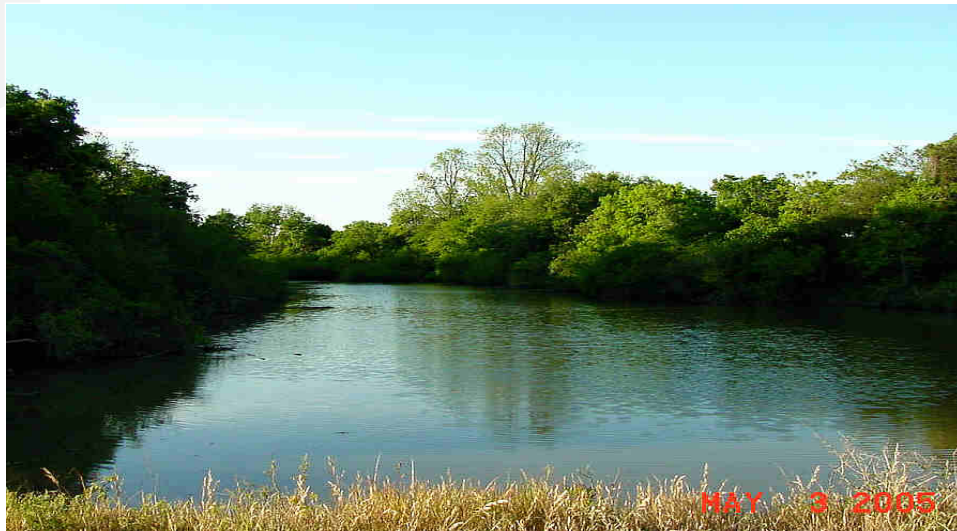


## the dunklin appraisal group

# Certified Appraisal Report

*Myriad World Resorts of Tunica, LLC*  
*Site Appraisal – Revised March 2006*

*513+/- Acres in Sec 6 & 7, T4S R11W, Tunica County*



*A Complete Summary Appraisal Report*

# Introduction

## *Definition of Terms:*

### **Terms Used In This Report**

- To assist the reader, certain definitions will be included in this report. The sources of all definitions, unless otherwise noted, will be Real Estate Appraisal Terminology, published by the Appraisal Institute and The Society of Real Estate Appraisers.

### **Appraisal**

- **The term “appraisal is defined:**

“...usually it is a written statement setting forth an opinion of the value of an adequately described property as of a certain specified date, supported by the presentation of the analysis of relevant data.”

### **Market**

- **The term “Market” is an important one, so it should also be explained:**

“A set of arrangements bringing buyers and sellers together through the price mechanism. The real estate market reflects the attitudes and opinions of buyers and sellers and their actions in the market create market value.”

### **Market Value**

- **The Supreme Court of the State of Mississippi has set the following definition of “Market Value”:**

“Market Value” is defined as the price which a property will bring when it is offered for sale by one who desires, but is not obligated, to sell it, and is bought by one who is under no necessity of having it.”

The currently most acceptable definition is that proffered by the Uniform Standards of Professional Appraisal Practice as composed by the Appraisal Foundation:

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“...the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto, and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

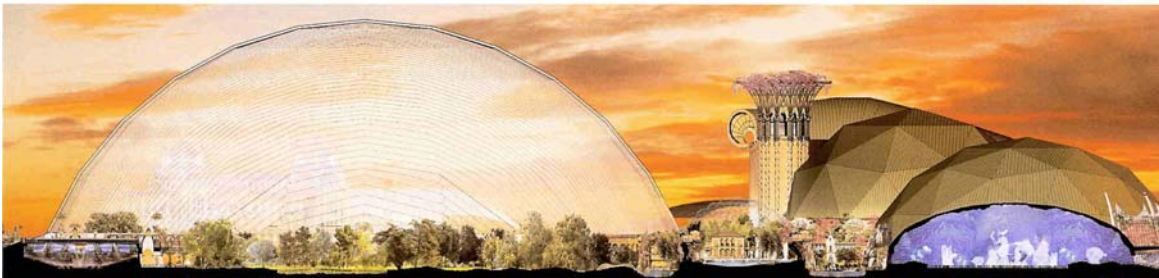
Thus the appraiser’s task is to find data that reflects a voluntary exchange between the parties. It has been said that if an exchange is voluntary, it will not take place unless both parties believe they will benefit from it.

### **Fee Simple Estate**

- **Another important term that needs definition is that of “Fee Simple Estate.” Black’s Law Dictionary, Fourth Edition, defines this as:**

“One in which the owner is entitled to the entire property, with unconditional power of disposition during his life, and descending to his heirs and legal representatives upon his death intestate.

**Myriad Botanical Resort - Side Elevations**





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P.O. Box 1067  
Florence, MS 39073-1067

May 10, 2006

Mr. Scott Hawrelechko, Manager  
Myriad World Resorts of Tunica, Inc.  
#1000, 10<sup>th</sup> Floor  
10050 112 St. NW  
Edmonton, Alberta T5K 2J1

Re: 513+/- Acre Proposed Gaming Resort Site  
Tunica, Tunica County, Mississippi

Dear Mr. Hawrelechko,

According to your request, I hereby certify that I have personally inspected the subject real estate and comparable sales, and that I have made a careful analysis of pertinent factors and data gathered in my investigation, as set forth in the Certified Narrative Appraisal following.

You are invited to examine the data and discussions outlined in the Certified Narrative Appraisal Report. Your attention is directed to the Assumptions and Limiting Conditions of the appraisal included in the addenda to the appraisal.

Market Value of the Fee Simple Estate in the property appraised is defined in The Uniform Standards of Professional Appraisal Practice (The Appraisal Foundation, 1989) as follows:

**"The most probable price in terms of money that the property should bring in a competitive market under all conditions requisite to a fair sale, which would result from negotiations between a buyer and seller, each acting prudently, knowledgeably, and without undue stimulus."**

Despite the exact wording of the definition, Market Value contemplates the consummation of a sale and the passing of the fee simple title from seller to buyer by deed, under conditions whereby:

1. Buyer and seller are free from undue stimulus and are motivated by no more than the reactions of the typical owner,
2. Both parties are well informed or well advised and act prudently, each for what he considers his best interest.

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3. A reasonable time is allowed to test the market, and,
4. Payment is made in cash or in accordance with financing terms readily available in the community for the property type in its locale.
5. Financing, if any, is on terms generally available in the community at the specified date and typical for the property type in its locale.
6. The price represents a normal consideration for the property sold, unaffected by special financing amounts or terms, services, fees, costs, or credits incurred in the transaction.

The value estimate as stated below is certified in the Appraisal Report. **It is my opinion** that the **Market Value** of the undivided fee simple interest in the subject property (base value of the raw land to be acquired) as of the date of the appraisal was as follows:

**513+/- Acres x \$100,000 = \$51,300,000**  
**FIFTY-ONE MILLION THREE HUNDRED THOUSAND DOLLARS**

To this raw land cost, certain soft costs and site preparation costs should be added to arrive at a value for the land after site preparation:

<b>Raw Land Value</b>	<b>\$51,300,000</b>
<b>Soft Costs</b>	<b>\$10,000,000</b>
<b>Site Preparation Costs</b>	<b><u>\$15,000,000</u></b>
<b>Total Land Value (513_- Acres)</b>	<b>\$76,300,000</b>

To arrive at a fee simple value for the sale of sites within the Myriad World Resorts of Tunica, LLC botanical resort to other casino operators, the appraiser has computed the Discounted Present Value of the Ground Lease revenues of those sites based on a 20-year lease at 4% of gross revenues. The indicated value for a site sold to an **80,000 square foot casino with a 500-room hotel** is:

**\$42,000,000**  
**FORTY-TWO MILLION DOLLARS**

The indicated value for sites sold for **50,000 square foot (net gaming floor area) other-branded casinos with a 500-room hotel** is:

**FOUR SITES X \$40,000,000 = \$160,000,000**  
**ONE HUNDRED SIXTY MILLION DOLLARS**

The indicated value for Myriad Casino's site for an **80,000 square foot casino with a 1,200-room hotel** is:

**\$45,000,000**  
**FORTY-FIVE MILLION DOLLARS**

The aggregate total for six potential casino sites, including Myriad Casino's own site, is:

**\$247,000,000**

**TWO HUNDRED FORTY-SEVEN MILLION DOLLARS**

Sincerely,

A handwritten signature in black ink, appearing to read 'H.L. Dunklin', with a stylized flourish at the end.

H.L. Dunklin, MSA, IFAS  
Certified General Appraiser

## PURPOSE OF THE APPRAISAL

The purpose of the appraisal that follows is to estimate the market value of the fee simple interest in a 512.96+/- acre parcel of land located in Sections 6 & 7, Township 4 South, Range 11 West, Tunica County, Mississippi.

**Market Value** is defined as:

**"The most probable price expressed in terms of money that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus."**<sup>1</sup>

## EFFECTIVE DATE OF THE APPRAISAL

The effective date of this appraisal is the date of inspection of the subject property. That effective date is **May 3, 2005**. The date of this report is **March 19, 2006**. *This report was revised **May 4, 2006** as a result of a completed survey that set the total mount of land to be purchased as 512.96+/- acres as opposed to the 557.8+/- acres described in the purchase contract.*

## FUNCTION (USE) OF THE APPRAISAL

The client, Myriad World Resorts of Tunica, LLC, a Mississippi limited liability corporation, has a lease with an option to purchase a 513+/-acre parcel of land for a proposed gaming and recreation resort. The appraisal shall be used by the client for the purpose of negotiating the purchase of the subject 513+/- acres and determining a sale price for tenant casino operator sites.

## IDENTITY OF CLIENT AND INTENDED USERS

The clients for whom this appraisal was prepared are identified as **Myriad World Resorts of Tunica, LLC**. Intended users of this report include the clients and their attorney(s).

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<sup>1</sup>The Uniform Standards of Professional Appraisal Practice (USPAP); The Appraisal Foundation, 1989.



## PROPERTY RIGHTS APPRAISED

The property rights appraised are of the **fee simple** title to all of the present and future benefits derived from the present and possible uses of the property under appraisal. A fee simple estate implies absolute ownership unencumbered by any other interest or estate. The fee simple title is defined in **The Appraisal of Real Estate, 10th Edition**, as follows:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

## OWNERSHIP

The subject property is currently owned in fee simple by Jack Day Perry, Sr., Elizabeth Barton Perry, Jack Day Perry, Jr. and Vicki Perry Mauney (Vicki Perry Mauney is the same person as Vicki Perry Harrell) and filed of record in Tunica County.

## TAX PARCEL IDENTIFICATION

The subject parcels are identified in Tunica County Tax Records as Parcel 4113 06000 0000 300, Section 6, Township 4 South, Range 11 West (containing 228.3+/- acres); Parcel 4113 06000 0000 301, S6, T4S, R11W (containing 87+/- acres; Parcel 4113 07000 0000 100, Section 7, Township 4 South, Range 11 West (containing 45+/- acres), and Parcel 4113 07000 0000 300, S7, T4S, R11W (containing 197+/- acres).

## LEGAL DESCRIPTION OF SUBJECT PARCEL

Being all of the Northwest Quarter (NW ¼) and Southwest Quarter (SW ¼) of Section Six (6) and all of the Northwest Quarter (NW ¼) of Section Seven (7), Township Four (4) South, Range Eleven (11) West, Tunica County, State of Mississippi (excepting the right-of-way for the Yazoo-Mississippi Delta Levee Board) collectively being described as follows:

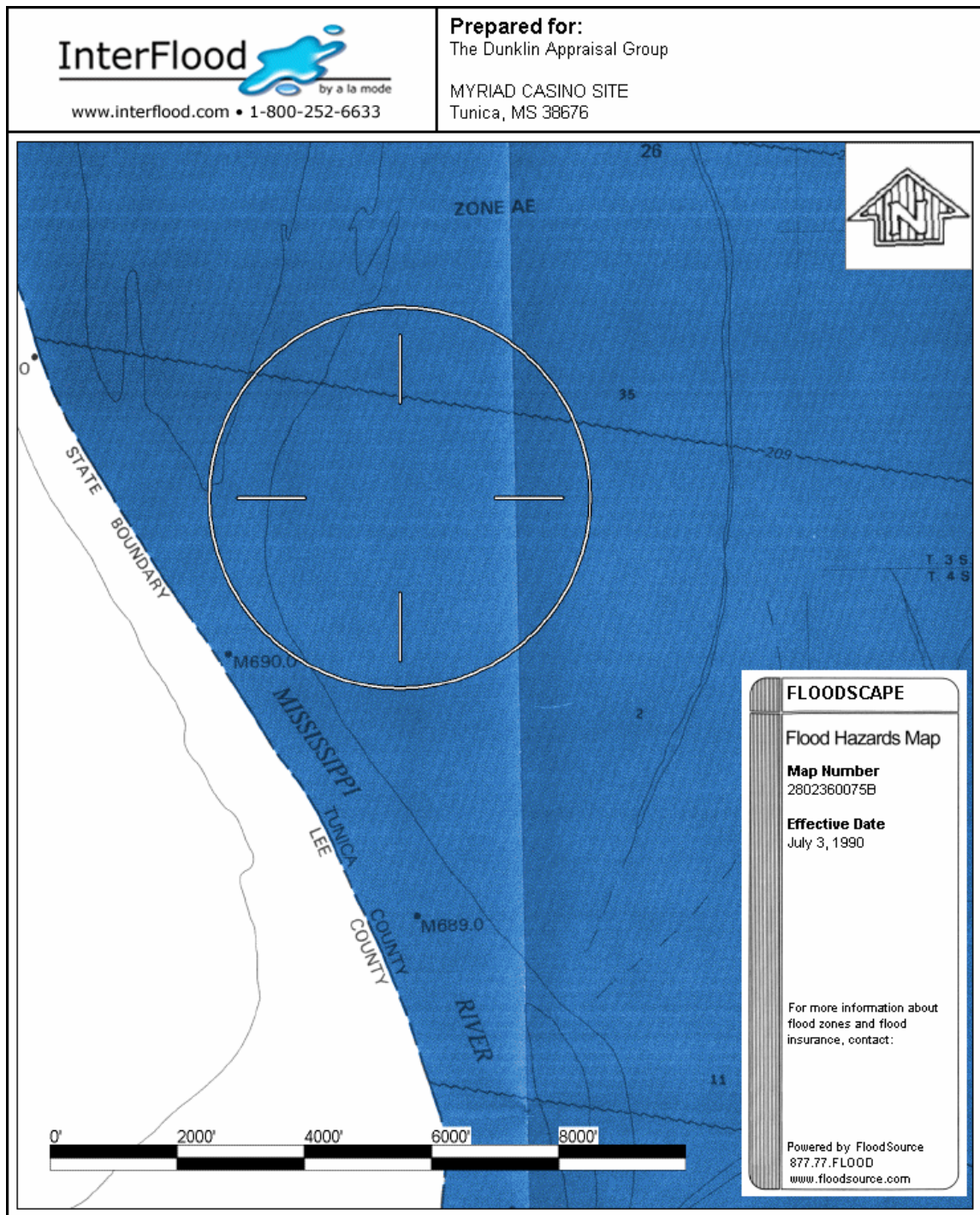
**BEGINNING** at a found 1" Iron Pipe accepted as representing the Northwest Corner of Section Six (6), Township Four (4) South, Range Eleven (11) West, Tunica County, State of Mississippi; thence along the north line of said Section Six (6), North 89 degrees 55 minutes 19 seconds East a distance of 2299.12' to the intersection with the west line of the Yazoo-Mississippi Delta Levee Board property, said intersection being South 89 degrees 55 minutes 19 seconds West a distance of 2972.12' along said north line from a found Cotton Picker Spindle accepted as representing the Northeast Corner said Section Six (6); thence departing from said north line along said west line of the Yazoo-Mississippi Delta Levee Board property the following three (3) calls: (1) South 02 degrees 12 minutes 00 seconds West a distance of 552.76', (2) South 20 degrees 13 minutes 00 seconds East a distance of 1022.00', (3) South 23 degrees 18 minutes 00 seconds East a distance of 40.70' to a point intersecting the east line of the Northwest Quarter (NW ¼) of said Section Six (6); thence departing from said west line of the Yazoo-Mississippi Delta Levee Board property along said east line of the Northwest Quarter (NW ¼) of Section Six (6), South 00 degrees 25 minutes 39 seconds East a distance of 1089.33' to the Southeast Corner of said Northwest Quarter (NW ¼) of Section Six (6); thence along the east line of the Southwest Quarter (SW ¼) of said Section Six (6), South 00 degrees 25 minutes 39 seconds East a distance of 2638.60' to the Southeast Corner of said Southwest Quarter (SW ¼) of Section Six (6); thence along the north line of the Northeast Quarter (NE ¼) of Section Seven (7) Township Four (4) South, Range Eleven (11) West, North 89 degrees 51 minutes 26 seconds East a distance of 828.78' to the intersection with the west line of the Yazoo-Mississippi Delta Levee Board property; thence departing from said north line along said west line of the Yazoo-Mississippi Delta Levee Board property the following seven (7) calls: (1) South 07 degrees 45 minutes 00 seconds East a distance of 354.00', (2) South 11 degrees 59 minutes 00 seconds West a distance of 1195.00', (3) South 16 degrees 38 minutes 00 seconds West a distance of 787.00', (4) North 58 degrees 01 minutes 28 seconds West a distance of 231.87', (5) South 39 degrees 15 minutes 00 seconds West a distance of 290.90' to the intersection with the west line of said Northeast Quarter (NE ¼) of Section Seven (7), (6) South 39 degrees 15 minutes 00 seconds West a distance of 329.10' to a point; (7) South 39 degrees 32 minutes 00 seconds West a distance of 7.11' to a point on the south line of the Northwest Quarter (NW ¼) of said Section Seven (7), said point being North 89 degrees 57 minutes 33 seconds West a distance of 2942.18' from a found Iron Pin accepted as representing the Southeast Corner of the Northeast Quarter (NE ¼) of said Section Seven (7); thence along said south line of the Northwest Quarter (NW ¼) of Section Seven (7), North 89 degrees 57 minutes 33 seconds West a distance of 2511.77' to a found 2" Iron Pipe accepted as representing the Southwest Corner of said Northwest Quarter (NW ¼) of Section Seven (7); thence along the west line of said Northwest Quarter (NW ¼), North 00 degrees 02 minutes 58 seconds East a distance of 2625.46' to a found Rail Road Iron accepted as representing the Southwest Corner of Section Six (6); thence along the west line of said Section Six (6), North 00 degrees 16 minutes 12 seconds East a distance of 5280.57' to said **TRUE POINT OF BEGINNING**.

Said described land containing 22,344,723 square feet or 512.96 acres, more or less.

## FLOOD DATA

The subject property is indicated on Flood Insurance Rate Map Panel No. 28036 0075 B, dated July 3, 1990 as being located in Flood Zone AE. This property is within the flood hazard west of the levee immediately adjacent and east of the subject site.

## SUBJECT PROPERTY FLOOD MAP



## **MISSISSIPPI THUMBNAIL ECONOMICS**

### **Mississippi Economy**

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Population: 2.9 million

Fitch Bond Rating: AA

Moody's bond rating: AA3

Standard & Poor's bond rating: AA, Credit Watch

Governor: Haley Barbour, Republican

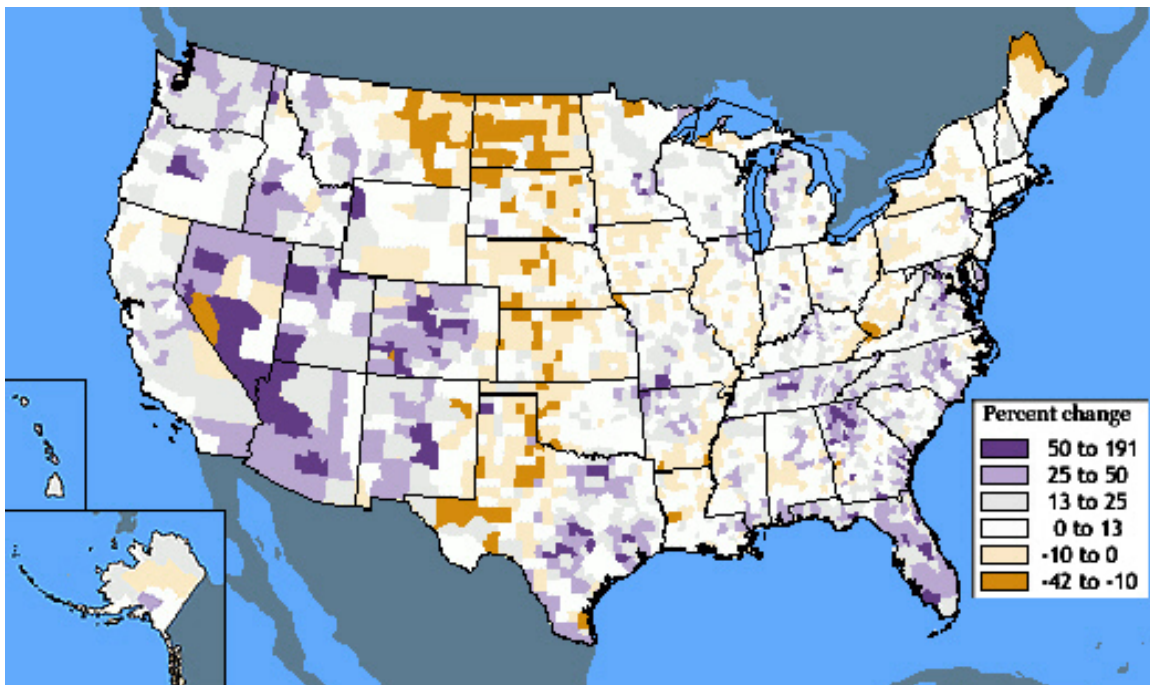
Legislature: Democratic majority in House and Senate

-- Ranking pluses: Extremely well stocked rainy day fund; controlled use of surpluses; budgeted appropriations kept 2% below estimated revenues; speedy payment of Medicaid providers; budget reform has broadened outlook on revenues beyond next budget year and should spark improvements in performance measurement; well-funded pensions; very good financial reporting with GFOA Certificate of Achievement.

-- Ranking minuses: Long-range planning could be improved on the expenditure side; some revenue estimating problems; very limited performance measurement and program evaluation; scheduled preventive maintenance is quite low for bridges and highways.

- Comments: State ranks second only to Texas in cotton production. Mississippi ranks first in production of pond raised catfish. The full economic impact of Hurricane Katrina that devastated portions of the Mississippi Gulf Coast has not been fully assessed

## U.S. Percent Population Change 1990 - 2000





## TUNICA COUNTY DATA



Tunica County is located in the northwest corner of the State of Mississippi in the Mississippi Delta Region. Tunica County was, until the early 1990s, a rural agricultural county that was the 'poster child' for poverty. Tunica County had one of the lowest per capita income levels in the entire United States (ranked No. 4 in the U.S. with 50.5% of families below the poverty level in 1989 and 56.8% of persons below the poverty level<sup>2</sup>) and was primarily known nationwide for a neighborhood called 'Sugar Ditch'. Sugar Ditch was an impoverished housing development that brought national attention to the county. Even the syndicated television series *In The Heat of the Night*, supposedly set in a small Mississippi town, attempted to emulate Sugar Ditch in a fictional area in the town that the television series called 'The Bottom'.

In the period 1992 – 1994 Tunica County began a dramatic change in its economic standing in the State and the nation with the advent of the gaming industry in Tunica County. Two casinos were built just outside the Town of Tunica along the banks of the Mississippi River and set in motion the ensuing development of the third largest casino complex in the United States, behind only Las Vegas and Atlantic City.

The 1990 population of Tunica County was 8,046 persons. By the year 2000 that population had increased to 10,497, a 28% increase. Average household income in Tunica County now stands at \$41,357 and the median household income stands at \$29,788, almost wholly due to the influence of the gaming



Paul Battle Arena

<sup>2</sup> Source: U.S. Bureau of the Census, County and City Data Book 1994.

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industry in Tunica County<sup>3</sup>. From the 'poster child' for poverty, Tunica County's per capita income of \$19,139 (1996 figure) ranked ninth in the State of Mississippi. By 2004 Average Household Income in Tunica County had reached \$48,269 and Median Household Income was \$25,433.

During the past ten years Tunica County has seen more than \$200 million dollars in road construction and has implemented a countywide water and sewer district. A new Exposition Center, the Paul Battle Arena, was opened in August 2000 just north of the city limits of Tunica, MS. A museum was constructed in the same area and opened in the spring of 2001. A new recreation center was opened in 1999 and additions were added in the years 2000 and 2001. A softball and baseball complex opened in March 2000.

The original two casinos built near the Town of Tunica eventually folded. However, ten new facilities were built in the Robinsonville area approximately eight miles north of the Town of Tunica. These new casinos far exceed the dockside barge-type casinos that started the gaming industry in Tunica County in the early 1990s.

Each of these casinos is a complete resort facility. Hotels abound, with the typical casino resort having in excess of 500 rooms, with several having more than 1,000 rooms. The Gold Strike Casino has the tallest building in the State with a



31-Story Gold Strike Hotel



Grand Casino Complex

31-story hotel that is visible from more than ten miles away over the flat Delta landscape. The Grand Casino has the largest casino resort complex, boasting a casino, three large hotels, a convention center, an 18-hole championship golf course and golf school and a youth videogame and entertainment complex. The Grand Casino complex is situated on over two

<sup>3</sup> All figures provided by the Tunica County Chamber of Commerce.

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thousand acres of land. Most of the casinos in Robinsonville have casino facilities larger than any others in the State of Mississippi, including Vicksburg, Natchez, Philadelphia and the Mississippi Gulf Coast (except for the Grand Casino's two facilities in Gulfport and Biloxi). Hotel accommodations far exceed those of similar casinos throughout the State. Tunica County currently has 6,300 hotel rooms, with more under construction. There are currently 9 operating casinos in the Tunica market: Bally's, Fitzgeralds, Gold Strike, Grand Casino, Resort Casino (formerly Harrah's), Hollywood, Horseshoe, Sam's Town and Sheraton.

