	6.2%

(in thousands of dollars unless stated otherwise)

Q3 is traditionally one of the softer quarters for the Fund. A full quarter of operations at the new Stampede Joint Venture helped to lift the Fund compared to the previous quarter. Province wide non-smoking effective the start of 2008, competition in the Calgary market and persistent and growing economic woes weighed on year over year results.

Hotel Rooming Revenue

Hotel Rooming includes both guest and meeting room sales at hotels. Occupancy and Average Daily Rate ("ADR") are calculated on guest room sales only.

Hotel - Rooming	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2008	2007	+(-)	**2008**	2007	+(-)	Q2 2008	+(-)
Rooming	**6,324.7**	6,549.2	(3.4%)	**2,265.0**	2,267.7	(0.1%)	1,989.3	13.9%
Occupancy	**76.8%**	79.8%	(3.0%)	**79.9%**	79.3%	0.6%	74.1%	5.7%
ADR	**$150.73**	$148.57	1.5%	**$156.59**	$150.66	3.9%	$146.55	6.8%

(in thousands of dollars unless stated otherwise)

Q3 hotel segment performance is historically stronger than Q2. This pattern continued during the Quarter. Moderate gains at the Deerfoot Joint Venture offset declines at Service Plus in Grande Prairie. The shift in property sales mix resulted in higher reported ADR's.

Occupancy levels at the Deerfoot Joint Venture were up 1.2% over the same period in 2007 proving the current resiliency of the high growth, minimal competition, southeast quadrant of the City of Calgary for the hotel business. The ADR of $166/night was marginally lower in the Quarter by $2/night compared to the same quarter in 2007 on the strength of lower priced weekend stays.

Service Plus continued to post remarkable results given the added capacity in the Grande Prairie market. Renewed activity in the regions oil patch resulted in occupancy levels of 75% only 2% off 2007 levels. Occupancy rose sharply over Q2 2008 by 8%. The ADR was largely unchanged compared to both 2007 and the previous quarter at $139/night.

Table Game Revenue

Table play and table revenue sharing is regulated in Alberta by the Alberta Gaming and Liquor Commission. In general terms, 'Drop' is the total amount of money anted and bet by players at most table games. 'Hold' is the amount won from the drop at each table. Hold as a percentage of the drop will fluctuate. The hold is shared in varying percentages between charities and the casino operator dependant on the size and location of the casino. The operator's percentage of the hold is the 'Net'.

The game of Poker has a 'Pot' rather than a drop. The pot is the total amount anted and bet by players at a poker table. 'Rake' is the total amount of the pot that is retained by the table and is usually a flat fee for each hand played. Rake is shared in varying percentages between the charity and casino operator dependant on agreements with the Alberta Gaming and Liquor Commission. The operator's percentage of the rake is the 'Net'. Financial statements of the Fund report only the net of the hold or rake.

Table Revenue	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2008	2007	+(-)	**2008**	2007	+(-)	Q2 2008	+(-)
General and High Limit	**4,995.2**	5,043.1	(0.9%)	**1,936.4**	1,605.9	20.6%	1,515.9	27.7%
Poker	**996.7**	811.5	22.8%	**361.1**	271.3	33.1%	305.5	18.2%
Caribbean Stud	**89.3**	155.3	(42.5%)	**23.2**	50.9	(54.5%)	28.9	(19.7%)
	6,081.3	6,009.9	1.2%	**2,320.7**	1,928.1	20.4%	1,850.3	25.4%

(in thousands of dollars unless stated otherwise)

Table Drop and Hold	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2008	2007	+(-)	**2008**	2007	+(-)	Q2 2008	+(-)
Drop	**50,429.8**	44,592.6	13.1%	**20,061.8**	15,341.8	30.8%	15,358.0	30.6%
Hold %	**17.6%**	18.9%	(1.3%)	**17.2%**	17.5%	(0.2%)	17.6%	(0.3%)

(in thousands of dollars unless stated otherwise)

Tables (# of)	at the end of Q3			vs. previous quarter	
	2008	2007	+(-)	Q2 2008	+(-)
All Others	**40.2**	33.0	7.2	40.2	0.0
Poker	**11.2**	9.2	2.0	11.2	0.0
Caribbean Stud	**1.2**	2.4	-1.2	1.2	0.0
	52.6	44.6	8.0	52.6	0.0

A full quarter of operations at the Stampede Joint Venture added significant volumes to table drop. Hold percentages held steady to the comparable 2007 quarter and the previous quarter. The resulting effect was sharply higher table revenues compared to Q3 2007 and Q2 2008.

Boomtown Casino had a tremendous Quarter of table action. Period and Quarter Net Hold of $1.6 million and $601,145 rose by 19% and 30% respectively compared to 2007. Net Hold for the Quarter climbed 5% over Q2 2008. Revenue gains were made largely on increased table Drop as Hold percentages remained relatively stable over comparative periods. Dealer staffing, which had been an ongoing issue for this facility in 2006 and 2007, has been stable for most of the Calendar year thus far. As a result we have been able to open a full complement of tables to meet demand.

Net Hold of $1.3 million and $388,372 for the Period and Quarter respectively at Great Northern Casino declined by a corresponding 10% and 2% from 2007. Net Hold for the Quarter was down 4% from the previous quarter. It should be noted that despite the lower Net Hold revenue, Drop remained steady with the comparable periods and Hold percentages remain exceptionally strong at 19% and 18% respectively for the Period and Quarter.

Table volume at the Deerfoot Joint Venture has been affected by competitive pressure. A First Nations casino, opened since the start of the 2008 calendar year, is having a moderate impact on year over year results. The reduction in table drop for the Quarter versus the previous quarter is also partially attributable to the buzz surrounding the opening of the Fund’s own Stampede Casino prior to and during the annual 10 day Calgary Exhibition & Stampede in July. Table Drop at the property is down 7% and 19% year over year for the Period and Quarter. Hold percentages have held steady subject to normal fluctuations.

There are no comparable results to report for the new Stampede Joint Venture. Management is, however, very pleased with the volume of table activity at the property. Following July, which included the 10 day Calgary Exhibition & Stampede, table volumes have been steadily 50% higher than volumes at the Deerfoot Joint Venture.

Slot and Video Lottery Terminal Revenue

In Alberta, slot machine odds are regulated by the Alberta Gaming and Liquor Commission (the "AGLC"). The revenue sharing arrangement for amounts won by the slot machines is also set by the AGLC. Under the current arrangement casino operators, charities and the provincial government share the machine win on a 15/15/70 split respectively. Slot machine revenue, therefore, is determined by the above arrangements as well as the number of hours each machine operates and how much money is played on a machine ('Cash Play') during hours of operation.

Slot Statistics	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2008	2007	+(-)	**2008**	2007	+(-)	Q2 2008	+(-)
Cash Play	**1,424.5**	1,491.6	(4.5%)	**494.4**	506.5	(2.4%)	482.8	2.4%
Electronic Machines [1]	**1,205.6**	1,066.4	139.2	**1,205.6**	1,066.4	139.2	1,205.6	-

(in millions of dollars unless stated otherwise)

[1] At the end of the Period or Quarter

Slot Revenue	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2008	2007	+(-)	**2008**	2007	+(-)	Q2 2008	+(-)
Revenue	**16,265.5**	17,392.2	(6.5%)	**5,544.7**	5,954.3	(6.9%)	5,537.3	0.1%

(in thousands of dollars unless stated otherwise)

There are some telling signs of the times in overall slot numbers for the Quarter. With an additional 139 slot machines contributing to slot results for the Fund in the Quarter compared to 2007, slot drop has declined. This is consistent with provincial statistics for slot play. On a more positive note the full effect of the opening of the Stampede Joint Venture is reflected in the comparative results for the Quarter versus the previous quarter.

Slot activity at Boomtown Casino declined only marginally by 2.6% from the previous quarter following the provincial trend to a much lesser extent. Comparative 2007 results for the Period and Quarter remain 8.7% and 8.4% higher respectively.

