Game Host Income Fund

2009 Interim
Management Discussion & Analysis
for the three and nine months ended September 30, 2009

To Our Unit Holders

Management and Trustees of Gamehost Income Fund (the “Fund”) present results for the three months ended September 30, 2009 (the “Quarter”) and nine months ended September 30, 2009 (the “Period”). Readers should note the financial reporting of the Stampede Joint Venture as discontinued operations. Detailed discussion and reporting is focused on our continuing Alberta operations of Boomtown Casino in Fort McMurray, Great Northern Casino, Service Plus Inns & Suites and strip mall all located in Grande Prairie and the Fund’s joint venture interest in Deerfoot Inn & Casino in Calgary.

Rolling up the Pant Legs

At first it was just our feet. Now the water is up to our knees. Results for the Quarter indicate general economic conditions for the consumer worsened from last quarter. Quarterly revenues for continuing operations totaled $11.3 million down 15.0% from $13.3 million posted in Q3 2008, and down 6.5% from the previous quarter’s revenue of $12.1 million.

Continuing operations earnings before interest, taxes, depreciation and amortization (“EBITDA”) for the Quarter totaled $4.9 million. Included in EBITDA for the Quarter are $0.3 million in legal expenses related to corporate restructuring options and tax management for the Fund post 2011. Excluding these non-recurring charges, EBITDA for continuing operations for the Quarter in year over year comparison is $5.2 million down $1.2 million or 18% from $6.4 million a year earlier. EBITDA margins are lower by 1.7% to 46.2% from 47.9%. EBITDA was largely flat to the previous quarter, excellent results considering the drop in revenues and a testament to the successful management of costs. EBITDA margins improved over the previous quarter by 1.7% to 46.2% from 44.5%. Yes it’s wet, but the water is getting clearer. We think it’s about as deep as it’s going to get.

From North to South

Operating results at Fund properties from Fort McMurray to Calgary tell similar stories with a few local nuances. Clearly, economic activity remains sluggish across the province and is having a negative effect on employment and consumer confidence. Is hard to find good news, but there are some pieces that provide reason for optimism.

While overall activity has retreated at Boomtown Casino there are clues to suggest it won’t last. The latest Statistics Canada figures reported job growth in the region. The new U.S. ambassador to Canada, David Jacobson, visited the oil sands producing area only a few weeks after being sworn in. This would suggest the region has a place of great significance today and in the future on the world energy stage.

Year over year the number of active drilling rigs operating in Alberta is down more than 50%. The Grande Prairie region is highly dependant on the oil and more prominently the natural gas industries. It’s not surprising that our properties in Grande Prairie are feeling the pinch. The rate of descent, however, has definitely slowed in the last few months and we look forward to a leveling out before beginning another ascent. We commend our property managers who have done an excellent job at maintaining operating margins though strict cost control.

The Deerfoot Joint Venture facility is still immensely popular with the surrounding communities which continue to grow at the fastest pace in the city. Our customers remain loyal, however, business and corporate travel is down which has affected guest room sales at the property. The Deerfoot Joint Venture hotel marketed as a mid tier property and ADR’s have been held at appropriate levels. Gaming and food & beverage sales have held up relatively well at the property.

End of a Chapter

Despite an intense and concerted effort, during its brief fourteen months of operation the Fund's 20% participating interest in the Stampede Joint Venture resulted in accumulated operating losses of $1.7 million including $0.7 million during the current Period. Management of the Stampede Joint Venture elected for a voluntary receivership and on August 17, 2009 assets of the Stampede Joint Venture were transferred to the receiver. On the transfer, a loss on the sale of assets of $4.0 million was charged against net income. Together, losses on the Stampede Joint Venture total $5.7 million. The Fund had also provided a guarantee to the Stampede Joint Venture lender of $5.0 million which has been recorded as a charge against income. The Fund has no further responsibilities in connection with the Joint Venture. All applicable obligations have been recorded in the financial statements at the end of the Period. In the Fund's interim financial statements and MD&A the Stampede Joint Venture is identified as discontinued operations and reported separately from the Fund's other operating assets. Fund management was heavily involved in making a go of the Stampede Joint Venture which took an inordinate amount of time and effort. Unfortunate as the story ended, it will no longer be a drag on human and financial resources of the Fund

Get me off this Diet

Fat, excess, saddlebags… call it what you like, we're not carrying quite as much of it around as we used to. Throughout the Quarter, the Fund maintained regular cash distributions of $0.0733 per unit. This coupled with reduced cash inflow has reduced our normally significant interim cash surplus. During the Quarter the Fund paid out a guarantee provided to the Stampede Joint Venture's lender. $4.1 million of the funds to honour the guarantee were obtained through bridge financing with the balance of $0.5 million taken from operating cash flow. This pushed the Fund's payout ratio on distributable cash to 96.4% for the Quarter and 97.6% for the Period. A planned refinancing will replace the cash from operations. The Board reviews the distribution rate monthly.

Looking Ahead

The Fund is busy working on strategies in preparation for the change in the tax status of all trusts in post 2011. We are focused on maximizing the profitability of our core operations while keeping an eye on potential strategic opportunities.

To all of our loyal investors we express our thanks. The future is definitely brighter than the present.

November 12, 2009

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 12, 2009. This MD&A should be read in conjunction with the audited annual consolidated financial statements of the Fund and accompanying notes to those audited annual consolidated financial statements for the year ended December 31, 2008.

Interim Financial Statements of the Fund for the nine months ended September 30, 2009 (the "Period") and three months ended September 30, 2009 (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 proportionate share of 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. 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

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 can 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 21 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 28 of this MD&A.

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

Forward Looking Statements

This MD&A contains forward-looking information. Forward-looking information contained in this MD&A will be limited to statements rather than figures which may contain words such as “anticipates”, “believes”, “could”, “expects”, “indicates”, “plans” or other similar expressions that suggest future outcomes or events. Forward looking information contains risks and uncertainties of varying significance. Management attempts to minimize the use of forward-looking information. Any use of forward-looking information 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, financial market volatility, 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, or others, could cause actual results to differ from forward-looking information. Additional discussion about the inherent risks in forward-looking information and any management assumptions of risk can be found in the Business Risks and Opportunities section at the end of this MD&A.

These factors and other risks and uncertainties are discussed in the Fund’s continuous disclosure documents filed with the Canadian securities regulatory authorities from time to time, including in the “Risk Factors” section of the Fund’s Annual Information Form for fiscal 2008. Continuous disclosure documents are on record through SEDAR at www.sedar.com.

Forward looking-information contained in this MD&A or documents incorporated by reference are relevant only at the date of the MD&A or document date. Readers should not place undue reliance on forward-looking information as there can be no assurances that the plans, intensions or expectations upon which they are based will occur. The Fund undertakes no obligation to publically revise forward-looking information to reflect subsequent events or circumstances.

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 11,773,153 Fund Units and 9,334,400 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. 1,000,000 B Units were exchanged for Fund Units during the Quarter. There were no other changes in the number of units issued or outstanding during the Period. All comparative unit and earnings/unit figures have been restated to reflect a 3 for 1 unit split in April of 2008.

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 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. To August 17, 2009 the Fund was also a 20% joint venture partner in Calgary West Hospitality Inc., (the “Stampede Joint Venture”). The Stampede Joint Venture opened for business on June 19, 2008 in Calgary and was placed into voluntary receivership on August 17, 2009.

Unless otherwise stated, all figures and results presented in this MD&A include only the Fund’s 40% in the assets, liabilities, equity and operating results of the Deerfoot Joint Venture. The Fund’s 20% interest in the Stampede Joint Venture is discussed separately as discontinued operations.

