

***A DESK REVIEW OF
AN APPRAISAL REPORT DATED MAY 4, 2006
PREPARED BY THE DUNKLIN APPRAISAL GROUP
FOR THE MYRIAD WORLD RESORTS OF TUNICA, LLC PROPERTY
CONSISTING OF 513± ACRES LOCATED IN
TUNICA COUNTY, MISSISSIPPI***

May 15, 2006

Mr. Larson Elmore
Project Manager
Myriad World Resorts Tunica, LLC
18 North Fairway Loop
Maumelle, AK 72113

Dear Mr. Elmore:

Pursuant to your request, I have prepared a review of an appraisal prepared by the Dunklin Appraisal Group, and more specifically, Henry L. Dunklin, MSA, IFAS, a Certified General Appraiser in the State of Mississippi. This report has a date of value as of May 4, 2006 that was originally prepared March 19, 2006. The subject of this analysis is 513± located in Section 6 and 7, Township 4 South, Range 11 West, Tunica County, Mississippi.

This is a certified appraisal report by Mr. Dunklin as a complete appraisal presented in a summary report.

It is noted that I did not physically inspect the subject property, although I have appraised properties in Tunica County, and am generally familiar with the area, but not the specific subject property.

In the preparation of this review, I read the appraisal report in its entirety.

SUMMARY OF REVIEW AND ANALYSIS

The introduction of the report defines a variety of terms. The letter of transmittal is dated May 5, 2006 and does set out the definition of market value and the summary of the value conclusions. This indicates that the entire 513± acres if sold to one person at one time would have a value estimate at \$75,000 per acre or \$38,475,000.

A typical casino site that would support an 80,000 square foot casino with a 500-room hotel was estimated at \$42,000,000 and a site having 50,000 square feet of casino and 500-room hotel was estimated at \$40,000,000. Finally the estimated value of a site with an 80,000 square foot casino and 1,200 rooms was indicated at \$45,000,000.

The aggregate of the six potential casino sites is indicated at \$247,000,000. It is noted that Mr. Dunklin correctly does not represent that this would be the market value of all six sites if sold to one person at one time, but is simply the cumulative total of the individual six sites.

The next portions of his report beginning on page 8 indicates dates, functions, the client, property right appraised, ownership descriptions, and the fact that the subject is within a flood zone AE which would typically require Federal Flood Insurance.

He then begins a very thorough discussion of the subject area on page 12 through page 27 of his report, specifically the Tunica County gaming area in Robinsonville and the overall Tunica County description. In my judgment, this is well prepared and provides a good overview of the area. Of particular importance is the new Tunica County Airport expansion, which will now be able to accommodate scheduled airline service.

The overall parcel description begins on page 28 of the report, which sets out that the subject property is 512.96± acres, west of Perry Road and off the west end of Indian Mound Road along tributaries of the Mississippi River.

The proposal is to convert the site into a resort area that would include 6 hotel casinos, an indoor botanical garden, convention center, ice caverns, an indoor golf course, a water park, a snow park, and other facilities that are discussed in detail within the report, and adequately set out in plans of development shown on pages 30 through 36 of the report.

As discussed on page 36, initially this is a lease of the property from the Perry family, however there is an exercise to purchase the site essentially at \$50,000,000 for the entire 513± acres. This price though, is as a result of a base cost of \$25,000,000 plus an additional \$25,000,000 of future gross income revenue percentages. These future gross income revenue percentages are not immediate, and therefore the \$50,000,000 price is actually spread over some time frame.

The property has been approved as a resort area district and casino district and is shown and discussed on pages 38 and 39 of the report. The appraiser then, adequately discusses the highest and best use of the subject property on pages 40 through 64, which includes copies of approvals by the various governing bodies.

Page 65 of the report sets out the appraisal process and more specifically the scope of work. This indicates that as an unimproved land site the market data approach was the methodology for the "as is" value, as well as for the proposed additional casino sites to be developed.

The sales comparison approach begins on page 67 and discusses various methodologies with the comparable land sales beginning on page 71 of the report with a total of 11 sales utilized, and a discussion on page 75 through 76. There were also sales from other portions of the United States that were shown on a chart on page 76, but the appraisal essentially relied on the Tunica and Biloxi sales, with a final conclusion at \$75,000 per acre.

It is noted that there is a typographical error on page 76 of his report in that it first indicates \$65,000 per acre, but then shows \$75,000 per acre. Based upon the mathematical computations the value is at \$75,000 per acre and the one figure is simply a typo.

The next discussion relates to cost projections for the additional casino site, this begins upon page 78 and discusses in detail the subject development, demand in the area,

trends of casino revenues, and then land and development costs, both with and without the construction of the vertical space.

There are also Proforma projections for the typical casinos on site, which were not prepared by the appraiser but were provided by Myriad World Resorts of Tunica. These were not necessarily applicable to the final value of the individual sites without the vertical construction, but were included as additional supporting data for the feasibility of the area. The individual casino builders would have the option to either lease the land or to purchase the land and this was the basis for most of the valuation.

Mr. Dunklin also utilized a discounted cash flow analysis assuming that the individual hotel sites would be leased and came to a conclusion of \$42,000,000 for a typical 5 acre site, assuming though, that this was part of a fully developed resort with a number of attractions to help draw tourists to the area.

The developer has also pre-sold three sites as discussed on page 100 of the report with earnest money deposits at \$1,000,000 for two of those sites which certainly shows a substantial commitment. The agreed purchase price of four 4.5 acre sites for each of these was at \$40,000,000 considering the proposed development that will occur. Three of these sites include a 4% royalty fee on revenues. The appraiser concluded a \$42,000,000 value as the base price for most of the sites with \$45,000,000 for one of the sites with the 1,200 room hotel.

Following this analysis is the certification of appraiser, assumptions and limiting conditions, and finally the qualifications of the appraiser. Overall, it is my opinion that this is a well-prepared report, and meets the Uniform Standards of Professional Appraisal Practice requirements. Furthermore, it is my judgment that the valuations contained within this report are justified and appear reasonable.

Sincerely,

William G. Kimmel, MAI, SREA
Certified General Appraiser
State of Nevada
Certification No. A.0000004-CG