The Tunica County casinos employ more than 16,000 persons. Unemployment in Tunica County in 1990 ran approximately 25 percent. Today that unemployment rate is ranges between four and six percent. November 1999 figures showed a rate of only 3.8 percent, matching the national rate.<sup>4</sup> It is said that anyone in Tunica County who doesn't have a job *doesn't want one!* The casino industry and hospitality industry are constantly seeking employees for a wide variety of jobs from entry-level jobs to management positions. Employees are even bused in from as much as 60-70 miles away by private bus services provided by the casinos. Casino employees pay as little as a \$5 one-way fare to commute to work from locations outside Tunica County. The casino industry has invested more than \$2 billion dollars in Tunica County and currently has



Grand Casino Boulevard South

annual gaming revenues in excess of \$1 billion.



Outlet Mall North of Tunica, MS

Tunica County has tax rates among the lowest in the state with a millage rate of .0393 (as compared to .0837 for neighboring DeSoto County and .09479 for Tate County). As an example, property taxes on an \$80,000 home would average \$314.40 without homestead exemption and

only \$74 with homestead exemption. In September 2000 the Town of Tunica, the

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<sup>4</sup> Mississippi Employment Security Commission, as reported in the Tunica Times, January 11, 2000, Page 11.



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only incorporated town in the county, completely eliminated its property taxes as a result of the windfall revenues from the casino industry tax base.

County officials have poured tax revenues from the casino industry into infrastructure to support the industry. Four lane boulevards lead into each of the casino areas (with the Grand Casino campus having two such boulevards – north and south entrances), remaining county roads have been upgraded by either widening or resurfacing (or both) and new street and road signs have been erected to aid travelers and citizens.

One of the advantages of the Tunica County location in developing a gaming resort area was the fact



Soybean Fields Adjacent to Hollywood Casino

that the county was sparsely populated and primarily agricultural. Unlike other metropolitan areas such as Vicksburg, Natchez and the Mississippi Gulf Coast, as demand for infrastructure increases to accommodate the new growth industry, there's not the problem of trying to squeeze in new infrastructure

among the existing infrastructure (i.e., land, roads, water, sewer, power utilities, etc.). In a congested metropolitan area such as the other major gaming locations in Mississippi, the casinos have to fit into whatever space is available and into whatever infrastructure can be expanded to accommodate the increased demand of the industry. In Tunica County, where you have vast open, flat cotton fields and soybean fields, whatever infrastructure is needed can easily be constructed. At the rates being paid for casino sites, farmers actively involved in agriculture can look at as much as 25-40 years of per-acre return on their land (when compared to the present low returns from agriculture) by selling land to the casino industry. As well, when roads, sewer systems, water systems, etc. are needed, either the casinos themselves or the county can easily build them without obstruction. This has perhaps been the most important factor in the growth in just eight years to a major gaming location. The centralized location in the middle of the United States and less than 50 miles distance from the Memphis airport made Tunica County a natural for a major resort development. The growth in Tunica County resembles that of Disneyworld in Orlando, Florida during the 1980s. Disney, too, found a location that was primarily agricultural with miles and miles of orange orchards. The Disney Corporation was able to go in and develop whatever infrastructure it needed to put together the largest amusement complex in the United States. Over the last twenty years the struggling agricultural economy of the Orlando area has evolved into the world's

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largest tourist area. Many other theme parks have been built in the Orlando area (Sea World, Busch Gardens, Universal Studios, etc.) and hotels, time-share resorts, factory outlet malls and convention centers abound in the area. Indications are that Tunica County is on the verge of similar growth. Time-share properties have already begun to spring up, as well as outlet malls, strip malls, tourist centers, hotels (outside the casino campuses) as well as new retail centers that are under construction.

Retail growth increased in Tunica County 98% during the period 1994-1998, with total 1998 retail sales (non-gaming) of \$203,000,000. Retail sales jumped a full 200% from 1999 to 2004.

In north Tunica County a separate fire district has been established to support the gaming casinos. This fire district is operated by Rural Metro, one of the nation's largest emergency services contractors, and operates the fire station and the county ambulance service. Tunica County has built a Sheriff's Office and Fire Station along Casino Strip Resort Boulevard just east of the casino sites. Methodist Healthcare operates a 24-hour clinic in the Robinsonville area and another in the Town of Tunica. In addition, Aaron Henry Clinic, Tunica Family Medical Center and Northwest Mississippi Regional Medical Center operate medical facilities in and around Tunica.

U.S. Highway 61 has been improved from south of the Town of Tunica north to Memphis, providing divided four lane sections. A Tunica County Tourist Welcome Center has been built along Highway 61 between Tunica and Robinsonville.



Tunica County Tourist Welcome Center

Interstate Highway 69, a roadway that was originally designed to connect Canada to Mexico, was left dormant since the early 1970s after construction was halted at Indianapolis. The North America Free Trade Agreement (NAFTA) has renewed interest in this cross-country roadway. As a result, construction of new sections of I-69 has begun again in Indiana. However, because of the impact of the gaming industry in Tunica County and perhaps some other major developments rumored for the area, a section of I-69 running from Hernando, MS to Robinsonville, MS has received Federal Highway Administration approval and approximately \$700,000 in federal funding<sup>5</sup>. This section of I-69 is being built out-of-sequence with the

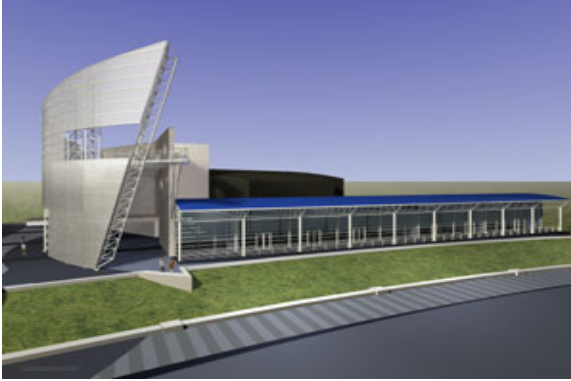
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<sup>5</sup> Tunica Times Newspaper, 'I-69 Called Key to Economy', Thursday, July 20, 2000.

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rest of the I-69 project because of the growing immediate need for improved roadways into the Tunica County resort area and other potential resorts to be built in neighboring DeSoto County. State Highway 304 currently runs from Hernando to Robinsonville. This roadway is being converted to a segment of Interstate 69 and follows basically the same route with some minor relocation along the route.

Tunica County opened the Tunica RiverPark in March 2004 that features a



a museum, a boat landing, riverboat cruises and nature trails, all overlooking the Mississippi River. Approximately 14,000,000 visitors come to Tunica County annually for the gaming and resorts entertainment, but few ever caught a glance of the Mississippi River during their stay. County officials decided a “river experience” might encourage gaming visitors to stay longer and broaden the

area’s tourism appeal. The RiverPark museum offers two floors of exhibits designed to enlighten, amaze and entertain visitors. The museum’s 48-foot observation platform offers sweeping views of the river. In addition, the 110-foot Tunica Queen riverboat departs for river cruises four times daily.



## CITY DATA

The Town of Tunica is the only incorporated town in Tunica County and is the county seat of Tunica County. Most of the population of Tunica County lives within a two-mile radius of the Town of Tunica.

The Town of Tunica, making use of gaming revenues, has constructed a new City Hall, a new police headquarters, and has replaced aging sidewalks. In addition, Rivergate Park in downtown Tunica has been improved. Tunica has a ten-man police force and is served by the Tunica County Volunteer Fire Department that is housed at City Hall. The Fire Department is equipped with four engines, a tanker and a new platform truck.



Living Conditions in Sugar Ditch – 1989 Photo

New single and multi-family housing has flourished in and around the Town of Tunica. New single-family residences are being developed immediate north of the Tunica Airport along Dulaney Road and Prichard Road. Homes are situated on typically one-acre sites selling for approximately \$10,000<sup>6</sup> per lot. Multi-family housing has sprung up all around Tunica – west of town on Beatline Road, north of town on Abbey Road and Old Highway 61, and within the city limits just east of Highway 61.

Even the infamous Sugar Ditch, the slum project that put Tunica on the national map, has been completely redone. The dilapidated tenement structures have been completely cleared and replaced by new brick attached residences with concrete drives, curb and gutter and landscaped green spaces.



New Sugar Ditch Development

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<sup>6</sup> *Tunica County: Mississippi's Warmest Welcome*, Tunica Publishing Co., Inc. in conjunction with the Tunica County Chamber of Commerce.



The Town of Tunica had a 1999 budget of \$3.2 million, but with increased revenues that budget was increased to almost \$3.5 million. The July 2000 budget for the 2000-2001 fiscal year beginning October 1, 2000 set forth a new budget of \$6.6 million after bringing forward more than \$1,000,000 brought forward as cash in hand from the prior year.

Highlights of the 2000 fiscal year in Tunica included a new garbage truck and free solid waste pickup to both residential and commercial customers; free garbage containers; new police cars; a full-time fire department administrator and increased compensation for volunteer firefighters; repairs on pumping stations; land acquisition for a new park at the southern edge of town; an expanded walking park; repair and widening of Garland, Academy and Friendship Streets; improvements to the stage at Rivergate Park; installing new 911 radios in police cars as well as video recorders in some patrol cars; new wood street signs throughout the town; installation of traffic monitors on roadsides that give drivers their true speed of travel; new handrails for seniors in front of most downtown businesses and added a new Police Complex in the downtown area.<sup>7</sup>

The Town of Tunica's announcement in September 2000 that property taxes were being abolished made Tunica the only town, village or city in Mississippi without a property tax.<sup>8</sup> This action is designed to attract more residents to the Town of Tunica and Tunica County in general. Tunica County's current population is



Cypress Hill Development, Prichard Road

estimated at close to 10,000 persons, only about a 10% rise over the past ten years despite the dramatic economic rise in the county. Most middle-level and upper-level management personnel for the casino industry either reside in DeSoto County, immediately north of Tunica and with a current population of nearly 100,000 persons, or in Memphis, just 30 minutes from Tunica. Because of its historical agricultural base and poverty among the majority of its citizens,

<sup>7</sup> tunicatimes.com, September 7, 2000

<sup>8</sup> Quoted in article in Atlanta Journal Constitution, 'Tunica: Few Are Eager to Call Mississippi County Their Home'. September 10, 2000. Quote attributed to Samantha Steeber, Special Projects Coordinator, Mississippi Municipal League.

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Tunica has not had the major grocery chains, drugstores, movie theaters, shopping malls, churches and subdivisions that attract upscale buyers. Most new housing built in Tunica and Tunica County has been low-income housing to upgrade the previous abject poverty living conditions of its current population.

A drive is on by Tunica County and Town of Tunica to attract just that type development that will bring more residents into the county and the town. A new Food Giant Supermarket was proposed on a five-acre parcel at the intersection of Highway 61 and Prichard Road, but to date no construction has begun. The town has also built a \$10 million municipal golf course<sup>9</sup> after a consulting firm suggested it could be a magnet for new upscale homes.



Academy Estates Low Income Housing



Low Income Housing Project, Beatline Road



Low Income Housing Project – Abbey Road & Old 61



Cypress Manor Subdivision, Dulaney Road

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<sup>9</sup> Atlanta Journal Constitution newspaper, 'Tunica: Few Are Eager to Call Mississippi County Their Home', September 10, 2000.

## AIRPORT EXPANSION

Federal funding was used to upgrade the Tunica Municipal Airport to a facility that will be similar to Washington National Airport (Ronald Reagan Airport) in Washington, DC. Phase 1 of the airport development originally involved building a 5,500-foot runway alongside the original small-plane runway. Immediately upon completion of the new runway, the old 3,000-foot runway was removed. This plan was designed not to interrupt flight service into Tunica. The original airport was basically designed for private propeller aircraft and crop duster aircraft. Propjet shuttles brought gaming tourists into Tunica an average of four to five times daily from the Memphis Airport. These gambling tourists were met at the airport by casino limousines and shuttled immediately to the casino area north of Tunica.



Casino Limousine Picking Up Passengers at Old Airport

The new airport is designed for jet aircraft to support the local gaming industry. At present, visitors to the Tunica County gaming resorts arrive either by automobile or fly into Memphis, TN or Little Rock, AR via commercial airliner and then either shuttle into Tunica via smaller aircraft or rent a car and drive. The casinos have their own fleet of more than twenty 737 aircraft, but neither Memphis International Airport nor the Little Rock airport will permit landing rights for the casino aircraft



New Tunica Airport Terminal

due to their current load of commercial flights into their airspace. The casino industry wanted to be able to provide their own excursion flights from points throughout the United States directly into Tunica County and then ground transport the arriving tourists to the casino resort area just north of the airport within a 15-20 minute

time frame. The initial 5,500-foot runway was to accommodate the casino 737-class jet fleet. Since the second phase of construction has been completed



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expanding the runway to 7,000 feet the airport now meets FAA requirements for commercial aircraft and regional commuter airlines to fly into Tunica. Casino junket flights are projected to add between 80,000 and 92,000 passengers annually in the first five years of operation. Now that the runway has been extended to 7,000 feet the commuter airlines will add another 65,000 to 75,000 passengers annually into Tunica.<sup>10</sup> The capability to accommodate Class C aircraft charters (Boeing 737-300 class aircraft) is projected to bring in as many as 22 flights daily and draw from a 500-mile radius of Tunica, MS. This will include cities such as Chicago, Charlotte, Atlanta, Cincinnati, Kansas City, Oklahoma City, Dallas/Fort Worth, Houston, Austin, San Antonio, Orlando, Jacksonville, Atlanta, and Knoxville. Planning has been put in place to lengthen the runway to 8,500 feet sometime during or after 2005.