Year over Year results for Great Northern Casino remains lower, but improving steadily. Comparative 2007 slot Drop for the Period and Quarter were lower by 16.0% and 10.7% respectively. Slot activity for the Quarter grew marginally versus the previous Quarter by 0.5% providing some indication that the worst may be behind us and that optimism is returning to the region.

The competitive nature of urban Calgary including the December 2007 opening of a First Nations casino in the cities southwest and the new Stampede Casino has hampered slot results at the Deerfoot Joint Venture. The ability of First Nation casinos to continue to offer smoking floor space provides this casino with a competitive advantage over traditional casino operators in Calgary that must comply with provincial non-smoking legislation. Furthermore, a general retraction in consumer spending adds to downward pressure. Slot Drop at the Deerfoot Joint Venture compared to 2007 is lower by 20.5% and 30.0% for the Period and Quarter respectively. Versus the previous quarter slot Drop was only marginally lower by 0.8%.

There are no comparative results for the Stampede Joint Venture which opened June 19, 2008. The property added 120 slot machines (the Fund's 20% proportionate share) to the total slot machine count for the Fund. The property is credited with the Fund's marginal increase in net slot revenue during the Quarter versus the previous quarter.

Food & Beverage ("F&B") Revenue

Food service operating arrangements differ by property from 100% owner operations to combinations of owner and 3rd party operating agreements. Only beverage service is consistently delivered directly by the Fund. Where food operations are run by a 3rd party, the Fund earns a commission on those sales.

F&B Revenue	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2008	2007	+(-)	**2008**	2007	+(-)	Q2 2008	+(-)
Food & mix	**2,766.5**	2,759.6	0.3%	**910.3**	866.1	5.1%	958.8	(5.1%)
Liquor	**5,955.6**	6,180.1	(3.6%)	**2,014.3**	1,974.9	2.0%	1,942.9	3.7%
	8,722.1	8,939.7	(2.4%)	**2,924.6**	2,841.0	2.9%	2,901.7	0.8%

(in thousands of dollars unless stated otherwise)

F&B operations during the Quarter led to mixed results for the Fund. A full quarter of operations of the new Stampede Joint Venture generally shored up results.

Comparative results for F&B revenues were positive all around for Boomtown Casino. Year over year comparisons for the Period and Quarter were up 5% and 8% respectively and 1% higher for the Quarter compared to the previous quarter.

At Great Northern Casino, F&B revenues are following the trend seen in slot play. Admittedly down year over year and versus the previous quarter, but showing steady monthly improvements since the initial impact of the January 1, 2008 provincial non-smoking legislation. Quarterly results for the Period and Quarter compared to 2007 were lower by 14% and 9% respectively. Compared to Q2 2008 F&B revenues were lower by only 2%. The General Manager of the facility was replaced during the Quarter following a retirement. New management has a marked focus on re-establishing the property as "the place to be" for entertainment and fun in Grande Prairie. These efforts are beginning to reap results.

F&B sales at the Deerfoot Joint Venture have fallen along with reduced gaming activity though not as severely. Year over year F&B sales are lower by 10% and 17% for the Period and Quarter respectively. Sales for the Quarter were lower than the previous quarter by 18%.

The Stampede Joint Venture contributed F&B revenue over the entire Quarter. Summer months, especially July which includes the 10 day Calgary Exhibition & Stampede, would not be indicative of base line operations. During September management was afforded the first real opportunity to evaluate the F&B product mix and is now in the process of fine tuning that offering to appeal to a clientele unique to the city centre market. Volumes are now beginning to ramp up as NHL and WHL hockey return to the neighbouring Saddledome and the trade and convention season gets into full swing at the adjacent Round-Up Centre.

Lease and Rental Revenue

Lease and rental revenue is derived predominantly from three leases in the Strip Mall as well as lease and rental revenues generated within the casinos from 3rd party providers of on-premise food services.

Lease & Rental	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2008	2007	+(-)	**2008**	2007	+(-)	Q2 2008	+(-)
Total	**243.3**	239.0	1.8%	**79.6**	79.7	(0.1%)	79.5	0.1%

(in thousands of dollars unless stated otherwise)

All three tenants at the Strip Mall are nearing the end of their final renewal term of their leases. Current lease terms expire in Q4 2008 and Q1 2009. Management is currently negotiating new leases with existing tenants at market rates which have moved higher. Management believes these negotiations will be successful.

Other Revenue

Other revenue includes the more significant items of automated teller (ATM) fees, ticket sales, interest on bank balances, cigarette sales, equipment rentals, movie rentals and other room charges to hotel guests.

Other	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2008	2007	+(-)	**2008**	2007	+(-)	Q2 2008	+(-)
Total	**3,619.0**	3,578.1	1.1%	**1,243.5**	1,209.0	2.9%	1,186.5	4.8%

(in thousands of dollars unless stated otherwise)

Other revenues rose on the strength of tickets sales and ATM fees. Gains can be attributed entirely to the opening of the Stampede Casino on June 19, 2008.

Expenses

Total Expenses

Total Expenses	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2008	2007	+(-)	**2008**	2007	+(-)	Q2 2008	+(-)
Total	**25,012.6**	26,494.7	(5.6%)	**9,192.0**	10,520.5	(12.6%)	7,958.6	15.5%
% of Revenues	**60.6%**	62.0%	(1.4%)	**63.9%**	73.7%	(9.7%)	58.8%	5.2%

(in thousands of dollars unless stated otherwise)

Management has been diligent about reducing costs in step with declining revenues. Year over year comparatives reflect these initiatives. The opening of the Stampede Joint Venture which incurred significant planned pre-opening expenses reduced the impact of cost cutting measures elsewhere. This is most clearly represented by the comparative expenses for the Quarter compared to those of the previous Quarter.

Cost of Sales

Cost of sales will for the most part follow the performance of F&B revenue. Other cost of sales are made up of mostly room service charges in the hotel for such items as long distance telephone, movie rentals, laundry etc. Their corresponding revenues are included in Other Revenue. Cost of sales as a percentage of corresponding revenues will fluctuate moderately for Food & Mix and Liquor categories depending on the sales mix of individual products. More significant variations in the cost of sales percentage will be experienced for sales falling into the Other category due to the dissimilar nature of the products included.

Cost of Sales	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2008	2007	+(-)	**2008**	2007	+(-)	Q2 2008	+(-)
Food & Mix	**1,361.4**	1,329.1	2.4%	**466.2**	412.7	13.0%	454.8	2.5%
Liquor	**1,313.6**	1,363.9	(3.7%)	**452.8**	432.6	4.7%	425.7	6.4%
Other	**121.0**	247.3	(51.1%)	**44.9**	77.8	(42.3%)	38.9	15.4%
Total	**2,796.1**	2,940.3	(4.9%)	**963.9**	923.1	4.4%	919.4	4.8%

(in thousands of dollars unless stated otherwise)

Cost of Sales %	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2008	2007	+(-)	**2008**	2007	+(-)	Q2 2008	+(-)
Food & Mix	**49.2%**	48.2%	1.0%	**51.2%**	47.7%	3.6%	47.4%	1.8%
Liquor	**22.1%**	22.1%	(0.0%)	**22.5%**	21.9%	0.6%	21.9%	0.1%
Other	**54.9%**	64.7%	(9.8%)	**51.4%**	65.9%	(14.6%)	51.4%	3.5%

(in thousands of dollars unless stated otherwise)

Cost of sales in the most significant categories of Food & mix and Liquor reflect inefficiencies in the start-up of the Stampede Joint Venture. Improvement can be expected in ensuing quarters.

Human Resources

General administrative salaries and bonuses, Trustee and management fees, benefit costs, payroll taxes and other miscellaneous human resource costs are all combined under this heading.