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

Select Annual Information	2008	2007	2006	2005	2004
Before Minority Interest					
Revenue – Continuing Operations	53,348	57,620	49,294	31,086	25,246
Expenses- Continuing Operations	30,908	38,348	29,283	15,746	12,476
Net Income - Continuing Operations	22,441	19,272	20,010	15,340	12,726
Net Income (Loss) - Discontinued Operations	(830)	-	-	-	-
Net Income (Loss)	21,611	19,272	20,010	15,340	12,726
[2] Net Income/Unit - Continuing Operations	$ 1.063	$ 0.913	$ 0.948	$ 0.727	$ 0.603
[2] Net Income (Loss)/Unit - Discontinued Operations	$ (0.039)	$ -	$ -	$ -	$ -
[2] Net Income (Loss)/Unit	$ 1.024	$ 0.913	$ 0.948	$ 0.727	$ 0.603
[1] EBITDA - Continuing Operations	25,314	28,350	23,661	16,429	13,755
[1] EBITDA (Loss) - Discontinued Operations	(754)	-	-	-	-
[1] EBITDA (Loss)	24,561	28,350	23,661	16,429	13,755
[1, 2] EBITDA/Unit - Continuing Operations	$ 1.199	$ 1.343	$ 1.121	$ 0.778	$ 0.652
[1, 2] EBITDA (Loss)/Unit – Discontinued Operations	$ (0.036)	$ -	$ -	$ -	$ -
[1, 2] EBITDA (Loss)/Unit	$ 1.164	$ 1.343	$ 1.121	$ 0.778	$ 0.652
Assets - Continuing Operations	89,694	92,285	91,682	92,403	76,501
Assets - Discontinued Operations	12,518	-	-	-	-
Assets	102,212	92,285	91,682	92,403	76,501
Debt - Continuing Operations	19,333	13,104	10,397	14,092	2,300
Debt - Discontinued Operations	8,250	-	-	-	-
Debt	27,583	13,104	10,397	14,092	2,300

(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] Basic and fully diluted, all classes (restated for 3 for 1 unit split)

At Inception of the Fund in June 2003, the Fund wholly owned and operated two casinos, a hotel and a strip mall. In 2005, the Deerfoot Joint Venture, a casino hotel conference centre opened. The Fund is a 40% joint venture owner of Deerfoot Inn & Casino. In early 2006, the Fund completed an expansion of Boomtown Casino effectively doubling its size. The Fund became a 20% joint venture partner in the Stampede Joint Venture which opened its doors in June of 2008. Together with organic growth, these expansions and joint ventures allowed the Fund's interest in slot machines to increase from 499 machines to 1,214 machines and gaming tables to increase from 32 tables to 53 tables. Hotel rooms increased from 123 to 198 over the same period and food, beverage and entertainment services grew in relation to these expansions. Until recently, the Fund enjoyed great success assisted by a strong Alberta economy, a growing population and higher than average disposable incomes. The Stampede Casino discontinued operations in August of 2009.

Overall Financial Results and Condition of the Fund

With the voluntary receivership of the Stampede Joint Venture effective August 17, 2009, Period, Quarter and comparative financial results of the Fund will report continuing operations separately from the discontinued operations of the Stampede Joint Venture.

At the end of the Quarter the Fund had $85.8 million in total assets $16.4 million less than at the start of the year. This reflects the write off of the Fund's investment in the Stampede Joint Venture. Cash and cash equivalent balances of $10.5 million were $1.6 million less than the start of 2009. Capital expenditures, guarantee payments and lower earnings for the Quarter combined to push the Fund's payout ratio on Standardized Distributable Cash to 100.8% for the Quarter. For the Period the payout ratio totals 97.6% and since inception of the Fund payouts have totaled 100.4%.

Consumer spending continued to deteriorate in the Quarter. There are some encouraging signs and results in specific revenues streams, but no consistent growth trends yet emerging. Diligent cost controls have kept erosion of operating margins to a minimum.

In the Grande Prairie area the Fund operates the Great Northern Casino, Service Plus Inns & Suites hotel and a multi-tenant strip mall. The region continues to face industry challenges in oil and gas as well as forestry sector. The pace of year over year decline in economic activity has definitely slowed.

Boomtown casino in Ft. McMurray is experiencing the impacts of the slowing economy as well. However, year over year results are beginning to level out indicating we are nearing the region's economic bottom. The long term growth of this oil sands rich area stands to be significant. The slowdown has improved the cost structure for major investments in the area. Boomtown is well positioned in a non-competitive market to benefit in current market conditions and those we expect to see in the period ahead.

The Funds other Joint Venture operation in Calgary, the Deerfoot Joint Venture, has held up reasonably well year over year in fact recovering ground from a dip experienced at the start of the year. Business levels currently remain quite stable to levels of the prior year.

During the Quarter, management of the Stampede Joint Venture placed the operation into voluntary receivership. The Stampede Joint Venture operating on the Calgary Exhibition and Stampede grounds had been a drain on cash resources and management effort from the outset. As of August 17, 2009, the Fund has no further obligations to the Stampede Joint Venture other than those included in the Funds Financial Statements. During the Quarter, the Fund has made payments of $4.551 million to honour a $5.0 million guarantee provided to the Stampede Joint Venture's lender. The remaining $449,000 represents a negotiated reduction to the Fund's obligation under the guarantee, but has also been recorded as a charge against income pending receipt of a formal release from the Stampede Joint Venture's lender.

The impending Federal government tax on distributions from income trusts, effective January 2011, will impact the Fund adversely. Management is actively working on a number of possible strategies to minimize any tax impact and to maximize unit holder value under the new tax regime. The Fund has assigned a special committee to evaluate any strategies being considered. Costs associated with any corporate response to the tax, can not be estimated with any degree of certainty.

Quarterly Performance Summary

Quarterly Performance	2009			2008				2007
Before Minority Interest	**Q3**	**Q2**	Q1	Q4	Q3	Q2	Q1	Q4
Revenue - Continuing	**11,316**	12,105	12,873	13,326	13,309	13,381	13,333	14,912
Expenses- Continuing	**8,532**	5,619	7,140	7,623	7,804	7,635	7,845	8,354
Net Income (Loss) - Continuing	**2,784**	6,486	5,734	5,702	5,505	5,746	5,488	6,558
Net Income (Loss) - Discontinued	**(3,457)**	(5,863)	(308)	(490)	(163)	(160)	(17)	-
Net Income (Loss)	**(673)**	623	5,425	5,212	5,342	5,586	5,471	6,558
[2] Net Income (Loss)/Unit - Continuing Operations	**$ 0.132**	$ 0.307	$ 0.272	$ 0.270	$ 0.261	$ 0.272	$ 0.260	$ 0.311
[2] Net Income (Loss)/Unit - Discontinued Operations	**$ (0.164)**	$(0.278)	$ (0.015)	$ (0.023)	$ (0.008)	$ (0.008)	$(0.001)	$ -
[2] Net Income (Loss)/Unit	**$ 0.032)**	$ 0.030	$ 0.257	$ 0.247	$ 0.253	$ 0.265	$ 0.259	$ 0.311
[1] EBITDA (Loss) - Continuing Operations	**4,923**	5,387	6,383	6,142	6,372	6,484	6,316	7,307
[1] EBITDA (Loss) - Discontinued Operations	**(3,389)**	(5,612)	(44)	(241)	(319)	(176)	(17)	-
[1] EBITDA (Loss)	**1,534**	(225)	6,339	5,901	6,052	6,307	6,300	7,307
[1,2] EBITDA (Loss)/Unit - Continuing Operations	**$ 0.233**	$ 0.255	$ 0.302	$ 0.291	$ 0.302	$ 0.307	$ 0.299	$ 0.346
[1,2] EBITDA (Loss)/Unit - Discontinued Operations	**$ (0.161)**	$(0.266)	$ (0.002)	$ (0.011)	$ (0.015)	$ (0.008)	$(0.001)	$ -
[1,2] EBITDA (Loss)/Unit	**$ 0.073**	$(0.011)	$ 0.300	$ 0.280	$ 0.287	$ 0.299	$ 0.298	$ 0.346

(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] Basic and fully diluted, all classes (restated for 3 for 1 unit split)

General operating results for the Quarter reflect continued softening in consumer spending.

During the Quarter, the Stampede Joint Venture was placed into voluntary receivership. Guarantees of $5.0 million to the lender of the Stampede Joint Venture were expensed by the Fund. In the previous quarter the Stampede Joint Venture had recorded an initial impairment charge to their assets following receipt of a demand notice by their lender.

Revenues

Total Revenue

Total Revenue (Continuing Operations)	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q2 2009	+(-)
Total Revenue	**36,293.8**	40,022.7	(9.3%)	**11,315.6**	13,308.7	(15.0%)	12,105.0	(6.5%)

(in thousands of dollars unless stated otherwise)

Revenue experienced greater downward pressure during the Quarter than the previous quarter due to decreased consumer confidence and general economic uncertainty.