In 2004 the Town of Tunica, Tunica County and the Tunica County Airport Commission installed an Instrument Landing System (ILS) and a control tower to facilitate commercial jets being able to land at the new Tunica County Airport.

The Airport Commission is negotiating for a company to professionally manage the new airport facility. The airport has a 7,000-ft by 100-ft runway and 50-foot-wide taxiways. Two thousand five



Private Jet Aircraft Now Utilizing Tunica Airport

hundred foot (2,500 foot) runway protection zones are included at both the north and south ends of the runway. A charter and commercial airport terminal capable of handling 700 passengers per hour is now in place. There will also be a general aviation terminal for private aircraft. The initial phase of construction provides 1,100 parking spaces and Phase II will add another 700 spaces.

The new airport has an aboveground fuel farm with capacity for 3 days supply of fuel to service aircraft. Initial 1995 projections were for 240,000 gallons of jet fuel and 20,000 gallons of aviation gasoline.

Full navigation aids will be provided to allow for instrument approaches including a localizer antenna, glide slope antenna and marker beacons. A non-directional beacon and COR will be included. Approach lighting systems, omni directional approach light system and lead-in lighting systems must be installed. The airport rotating beacon was relocated to a new location. Category I approach criteria will

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<sup>10</sup> Tunica Transportation Study, O.T. Marshall Architects-Engineers, 1995



be utilized. Easements will be required to establish the required inner and outer markers.

Utilities have been extended to provide services to the new airport. Potable water was extended from the Town of Tunica. Sewage mains and pump stations were added. Fire suppression systems were established and electrical services are being purchased from one of two sources locally.<sup>11</sup>

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At the end of September 2005 the Federal Aviation Administration approved the Tunica Airport to receive commercial jet flights of the Boeing 737 and Airbus A320 classes. This is the result of the runway having been extended to 7,000 and the completion of a control tower and Instrument Landing System. These two classes of aircraft are the primary airframes of Southwest Airlines and JetBlue Airlines, both of whom have been in talks with Tunica Airport for more than a year. As of March 2006, contracts had been signed with Pan Am Airlines and talks continue with JetBlue and another carrier to provide scheduled service to Tunica. Pan Am did its media flight from Atlanta, Georgia to the Tunica Airport on March 21, 2006 and began scheduled service on May 2, 2006. The initial flight on a 140-seat airframe brought 50 tourists from the Atlanta market to Tunica.

The advent of scheduled commercial flights in and out of Tunica expands the marketing sphere for Tunica from a 150-mile driving radius to a 1,000-mile radius by air. Since Tunica is centrally located, this basically covers the majority of the United States.

The advent of commercial flights also precipitated Myriad's decision to add the Aeromovel monorail system that will connect the Tunica Airport to the Myriad Botanical Resort and to all the other casino sights in Robinsonville.

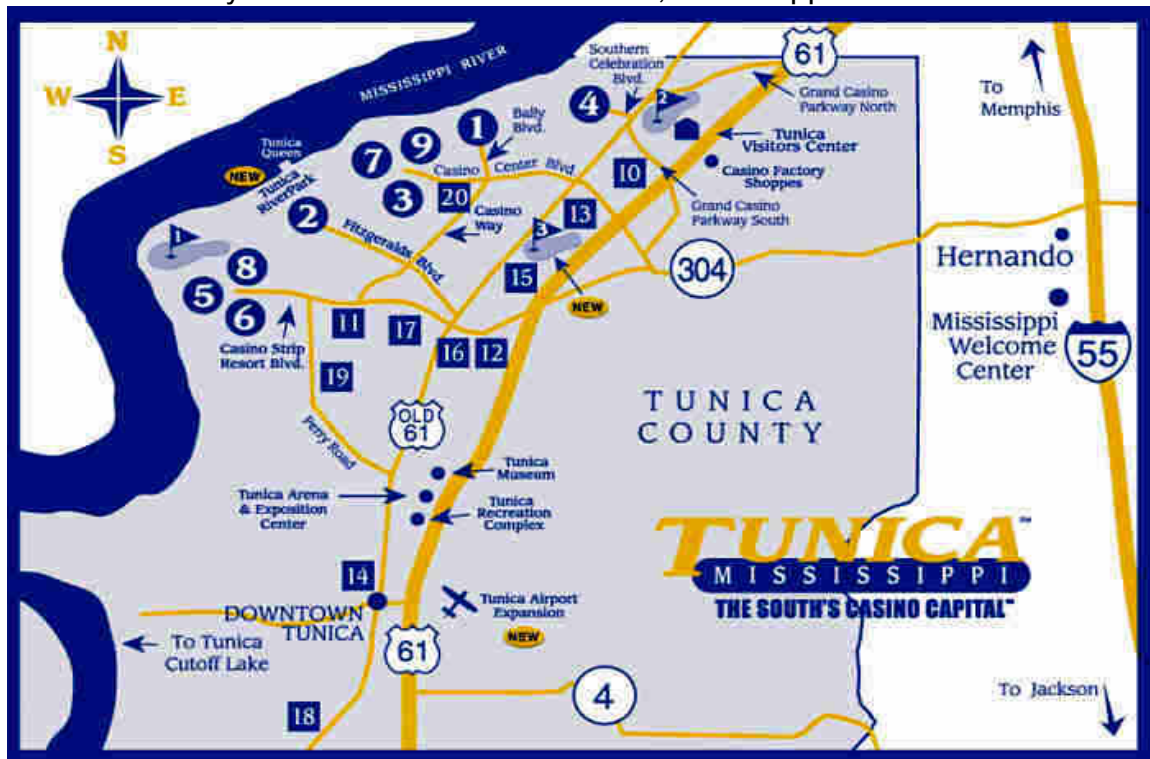
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<sup>11</sup> *ibid.*, Page 24

## NEIGHBORHOOD DATA

A neighborhood is defined in Real Estate Terminology as: "a portion of a larger community, or an entire community, in which there is a homogeneous grouping of inhabitants, buildings, or business enterprises. Inhabitants of a neighborhood usually have a more than casual community of interest and a similarity of economic level or cultural background. Neighborhood boundaries may consist of well defined natural or manmade barriers, or they may be more or less well defined by a distinct change in land use or in the character of inhabitants."

The subject neighborhood may be defined as that area bounded on the south by the northern city limits of the Town of Tunica, Mississippi and eastward to the<sup>12</sup>



Mississippi River and westward to Highway 61 and northward to Robinsonville, MS. Almost all of the growth centering on the gaming industry development has taken place within this defined area.

All roads within the area are asphalt paved and most have drainage ditches alongside the roadway. Public utilities including water, sewer, telephone, cable television, and trash collection are available throughout. Within the city limits of Tunica, MS the sewer collection fee was eliminated in 1999 and property taxes were eliminated in the fall of 2000. At the same time as the Town of Tunica announced rescission of its property taxes, an announcement was also made that water service would be changed to flat rate billing.

<sup>12</sup> Map Legend: 1 - Bally's Casino; 2 - Fitzgeralds Casino; 3 - Gold Strike Casino Resort; 4 - Grand Casino Tunica; 5 - Resorts Casino Tunica; 6 - Hollywood Casino; 7 - Horseshoe Casino; 8 - Sam's Town East Tower; 9 - Sam's Town Gambling Hall; 10 - Sheraton Casino

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The subject property is west of Perry Road and immediately to the west side of the Tunica County levee. The overall parcel contains 512.96+/- acres of land currently in agricultural use.

This property is situated approximately 2 miles south of the Robinsonville casino area.

## SITE DESCRIPTION

### Overall Parcel Description:

This parcel consists of 512.96+/- acres immediately west of Perry Road and off the west end of Indian Mound Round. Indian Mound Road continues as a gravel farm access road onward across the Mississippi River levee to the parcel that will be the site of the proposed Myriad Casino Resort.

The property is predominantly level to gently sloped and is situated on the west



side of the levee and is in Section 6 & 7, Township 4 South, Range 11 West. The irregularly shaped parcel lies immediately adjacent to the Mississippi River and has tributaries from the river that traverse the subject property that will be used for development for the water park.

This site, as is most undeveloped land in Tunica County, is currently in agricultural production. The subject land has been recently planted in soybeans and cotton. The subject site has no municipal or county water, electrical or sewer service available to the site. All these utilities and other infrastructure will have to be created.

The 513+/- acre site will be converted to a resort that will include the world's largest indoor botanical garden, a convention center, a 1,200 room hotel, ice caverns, the world's first 18-hole indoor championship golf course, a lakefront retail village, water



park, snow park, an 80,000 square foot casino, luxury spas, an arena and other



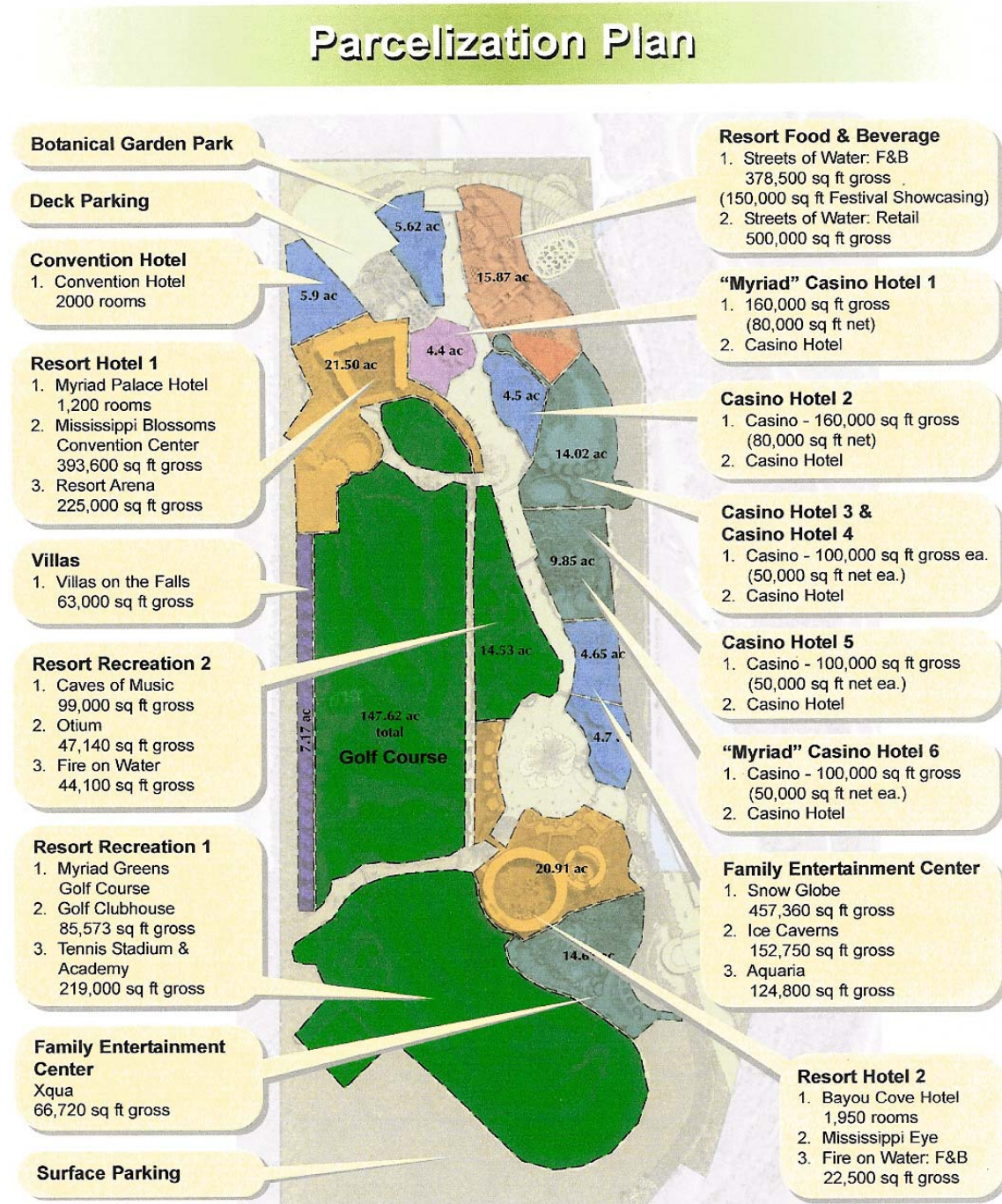
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walkways and water features. Plans also include pads for four other subleased casino facilities.