Human Resources	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2008	2007	+(-)	**2008**	2007	+(-)	Q2 2008	+(-)
Operations	**9,564.4**	9,431.9	1.4%	**3,463.7**	3,135.2	10.5%	3,077.4	12.6%
General admin	**338.6**	320.4	5.7%	**137.3**	103.8	32.3%	87.4	57.1%
Trustee fees	**122.9**	109.0	12.7%	**41.4**	37.5	10.3%	43.5	(4.9%)
Management fees	**850.6**	977.5	(13.0%)	**253.2**	337.8	(25.0%)	301.7	(16.1%)
Total	**10,876.6**	10,838.8	0.3%	**3,895.6**	3,614.3	7.8%	3,510.0	11.0%
% of Revenues	**26.4%**	25.4%	1.0%	**27.1%**	25.3%	1.8%	25.9%	1.2%

(in thousands of dollars unless stated otherwise)

Higher operational labour due to the start-up of the Stampede Joint Venture is reflected in all comparable periods. Significant progress has been made and continues to be made to streamline the front line labour efficiency of this new operation. At all other properties labour has been scaled back in proportion to declines in revenue.

Higher general administrative labour is also attributed to the new Stampede Joint Venture as additional corporate resources were allocated to the new property to ensure a successful opening. These additional corporate resources are being withdrawn as on site staff establish their own control over systems and resources.

Management fees are based on a percentage of revenue and EBITDA. These fees are lower on declining revenue and EBITDA.

Marketing and Promotions

Marketing and promotions include all donations, sponsorships and complimentary services offered at properties in addition to sales and advertising expenses. Staff promotions including discounted meal vouchers are also included under this heading.

Marketing	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2008	2007	+(-)	**2008**	2007	+(-)	Q2 2008	+(-)
Total	**1,981.5**	1,609.5	23.1%	**756.9**	558.8	35.5%	672.5	12.5%
% of Revenues	**4.8%**	3.8%	1.0%	**5.3%**	3.9%	1.4%	5.0%	0.3%

(in thousands of dollars unless stated otherwise)

The Quarter saw a substantial marketing campaign for promotion of the new Stampede Joint Venture as well as campaigns at all properties geared to the up-coming Christmas banquet season.

A company wide shift in marketing tactics will see a shift away from mass media advertizing to focus on targeted advertising to our known customer base. In the period ahead keeping our current customer base satisfied and returning on a regular basis will be more effective as consumers in general spend their entertainment dollars with greater discretion.

Loyalty programs in place at both the Deefoot and Stampede Joint Ventures have been married and cross marketing campaigns are underway to promote non-competing events. Having two properties in Calgary gives the Fund a competitive advantage over other Calgary casinos in that customers can collect and redeem points at both locations.

Operating Costs

Some of the more significant expenditures in this classification include entertainment, premises leases, repairs & maintenance, utilities and operating supplies.

Operating	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2008	2007	+(-)	**2008**	2007	+(-)	Q2 2008	+(-)
Total	**5,171.7**	4,749.9	8.9%	**2,010.8**	1,677.9	19.8%	1,637.5	22.8%
% of Revenues	**12.5%**	11.1%	1.4%	**14.0%**	11.8%	2.2%	12.1%	1.9%

(in thousands of dollars unless stated otherwise)

With the opening of the Stampede Joint Venture comes increased operational spending. Most notable of these during the Quarter were supplies and electricity. The Stampede Joint Venture's 'Big Sky Showroom' added sizable entertainment expenses as well. Lease payments made to the Calgary Exhibition & Stampede as part of the Stampede Casino purchase and sale agreement round out the more significant areas of increased operating costs. Operating expenses as a percentage of revenue will improve as the Stampede Casino gains economies of scale.

The focus at all other properties has been to reduce discretionary operational spending in line with revenue expectations. These efforts have been effective, but overshadowed by the increases at the Stampede Joint Venture.

General and Administrative

General and administrative expenditures include professional fees, insurance, property and business taxes, corporate travel and other less significant expenses.

General & Administration	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2008	2007	+(-)	**2008**	2007	+(-)	Q2 2008	+(-)
Total	**1,577.3**	1,526.5	3.3%	**522.2**	573.1	(8.9%)	481.1	8.5%
% of Revenues	**3.8%**	3.6%	0.2%	**3.6%**	4.0%	(0.4%)	3.6%	0.1%

(in thousands of dollars unless stated otherwise)

Additional property taxes were incurred with the opening of the Stampede Joint Venture and general property tax increases were incurred at other properties. These property tax increases, together with higher membership fees on the Toronto Stock Exchange (TSX) versus the TSX Venture Exchange were the most notable increases to general administrative costs for the Period and Quarter compared to the prior year. When comparing Period and Quarter costs to the prior year and to the previous quarter, the increases mentioned above were offset in varying degrees by cost reductions in the area of corporate travel and reductions to insurance rates on renewal of policies June 1, 2008.

Interest

Interest is incurred on debt facilities held by Gamehost Limited Partnership and joint ventures of the Fund.

Interest	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2008	2007	+(-)	**2008**	2007	+(-)	Q2 2008	+(-)
Total	**1,042.3**	832.4	25.2%	**380.8**	283.2	34.5%	358.0	6.4%
% of Revenues	**2.5%**	1.9%	0.6%	**2.6%**	2.0%	0.7%	2.6%	0.0%

(in thousands of dollars unless stated otherwise)

Falling interest rates continue to benefit the Fund given all debt is tied to variable bank rates. A comparison of interest expenses for the Period and Quarter to those of the prior year and prior quarter include the addition of debt facilities placed for the new Stampede Joint Venture resulting in higher overall interest costs.

The Limited Partnership of the Fund paid down its $6.0 million revolving credit facility by $1.0 million during the Quarter further reducing interest expenses. Outstanding against an additional $9.0 million in debt facilities is $8.6 million. The Limited Partnership is making regular monthly blended interest and principal payments of $103,345 providing ongoing reductions to interest costs.

The Fund's portion of the total original debt facilities of the Deerfoot Joint Venture total $9.6 million which includes $800,000 in an available revolver. The Deerfoot Joint Venture has reduced the outstanding portion of the revolver to zero. The Fund's portion of the outstanding non-revolving portion of the Deerfoot Joint Venture debt is $7.2 million. The Fund's portion of monthly blended interest and principal payments on this debt is $96,000 providing ongoing reductions to interest costs.

On February 28, 2008 debt facilities were established to complete construction of the new Stampede Joint Venture. The Fund's portion of the total originally established debt of the Stampede Joint Venture includes $7.0 million in a construction line and a $1.4 million revolving line of credit. The revolving line was fully advanced during the Quarter. During the Quarter the construction line was converted to a 60 day Bankers Acceptance (BA1) maturing on October 24, 2008. At maturity BA1 was replaced by BA2 (30 days) including a 3 year interest rate swap, BA3 (60 days) and BA4 (30 days). The Fund's portion of each of these BA's is $3.6 million, $2.4 million and $1.0 million respectively. The Fund's portion of combined principal reduction included in the 3 BA's is $39,000 monthly.

Future Tax

Bill C-52, which passed into Law in June 2007, will effectively tax the distributions of certain income trusts including the Fund effective January 1, 2011. As a result of the new tax legislation, any future tax assets or liabilities that are not expected to reverse themselves by the time the tax comes into effect are recorded during the Period. Future tax expenses are a non-cash charge.

Future Tax	**Q3 (nine months)**			**Q3 (three months)**			vs. previous quarter	
	2008	2007	+(-)	**2008**	2007	+(-)	Q2 2008	+(-)
Total	**(54.1)**	2,336.3	(102.3%)	**43.1**	2,336.3	(98.2%)	(121.1)	(135.6%)
% of Revenues	**(0.1%)**	5.5%	(5.6%)	**0.3%**	16.4%	(16.1%)	(0.9%)	1.2%

(in thousands of dollars unless stated otherwise)

Additional construction costs for the Fund's investment in the Stampede Joint Venture resulted in an adjustment to future taxes during the Quarter.