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 (Continuing Operations)	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q2 2009	+(-)
Rooming	**5,010.5**	6,324.7	(20.8%)	**1,531.5**	2,265.0	(32.4%)	1,466.9	4.4%
Occupancy	**64.3%**	76.8%	(12.5%)	**60.9%**	79.9%	(19.0%)	55.8%	5.0%
ADR	**$147.67**	$150.73	(2.0%)	**$146.94**	$156.59	(6.2%)	$147.07	(0.1%)

(in thousands of dollars unless stated otherwise)

Guest rooms continued to experience downward year over year pressure during the quarter from reduced corporate travel. Seasonal activity resulted in an improvement over the previous quarter.

Occupancy and ADR's at Service Plus continued to retreat from prior year levels over the Quarter. Management has stepped up sales and marketing efforts in particular with existing clientele to ensure relationships are maintained. Web based late day sales offerings through well known travel sites are filling rooms that would otherwise remain vacant albeit at reduced rates. The normal cyclical ramp up in rooming beginning in September has not been as robust as in past years. The properties location, however, continues to provide a competitive advantage resulting in an overweight share of the market.

Occupancy and ADR's at the Deerfoot Joint Venture tell a similar story to that of Service plus. Deerfoot is marketed and remains well positioned as a premium full service hotel servicing a large area without comparable competition. Room rates are set accordingly. That said, corporate bookings are down industry wide and leisure travelers are scrutinizing offerings for the best perceived value. A new limited service hotel in close proximity to the Deerfoot Joint Venture opened in April. The property services a more price conscious clientele requiring less in the way of amenities. The neighbouring property may have a small impact on the Deerfoot Joint Venture market share, but guests of the new limited service hotel continue to patronize the Deerfoot Joint Venture's casino and F&B offerings.

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 (Continuing Operations)	**Q3 (nine months)**			**Q3 (three months)**			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q2 2009	+(-)
General and High Limit	**5,166.2**	4,581.8	12.8%	**1,542.3**	1,566.0	(1.5%)	1,763.0	(12.5%)
Poker	**966.9**	932.0	3.8%	**303.4**	303.5	(0.0%)	328.7	(7.7%)
Caribbean Stud	**53.0**	81.5	(34.9%)	**17.3**	15.3	12.9%	17.2	0.4%
	6,186.2	5,595.3	10.6%	**1,863.0**	1,884.8	(1.2%)	2,108.9	(11.7%)

(in thousands of dollars unless stated otherwise)

Table Drop and Hold (Continuing Operations)	**Q3 (nine months)**			**Q3 (three months)**			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q2 2009	+(-)
Drop	**43,265.0**	42,874.8	0.9%	**14,691.6**	14,017.6	4.8%	14,804.0	(0.8%)
Hold %	**20.6%**	18.8%	1.8%	**18.1%**	18.7%	(0.6%)	20.6%	(2.5%)

(in thousands of dollars unless stated otherwise)

# of Tables (Continuing Operations)	**end of Period**			vs. previous quarter	
	2009	2008	+(-)	Q2 2009	+(-)
All Others	**34.8**	34.8	0.0	34.8	0.0
Poker	**9.2**	9.2	0.0	9.2	0.0
Caribbean Stud	**1.0**	1.0	0.0	1.0	0.0
	45.0	45.0	0.0	45.0	0.0

Tables have been the bright spot in an otherwise tough general market place. Drops are generally up and hold percentage is averaging above expectation

Boomtown Casino continues to report increased table Drop in year over year comparisons. For the Quarter, table drops were 12% higher than Q3 2008 and up 7% from the previous quarter. Tables held 17% for the Quarter, 3% lower than the same quarter in 2008. These metrics combined for a 5% decline in Net Hold for the Quarter. For the Period, however, Net Hold remains up sharply on an average Hold Percentage of 21% that exceeds industry averages. Poker results were also encouraging with Net Rake up 24% year over year for the Quarter. Overall favourable results for the Period are attributable to improved dealer staffing and a shift in customer demographics and are in contrast to trends for other revenue streams.

Overall table revenues for Great Northern Casino were up 14% for the Quarter versus Q3 2008. Though table Drop at the property fell during the Quarter by 7% in year over year comparison, it was offset by a 3% jump in Hold percentage. As a result, Net Hold for the Quarter was 10% higher than a year earlier. Hold Percentage for the Period of 21% remains well above the industry average. Poker results were also up sharply on the Quarter with an increase in Net Rake of 36% year over year.

The Deerfoot Joint Venture reported flat Table Drop year over year for the Quarter with Hold Percentage 1% lower over the same time frame. The combined metrics result in a year over year decline in Net Hold of 5% for the Quarter. Never-the-less, year over year for the Period, Net Hold remains 5% higher than the comparable 2008 period and average Hold Percentage for the Period of 20% remains above the industry average. Poker Rake was down 26% for the Quarter year over year and remains lower year over year for the Period by 22%.

Slot Machine 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 (Continuing Operations)	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q2 2009	+(-)
Drop	**1,253.9**	1,397.8	(10.3%)	**400.2**	477.9	(16.3%)	430.3	(7.0%)
Machines [1]	**1,092.8**	1,085.6	7.2	**1,092.8**	1,085.6	7.2	1,092.8	-

(in millions of dollars unless stated otherwise)

[1] At the end of the Period or Quarter

Slot Revenue (Continuing Operations)	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q2 2009	+(-)
Revenue	**14,262.8**	15,946.0	(10.6%)	**4,604.8**	5,283.9	(12.9%)	4,875.0	(5.5%)

(in thousands of dollars unless stated otherwise)

In general, slot activity has experienced a decline from the outset of the year. Geographical results for the Fund, however, are mixed.

Year over year for the Period cash play is off 14% at Boomtown Casino. Year over year comparisons of cash play for the Quarter show activity fell 19%. Construction crews normally housed in camp settings have not been recalled to the region as quickly as we had anticipated. Versus the previous quarter results were down just 9%, a much smaller reduction than what we have been experiencing which we take as a positive sign.

Year over year for the Period cash play is off 8% at Great Northern Casino. Cash play for the Quarter saw slot activity drop 16% from the same quarter one year earlier. The Grande Prairie area continues to experience the effects of slower activity levels in the prominent natural gas sector as a result of low gas demand and low commodity prices. Versus the previous quarter results were down only 8% perhaps indicating the rate of descent is slowing.

Year over year comparisons at the Deerfoot Joint Venture show slot activity down 6% for the Period and 5% for the Quarter. Following a stiff initial drop in cash play during the first quarter of 2009, the Deerfoot Joint Venture has experienced steady moderate growth. Cash play was flat to the previous quarter perhaps signaling a bottom has been reached in the market. The recent receiverships of two other Calgary casinos have created opportunity for the Deerfoot Joint Venture to pick up additional market share.

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 (Continuing Operations)	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q2 2009	+(-)
Food & mix	**2,505.3**	2,605.9	(3.9%)	**771.5**	775.1	(0.5%)	868.8	(11.2%)
Liquor	**5,187.7**	5,776.7	(10.2%)	**1,567.8**	1,862.1	(15.8%)	1,696.3	(7.6%)
	7,692.9	8,382.6	(8.2%)	**2,339.2**	2,637.2	(11.3%)	2,565.1	(8.8%)

(in thousands of dollars unless stated otherwise)

F&B sales have been impacted by the slowing economy and consumers tightening their spending. Results for the Quarter were lower across the board with food sale suffering a lesser decline.

Year over year liquor sales at Boomtown Casino for the Quarter were off 17% while food sales were off 9% over the same comparative period. With sales heavily weighted on liquor the combined F&B year over year comparison for the Quarter is a reduction of 17%. For the Period, year over year F&B comparisons show a lesser 8% decline. Work camps in the region are moving to “dry” status which should benefit liquor sales at the property.

Great Northern Casino followed the pattern of Boomtown over the Quarter. Year over year liquor sales at for the Quarter were off 16% while food sales were off 9% over the same comparative period. Sales again are heavily weighted on liquor, but not to the same extent as Boomtown. The combined F&B year over year comparison for the Quarter is a reduction of 15%. For the Period, year over year F&B comparisons show a lesser 9% decline.