The parcelization plan details how the site will be parceled for entertainment, resort and shopping facilities and infrastructure:<sup>13</sup>



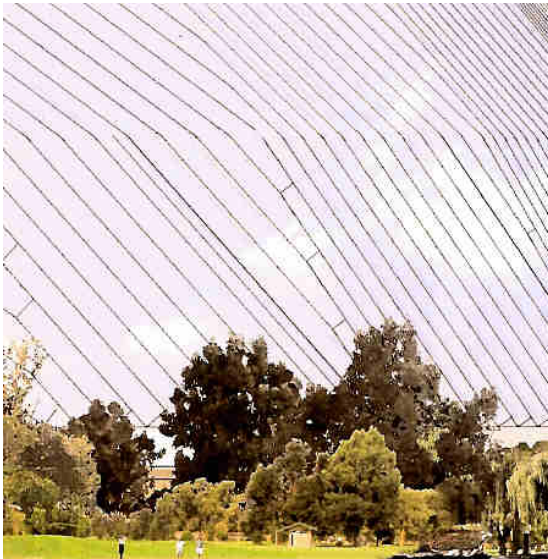
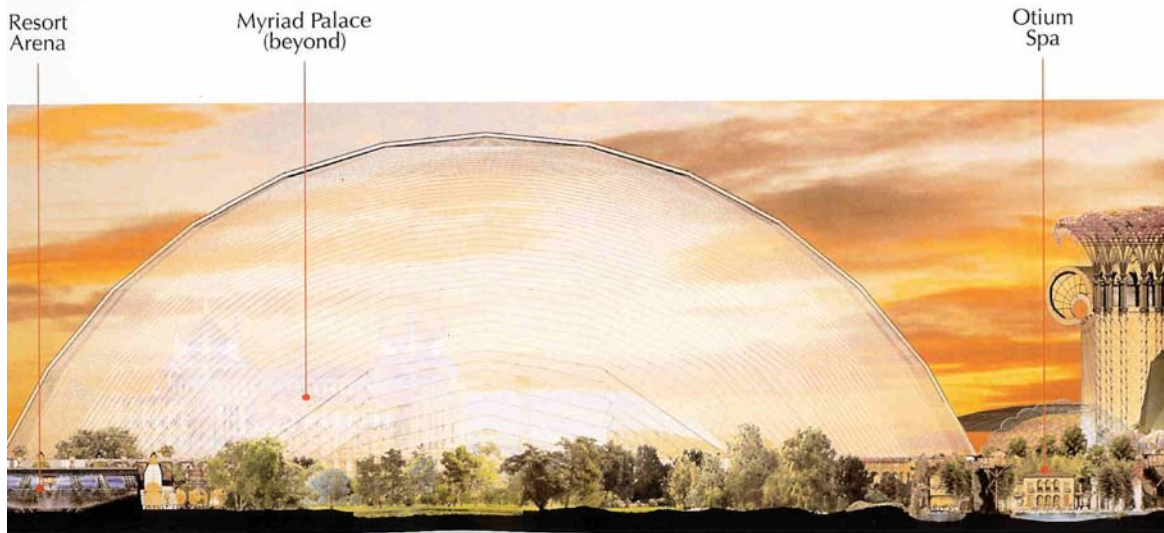
<sup>13</sup> This Parcelization Plan was revised in March 2006 and differs from that presented in the original land appraisal done in 2005.



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Perhaps the most unique feature of the planned resort is the Air-Support Roof structure that will enclose not only the golf course but much of the resort facility. This is a first in the United States and will facilitate not only year-round golfing despite ambient weather conditions, but also year-round skiing on the man-made slopes that will be under the environmentally controlled roof.