Net Earnings and Reconciliation of EBITA to Net Earnings

EBITA to Net Earnings	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2008	2007	+(-)	**2008**	2007	+(-)	Q2 2008	+(-)
EBITDA	**18,852.7**	21,043.2	(10.4%)	**6,228.7**	6,932.6	(10.2%)	6,324.1	(1.5%)
Less:								
Amortization on property, plant and equipment	**1,621.2**	1,661.1	(2.4%)	**618.7**	553.7	11.7%	501.0	23.5%
Amortization on Licenses	**-**	3,500.0	(100.0%)	**-**	3,500.0	(100.0%)	-	-
Interest charges	**1,042.3**	832.4	25.2%	**380.8**	283.2	34.5%	358.0	6.4%
Future income tax expense	**(54.1)**	2,336.3	(102.3%)	**43.1**	2,336.3	(98.2%)	(121.1)	(135.6%)
Allocation to minority interest	**7,952.8**	6,224.6	27.8%	**2,539.1**	127.0	1899.6%	2,735.0	(7.2%)
Net Earnings	**8,290.5**	6,488.8	27.8%	**2,647.0**	132.4	1898.7%	2,851.2	(7.2%)
% of Revenues	**20.1%**	15.2%	4.9%	**18.4%**	0.9%	17.5%	21.0%	(2.6%)
Net earnings per unit [2]	**$0.770**	$0.602	$0.167	**$0.246**	$0.012	$0.233	$0.265	($0.019)

(in thousands of dollars unless stated otherwise)

[2] Basic and fully diluted

Facilities

Capital Expenditures	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2008	2007	+(-)	**2008**	2007	+(-)	Q2 2008	+(-)
Maintenance	**206.6**	678.3	(69.5%)	**11.6**	527.7	(97.8%)	147.4	(92.1%)
Expansion	**12,283.2**	0.0	100.0%	**839.1**	0.0	100.0%	1,893.4	(55.7%)
	12,489.8	678.3	1741.3%	**850.7**	527.7	61.2%	2,040.8	(58.3%)

(in thousands of dollars unless stated otherwise)

In addition to routine capital maintenance spending during the Quarter, capital expansion expenditures include the Fund's project to date Contributing Interest Responsibility in the Stampede Joint Venture construction project. The Stampede Joint Venture opened on June 19, 2008, but various project related expenses were completed during the Quarter.

All capital maintenance spending was paid out of cash generated from operations. In concert with efforts to reduce operating expenses, discretionary capital maintenance expenditures are also being closely scrutinized. Capital expansion spending is 100% financed.

Financial Condition

Liquidity

Cash provided by operating activities for the Quarter totaled $4.8 million for the Fund, a decrease of 31% compared to $7.0 million in Q3 2007. At the end of the Quarter cash and cash equivalent balances totaled $12.7 million. Factors affecting the Fund's ability to generate cash in the near and longer terms were listed in the section 'Forward Looking Statements'. These factors are discussed in more specific terms in the section ‘Business Risks and Outlook’. Management does not believe any of these factors will have an adverse affect on the Fund’s ability to sustain current cash distributions with cash flow from operations.

The change in tax status for income trusts brought about by the passing of Bill C-52 will reduce the amount of cash available for distribution to unit holders effective January 1, 2011. From that date forward distributions from the Fund will be subject to a 31.5% tax at the Fund level. From a unit holder perspective, distributions from the Fund following implementation of the new tax will no longer be treated as income but will receive the more favourable dividend status for tax purposes.

The Fund’s cash and cash equivalent balances are made up of cash and traditional bank balances only. The Fund has no exposure to asset backed commercial paper (“ABCP”).

Working capital, by definition, is current assets minus current liabilities. The Fund’s term debt includes a demand clause in the event certain performance covenants are not met. Term loans are presented as current liabilities for financial reporting purposes to recognize demand clauses in the loans. The Fund’s lender does not consider the loans to be repayable within 12 months.

Internal working capital requirements for the Fund consists of cash floats for the operation of gaming tables, slot machines, VLT’s, ATM machines, POS terminals, progressive jackpots and petty cash as well as one months operating expenses, one months debt service and one months regular distribution to the holders of Fund Units less amounts due to related parties. Float amounts are set by management and will fluctuate based on activity levels in the casinos. Alberta Gaming and Liquor Commission require all casinos to maintain a Minimum Continuing Net Working Capital Position (“MCNWCP”). MCNWCP allows for the removal of 50% of distributions to unit holders of the Fund. At the end of the Quarter the Fund had a $3.9 million surplus to this requirement.

The Fund has a 40% Participating Interest in the operating activities of the Deerfoot Joint Venture. During the Quarter the Fund received $1.56 million in cash distributions from the Deerfoot Joint Venture.

The Fund has a 20% Participating Interest in the operating activities of the Stampede Joint Venture which opened on June 19, 2008. The Stampede Joint Venture incurred significant pre-opening initial promotional expenses which were charged to operating expenses of the Fund. The Stampede Joint Venture issued a cash call to all joint venture partners to cover cost overruns on the initial construction estimates. The Fund paid $323,489 on October 16, 2008 to honour its Contributing Interest Responsibility on the cash call.

Commitments

The Fund has a 47.75% Contributing Interest Responsibility to the Deerfoot Joint Venture for any capital requirements. All current capital requirements of the Deerfoot Joint Venture have been satisfied. There were no requests for capital made by the Deerfoot Joint Venture during the Quarter.

The Fund has a 23.1% Contributing Interest Responsibility to the Stampede Joint Venture for any capital requirements. At September 30, 2008, with exception of a $323,489 cash call from the Stampede Joint Venture, all known capital requirements of the Stampede Joint Venture have been satisfied.

On June 1, 2003 the Fund entered into a management services agreement with Gamehost Management Inc. The management agreement stipulates that Gamehost Management Inc. is entitled to a percentage of any earnings before interest, taxes, depreciation and amortization of the Fund.

The Fund entered into a management services agreement with 1068802 Alberta Ltd. The management agreement stipulates a fixed rate for site operational management for the Fund’s Chief Operating Officer.

On April 26, 2005 the Deerfoot Joint Venture entered into a management services agreement with 1016312 Alberta Ltd. The management agreement stipulates that 1016312 Alberta Ltd is entitled to a percentage of the gross revenues plus a percentage of any earnings before interest, taxes, depreciation and amortization of the Deerfoot Joint Venture.

The Stampede Joint Venture intends to enter into a management services agreement with 1016312 Alberta Ltd. Terms of the agreement have not yet been finalized, but are expected to be similar to those of the Deerfoot Joint Venture.

The Fund has certain commitments for equipment, services and premises rent including the Funds Participating Interest Responsibility in commitments of joint ventures. At September 30, 2008 these commitments were;

Operating Leases and service contracts	**2008**	**2009**	**2010**	**2011**	**2012**	**Thereafter**
Total	453,723	1,697,815	1,621,417	1,571,732	1,033,075	6,389,386

Distributable Cash from Operations

Distributable cash from operations is not a defined term under Canadian GAAP, and its application and interpretation vary widely from issuer to issuer. The Fund originally defined a calculation of distributable cash in its information circular dated April 22, 2003. In this document, distributable cash is calculated as net income determined in accordance with Canadian GAAP, subject to certain adjustments as set out in the Declaration of Trust, including:

a) adding the following items: amortization on property, plant & equipment, future income tax expense and losses on dispositions of assets; and

b) Deducting the following items: future income tax credits, gains on dispositions of assets and capital maintenance expenditures.

Other adjustments may be made to distributable cash as determined by a majority of the Trustees in their discretion.

Most recently, the Canadian Standards Association (the "CSA") proposed amendments to National Policy 41-201 regarding the disclosure of distributable cash. Similarly, the Canadian Institute of Chartered Accountants (the "CICA") in July 2007 issued an interpretive release titled Standardized Distributable Cash in Income Trusts and Other Flow-Through Entities. For both of these governing bodies the intent is to improve on current and varied industry reporting practices. The Fund has adopted the reporting methodology outlined in the CICA's July 2007 interpretive release for reporting distributable cash from operations.