The Deerfoot Joint Venture Food experienced a similar pattern of year over year decline over the Quarter. Liquor sales were off 17% and food sales were off 4% from a year earlier. The weighting of liquor to food sales at the Deerfoot Joint Venture is the opposite of our northern properties. The combined F&B year over year comparison for the Quarter is a reduction of 9%. For the Period, year over year F&B comparisons show a lesser 7% decline.

Lease and Rental Revenue

Lease and rental revenue is derived predominantly from two 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 (Continuing Operations)	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q2 2009	+(-)
Total	**271.4**	243.3	11.5%	**96.3**	79.6	20.9%	88.7	8.6%

(in thousands of dollars unless stated otherwise)

Leases in the Strip Mall have all been renewed with rate increases.

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 Revenue (Continuing Operations)	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q2 2009	+(-)
Total	**2,870.0**	3,530.8	(18.7%)	**880.9**	1,158.2	(23.9%)	1,000.4	(11.9%)

(in thousands of dollars unless stated otherwise)

Other revenues are highly correlated to slot activity and to a lesser extent hotel rooming. Consequently, other revenues have declined instep with these revenue categories. Furthermore, lower interest rates and bank balances have adversely impacted interest revenue generated by the Fund.

Expenses

Total Expenses

Total Expenses (Continuing Operations)	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q2 2009	+(-)
Total	**21,290.9**	22,284.3	(8.6 %)	**8,531.9**	7,804.0	9.3%	8,794.8	(3.0 %)
% of Revenues	**58.7%**	58.2%	0.5%	**75.4%**	58.6%	16.8%	72.7%	2.7%

(in thousands of dollars unless stated otherwise)

Management has been successful in trimming discretionary spending and operational costs.

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 dues to the dissimilar nature of the products included.

Cost of Sales (Continuing Operations)	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q2 2009	+(-)
Food & Mix	**1,197.6**	1,283.4	(6.7%)	**374.9**	397.3	(5.6%)	407.8	(8.1%)
Liquor	**1,109.5**	1,272.0	(12.8%)	**332.5**	417.1	(20.3%)	369.1	(9.9%)
Other	**91.8**	114.0	(19.5%)	**27.6**	38.3	(27.9%)	30.6	(9.7%)
Total	**2,398.9**	2,669.4	(10.1%)	**735.0**	852.7	(13.8%)	807.4	(9.0%)

(in thousands of dollars unless stated otherwise)

Cost of Sales % (Continuing Operations)	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q2 2009	+(-)
Food & Mix	**47.8%**	49.2%	(1.4%)	**48.6%**	51.3%	(2.7%)	46.9%	0.9%
Liquor	**21.4%**	22.0%	(0.6%)	**21.2%**	22.4%	(1.2%)	21.8%	(0.4%)
Other	**54.8%**	53.1%	1.7%	**65.9%**	56.3%	9.6%	49.8%	5.0%

(in thousands of dollars unless stated otherwise)

Costs of sales are lower on lower sales. Improved cost of sales percentages for food and beverages are the result of tighter controls. Liquor tax increases imposed in the Alberta Government April 2009 Budget were rescinded in July which has also assisted lowering cost of sales percentages for all alcoholic beverages.

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 (Continuing Operations)	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q2 2009	+(-)
Operations	**8,512.5**	8,887.8	(4.2%)	**2,761.8**	2,947.1	(6.3%)	2,880.5	(4.1%)
% of Revenues	*23.5%*	*22.2%*	*1.2%*	*24.4%*	*22.1%*	*2.3%*	*23.8%*	*0.6%*
General admin	**185.2**	338.6	(45.3%)	**58.2**	137.3	(57.6%)	73.5	(20.8%)
Trustee fees	**148.0**	122.9	20.4%	**72.0**	41.4	74.0%	40.0	80.0%
General & admin	**333.2**	461.5	(27.8%)	**130.2**	178.7	(27.2%)	113.5	14.7%
% of Revenues	*0.9%*	*1.2%*	*(0.2%)*	*1.2%*	*1.3%*	*(0.2%)*	*0.9%*	*0.2%*
Management fees	**790.7**	838.3	(5.7%)	**260.1**	246.6	5.5%	254.5	2.2%
% of Revenues	*2.2%*	*2.1%*	*0.1%*	*2.3%*	*1.9%*	*0.4%*	*2.1%*	*0.2%*
Total	**9,636.4**	10,187.6	(5.4%)	**3,152.1**	3,372.4	(6.5%)	3,248.6	(3.0%)
% of Revenues	**26.6%**	25.5%	1.1%	**27.9%**	25.3%	2.5%	26.8%	1.0%

(in thousands of dollars unless stated otherwise)

Human resource costs have been managed lower instep with reductions in revenues. As a percentage of revenues these costs have climbed as we lose economies of scale while maintaining service levels.

Operational wages are being tightly managed to fit business volumes without compromising service. Salary based managers often fill in on otherwise hourly shifts to reduce costs. These costs have risen as a percentage of revenue. This is due in part to declining economies of scale and allocations of direct corporate overhead to operations effective January 2009.

General and Administrative wages reflect the allocation of direct corporate overhead to properties effective January 2009. This was done to make consistent the Fund's and joint venture accounting practices so as to more effectively compare property performance.

Management fees are based on a percentage of revenue and/or EBITDA and are correspondingly lower.

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 (Continuing Operations)	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q2 2009	+(-)
Total	**1,542.8**	1,765.5	(12.6%)	**541.6**	594.6	(8.9%)	515.3	5.1%
% of Revenues	**4.3%**	4.4%	(0.2%)	**4.8%**	4.5%	0.3%	4.3%	0.5%

(in thousands of dollars unless stated otherwise)

Radio and general promotions have been slashed in favour of news print advertising. Printed media is currently offering more attractive rates. Otherwise promotions have been limited to loyalty customers with a focus on maintaining our core customer base with promotions that encourage visits and extended stay.

Operating Costs

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

Operating Costs (Continuing Operations)	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q2 2009	+(-)
Total	**4,372.7**	4,748.6	(7.9%)	**1,416.6**	1,687.4	(16.0%)	1,499.9	(5.6%)
% of Revenues	**12.0%**	11.9%	0.2%	**12.5%**	12.7%	(0.2%)	12.4%	0.1%

(in thousands of dollars unless stated otherwise)

Boomtown Casino has a variable rate lease based on total sales revenue and as such is down considerably on lower sales volume. Utilities have benefited from lower commodity prices.

General and Administrative

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

General & Administration (Continuing Operations)	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q2 2009	+(-)
Total	**1,649.8**	1,479.6	11.5%	**547.2**	429.9	27.3%	646.8	(15.4%)
% of Revenues	**4.5%**	3.7%	0.8%	**4.8%**	3.2%	1.6%	5.3%	(0.5%)

(in thousands of dollars unless stated otherwise)

Expenditures on legal fees relating to strategic initiatives were partially offset by reductions in corporate travel.

Interest

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

Interest (Continuing Operations)	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q2 2009	+(-)
Total	**584.7**	967.3	(39.6%)	**204.3**	305.8	(33.2%)	172.9	18.1%
% of Revenues	**1.6%**	2.4%	(0.8%)	**1.8%**	2.3%	(0.5%)	1.4%	0.4%

(in thousands of dollars unless stated otherwise)

Scheduled payments on the fund's debt facilities and extra payments made by the Deerfoot Joint Venture have accelerated principal reduction of the Quarter and Period. Year over year reductions in prime lending rates continue to benefit the Fund given all debt is tied to variable bank rates.

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	
	2009	2008	+(-)	**2009**	2008	+(-)	Q2 2009	+(-)
Total	**(316.7)**	(54.1)	485.0%	**1,459.2**	43.1	3286.5%	(1,745.1)	(183.6%)
% of Revenues	**(0.9%)**	(0.1%)	(0.7%)	**12.9%**	0.3%	12.6%	(14.4%)	27.3%

(in thousands of dollars unless stated otherwise)

Estimates for future tax were recalculated as a result of the disposal of the Stampede Joint Venture assets and a revision to the estimated combined federal and provincial tax rate from 31.5% to 25% when the tax comes into effect.