1 Air-Support Structure - Side Elevation

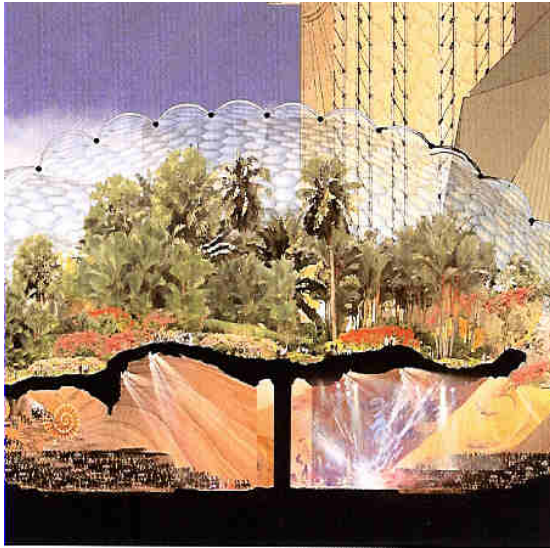


Indoor Golf Facility

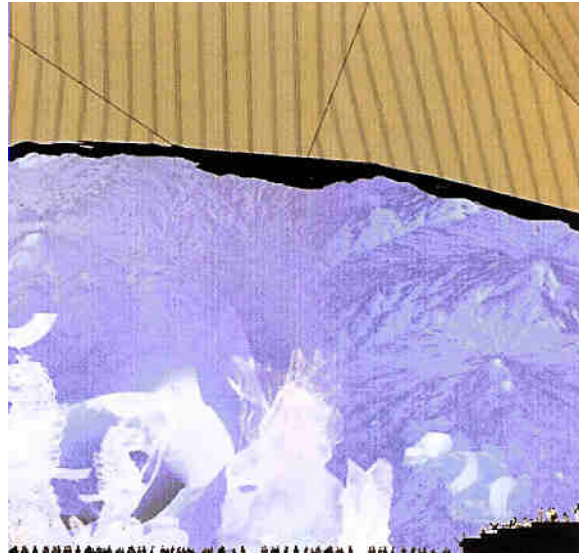


Botanical Resort

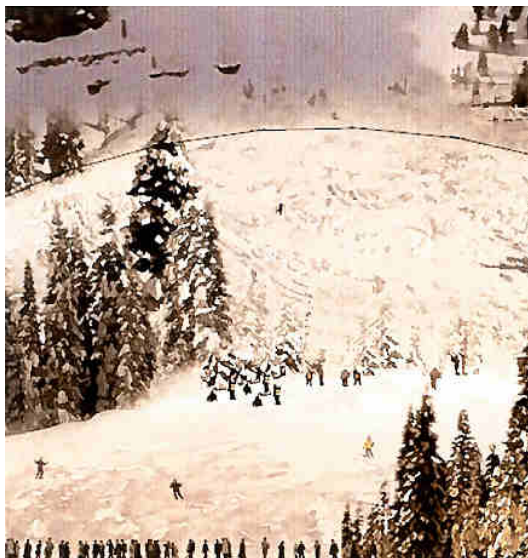




Caves of Music



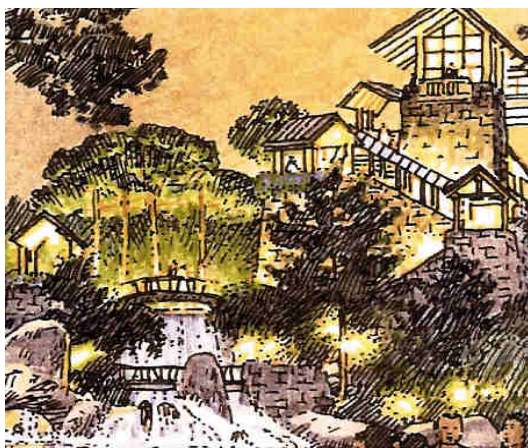
Ice Caverns



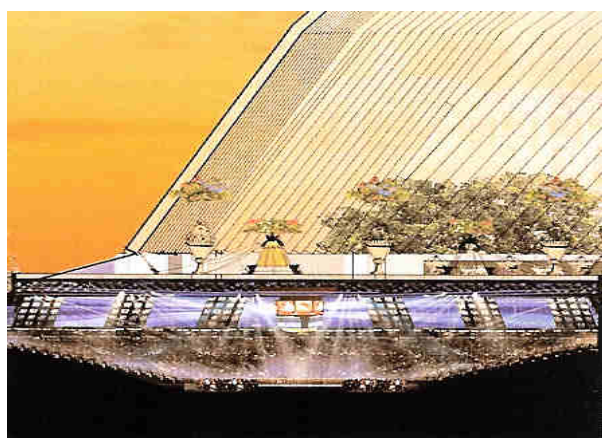
Snow Park



Otium Spa



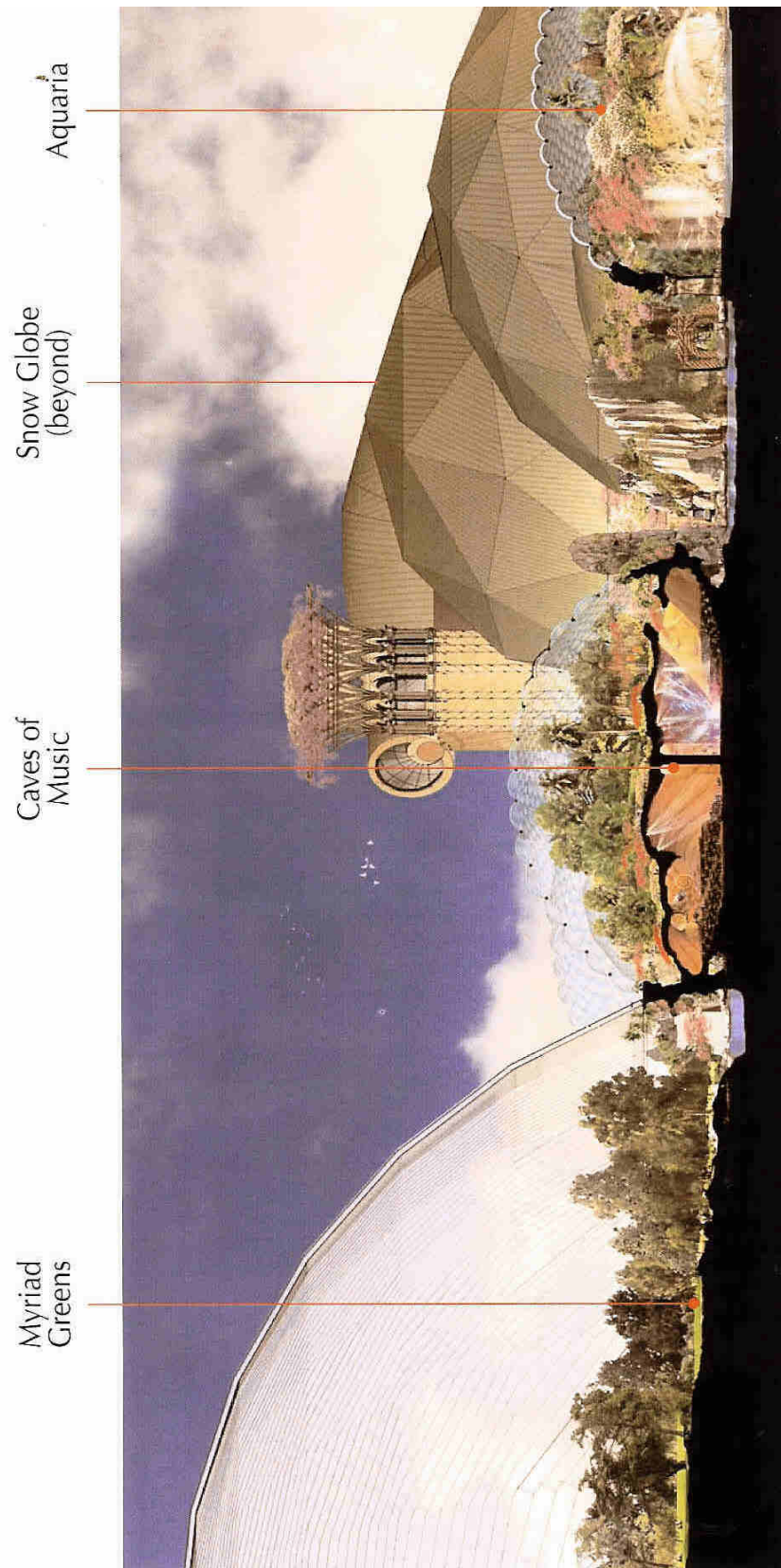
Villas of the Falls

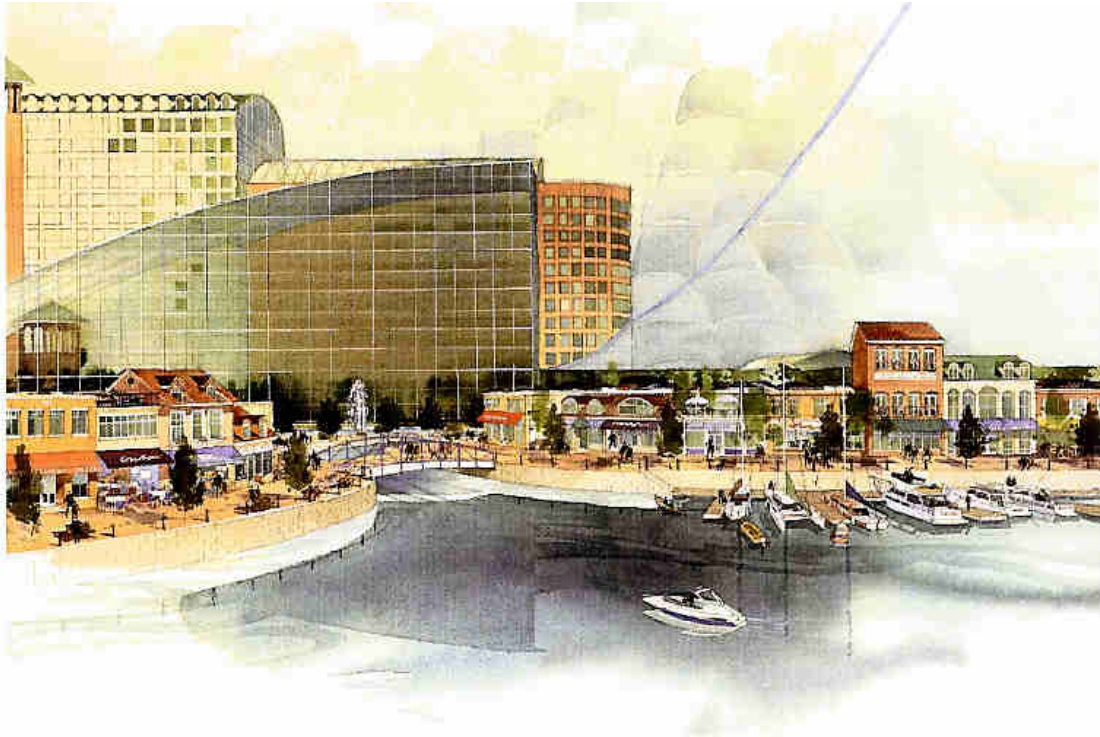


Resort Arena

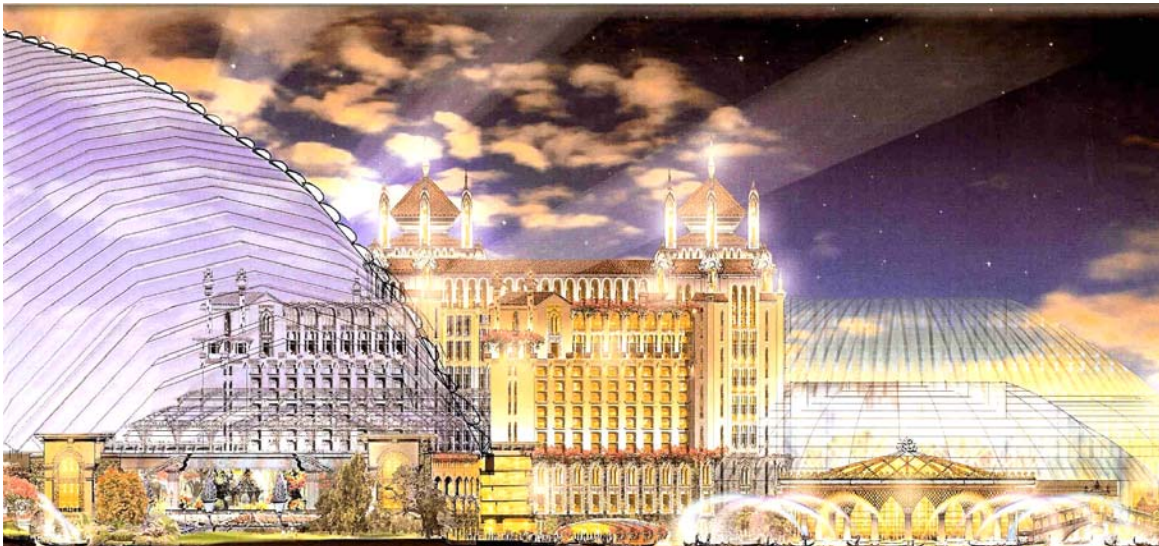


**ARTIST RENDERING – ENTERTAINMENT ZONE**



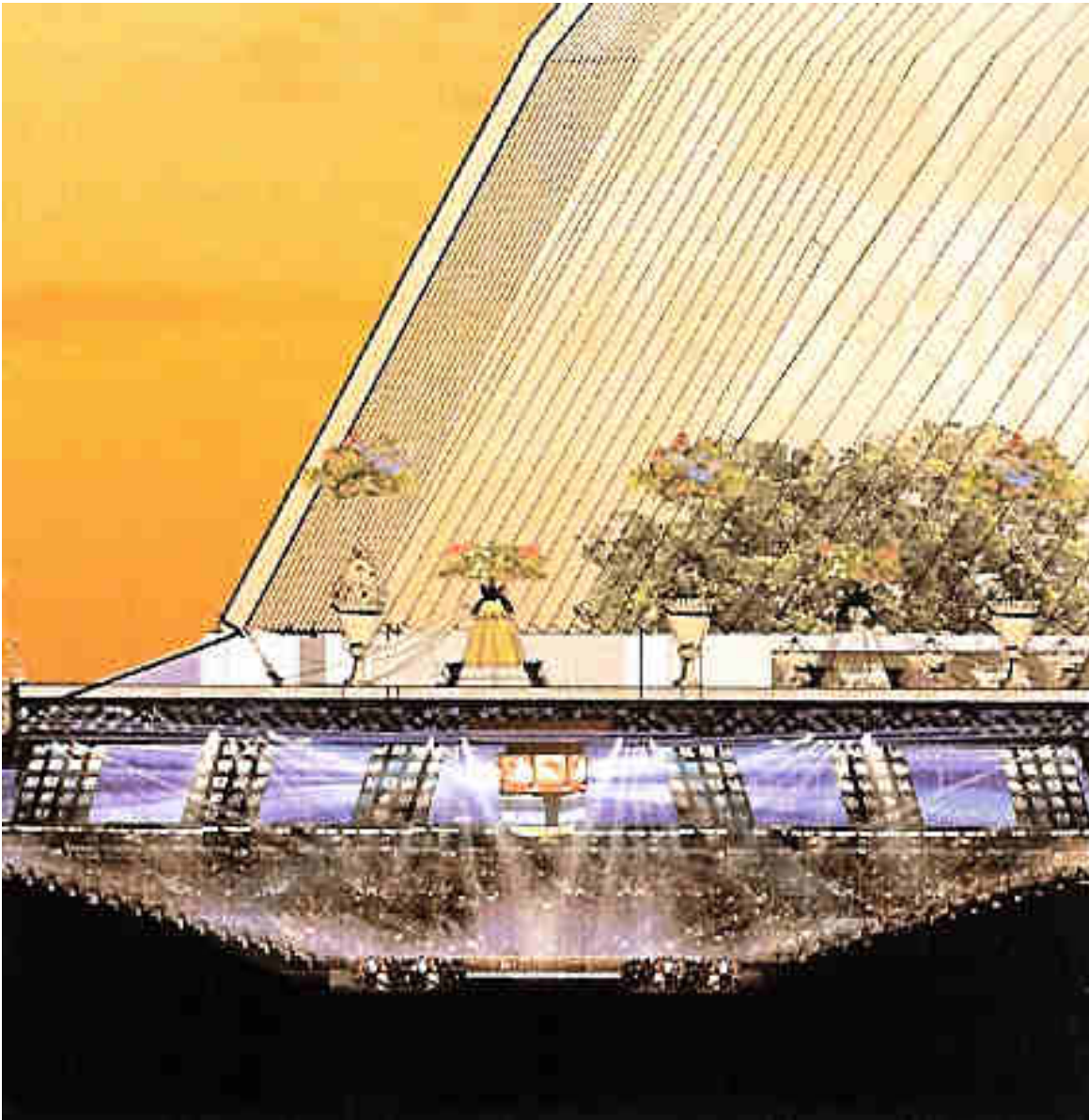


**Artist's rendering of Lakefront Retail Village**



**Artist's rendering of Dome, Hotel & Casino**





**Artist's rendering of Resort Arena**

A Casino Ground Lease Agreement was signed between the landowners, Jack Day Perry, Sr., Elizabeth Barton Perry, Jack Day Perry, Jr., and Vicki Perry Mauney (shown in land records as Vicki Perry Harrell), and Myriad World Resorts of Tunica, LLC as of April 2004, with the final signature being applied May 4, 2004.

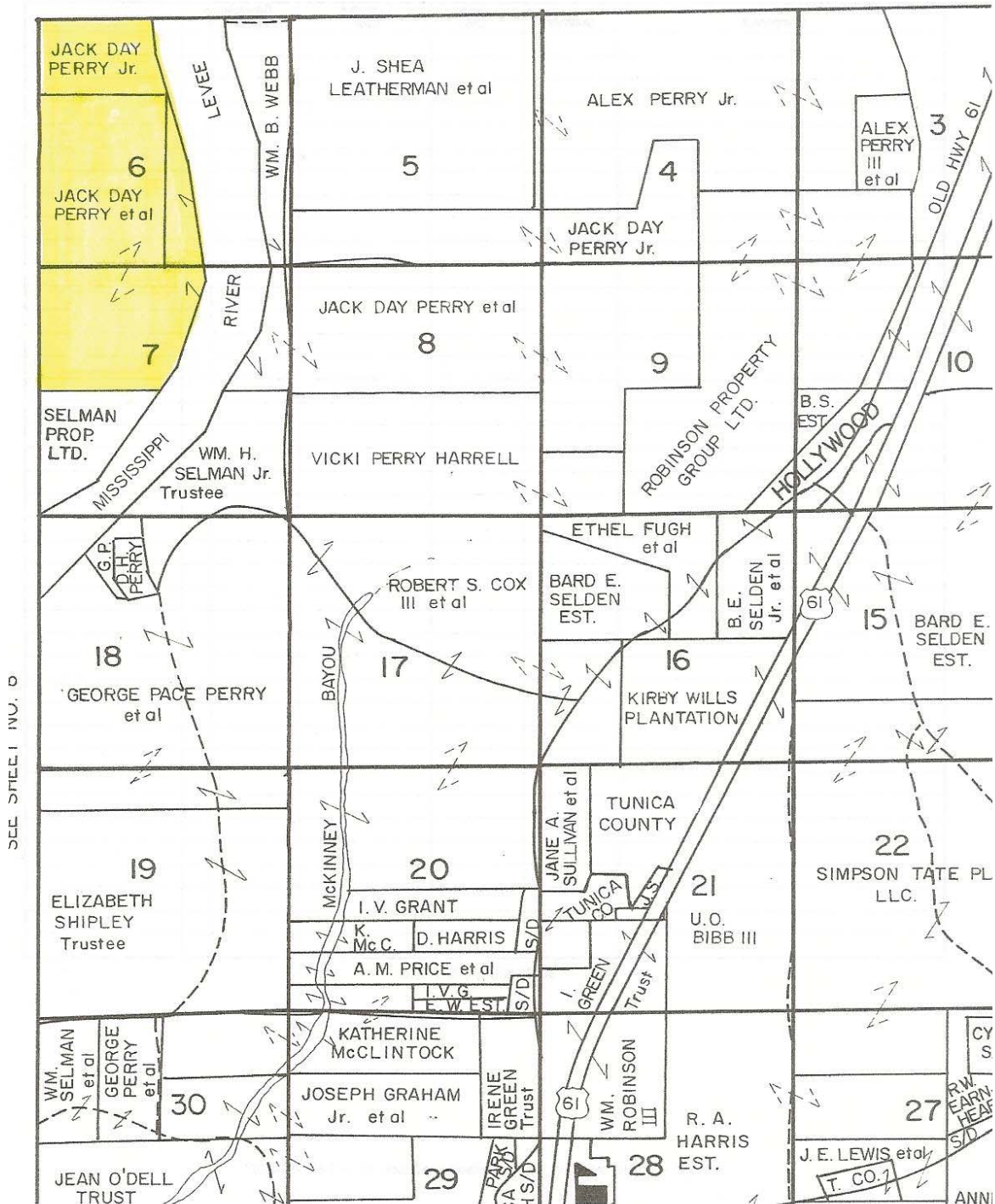
The lease agreement stipulates rent for the site of 4% of gross revenues annually, with a minimum rent of \$1,200,000 annually. The lease also stipulates that if the lessee (Myriad World Resorts of Tunica, LLC) should sublease any portion of the site for development of other gaming casinos, those casinos shall be liable for a similar 4% of gross revenues and minimum \$1,200,000 annual rent. Current development plans call for establishing sites for a total of five (5) casino 'pads', including the original 80,000 square foot facility for Myriad's own casino. Such subleases would call for revenue to pass through to the property owners, so Myriad Resorts plans to exercise its option to purchase the property as stipulated in the Casino Ground Lease Agreement. That option permits Myriad to purchase the site for a base cost of \$25,000,000 (\$25 million) plus an additional \$25,000,000 of future gross income percentage revenues as stipulated in the Ground Lease Agreement. This, then, creates a total purchase price of \$50,000,000 (\$50 million).

The site plan shows the positioning of the 80,000 square foot Myriad Casino site as well as one (1) additional 80,000 square foot casino 'pad' and four (4) 50,000 square foot casino 'pads'. These casinos will share access to parking facilities as well as all other resort entertainment, shopping and hotel facilities.<sup>14</sup> As stated by the General Manager of a competing casino in the Tunica market, ***"It's a project unparalleled in the United States. It's like taking Disney World and putting it under a dome."***

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<sup>14</sup> The Mississippi Gaming Commission's site approval is for the Myriad Casino only. Development of other casinos on the same property is subject to approval by the Gaming Commission.