Distribution policy and practice

It is the intention of the Fund trustees to distribute sufficient income from the Fund so that the Fund will not have any liability for tax under Part I of the Income Tax Act. The Fund's mandate is to make consistent monthly cash payments to unit holders based on management's projections of the year's distributable cash.

The Fund is conservative in the monthly payout ratio of cash distributions to distributable cash from operations throughout the year. This allows the Fund to absorb smaller capital expenditures during the year without additional financing, provides for a reserve in the event funds are required for other purposes during the year and allows for the reduction of revolving loan balances and their associated interest costs. These practices may result in the build up of surplus cash for distribution. In mid December each year management makes earning projections to determine the taxable position of the Fund at December 31. Based on this projection, management will calculate a special distribution recommendation for the approval of trustees to eliminate any potential for taxes in the Fund. The Fund anticipates using all available tax shields each year. In the near term, available tax shield will exceed any normal adjustments made in the calculation of distributable cash from operations. As a result, payout ratios of less than 100% of distributable cash from operations should be expected. Trustees evaluate the special distribution recommendation with special consideration of other factors such as strategic plans of the Fund and Fund unit trading performance. The existence of surplus cash at the end of the year does not make certain that a special distribution will be declared.

Productive capacity

The Fund's assets are in land, land improvements, buildings, leasehold improvements, and furniture fixtures and equipment. Current productive capacity of the Fund consists of 10,530 square feet of retail space for lease, 123 guest rooms and 1 meeting room at Service Plus, the Fund's 40% Participating Interest in 188 guest rooms, 10 meeting/banquet rooms, 1 showroom, 3 restaurants and lounge at the Deerfoot Joint Venture, the Fund's 20% interest in 1 banquet room, 1 showroom and 3 restaurants at the Stampede Joint Venture and ancillary amenities for all facilities. Also included in productive capacity are the Fund's interests in four gaming licenses, one each for Boomtown Casino, Great Northern Casino the Deerfoot Joint Venture and the Stampede Joint Venture. Together these licenses provide a revenue stream for the Fund from an equivalent 1,206 slot machines and 52 table games. The table below summarizes changes in productive capacity since inception of the Fund.

Year	Event	Gaming/ Entertainment Sq ft	Banquet/ Convention Sq ft	Guest Rooms	F&B Seating	Electronic Gaming Devices	Tables	Lease Retail Sq ft
	Inception of Fund	31,864	-	123	165	420	32	10,530
2003	Great Northern Casino Expansion	9,800	1,200		45	59		
	AGLC adds slot machines					20		
2004	AGLC adds slot machines					83		
2005	Deerfoot Joint Venture opening	24,000	8,000	75	140	252	13	
2006	Boomtown Casino Expansion	11,000			40	193		
	AGLC adds slot machines					20		
2007	Deerfoot Joint Venture renovation	480			(20)	23		
2008	AGLC adds slot machines					16		
	Stampede Joint Venture	19,200	480		60	120	8	
	Current	96,344	9,680	198	430	1,206	53	10,530

Productive capacity maintenance

Productive capacity maintenance costs for rooming and food and beverage facilities of the Fund are minimal. Maintaining the shine on our properties so that they continue to attract guests is largely one of regular refurbishment such as paint or new carpets and beds. For the most part, maintenance costs are treated as operational expenses at the time they are incurred and as such are already included in the periodic cash provided by (used for) operating activities as reported in financial statements. Management may, however, undertake smaller capital projects to be paid from cash generated from operating activities. Examples of these costs include, but are not limited to such things as converting to keyless entry on guest room access doors or the installation of digital security. These capital costs, when funded from operating cash flow, would fall into the category of productive capacity maintenance for the purpose of determining distributable cash from operations.

Liquor sales require the Fund to hold a valid liquor license issued by the Alberta Gaming and Liquor Commission. Productive capacity maintenance of liquor sales is most significantly related to keeping this license in good standing, and requires the Fund to provide letters of guarantee in favour of Alberta Gaming and Liquor Commission in the event of default of payment for the supply of liquor.

Gaming operations of the Fund require minimal capital outlay by the Fund. Slot machines, VLT's and lottery ticket terminals are owned and maintained by the Alberta Gaming and Liquor Commission. Tables are owned and maintained by the by the Fund. Productive capacity maintenance of both tables and slot machines is more significantly measured in terms of maintenance of the Fund's charitable gaming operator licenses issued by the Alberta Gaming and Liquor Commission. Holders of these licenses must adhere to a strict set of terms and conditions. Furthermore, the three year licenses are subject to annual due diligence audits by the Alberta Liquor and Gaming Commission. Maintaining these licenses requires a nominal fee to cover the cost of Alberta Gaming and Liquor Commission's due diligence investigation which is expensed. The Fund's charitable gaming operator licenses have consistently received favourable results from these audits.

Annual capitalized costs for productive capacity maintenance should approximate $300,000 per year for the Fund based on a historical review of these costs and current condition of facilities. Most often these will be paid for out of cash generated from operations.

Discretionary and other items

From time to time, at their discretion, management or trustees may elect to use or reserve cash for other purposes. Capital expansions paid from operating cash flow, changes to float balances based on operational needs, debt repayment and any other discretionary uses for cash as determined management and trustees may reduce the availability of cash for distribution to unit holders.

Long-term unfunded contractual obligations

The Fund has no long-term unfunded contractual obligations. The Fund does not have a pension plan or stock based compensation plan. The benign nature of the Fund's operations does not require that reserves be set up for environmental cleanup, asset retirement or other real or potential liabilities.

Debt Strategy

The current strategy of the Fund is to minimize debt and to keep structured debt repayment as flexible as possible. Current debt instruments will be maintained or eliminated to the extent they allow for repayment. Debt maintenance includes regular amortized monthly principal payments and intermittent payments/advances on revolving debt instruments. Surplus cash is routinely used to reduce revolving balances for the purpose of minimizing interest expenses throughout the year. Amounts are re-advanced to meet special distribution obligations if and when they are declared by trustees of the Fund.

Larger scale expansions or acquisitions would be funded by debt or equity to the extent that the mix of debt to equity would be accretive to distributions of the Fund. The Fund's investment in the Stampede Joint Venture is financed entirely by debt.

The Fund intends to repay existing non-revolving debt obligations over a period of time which will allow it to continue to pay distributions in the manner described in our Distribution policy and practice. Current debt facilities allow for scheduled amortization periods of 15 years in meeting distribution objectives.

Financing restrictions on distributions caused by debt covenants

The Limited Partnership has a term loan secured by assets owned by the Fund. The loan has two segments, the first requires blended principal and interest payments and is scheduled to term out over 15 years and the second is advanced on a revolving basis. This loan has no financial ratio debt covenants.

Debt facilities of the Deerfoot Joint Venture require the maintenance of certain financial covenants:

1. Debt to equity ratio not greater than 3.00:1.00
2. Debt service coverage of not less than 1.25:1.00

Loan facilities of the Stampede Joint Venture require the maintenance of certain financial covenants:

1. Total Funded Debt to EBITDA of less than or equal to 3.75:1, reducing as follows:
    a. 12 months post Substantial Completion of less than or equal to 3.60:1;
    b. 24 months post Substantial Completion of less than or equal to 3.00:1;
    c. 36 months post Substantial Completion of less than or equal to 2.50:1;
2. Fixed Charge Coverage Ratio of not less than 1.25:1 at all times;
3. EBITDAR (EBITDA plus premises rent) Coverage Ratio of not less than 1.50:1 at all times, increasing as follows:
    a. 24 months post Substantial Completion and thereafter of not less than 1.75:1;and
4. Minimum Equity of $21 million plus 50% of annual net income to be maintained at all times.

Loan covenants required the Fund to comply with Minimum Continuing Net Working Capital positions (“MCNWCP”) as stipulated by the Alberta Gaming and Liquor Commission for the purpose of operating table games and Alberta Gaming and Liquor Commission slot machines.