Discontinued Operations

The Fund's investment in the Stampede Joint Venture was made through 1363840 Alberta Ltd (the "Subsidiary"). The Subsidiary was created for the sole purpose of investing in the Stampede Joint Venture. The Subsidiary pledged its participating interest, being 20%, in the Stampede Joint Venture as collateral. The Fund's invested capital totaled $5.6 million being the funds contributed under the Subsidiary's Contributing Interest Responsibility.

The Fund's 20% participating interest in the Stampede Joint Venture resulted in accumulated operating losses since opening of $1.65 million including $0.7 million in the Period.

Management of the Stampede Joint Venture elected for a voluntary receivership and on August 17, 2009, assets of the Stampede Joint Venture were transferred to the receiver. On the transfer, a loss on the sale of assets of $3.9 million was charged against net income.

The Fund had also provided a guarantee to the Stampede Joint Venture lender of $5.0 million which has been recorded as a charge against income. Following the receivership, management was able to negotiate a discount to the guarantee in exchange for expeditious payment. The Fund paid a total of $4.6 million on the guarantee during the Quarter. The remaining $449,000 in loss will be reversed pending official release by the Stampede Joint Venture's lender.

All tolled, The Fund recorded losses and charges related to the Stampede Joint Venture of $10.5 million during the fourteen months it was operated. The Fund has no further responsibilities in connection with the Joint Venture. All applicable obligations have been recorded to the financial statements at the end of the Period. In the Fund's interim financial statements and MD&A the Stampede Joint Venture is identified as discontinued operations and reported separately from the Fund's other operating assets.

Discontinued Operations
(unaudited)

	September 30, 2009	Audited December 31, 2008
Assets		
Cash and cash equivalents	$ -	$ 890,315
Other current assets	-	153,789
Property, plant & equipment	-	11,473,837
	$ -	$ 12,517,941
Liabilities and equity		
Current liabilities	$ -	$ 8,572,723
Capital Leases	-	52,922
Fair value adjustments on financial assets and liabilities	-	189,495
Joint venture equity	-	3,702,801
	$ -	$ 12,517,941

Discontinued Operations
Statements of Operations and Cash Flow
(unaudited)

	nine months ended September 30		three months ended September 30	
	2009	2008	2009	2008
Revenue	$ 2,422,417	$ 1,233,224	$ 517,814	$ 1,069,438
Operating expenses	2,893,900	1,653,248	561,067	1,312,923
(Gain) Loss on sale of assets	3,965,696	-	(1,642,058)	-
Interest charges	190,397	75,070	9,453	75,070
Financing charges	5,000,000	-	5,000,000	-
Unrealized loss on fair valuation of financial assets and liabilities	-	-	46,062	-
Earnings allocation to minority interest	(4,257,606)	(242,401)	(1,236,309)	(155,967)
Net earnings	$ (5,369,970)	$ (252,693)	$ (2,220,400)	$ (162,588)
Cash provided by (used for) operating activities	(4,233,238)	(506,845)	(4,056,169)	(106,717)
Cash provided by (used for) financing activities	(3,353,980)	13,024,678	3,386,406	2,237,131
Cash provided by (used for) investing activities	(11,057)	(11,524,000)	(10,977)	(1,833,417)
Increase (decrease) in cash and cash equivalents	(890,315)	993,833	(680,740)	296,997
Opening cash and cash equivalents	890,315	-	680,740	696,836
Closing cash and cash equivalents	$ -	$ 993,833	$ -	$ 993,833

Net Earnings and Reconciliation of EBITA to Net Earnings

EBITDA to Net Earnings	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q2 2009	+(-)
EBITDA	**16,693.3**	19,172.0	(12.9%)	**4,923.1**	6,371.8	(22.7%)	5,387.1	(8.6%)
EBITDA %	**46.0%**	47.9%	(1.9%)	**43.5%**	47.9%	(4.4%)	44.5%	(1.0%)
Less:								
Amortization on property, plant and equipment	**1,422.3**	1,520.5	(6.5%)	**475.9**	518.3	(8.2%)	473.8	0.4%
Interest charges	**584.7**	967.3	(39.6%)	**204.3**	305.8	(33.2%)	172.9	18.1%
Future income tax expense	**(316.7)**	(54.1)	485.0%	**1,459.2**	43.1	3286.5%	(1,745.1)	(183.6%)
Allocation to minority interest	**6,634.8**	8,195.2	(19.0%)	**652.1**	2,695.1	(75.8%)	3,175.4	(79.5%)
Net Income (Loss) - Continuing	**8,368.2**	8,543.1	(2.0%)	**2,131.6**	2,809.5	(24.1%)	3,310.2	(35.6%)
Net Income (Loss) - Discontinued	**(5,370.0)**	(252.7)	2025.1%	**(2,220.4)**	(162.6)	1265.7%	(2,992.2)	(25.8%)
Net Income (Loss)	**2,998.2**	8,290.5	(63.8%)	**(88.8)**	2,646.9	(103.4%)	317.9	(127.9%)
[2] Net Income (Loss)/Unit - Continuing	**$ 0.711**	$ 0.726	$(0.015)	**$ 0.181**	$ 0.239	$ (0.058)	$ 0.281	$ (0.100)
[2] Net Income (Loss)/Unit - Discontinued	**$(0.456)**	$ (0.021)	$(0.435)	**$ (0.189)**	$ (0.014)	$ (0.175)	$(0.254)	$ 0.066
[2] Net Income (Loss)/Unit	**$ 0.255**	$ 0.704	$(0.450)	**$ (0.008)**	$ 0.225	$ (0.232)	$ 0.027	$ (0.035)

(in thousands of dollars unless stated otherwise)

[2] Basic and fully diluted (restated for 3 for 1 unit split)

Facilities

Capital Expenditures	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q2 2009	+(-)
Maintenance	**310.7**	206.6	50.4%	**53.1**	11.5	360.4%	142.0	(62.6%)
Dispositions	**(4.7)**	-	(100.0%)	**(691.5)**	-	(100.0%)	-	(100.0%)
	306.1	206.6	50.4%	**(638.4)**	11.5	360.4%	142.0	(62.6%)
Discontinued operations	**(11,697.3)**	12,283.2	(195.2%)	**(6,836.7)**	839.2	(914.7%)	(4,869.8)	40.4%
	(11,391.3)	12,489.8	(4.8%)	**(7,475.1)**	850.7	(76.4%)	(4,727.8)	16.5%

(in thousands of dollars unless stated otherwise)

Capital maintenance spending is in line with expectation. Dispositions and discontinued operations all relate to the deemed sale of the assets of the Stampede Joint Venture following the transfer of the assets and operation to the receiver in bankruptcy.

Financial Condition

Liquidity

The Fund has expensed $5.0 million related to guarantee given to the Stampede Joint Venture's lender. Management of the Stampede Joint Venture negotiated a reduction to the guarantee settlement of $449,000 which remains in accrued liabilities pending formal release from the lender. The Fund has no further liabilities or obligations to the Stampede Joint Venture other than those recorded in the Financial Statements.

Cash provided by operating activities of continuing operations for the Quarter totaled $4.4 million compared to $4.8 million in Q3 2008. At the end of the Quarter cash and cash equivalent balances totaled $10.5 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 is closely monitoring the Fund's ability to sustain current cash distributions with cash flow from operations for the foreseeable future.

The change in tax status for income trusts brought on 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 combined Federal and Alberta tax rate of 25.0%. 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 held by Gamehost Limited Partnership and the Deerfoot Joint Venture 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, 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 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 $1.3 million in cash distributions made by the Deerfoot Joint Venture.

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.

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.

On January 1, 2007 the Fund entered into a management services agreement with 1068802 Alberta Ltd. The management agreement stipulates that 1068802 Alberta Ltd. is entitled to a fixed amount for overseeing operations of the Fund.

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.

With the Stampede Joint Venture's receivership on August 17, 2009, the Fund has no further commitment to the Stampede Joint Venture. Prior to the voluntary receivership, the Fund had a 23.1% Contributing Interest Responsibility to the Stampede Joint Venture for capital requirements. No capital was contributed during the Quarter.