# OWNERSHIP MAP



## **ZONING**

Tunica County has approved zoning of the subject parcel into two distinct zoning districts: RA – Resort Area District and CA – Casino District. The differentiation of these two districts is outlined in the Zoning Ordinance of Tunica County adopted January 6, 2003 as follows:

### **Section 411. RA – RESORT AREA DISTRICT**

The purpose of this district is to permit the development of mixed use developments including residential, shopping and commercial centers, entertainment, public and open space and recreational uses of integrated design and various sizes to service the growing tourist industry in Tunica. This district shall be of such size, shape and location to enable development of well-organized facilities with proper access streets, ingress and egress, off-street parking and loading space, and other requirements and amenities.

It is intended that the grouping of buildings and parking areas be designed to protect, insofar as possible, residential areas and that screening from noise and light be provided when necessary.

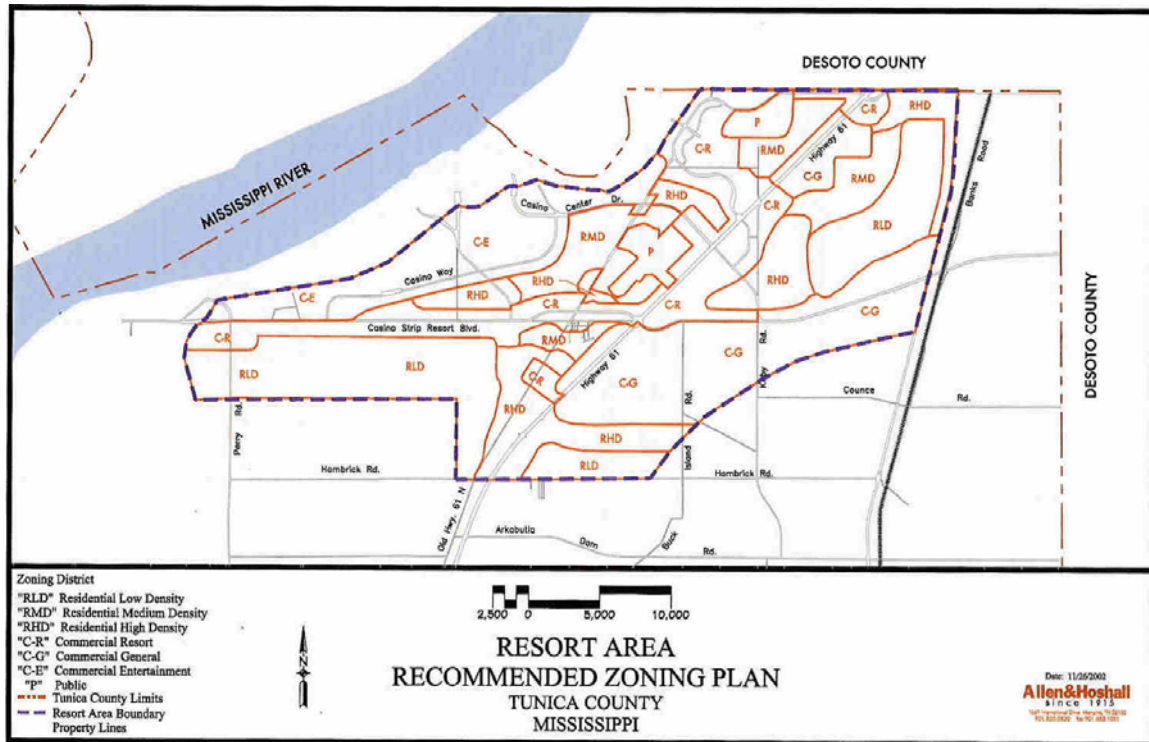
A special Zoning Map has been developed that designates use areas within the Resort Area. This map divides the Resort Area into one of seven use areas: Low Density Residential; Medium Density Residential; High Density Residential; Commercial Resort; Commercial General; Commercial Entertainment; and Public. A specific list of Permitted and Conditional Uses for each use area has been provided in Chart 3, Uses Permitted in Resort Area District. Minimum lot sizes, setbacks, and densities have been provided on Chart 4, Resort Area Bulk Regulations and Permitted Densities.

As stated above, the purpose of this district is to provide a maximum of flexibility for the development of mixed use projects. There are many large tracts in the resort area that would be suitable for major mixed use developments. Many tracts have been planned and re-planned as conditions have changed in the area. Flexibility should be provided in the location of uses, setbacks, and other bulk regulations in these overall plans. When these plans are inconsistent with the use areas on the Resort Area Zoning Map, an overall plan may be submitted as a Planned Development in accordance with the Standards and Criteria in Section 601 and the Application and Procedures in Section 602 of Article VI. Provided however, the use areas on the Resort Area Zoning Map and the Bulk Regulations may be amended by these Overall Plans, but in all cases the uses permitted shall be limited to the permitted and conditional uses allowed in Chart 3, Uses Permitted in Resort Area District.



## Section 412. CA – CASINO DISTRICT

This is a special district set aside for the purpose of the location of casinos and the accessory recreational, commercial, lodging, restaurant and other uses that are part of an overall casino development. This district shall be located between the levee and the Mississippi River. Agricultural use will be allowed on vacant lands located within this district.



## HIGHEST AND BEST USE

A key point in the analysis of site or land is a determination of the highest and best use for the subject property. The United States Supreme Court expressed the relationship between **use** and **value** in these words:

**"...The value of property results from the use to which it is put, and varies with the profitableness of that use, present and prospective, actual and anticipated. There is no pecuniary value outside of that which results from such use. The amount and profitable character of such use determines the value and, if property is taxed at its actual cash value it is taxed upon something which is created by the uses to which it is put."**<sup>15</sup>

Concepts of highest and best use embody these points:

- The highest and best use may be defined as the program of the utilization that will develop the most profitable use over a period of time.
- Land must be appraised based on the same use or uses.
- In market value appraisals, based on highest and best use, value reflects the consensus of the market.
- If the existing building is a proper improvement, the actual use most likely represents highest and best use. If the structure is an underimprovement, an overimprovement, or a premature development, its contribution to the highest and best use of the land diminishes.
- The highest and best use in any location is a most probable use. It is not an unusual, highly speculative, or improbable use.
- That which is highly speculative initially may, after development and experience, prove its worth and become a highest and best use.
- The highest and best use concept is the most profitable use for the total property, land and building as a whole. But, the improvement may have a negative value, contributing nothing in the way of net benefits. If the site is valued at its highest and best use, that value may be reduced by the costs of demolishing and removing the existing building. If such costs are not offset by salvage value, property value will equal land value (as if vacant) less the costs of demolition and removal.
- The use or uses determined must be legally permitted. Yet property may be appraised based on a use for which the property is not presently zoned, if it can be concluded that it is possible to have the zoning changed. If the pressure of market forces suggests a need for such a use and the use would not adversely affect surrounding areas, the probability is that the use will be changed.

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<sup>15</sup>Cleveland, C.C. and St. Louis Railway Co. v. Backus, 154 U.S. 439, 14 S. Ct. 1122, 38 L. Ed. 1041, 1894.



- In transitional areas, there are typically two distinct patterns of use. Usually land values are rising and the benefits from the old uses are declining. The highest and best use may be to continue the present use for a short period and then convert to the superseding use.

The highest and best use of a particular property is not created by the will of one individual, but is the result of three variables, which are **economic, legal, and physical**. These variables, while independently identifiable, do not act independently of one another; breaking them into constituent parts is useful for analysis and explanation. When these variables combine in a certain way, in a certain area, they create demand for specific types of land use. The environment in which land use created by this set of economic, legal, and physical conditions produces the greatest net return to the land is the **Highest and Best Use** of that land.

Once the land use environment is in place, the other secondary variables come into play, each an offspring of a major variable mentioned above. For example, **demand, utility, and scarcity** are secondary variables related to real estate. **Demand** is a term that denotes a buyer who is ready, willing, and able to purchase real estate. The demand for various types of real estate is different, and as such affects Highest and Best Use. A particular type of land use that is not in demand is obviously not a candidate for Highest and Best Use. Demand must first exist for a use before it can be considered. **Utility** is related to use. The more useful a parcel of real estate, everything being equal, the more demand there will be for its use. Also, the more useful a parcel of land the greater probability that it will deliver a greater net return. Scarcity is an economic concept that refers to the supply of specific types of real estate at particular locations. **Scarcity** is a factor of Highest and Best Use. Like utility, the scarcer a particular type of land is, the more return that land will produce; provided there is adequate demand and utility present.

The legal variable influencing Highest and Best Use is called **police powers**, and includes regulations necessary to safeguard the public health, morals, and safety and to promote the general welfare. Real estate is more closely regulated on ownership and use than any other commodity. Land planning and zoning, and requiring permits for various land uses are prime examples of legal factors that affect Highest and Best Use of real estate. Land planning and zoning are a device for imposing certain geographical and physical limitations on land use. The manner in which these variables influence Highest and Best Use is manifest in the restrictions applicable to specific land uses. Limiting the amount of industrial land available for development in a location or forbidding various types of manufacturing in an industrially zoned district all affect Highest and Best Use by defining the parameters of land use activities. The environment created by planning ten industrial sites is different from one in which 100 such sites are planned. Legal variables, or more simply, government, have an influence upon Highest and Best Use.

The final variable exerting influence on Highest and Best Use concerns the **physical condition** of the property. Physical variables include location and topography, among others. Economic location, or **situs**, is the most important factor governing the success or failure of a particular land use. The importance of situs lies in the need for specific types of land in specific locations. For instance, the success of a commercial enterprise is dependent on how near it is to where its customers live. The proximity of a parcel of land to a supporting land use is called **linkage**, and refers to the time and distance cost necessary to reach the supporting facility. Topography is another variable governing Highest and Best Use. Some topographical features increase or decrease the utility of land in relation to specific uses.

The environment created by these variables, and in which land use activities take place, is called the **marketplace**. The marketplace is the medium where these variables interact. There are many individual markets within a community, such as residential, commercial, industrial, etc. Also, there are several submarkets within these general categories. The type of market one chooses is governed by a specific set of economic, legal, and physical conditions as described above. The suitability of a particular use is dependent upon the conditions present within the market.<sup>16</sup>

In a study of land prices and the changing geography of southern row crop agriculture the following statements are made:

*“When local land prices rise above the present value of future rents realized by growing row crops, it is a signal that at least some economic agents have determined the place where that land is located has potential to produce even higher rents in some alternative use. Hence, the fact that such an increase has occurred in many counties in the South is, on the whole, a favorable sign relative to the economic future of the places where row-crop agriculture no longer appears feasible.*

*There is one caveat, however. Land prices may be bid up by speculative fever and move well above any level justified by a prudent assessment of the potential future rents. Sooner or later, such a speculative bubble in land prices is almost certain to burst. Nevertheless, one cannot be sure that local land prices at any given time reflect long-term economic growth prospects in a given community.*

*That caveat understood, investors who have paid higher prices for land than can be justified by the present use of that land have a very strong incentive to be proactive in fostering economic growth and development in the place where they have invested. The result is that such places are likely to have a cadre of promoters and developers who will be active agents for change. That is not to*

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<sup>16</sup>Excerpted from Residential Real Estate Report Writing, 1989, and Income Property Appraising, 1st ed., 2nd Printing, 1981, National Association of Independent Fee Appraisers, St. Louis, MO.

*say that the types of development such investors seek will be necessarily be satisfactory to longtime residents, a concern that is doubly worrisome if many of the investors are absentee landowners. Moreover, some investors may be content to sit passively and let their investment “ripen” for a while before becoming active as promoters and developers. Still the point holds: places where land prices have risen above the levels that make row-crop agriculture feasible are not likely to be lacking in a chronic way the entrepreneurial energy require for economic development and growth.*

*It follows, therefore, that if macroeconomic conditions are favorable to economic growth, most of the counties where row-crop agriculture no longer appears feasible will eventually develop new and more prosperous economic bases. In counties that become bedroom communities for urban centers, there will be opportunities to provide a host of residential trade and services. Similarly, in counties that attract retirees, second-home owners and tourists, there will be opportunities to cater profitably to the needs and desires of a growing market. The need in such places will be to shape that change so that it improves, rather than reduces, the quality of life of the people who live in these places.*

*Therefore, the chief implication of this analysis for community and rural development is that those counties where row-crop agriculture has ceased to be feasible must prepare for an economic transformation. Even if the need is not immediately obvious in these places, growth management is likely to be their chief challenge. Local stakeholders will need to become convinced that some transformation is inevitable, even if unwelcome, and will need to be accommodated. The first step is to consider seriously whether adequate land-use controls are in place to manage the nonagricultural growth that is virtually certain to come. In addition, it is important to evaluate whether the young people in the community are receiving the kind and quality of education that will allow them to take advantage of the opportunities of an economic transformation. Finally, matters of finance must be addressed to assure that financing is adequate for both private sector initiatives by creative local entrepreneurs anxious to take advantage of new business opportunities and for community infrastructure such as streets and roads, bridges, and schools.”<sup>17</sup>*

Economic transformation is already taking place in Tunica County and current land prices far exceed the returns capable from row-crop farming, thus rendering row-crop farming in the area from the southern city limits of the Town of Tunica northward to the casino resort area in Robinsonville no longer the highest and best use of the land. As Tunica County’s gaming, retail and hospitality and tourism industries grow; support facilities for those industries will also grow. Shipping and receiving, warehousing, rental car agencies, etc. typically locate in the immediate vicinity of airports, particularly on the primary access routes. In particular, with the huge resort facilities being built in Tunica County, fresh and

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<sup>17</sup> *Land Prices and the Changing Geography of Southern Row-Crop Agriculture*; James C. Hite, Emily J. Terrell and Kang Shou Lu, Strom Thurmond Institute of Government and Public Affairs, Clemson University. Published by the Southern Rural Development Center, July 1999

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frozen food chilled warehouses, chilled warehouses for live plants and shrubbery required for these facilities are necessary. Since most of these goods are typically flown in daily, location of these warehouses immediately adjacent to the airport is tantamount.