Working Capital

Working capital, by definition, is current assets minus current liabilities. The Fund’s term debt includes a demand clause in the event certain performance covenants are not met. GAAP requires the presentation of the term loans as current liability for financial reporting purposes due to the demand clause. The Fund’s lender does not consider the loans to be repayable within 12 months.

Internal working capital requirements for the Fund consists of cash floats for the operation of gaming tables, slot machines, VLT’s, lottery ticket terminals, ATM machines, TITO Kiosks, POS terminals, progressive jackpots and petty cash. Float amounts are set by management and will fluctuate based on activity levels in the casinos. Management works to minimize float balances on premises to a maximum 4% of combined slot cash play and table drop activity levels with cash surplus to this held in bank accounts.

In addition to cash floats on premises, the Fund maintains one month’s operating expenses, one month’s debt service and one month’s regular distribution to the holders of Fund Units less amounts due to related parties. Un-used portions of revolving debt are considered working capital in the Funds determination of internal working capital. Working capital will typically be at its lowest level immediately following payment of any special year end distribution in January of each year.

Inventory levels and receivable targets vary by operation. Minimum targets include turning combined liquor and food inventories three times per month. Receivables are limited to hotel and banquet operations. Operations are expected to maintain a days sales outstanding (DSO) of not greater than 45 days. The Funds objective is to maintain the highest relationship with suppliers and remits all payables within stated terms, typically 30 days, but will take advantage of all early payment discounts offered.

The Fund is required to maintain a Minimum Continuing Net Working Capital position (“MCNWCP”) as stipulated by the Alberta Gaming and Liquor Commission for the purpose of operating table games and Alberta Gaming and Liquor Commission slot machines. All of the Fund’s working capital, including amounts from hotel and food and beverage activities and available revolving loan amounts, are available for use in the calculation of MCNWCP. At the end of the Quarter the Fund has met the requirements for MCNWCP. The Funds internal working capital requirements typically exceed that of MCNWCP.

Standardized Distributable Cash

Standardized Distributable Cash is defined as periodic cash flows from operating activities as reported in the GAAP financial statements, including the effect of changes in non-cash working capital and any operating cash flows provided from or used in discontinued operations , less adjustments for: total GAAP reported capital expenditures; and restrictions on distributions arising from compliance with financial covenants restrictive at the date of calculation of Standardized Distributable Cash and limitation arising from the existence of a minority interest in a subsidiary.

Standardized Distributable Cash	**Q3 (nine months)**		**Q3 (three months)**		
	2008	2007	**2008**	2007	Since Inception
Cash from operating activities (see Statements of Cash Flows)	**$ 17,241**	$ 20,325	**$ 4,783**	$ 7,042	$ 103,850
Less adjustment for:					
Capital expenditures	**207**	678	**12**	528	4,723
Financing restrictions caused by debt covenants	**972**	307	**349**	154	1,968
Standardized Distributable Cash	**$ 16,062**	$ 19,340	**$ 4,422**	$ 6,361	$ 97,159
Standardized Distributable Cash/unit [1]	**$ 0.7610**	$ 0.9162	**$ 0.628**	$ 0.904	$ 4.6031
Cash distributions	**$ 13,505**	$ 12,313	**$ 4,642**	$ 4,222	$ 89,527
Cash distributions/unit [1]	**$ 0.6398**	$ 0.5833	**$ 0.2199**	$ 0.2000	$ 4.2415
Payout ratio	**84.1%**	63.7%	**105.0%**	66.4%	92.1%

[1] Weighted average and fully diluted

(in thousands of dollars unless stated otherwise)

The Fund adjusts Standardized Distributable Cash for entity specific needs when and if required. The introduction of TITO and related automated cashier kiosks required increased float levels at the time of implementation. These funds were supplied from operating cash flow and are not available for distribution to unit holders.

Adjusted Distribution Base (formerly Distributable Cash from Operations)	**Q3 (nine months)**		**Q3 (three months)**		
	2008	2007	**2008**	2007	Since Inception
Standardized Distributable Cash	**$ 16,062**	$ 19,340	**$ 4,422**	$ 6,361	$ 97,159
Less adjustment for:					
Increased floats	**840**	760	**-**	760	3,120
Adjusted Distribution Base	**$ 15,222**	$ 18,580	**$ 4,422**	$ 5,601	$ 94,039
Adjusted Distribution Base/unit [1]	**$ 0.7212**	$ 0.8802	**$ 0.2095**	$ 0.7960	$ 4.4552
Cash distributions	**$ 13,505**	$ 12,313	**$ 4,642**	$ 4,222	$ 89,527
Cash distributions/unit [1]	**$ 0.6398**	$ 0.5833	**$ 0.2199**	$ 0.2000	$ 4.2415
Payout ratio	**88.7%**	66.3%	**105.0%**	75.4%	95.2%

[1] Weighted average and fully diluted

(in thousands of dollars unless stated otherwise)

2008 Distribution Summary				
Month	Date Declared	Record Date	Payment Date	Distribution per Unit
January	17-Jan-08	31-Jan-08	15-Feb-08	$0.0667
February	12-Feb-08	29-Feb-08	14-Mar-08	$0.0667
March	24-Mar-08	2-Apr-08	15-Apr-08	$0.0667
April	17-Apr-08	30-Apr-08	15-May-08	$0.0733
May	16-May-08	31-May-08	13-Jun-08	$0.0733
June	13-Jun-08	30-Jun-08	15-Jul-08	$0.0733
July	7-Jul-08	31-Jul-08	15-Aug-08	$0.0733
August	11-Aug-08	31-Aug-08	15-Sep-08	$0.0733
September	10-Sep-08	30-Sep-08	15-Oct-08	$0.0733
October	15-Oct-08	31-Oct-08	14-Nov-08	$0.0733
Total				$0.7131

Tax attributes of cash distributions to unit holders

Unit holders, can expect their distributions to be mostly taxable as income. A small percentage of the unit holder's distributions may be return of capital for tax purposes. Any return of capital reported represents the excess of distributions from the Fund over that required to eliminate the taxable position of the Fund. Return of capital is considered a partial return of the unit holder's original investment and reduces the cost base of their investment. Tax implications manifest on the return of capital portion when a unit holder sells their investment in the Fund and capital gains or losses are realized on the sale of the investment.

Tax Attributes	**Income**	**Return of Capital**	**Total**
2007	98.04%	1.96%	100.00%
2006	97.25%	2.75%	100.00%
2005	89.61%	10.39%	100.00%
2004	95.25%	4.75%	100.00%
2003	80.84%	19.16%	100.00%

Tax on Income Trusts

On June 12, 2007 Bill C-52 formalizing the Government of Canada's proposal to tax the distributions of income trusts became law. The new tax effectively treats income trusts as corporations for tax purposes beginning January 1, 2011. Distributions, under the rules, will first be taxed at the Fund level at a current rate of 31.5%. The net amount would then be distributable to unit holders and treated as dividends for tax purposes. As a result of the new tax, the Fund was required to recognize the future tax assets and liabilities expected to arise when the new tax becomes applicable. Future tax as a result of the new tax law was reported for the first time in Q3 2007. Future income tax assets and liabilities are based on temporary differences between the tax treatment of assets and liabilities of the Fund and the accounting treatment of these same assets and liabilities reported on the Fund's financial statements to the extent that these differences will exist at 2011. Based on its assets and liabilities at September 30, 2008 and the expected tax rate of 31.5% for 2011, the Fund has estimated a future tax liability of $2.2 million.

	Net Value (tax basis)	**Net Value (accounting basis)**	**Temporary Differences**
Plant and equipment	33,858,800	40,781,615	6,922,815

Capital Resources

The Limited Partnership has a $15.0 million demand term loan with the Canadian Western Bank ("CWB"). Interest on this loan is 1.0% above the CWB Prime Lending Rate. The Fund is making blended monthly principal and interest payments on a $9.0 million segment of the loan amortized over 15 years. $6.0 million of this loan is advanced on a revolving basis.