The Fund has certain other commitments for equipment, services and premises rent including the Funds Participating Interest Responsibility in commitments of the Deerfoot Joint Venture. At the end of the Period these commitments were;

Operating Leases and service contracts	2009	2010	2011	2012	2013	Thereafter
	449,137	1,528,817	1,498,725	974,365	799,408	6,403,102

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. Trustees evaluate the special distribution recommendation with special consideration of other factors such as strategic plans of the Fund and Fund unit trading performance.

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 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 and ancillary amenities for all facilities. Also included in productive capacity are the Fund's interests in three gaming licenses, one each for Boomtown Casino, Great Northern Casino and the Deerfoot Joint Venture. Together these licenses provide a revenue stream for the Fund from an equivalent 1,093 slot machines and 45 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
2003	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	
	AGLC adds slot machines					3		
2009	AGLC adds slot machines					5		
2009	Stampede Joint Venture Receivership	(19,200)	(480)		(60)	(120)	(8)	
	Current	77,144	9,200	198	1,154	1,094	45	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 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 vintage of facilities.

<u>Discretionary and other items</u>

From time to time, at their discretion, management or trustees may elect to use or reserve cash for other purposes. Capital expansions that were paid out of operating cash flow and increased floats necessitated by the implementation of TITO are two recent discretionary uses for cash. Discretionary uses of cash reduce the availability of cash for distribution to unit holders.

<u>Long-term unfunded contractual obligations</u>

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.

<u>Debt Strategy</u>

The current strategy of the Fund is to minimize debt. Current debt instruments will be maintained or eliminated to the extent they allow for repayment. All of the Fund's present debt instruments allow for additional payments without penalty. Debt maintenance includes regular amortized monthly principal payments, extra payments when surplus cash is available 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 interest rates allow for scheduled amortization periods of between 10 and 15 years in meeting distribution objectives.

<u>Financing restrictions on distributions caused by debt covenants</u>

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

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.

Working Capital

Working capital, by definition, is current assets minus current liabilities. The Fund's term debt held by Gamehost Limited Partnership and the Deerfoot Joint Venture 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, 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.

Alberta Gaming and Liquor Commission require all casinos to maintain a Minimum Continuing Net Working Capital Position ("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)		Since Inception
	2009	2008	**2009**	2008	Since Inception
Cash provided by (used for) operations	**$ 16,519**	$ 17,742	**$ 5,329**	$ 5,822	$ 127,732
Less adjustment for:				-	
Capital expenditures from operating cash flow	**306**	195	**(1)**	147	5,090
Financing restrictions caused by debt covenants	**1,771**	562	**523**	349	4,354
Standardized Distributable Cash					
Continuing operations	**$ 18,675**	$ 16,992	**$ 8,863**	$ 5,432	$ 123,557
Discontinued operations	**$ (4,403)**	$ (507)	**$ (4,046)**	$ (107)	$ (6,561)
	$ 14,272	$ 16,485	**$ 4,817**	$ 5,325	$ 116,996
Standardized Distributable Cash/unit [1]					
Continuing operations	**$ 0.8848**	$ 0.8050	**$ 0.4199**	$ 0.257	$ 5.8537
Discontinued operations	**$ (0.2086)**	$ (0.0240)	**$ (0.1917)**	$ (0.0051)	$ (0.3108)
	$ 0.6762	$ 0.7810	**$ 0.2282**	$ 0.2523	$ 5.5429
Cash distributions	**$ 13,925**	$ 13,505	**$ 4,642**	$ 4,642	$ 111,627
Cash distributions/unit [1]	**$ 0.6597**	$ 0.6398	**$ 0.2199**	$ 0.2199	$ 5.2885
Payout ratio	**97.6%**	81.9%	**96.4%**	87.2%	95.4%

[1] Weighted average and fully diluted (restated for 3 for 1 unit split)

(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)		
	2009	2008	**2009**	2008	Since Inception
Standardized Distributable Cash	**$ 14,272**	$ 16,485	**$ 4,817**	$ 5,325	$ 116,996
Less adjustment for:					
Change in floats	**-**	840	**-**	-	2,770
Adjusted Distribution Base	**$ 14,272**	$ 15,645	**$ 4,817**	$ 5,325	$ 114,226
Adjusted Distribution Base/unit [1]	**$ 0.6762**	$ 0.7412	**$ 0.2282**	$ 0.2523	$ 5.4116
Cash distributions	**$ 13,925**	$ 13,505	**$ 4,642**	$ 4,642	$ 111,627
Cash distributions/unit [1]	**$ 0.6597**	$ 0.6398	**$ 0.2199**	$ 0.2199	$ 5.2885
Payout ratio	**97.6%**	86.3%	**96.4%**	87.2%	97.7%

[1] Weighted average and fully diluted (restated for 3 for 1 unit split)

(in thousands of dollars unless stated otherwise)

Distributions

2009 Distribution Summary				
Month	Date Declared	Record Date	Payment Date	Distribution per Unit
January	15-Jan-09	31-Jan-09	13-Feb-09	$0.0733
March	12-Mar-09	31-Mar-09	15-Apr-09	$0.0733
April	8-Apr-09	30-Apr-09	15-May-09	$0.0733
June	11-Jun-09	30-Jun-09	15-Jul-09	$0.0733
July	16-Jul-09	31-Jul-09	14-Aug-09	$0.0733
August	14-Aug-09	31-Aug-09	15-Sep-09	$0.0733
September	25-Sep-09	2-Oct-09	15-Oct-09	$0.0733
October	21-Oct-09	31-Oct-09	16-Nov-09	$0.0733
2008 Distribution Summary				
Month	Date Declared	Record Date	Payment Date	Distribution per Unit
February	12-Feb-08	29-Feb-08	14-Mar-08	$0.0667
March	24-Mar-08	2-Apr-08	15-Apr-08	$0.0667
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
October	15-Oct-08	31-Oct-08	14-Nov-08	$0.0733
November	13-Nov-08	30-Nov-08	15-Dec-08	$0.0733
December	17-Dec-08	31-Dec-08	15-Jan-09	$0.2407

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**
2008	93.17%	6.83%	100.00%
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	73.12%	26.88%	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. 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 assets and liabilities reported on the Fund's financial statements to the extent that these differences will exist at 2011. Based on assets and liabilities at the end of the Period and the expected combined Federal and Alberta tax rate of 25.0% for 2011, the Fund has estimated a future tax liability of $1.5 million.

	Net Value (tax basis)	Net Value (accounting basis)	Temporary Differences
Plant and equipment	21,116,042	27,051,980	5,935,937

Capital Resources

Limited Partnership

The Limited Partnership has a $15.0 million demand term loan secured by its land and buildings with the Canadian Western Bank ("CWB"). Interest on this loan is 1.0% above the CWB Prime Lending Rate. In June 2009 a floor rate of 4.0% was fixed to the loan as a result of an annual bank review. The Fund is making blended monthly principal and interest payments on a $9.0 million segment of the loan amortized over 10 years. $6.0 million of this loan is available on a revolving basis and is fully extended at the end of the Period.

The Limited Partnership has issued a demand promissory note in the amount of $4.1 million to a related party. The note is unsecured and was obtained as bridge financing to honour guarantee obligations to the Stampede Joint Venture's lender. The note carries interest at 3.25% per annum.

Deerfoot Joint Venture

The Fund has a 40% Participating Interest Responsibility in the debt facilities of the Deerfoot Joint Venture. The Deerfoot Joint Venture has a demand term loan secured by its land and buildings. Interest on the loan floats at 1.0% above the CWB Prime Lending Rate. In June 2009 a floor rate of 4.0% was fixed to the loan as a result of an annual bank review. The Fund's portion of the combined total authorized facility is $9.6 amortized over 15 years. The loan includes a $0.8 million revolver which has a zero outstanding balance at the end of the Period. The Fund's portion of scheduled monthly principal payments is $78,800, but has been accelerated to $100,000.

