

Prairie Meadows
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PRESS RELEASE

December 21 – Altoona, IA. As Prairie Meadows reported in June, the IRS had conducted a review of the organization for the 2012, 2013 and 2014 tax years and, in a reversal of prior IRS positions regarding Prairie Meadows, the agency had tentatively proposed to revoke the tax-exempt status of Prairie Meadows effective January 1, 2012. Based upon the IRS' calculations, the revocation of the tax-exempt status would have resulted in Prairie Meadows owing approximately \$60 million in taxes and penalties for such tax years. Obviously, such a decision would have had significant adverse financial consequences for the organization and for the Polk County community which benefits from the economic development brought about by Prairie Meadows. As Prairie Meadows promised in June, it vigorously challenged the IRS' conclusion in a protest letter to the agency and was recently notified by the IRS that it was dropping its challenge to Prairie Meadows' tax-exempt status. While that change in the IRS position is welcomed news, a handful of lesser, technical tax issues involving approximately \$1 million and pertaining to Prairie Meadows' hotel, restaurant, gift shop and ATM machines remain in dispute. Prairie Meadows will continue to press the IRS to re-examine its remaining tentative findings and will keep the Polk County community apprised of developments as they occur. Please direct any questions to our attorney, Tom Flynn, at 515/271-5915.

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