The Fund has a 40% Participating Interest Responsibility in the debt facilities of the Deerfoot Joint Venture. The Deerfoot Joint Venture has a loan secured by its land and buildings. Interest on the loan floats at 1.0% above the CWB Prime Lending Rate. The Fund's portion of this loan includes blended monthly principal and interest payments of $96,000 on a combined $8.8 million of the loan amortized over 15 years and $800,000 that was advanced on a revolving basis.

The Fund has a 20% Participating Interest Responsibility in the debt facilities of the Stampede Joint Venture. The Stampede Joint Venture converted a demand construction loan with Bank of Montreal ("BMO") to a Bankers Acceptances (BA) during the Quarter. The BA matured on October 24, 2008 at which time it was replaced with 3 BA's. The Fund's portion of each of these BA's is $3.6 million, $2.4 million and $ 1.0 million. The first of these three BA's includes a provision for a 3 year interest rate swap at 3.23% plus a credit spread of 2.25%. The remaining two BA's, for 60 days and 30 days respectively carry rates of 2.64% and 2.56% respectively plus a credit spread of 2.25%. The Stampede Joint Venture has also secured a revolving operating line at BMO prime plus 1.0%.

Credit Facilities

	September 30, 2008	December 31, 2007
Authorized Maximum Loan amounts		
Limited Partnership - Demand Note	-	9,000,000
Limited Partnership – Segment 1	9,000,000	
Limited Partnership – Segment 2	6,000,000	
Deerfoot Joint Venture - Segment 1	8,800,000	8,639,701
Deerfoot Joint Venture - Segment 2	800,000	800,000
Stampede Joint Venture – Revolver	1,400,000	
Stampede Joint Venture – Risk Management	600,000	
Stampede Joint Venture – 90 Day BA	7,000,000	
	33,600,000	18,439,701
Outstanding balance		
Limited Partnership - Demand Note	-	5,300,000
Limited Partnership – Segment 1	8,583,580	-
Limited Partnership – Segment 2	5,000,000	-
Deerfoot Joint Venture - Segment 1	7,248,283	7,803,526
Deerfoot Joint Venture - Segment 2	-	-
Stampede Joint Venture – Revolver	1,400,000	
Stampede Joint Venture – 90 Day BA	7,001,689	
	29,233,552	13,103,526
Advances (payments) during the calendar year		
Limited Partnership - Demand Note	(5,300,000)	3,300,000
Limited Partnership – Segment 1	8,583,580	-
Limited Partnership – Segment 2	5,000,000	-
Deerfoot Joint Venture - Segment 1	(555,244)	(593,631)
Deerfoot Joint Venture - Segment 2	-	-

Stampede Joint Venture – Revolver	1,400,000	-
Stampede Joint Venture – 90 Day BA	7,001,689	
	16,130,026	2,706,369
Interest rate		
Limited Partnership - Demand Note		7% (floating)
Limited Partnership – Segment 1	Prime + 1.0% – 5.75%	
Limited Partnership – Segment 2	Prime + 1.0% – 5.75%	
Deerfoot Joint Venture - Segment 1	Prime + 1.0% – 5.75%	7% (floating)
Deerfoot Joint Venture - Segment 2	Prime + 1.0% – 5.75%	7% (floating)
Stampede Joint Venture – 90 Day BA	5.42%	

The Fund provided an $11.46 million unsecured limited liability guarantee to the Deerfoot Joint Venture to indemnify it in the event the Deerfoot Joint Venture does not perform its contractual obligations. The maximum potential liability under this guarantee is $8.0 million. The Fund has not recorded a liability with respect to this guarantee, as the Fund does not expect to make any payments in excess of what is recorded on the Financial Statements for the aforementioned items. The Fund has not charged a fee to the Deerfoot Joint Venture in regards to this guarantee. No specific assets have been provided as security.

The Fund provided an $11.4 million guarantee to the lender of the Stampede Joint Venture. The guarantee is limited to the Funds Participating Interest percentage in the Stampede Joint Venture. The maximum potential liability under this guarantee is $8.4 million. The Fund has not recorded a liability with respect to this guarantee, as the Fund does not expect to make any payments in excess of what is recorded on the Financial Statements for the aforementioned items. The Fund has not charged a fee to the Stampede Joint Venture in regards to this guarantee. A hypothecation/pledge of the Fund's shares in Calgary West hospitality Inc. was provided as security.

The Limited Partnership may cause to be issued unlimited numbers of units or other securities provided they do not rank ahead of minority Class B Units or Fund Units as to cash distributions, voting rights and other rights protected by the Limited Partnership Agreement.

The Fund has struck a special committee to evaluate options and develop a strategic plan in response to the government's Bill C-52. The bill effectively provides for the taxation of income trusts beginning January 2011. The new tax has not had any impact on the Funds access to financing.

Financial Instruments

Fair value

The fair value of cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities, term loan(s), due to/from related parties and unit holders distributions payable approximate their carrying value due to the short-term maturities of these instruments.

The fair value of the Class B Partnership units has not been determined as it is not practical to estimate the fair value of these financial instruments with sufficient reliability.

Credit risk

The Fund, in the normal course of operations, monitors the financial condition of its customers. The Fund does not have significant exposure to any individual customer or counterparty. The Fund establishes an allowance for doubtful accounts that corresponds to the credit risk of its specific customers, historical trends or economic circumstances.

Interest rate risk

The Fund is exposed to interest rate risk on debt instruments to the extent of changes in the prime interest rate.

Exchange rate risk

The Fund is exposed, in its normal course of operations, to exchange rate risk from foreign exchange rate fluctuations. Accounts subject to exchange rates are recorded at the exchange rate as at June 30, 2008 which may differ when the accounts are settled. Any differences in the settled amounts are recorded as part of sales, cost of sales or expenses.

It is management's opinion that the Fund is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Industry risk

Service Plus in Grande Prairie derives 80% of its business from the energy sector. As a result the Fund is exposed to industry risk at this operation.

It is management's opinion that the Fund is not exposed to significant other industry risk at the present time.

Related Party Transactions

Related party transactions are measured at the exchange amount which is the amount agreed to by related parties. Related party balances are non-interest bearing with no specific terms of repayment.

The Fund had related party transactions with the persons of David Will and Darcy Will and/or companies owned or controlled by David Will and/or Darcy Will collectively (the "Wills"). Both David Will and Darcy Will are trustees of the Fund. Together, the Wills control 44.0% of the outstanding units of all unit classes of the Fund. Transactions with the Wills include the following:

- The Fund recorded $693,784 of management services expenses during the Period which are included in Human resources expenses. Management fees stipulated in management services agreements are based on a percentage of revenues and/or earnings before interest, taxes depreciation and amortization. At the end of the Period ($46,769) remained in due to/from accounts.

$32,632 remained in accounts payable. As Chief Executive Officer and Vice President, David Will and Darcy Will, respectively do not take any salary for their management of the Fund, but are instead compensated through management services agreements.

- The Fund recorded $52,613 of charter aircraft rental expenses during the Period which are included in Operating expenses. $13,181 remains in accounts payable at the end of the Period. Travel to the Fund's operational centers of Grande Prairie and Ft. McMurray is made more efficient via charter air services than can be accomplished through commercial carriers.

- The Fund recorded a net $150,245 of repairs & maintenance and other expenses during the Period which are included in Operating expenses. Amounts represent reimbursements for costs paid on behalf of the Fund. At the end of the Period $4,571 remained in accounts payable. At the end of the Period $9,699 remained in due to/from accounts. The Fund often makes use of related party resources when it is not cost effective to bear the full time cost of these resources.

- The Fund recorded $38,004 of cash distributions during the Period on Fund Units which are included under Fund unit holders' equity. At the end of the Period $4,354 remained in Unit holder distributions payable.

- The Fund recorded $5,110,843 of cash distributions during the Period on Class B Limited Partnership Units which are included under Minority unit holders' equity. At the end of the Period $674,609 remained in Unit holder distributions payable.

- The Fund recorded $795,600 of cash distributions during the Period from joint ventures which are included under Fund unit holders' equity and Minority unit holders' equity in proportion to the Fund's unit structure. Amounts represent the Fund's portion of joint venture surplus cash paid to David and Darcy Will.