Credit Facilities		
	September 30, 2009	**December 31, 2008**
Authorized Maximum Loan amounts		
Demand loan	9,000,000	9,000,000
Revolving loan	6,000,000	6,000,000
Deerfoot Joint Venture - demand loan	8,800,000	8,800,000
Deerfoot Joint Venture - demand loan, revolving	800,000	800,000
Demand promissory note	4,100,000	-
Continuing Operations	28,700,000	24,600,000
Discontinued Operations	-	9,000,000
	28,700,000	33,600,000
Outstanding balance		
Demand loan	7,695,178	8,384,641
Revolving loan	6,000,000	4,000,000
Deerfoot Joint Venture - demand loan	6,048,283	6,948,283
Deerfoot Joint Venture - demand loan, revolving	-	-
Demand promissory note	4,001,000	-
Continuing Operations	23,744,461	19,332,924
Discontinued Operations	-	8,250,404
	23,744,461	27,583,328
Advances (payments) during the calendar year		
Demand loan	(689,463)	3,084,641
Revolving loan	2,000,000	4,000,000
Deerfoot Joint Venture - demand loan	(900,000)	(855,243)
Demand promissory note	4,001,000	-
Continuing Operations	4,411,537	6,229,398
Discontinued Operations [1]	(8,250,404)	8,250,404
	(3,838,867)	14,479,802
Interest rate		
Demand loan	4.00% floor (P +1.00%)	4.00% (P +1.00%)
Revolving loan	4.00% floor (P +1.00%)	4.00% (P +1.00%)
Deerfoot Joint Venture - demand loan	4.00% floor (P +1.00%)	4.00% (P +1.00%)
Deerfoot Joint Venture - demand loan, revolving	4.00% floor (P +1.00%)	4.00% (P +1.00%)
Demand promissory note	3.25%	-

[1] Loan default

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 $6.3 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 a $5.0 million unsecured limited liability guarantee to the lender of the Stampede Joint Venture to indemnify it in the event the Stampede Joint Venture did not perform its contractual obligations. The Stampede defaulted on their contractual obligations under loan agreements and the Fund recorded an expense for the full amount of the guarantee of which $4.6 million has been paid. The Fund did not charge a fee to the Stampede Joint Venture in regards to this guarantee.

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 is evaluating options and developing 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, revolving credit lines, accounts payable and accrued liabilities, capital leases, demand loan, 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.

Foreign Exchange Risk

The Fund operates in Canada. The functional and reporting currency of the Fund is in Canadian dollars. The Fund is exposed, in its normal course of operations, to exchange rate risk from foreign exchange rate fluctuations. Foreign exchange risk arises because a Canadian dollar payable transaction denominated in foreign currencies may vary due to changes in exchange rates at the time the transactions are settled. Any differences in the settled amounts are recorded as part of cost of sales or expenses. Transactions in foreign currencies, mostly USA dollars, are not material. The Fund does not actively manage exposure to foreign exchange risk.

Interest Rate Risk

The Fund's interest rate risk arises primarily from its variable rate debt in the aggregate amount of $23.7 million. This debt has a floor rate of 4.0%. A minus 1% change in interest rates would have no impact on annual earnings. A plus 1% change in interest rates would have an unfavourable impact on earnings of $59,361.

Credit Risk

Credit risk arises from cash and cash equivalents held with banks and credit exposure to customers. 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.

Carrying amounts of accounts receivable are reduced on an account specific basis when appropriate. The Fund does not currently carry an allowance for doubtful accounts. Carrying amounts of accounts receivable are reduced by direct write-off to earnings in the period of loss recognition. At the end of the Period, all aged receivables are current within stated credit terms and customer historical payment practices.

Liquidity Risk

Liquidity risk arises from excess financial obligations over available financial assets due at any point in time. The Fund's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet ongoing liquidity requirements. The Fund achieves this by maintaining a conservative payout ratio on regular monthly distributable cash from operations and maintaining sufficient availability from committed debt facilities. The Funds payout ratio on Standardized Distributable Cash since inception is 97.9% and current availability on committed credit facilities is $0.8 million.

During the Period, the Stampede Joint Venture, elected to place itself into voluntary receivership. Unable to negotiate the necessary concessions from its lender and landlord, Management of the Joint Venture determined that continuing to subsidize the operation was not in the best interest of joint venturers. The Fund provided a guarantee to the lender of the Stampede Joint Venture. The maximum exposure to the Fund under this guarantee is $5.0 million which has been charged to income on the Financial Statements during the Period. Management of the Stampede Joint Venture reached a settlement with the lender to the Stampede Joint Venture reducing the amounts payable under the guarantee to $4.6 million which at the end of the Period had been paid by the Fund. Management of the Stampede Joint Venture continues to pursue a formal release from any remaining amounts payable under the guarantee. Financing from a related party was secured to honour payments made under the guarantee (Note 12).

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 $716,030 ($693,784 – 2008) 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 $60,686 ($32,632 - 2008) remained in Accounts payable and $nil ($46,996 – 2008) remained in Due to/from accounts. 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 compensated through management services agreements.

- The Fund recorded $18,893 ($52,613 – 2008) of charter aircraft rental expenses during the Period which are included in Operating expenses. At the end of the Period $12,287 ($13,181 – 2008) remained in accounts payable. 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 $35,500 ($37,500 – 2008) in Trustee fees during the Period which are included in Human resources expenses. At the end of the Period $5,500 ($nil – 2008) remained in accounts payable.

- The Fund recorded $10,314 ($nil – 2008) in interest charges during the Period which are included in Interest expense. At the end of the Period $10,314 ($nil – 2008) remained in accounts payable. Interest charges arose from receipt of $4,100,000 in loans during the Period. At the end of the Period $4,001,000 ($nil – 2008) remained in Demand loans. The loan is unsecured and has a fixed interest rate of 3.25%. Loan proceeds were used to honour obligations under a guarantee the Fund provided to the lender to the Stampede Joint Venture.

- The Fund recorded $157,791 ($146,348 – 2008) in net shared expenses during the Period which are included in various expenses. At the end of the Period $nil ($87,916 – 2008) remained in Due to/from accounts and $21,156 ($4,571 – 2008) remained in accounts payable.

The Fund recorded $85,500 ($99,852 – 2008) 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 $29,000 ($19,600 – 2008) remained in accounts payable.

The Fund recorded $16,899 ($84,289 – 2008) in professional and administrative fees during the Period paid to companies controlled by other Trustees of the Fund. At the end of the Period $nil ($nil – 2008) remained in accounts payable.

The Fund recorded $157,500 ($157,500 – 2008) of management services expenses during the Period to other officers which are included under Human resources expenses. Management fees stipulated in management services agreements are based on a flat monthly amount.

Outstanding Share Data

Fund Units

The Fund is authorized to issue an unlimited number of Fund Units. 1,000,000 B Units of the Fund were exchanged into Fund Units during the Quarter. Otherwise, there were no changes in the number of issued or outstanding Fund Units during the Period. The weighted average of equivalent units outstanding for the Period 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 Period.

Fund Units	**September 30, 2009**			**December 31, 2008**		
	Units		**$'s**	**Units**		**$'s**
Balance at beginning of period	10,773,153	$	32,018,885	10,773,153	$	32,133,482
Unit class conversions	1,000,000		3,193,434	-		-
Net income			8,368,192			11,453,511
Net income - discontinued operations			(5,369,968)			(503,003)
Distributions			(7,766,749)			(11,065,105)
Balance at end of period	11,773,153	$	30,443,794	10,773,153	$	32,018,885

Minority Interest Class B Partnership Units

The Limited Partnership is authorized to issue an unlimited number of Class B Limited Partnership Units. 1,000,000 B Units of the Fund were exchanged into Fund Units during the Quarter. Otherwise, there were no changes in the number of Class B Limited Partnership Units issued or outstanding during the Period.

Minority Unit Holders Equity	September 30, 2009			December 31, 2008		
	Units		$'s	Units		$'s
Balance at beginning of period	10,334,400	$	32,955,463	10,334,400	$	33,065,390
Unit class conversions	(1,000,000)		(3,193,434)	-		-
Minority interest			6,634,761			10,987,050
Minority interest - discontinued operations			(4,257,606)			(482,516)
Distributions			(6,157,904)			(10,614,461)
Balance at end of period	9,334,400	$	25,981,280	10,334,400	$	32,955,463

Business Risks, Opportunities and Outlook

Economic Outlook

Some pundits and even the Governor of the Bank of Canada are suggesting that the recession might be officially over. If this is true then reality still dictates that it will be some time before the recovery's benefits are sufficiently felt in the pockets of the common consumer. Until that time we will maintain a guarded outlook on the immediate future and manage our current concerns accordingly. Longer term, resource based economies, which most certainly include Western Canada and specifically Alberta, will reap the benefits of any recovery. It could be that we are near that place in time where material investment dollars begin to flow back into the Alberta economy in order to capitalize on lower current costs and higher future revenues. The downward curve is beginning to level out and we should soon be sharing more positive news.

The Deerfoot Joint Venture has gained market share in the Calgary slot market though cash play continues to decline along provincial declines. The fait of two other Calgary casinos currently operated by court ordered receivers could provide some material upside on the gaming front for the Deerfoot joint Venture.

While overall activity has retreated at Boomtown Casino there are clues to suggest it won't last. The latest Statistics Canada figures reported job growth in the region. The new U.S. ambassador to Canada, David Jacobson, visited the oil sands producing area only a few weeks after being sworn in. This would suggest the region has a place of great significance today and in the future on the world energy stage.

The Grande Prairie region relies on agriculture, conventional oil & natural gas and forestry. Agriculture is expected to endure this downturn reasonably well with grain prices still favourable. Natural gas pricing continues to be weak, although it seems to have hit a floor. Surpluses in the US remain an issue. With the winter heating season ahead demand should improve and additional support for prices ensue. These factors, in turn, should provide the impetus for more field activity.

Management has been highly successful in continuing to reduce discretionary spending and closely monitoring marketing campaigns and their success rates. The Fund was already producing some of the highest profit margins in the North American gaming sector. Management is confident that it will emerge from this recession stronger and even more efficient which will only further benefit its unit holders.

The Alberta and Canadian gaming industry has very high barriers to entry. Very few growth opportunities at attractive investment levels existed during the pre-recessionary period. Other gaming operators are in less fortunate financial positions from that of Gamehost Income Fund to weather a protracted downturn. Acquisition opportunities may exist where there were none previously.

Government Regulation

Natural resources are regulated by provincial governments. The Alberta Government's recent introduction of drilling incentives valued at approximately $1.5 billion over the next two years is designed to offset the shift in oil and gas activity that was a result of the global recession and the changes to royalty rates in the energy sector. The Alberta Government has bowed to pressure to reverse, to some extent, their decision in light of the current world economic outlook.

Provincial and municipal non-smoking legislation and bylaws represents one area of government regulation that has had a direct adverse impact on, specifically, operators of traditional casinos like those belonging to the Fund.

The Federal Government has jurisdiction over provincial governments regarding First Nations lands. The Federal Government defers governmental authority to either provincial governments or First Nations Bands at their discretion. The Federal Government, to date, has chosen not to become involved in the smoking-in-public-places debate on First Nations lands. Presently, all First Nations casinos in Alberta permit smoking and enjoy a competitive edge over traditional casino operators.

The Alberta and Canadian gaming industries are highly regulated by provincial governments. Revenue sharing agreements between governments and operators are subject to change by unilateral government action. Revenue sharing and operator agreements are not the same from province to province. Neither are they the same for traditional casino operators and First Nations casino operators. Traditional casino operators in Alberta receive less favourable compensation when compared to both their provincial counterparts and the competing Alberta First Nations operators.

Public Interest

Special interest groups routinely lobby government on a host of matters. Gaming is a subject of high public interest both for and against. Lobbying efforts can be effective in influencing government action. Next to the Alberta Government Department of Treasury, provincial charitable groups are the main benefactor to the gaming industry. An un-level playing field between traditional casino operators and First Nations casino operators also creates compensation issues for charitable groups supported by traditional casino operators.

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 consider eliminating the un-unlevel playing field between traditional casino operators and First Nations casino operators. Among other things, ACCOA is proposing modifications to traditional casino operator agreements that would have the Alberta Government provide compensation for mutually beneficial marketing efforts and funds for facility enhancement similar to those provided by their provincial counterparts. Given the Alberta government's 2009 projected deficit it is unlikely that lobbying efforts will be bear much fruit in the near term.

Taxation

On June 12, 2007 Bill C-52 formalizing the Government of Canada's proposal to tax the distributions of certain specified investment flow through entities (SIFT). The Fund qualifies as a SIFT for the purpose the new tax. 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. Draft legislation to simplify conversion of a SIFT to a corporation was recently issued by the Federal Government. The draft legislation generally comes without consequence to a unit holder on a conversion transaction. Unit holders are encouraged to consult professional resources regarding potential implications for their own account. Management has turned their focus to the task of seeking and evaluating options for the Fund in the post 2010 trust world.

Competition

During 2008 approximately 600 new hotel rooms were added in the City of Grande Prairie. Our Service Plus operation in Grande Prairie continues to retain an overweight share of the total market place. Demand in the region is shrinking and room rates have been adversely impacted in an effort to retain accounts. The property continues to offer a superior location and steady management.

The continued operation of two of Calgary's traditional casinos remains in doubt. Both are being operated by court appointed receivers while new ownership is pursued. We believe there is a strong possibility that one, if not both, of these casinos will cease to operate as a casino in the near future. Should these events materialize there is considerable upside potential for our Deerfoot Joint Venture. The Fund's Deerfoot property is in an advantageous location of Calgary being the high growth southeast quadrant.

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

In April 2009 a limited service hotel opened one block to the north of the Fund's Deerfoot Joint Venture. The competing hotel offers more budget conscious patrons with guest room options in the underserviced area. The new hotel is expected to be a net benefit to the Deerfoot Joint Venture by allowing the Deerfoot Joint Venture to attract larger conventions and by increasing foot traffic through the facilities casino and eating establishments. The new hotel has had little impact on the Deerfoot Joint Ventures' hotel operations.

International Financial Reporting Standards (IFRS)

All publically accountable enterprises will be required to report under IFRS for fiscal periods beginning on or after January 1, 2011. IFRS will replace guidance provided by Canadian generally accepted accounting principles ("GAAP") for financial reporting. A detailed IFRS conversion plan is being developed to achieve full compliance with the new reporting standards effective January 1, 2011.

Management will endeavor to prepare readers of the Fund's disclosures for what may be in certain cases be significant changes in the reporting of the Funds financial results. To this end, future MD&A will provide high level status reports outlining progress towards full conversion in the form outlined below. Furthermore, as decisions regarding policy change are made and their impact quantified, specifics will be disclosed in the body of the MD&A at those points in the MD&A where it is relevant. Effort will be made to provide the IFRS relevance to the presented Canadian GAAP beginning in 2009 as is becomes known. Beginning Q1 2010, the Fund will provide comparative IFRS qualitative and quantitative information to the reported Canadian GAAP information. Thus, effective the first interim reporting period under IFRS, comparative year over year information will be readily available.

Any communications about the Funds' conversion plan for IFRS reflects the expectations of changeover decisions based on consideration and understanding of available information. Notwithstanding, circumstances may occur that require the Fund to change accounting policies between the time of communicating these expectations and the changeover date.

International Financial Reporting Standards (IFRS) - Conversion Plan

Plan Component	**Status**
Project Management	A project management team has been formed including members of management and the audit committee to ensure progress towards successful implementation is on track.
Training and development	IFRS training for the project management team, key accounting staff and Audit Committee members is ongoing.
Communication	Communication of project status will begin in earnest during Q4 2009. Plans include regular progress meetings by the project management team and approved relevant communication of the impact to financial reporting to external users via the MD&A.
Business impacts	An early assessment includes: project resourcing; ICFR; duel reporting obligations in 2010 when comparative IFRS and Canadian GAAP is required and debt facility financial covenants.
Accounting policy changes	Research is ongoing to determine and document the expected changes to accounting policies that are required to comply with the new standards. Our current understanding indicates that reporting for: property, plant and equipment; intangible assets; long lived asset impairment, business combinations and income taxes will be impacted most by implementation of the new standards.
Financial statement presentation	Audit Committee has been advised of the potential impacts to financial statement presentation. Reporting options and exemptions available are to be researched with recommendations presented by the end of Q4 2009.
Information technology compliance	Initial assessments indicate that conversion can be accomplished through general ledger modification requiring no significant system changes.

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.