- The Fund recorded $37,500 in trustee fees during the Period which are included in Human resources expenses. At the end of the Period $4,000 remained in accounts payable.

- The Fund recorded $86,625 of reductions to expenses during the Period which are included under Operating expenses. At the end of the Period $15,629 remained in due to/from accounts. Amounts represent reimbursement for expenses paid by the Fund. Expenses of the Fund are charged back to related parties when devoted to related party activities.

- At the end of the Period $81,986 remained in due to/from accounts for Darcy Will relating to an outstanding cash call from Stampede Joint Venture.

The Fund recorded $222,766 of cash distributions during the Period on Fund Units to other trustees which are included under Fund unit holders' equity. At the end of the Period $25,500 remained in Unit holder distributions payable.

The Fund recorded $99,852 in trustee fees during the Period paid to other trustees or companies controlled by other trustees of the Fund which are included under Human resources expenses. At the end of the Period $19,600 remained in accounts payable.

The Fund recorded $82,519 in benefit costs and $4,106 in administrative fees during the Period paid to companies controlled by other trustees of the Fund which are included under Human resources expenses.

The Fund recorded $120,375 of cash distributions during the Period on Fund Units to other officers which are included under Fund unit holders' equity. At the end of the Period $13,791 remained in distributions payable.

The Fund recorded $441,462 of cash distributions during the Period on Class B Limited Partnership Units to other officers which are included under Minority unit holders' equity. At the end of the Period $50,577 remained in Unit holder distributions payable.

The Fund recorded $157,500 of management services expenses during the Period to other officers which are included under Human resources expenses. The Fund's entered into a management services contract with the Chief Operating Officer of the Fund. Formerly the Chief Operating Office was compensated by salary.

The Fund has recorded its Participating Interest Responsibility in related party transactions of all joint ventures in these Financial Statements and the above note.

Outstanding Share Data

Fund Units

The Fund is authorized to issue an unlimited number of Fund Units. During the Period, the trust units of the Fund were split 3 for 1 and began trading on a split basis on April 21, 2008. There were no other changes in the number of issued or outstanding Fund Units during the Period and Quarter and no changes in the number of issued or outstanding Fund Units during the Quarter. The weighted average of equivalent units outstanding for the Quarter is equal to the units issued. The Fund did not have any options, warrants, rights or convertible instruments that would be potentially dilutive during the Quarter.

Fund Units	**September 30, 2008**			**December 31, 2007**		
	Units		**$'s**	**Units**		**$'s**
Balance at beginning of period	10,773,153	$	32,133,482	10,773,153	$	34,758,310
Net earnings			8,290,456			9,836,119
Distributions to Fund Unit holders			(6,892,664)			(12,460,947)
Balance at end of period	10,773,153	$	33,531,274	10,773,153	$	32,133,482

Minority Interest Class B Partnership Units

The Limited Partnership is authorized to issue an unlimited number of Class B Limited Partnership Units ("B Units"). During the Quarter, the B Units of the Fund were split 3 for 1. There were no other changes in the number of B Units issued or outstanding during the Quarter. B Units of the Fund are convertible into Trust Units on a one for one basis at the discretion of the holder.

Minority Interest, Class B Limited Partnership Units	**September 30, 2008**			**December 31, 2007**		
	Units		**$'s**	**Units**		**$'s**
Balance at beginning of period	10,334,400	$	33,065,390	10,334,400	$	35,583,320
Minority interest earnings allocation			7,952,814			9,435,528
Distributions to minority interest unit holders			(6,611,949)			(11,953,458)
Balance at end of period	10,334,400	$	34,406,255	10,334,400	$	33,065,390

Business Risks, Opportunities and Outlook

Economic Outlook

Since our last interim report the global economic landscape has seen a dramatic shift. The USA is now leading the rest of the world into an economic slow down. Commodity prices, until recently, had held up quite well but are now falling on the expectation of reduced world demand. A severe correction in Canadian and world stock markets has entire nations of people feeling poorer and less optimistic. The effects of these events are beginning to show up within our own doors as customers exercise greater caution in the spending of their entertainment dollars. Economic think tanks expect these conditions to persist through the remainder of 2008 and through at least the first half of 2009. Confidence in a mid 2009 recovery is weak. The effects of a prolonged contraction in consumer spending will be a detriment to growth for the Fund.

Fort McMurray, which is humming along as if immune to the recent turmoil in economic outlook will be impacted by recent announcement by developers of the oil sands to defer or reduce capital spending plans for the area. With the dramatic fall in the price of crude oil it was inevitable that marginal projects be put on hold. There is still a significant amount of ongoing oil sands work which will carry the region in the foreseeable future. However, we expect these recent announcements to manifest in reduced growth at our Boomtown Casino, at some point in the future.

During the Quarter Grande Prairie was beginning to see a recovery due to higher commodity prices for natural gas. With current pressure on all commodity prices a continued recovery is fragile.

Calgary's red hot construction sector is following the trend in other parts of the country and has cooled significantly. Indeed, some large condo projects in the vicinity of our new Stampede Casino are being deferred. These actions will slow the expected growth at the Stampede Joint Venture.

Government Regulation

The Alberta Government's recent changes to royalty rates in the energy sector have prompted a shift in oil and gas activity from Alberta into Northwestern British Columbia and Saskatchewan.

Stampede Casino

The Stampede Casino in downtown Calgary completed its first full quarter of operations on September 30, 2008. The Fund is responsible for a Contributing Interest Responsibility of approximately 23.1% which entitles the Fund to receive a 20% Participating Interest in the revenues, expenses, assets and liabilities of the Stampede Joint Venture. Current economic realities have created some challenges in ramping up Cash Play on slot machines while the table activity has exceeded expectations. F&B operations are on pace with expectations. Expenditures are being adjusted to reflect these challenges. The property is expected to begin flowing positive cash flow during the current quarter.

Taxation

On June 12, 2007 Bill C-52 formalizing the Government of Canada's proposal to tax the distributions of income trusts became law. The new tax effectively treats income trusts as corporations for tax purposes beginning January 1, 2011. Distributions, under the rules, will first be taxed at the Fund level at a current rate of 31.5% and then taxed as dividends in the hands of the unit holders. Furthermore, the bill set certain limitations on the growth of existing trusts. October 31, 2008 is the second anniversary of the federal government's first announcement to tax income trusts. Management continues to evaluate options in this uncertain economic climate that has clouded the future and will formulate an action plan to preserve unit holder value in response to the approaching taxation time line.

Competition

During 2008 Grande Prairie will add approximately 600 new rooms which are either open now or opening before years end. Our Service Plus operation in Grande Prairie continues to retain an overweight share of the total market place. Superior location and management will ensure a continuance of these favourable results.

The opening of the Fund's own Stampede Joint Venture and the continued ability of the near one year old First Nations casino that opened on the western edge of Calgary have created some headwind for the Deerfoot Joint Venture's gaming operations. With these two new facilities management believes we are at a saturation point for gaming in the City of Calgary and possibly the province or at least certainly so with the current state of the economy. The Fund's two Calgary properties are, longer term, in the most advantageous locations of Calgary being the high growth southeast quadrant and the cities beltline to downtown which is transforming to high density living and corporate office space.

Management is not aware of any further gaming applications that could have a material effect on the Fund's operations.

Alberta Charitable Casino Operators Association

The Fund continues to support the efforts of the Alberta Charitable Casino Operators Association (ACCOA). ACCOA is lobbying the Alberta government to eliminate a situation that allows First Nations casinos to continue to offer non-smoking where traditional casinos may not. ACCOA is also examining the current AGLC compensation structure for traditional casinos. These examinations may produce other fronts on which to approach government regulars for improved funding.

Additional Information

All required public disclosures including material documents, press releases and financial statements of the Fund can be found on SEDAR at www.sedar.com. Additional information about the Fund can be found at www.gamehost.ca.