Grand Casino Golf Resort

The vast campuses that are being created for these casino resorts, along with the golf courses and other ancillary developments require extensive landscaping and landscape maintenance. Tools and equipment as well as landscape materials are other needed services that will have to be provided. The landscape maintenance

contract alone for the Grand Casino campus is in excess of \$1,000,000 annually.

With the number of hotel rooms being built in Tunica County, both within and outside the casino areas, supplies such as towels, linens, bar soaps and other toiletries, dinnerware, napkins, glasses, cups, liquor and other consumables are in constant need. Though casinos have their own private labeled items, the need exists for



Hotel and Convention Center at Grand Casino Resort

warehousing these items in the immediate vicinity and for accessibility immediately adjacent to the airport where these items will be shipped.

Since the subject property is located just south of the current casino resort area at Robinsonville, it is the opinion of this appraiser that the highest and best use of the subject 513+/- acres is for development as a **commercial casino resort development**.



## SITE LOCATION MAP



[illegible]

As per the following, the Mississippi Gaming Commission has approved both the Gaming License and the Preliminary Development Plan for the Myriad project.

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- 4) The holder of the site development plan approval will comply with all federal, state and local laws, including the laws of Mississippi and particularly the Mississippi Gaming Control Act;
- 5) The holder of the site development plan approval will comply with all the policies, rules and regulations adopted by the Mississippi Gaming Commission; and
- 6) The holder of the site development plan approval will comply with and does hereby agree to be bound by all laws, including the Gaming Control Act, of the State of Mississippi; further the holder of the approval agrees to adjudicate all legal proceedings (both state and federal) relative to said site development plan approval, in the courts located in the State of Mississippi.”

Commissioner Canon:	Motion to adopt recommendation
Chairman Blackwell:	Second

RECORDED VOTE:	Chairman Blackwell:	YES
	Commissioner Sanders:	Absent
	Commissioner Canon:	YES

T. RECOMMENDATION FOR APPROVALS – Myriad World Resorts of Tunica, LLC d/b/a Myriad Botanical Resorts

1. Gaming Site
2. Site Development Plan

(Documentation is attached as Composite Exhibit “9”)

Sam Begley of the Begley Law Firm introduced representatives of Myriad to the Commission. Scott Hawrelechko, principal in the Myriad Botanical Resort project, and Mr. John Almond with the engineering firm of Allen & Hoshall presented the request.

EXECUTIVE DIRECTOR’S RECOMMENDATION: “Based upon the review of various submissions related to the proposed site

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and site development plan for Myriad World Resorts of Tunica, LLC d/b/a Myriad Botanical Resorts ("Myriad"), the Executive Director recommends that the Mississippi Gaming Commission adopt the following findings of fact related thereto:

- 1) Myriad intends to develop and operate a casino gaming establishment on the Mississippi River at Old River, an oxbow lake located inside the mainline Mississippi River Levee, in parcels found in Section Six (6) and Seven (7), Township Four (4) South, Range Eleven (11) West, Tunica County, Mississippi. A copy of the Tunica County, Mississippi Tax Map No. 4113, consisting of an aerial photograph taken in March 1998 with the boundaries of various parcels of real property superimposed thereon was submitted to the Commission on April 30, 2004. The Myriad site consists of 3 adjacent parcels under lease, the locations of which are depicted on the map, all of which are situated in Township Four (4) South, Range Eleven (11) West:

TRACT I

The West Half (W ½) of Section Six (6) less the right of way to the Board of Commissioners to the Yazoo-Mississippi Levee Board containing 315.3 acres, more or less, LESS AND EXCEPT a tract bounded on the North by the North line of said Section Six (6); on the West by the West line of said Section Six (6); on the East by the right of way of the Mississippi Levee Board and the North-South centerline of said Section Six (6); and on the South by a line parallel with the North line of said Section Six (6) which is South of said North line a sufficient distance to include 87 acres in this tract.

TRACT II

The North Half (N ½) of Section Seven (7) less the right of way to the Board of Commissioners to the Yazoo-Mississippi Levee Board containing 242.5 acres, more or less. The North 87 acres of Section Seven (7), which lies



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West of the right of way of the Yazoo-Mississippi Levee; being a tract bounded on the North by the North line of said Section Seven (7); on the West by the West line of said Section; on the East by the right of way of the said levee and on the South by a line parallel to said North line a distance to the South to include 87 acres in the tract.

### TRACT III

Eighty-seven (87) acres off the North side of that part of the Northwest Quarter (NW 1/4) of Section Six (6) remaining after reduction for the right of way of the Mississippi Board of Levee Commissioners; being a tract bounded on the North by the North line of said Section Six (6); on the West by the West line of said Section Six (6); on the East by the right of way of the Mississippi Levee Board and the North-South centerline of said Section Six (6); and on the South by a line parallel with the north line of said Section Six (6) which is South of said North line a sufficient distance to include 87 acres in this tract.

A copy of the ground lease for the above described property, which includes the legal descriptions thereof, was submitted to the Commission on April 22, 2004. A survey prepared by Allen & Hoshall of Memphis, Tennessee dated June 1, 2004, indicating the specific location of the property and including the legal description thereof, was submitted to the Commission on June 8, 2004.

- 2) The site shall be the home port of Myriad's dockside gaming vessel. The vessel will not make excursions.
- 3) The site is bounded on the West by the Mississippi River and the West line of the aforesaid Sections Six (6) and Seven (7) and further bounded by a tree line running North and South and 150 feet in width. The site is bounded on the East by the right of way for the Mainline Levee of the Board of Commissioners to the Yazoo-Mississippi Levee Board and the North-South centerline of the aforesaid Section Six (6). The property is bounded on the North by the North line of the aforesaid Section Six (6). The

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property is bounded on the South by a tree line of 150 feet in width running north and south and by a wooded parcel of real property owned by a third party. The site may be entered from the East by either Indian Mound Road or Plantation Road.

- 4) The nearest residence to the site is located approximately 4,000 feet to the east. The nearest school, Robinsonville Elementary School, is located approximately four miles to the east of the site. There are two nearby churches, with cemeteries, respectively located 4,500 feet to the northwest and 4,500 feet to the southeast of the site. The former church is abandoned. An area map was submitted to the Commission on April 30, 2004, with the location of the above-described properties marked thereon.
- 5) Uses for the site are subject to the Tunica County, Mississippi Zoning Ordinance. A copy of the official Zoning Map and portions of the Zoning Ordinance were submitted to the Commission on April 30, 2004. The property is zoned CA (CASINO DISTRICT). Casino gaming facilities are a permissible use in a CASINO DISTRICT with the approval of the Tunica County Planning Commission.
- 6) Myriad's casino will be located on a vessel with 120,000 square feet of useable space, of which 80,000 square feet will be utilized for gaming, with approximately 2000 slot machines and 90 table games including blackjack, craps, roulette and other table games. The vessel will float at Old River as described in paragraph 1 hereinabove, and will be permanently moored. Myriad will develop the proposed site by constructing a 1200 room hotel, a convention center, a water park, a covered 18-hole golf course, a golf clubhouse, a retail boardwalk and an entertainment district. The development will include multi-story parking garages and surface parking to provide approximately 6000 spaces for the casino, hotel, convention center, golf course and retail and entertainment establishments. A conceptual site plan depicting the gaming site was provided to the

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Commission on May 13, 2004. Artist's renderings depicting the development were presented to the Commission during its site visit on June 8, 2004. The site development plan provides ample parking and the infrastructure facilities required by MGC Regulation II. A., Section 3 amount to more than 100% of the construction cost of the casino.

- 7) The vessel will be approximately 400 feet long and 200 feet wide, and will comply with all state and local safety and health ordinances and/or regulations.
- 8) On November 5, 1990, in accordance with *Miss. Code Ann.* § 19-3-79(2) the Board of Supervisors of Tunica County adopted a resolution stating that no petition for an election for gaming was timely filed and that legal gaming on vessels could henceforth be conducted in Tunica County.
- 9) Myriad filed its proposed Notice of Intent to Apply for a Gaming License with the Commission for approval by the Executive Director on April 22, 2004, and was so approved by the Executive Director on April 22, 2004. Myriad's Notice of Intent to Apply for a Gaming License was published in *The Tunica Times* newspaper on April 29, 2004, May 6, 2004 and May 13, 2004. *The Tunica Times* is a newspaper published weekly in Tunica County, Mississippi. *The Tunica Times* issued its proof of publication on May 13, 2004, confirming that Myriad's Notice of Intent to Apply for a Gaming License was published therein on the dates stated above. The aforesaid Notice of Intent included a description of the proposed gaming establishment, describing its size, the number and types of game to be operated, the vessel's home port, and a statement that the vessel will not make excursions.
- 10) By letter dated May 18, 2004, along with supporting materials previously provided on April 30 and May 4, 2004, Myriad made application to the Commission for Gaming Site Approval and Site Development Plan Approval, and requested that said approvals be granted at the

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Commission's regular monthly meeting on June 16, 2004.

- 11) The following documents are attached as exhibits in support of Myriad's request for approvals (exhibits on file in General Counsel's office).

Ex. 1a Notice of Intent to Apply for a Gaming License

Ex. 1b Proof of Publication of Notice of Intent

Ex. 2a Letter from Tunica County Administrator Ken Murphree

Ex. 2b Resolution of Tunica County Board of Supervisors

Ex. 3a Tunica County Tax Map 4113

Ex. 3b Tunica County Tax Map 4113 (parcel information)

Ex. 4 Casino Ground Lease (confidential, under seal)

Ex. 5 Area Map depicting churches, school, cemetery and residential locations

Ex. 6a Tunica County Official Zoning Map

Ex. 6b Aerial Map depicting Zoning Districts

Ex. 7 Comprehensive Land Use Plan for Tunica County

Ex. 8 Tunica County Zoning Ordinance

Ex. 9 Site Plan

Ex. 10 Casino Floor Plan

Ex. 11 Set of 6 artist's renderings

Ex. 12 Survey prepared by Allen & Hoshall dated June 1, 2004 indicating the specific location of the property and including the legal description



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Ex. 13 Site Development Plan Infrastructure Worksheet

Ex. 14 Hydrological Data

The Executive Director recommends that the Mississippi Gaming Commission adopted the following conclusions with respect to the proposed site and site development plan for Myriad:

- 1) In accordance with the Mississippi Gaming Control Act of 1990, codified at *Miss. Code Ann.* § 75-76-1 et seq. and amendments to *Miss. Code Ann.* § 19-3-79 and *Miss. Code Ann.* § 97-33-1, Tunica County, Mississippi authorized gaming and thus gaming is legal aboard vessels in Tunica County.
- 2) In accordance with *Miss. Code Ann.* § 27-109-1(2) and Commission Regulation II. B., Section 1(b), the Myriad vessel will meet all statutory and regulatory requirements.
- 3) Pursuant to Commission Regulation II. B., Section 5 and *Miss. Code Ann.* § 19-3-79(1), Myriad's Notice of Intent to Apply for a Gaming License was approved by the Commission and properly published.
- 4) Myriad's dockside gaming vessel will be located at Old River in Tunica County, and thereby is a legal gaming site under *Miss. Code Ann.* § 97-33-1(b) and Commission Regulation II. B., Section 2(a)(2).
- 5) Myriad has provided the Commission with all information required for gaming site approval. The site's location relative to the nearest residential area, church and school is satisfactory, and the site is zoned appropriately for development as a dockside gaming development under Tunica County's Zoning Ordinance.
- 6) Myriad has provided the Commission with all information required for site development plan approval. The site development plan proposed by Myriad complies with all

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statutory and regulatory requirements.

Having determined that both the site and the site development plan meet all statutory and regulatory requirements, the Executive Director recommends that the site be approved as a gaming site and the site development plan be approved, subject to the following conditions:

- 1) The gaming site approval and site development plan approval will expire on June 16, 2006, within which time the holder of the approvals must complete the site development, obtain all agency approvals and open the property to the public;
- 2) With respect to the gaming site development plans, the Commission's approval constitutes only the approval of the plan in concept. The applicant may not proceed with actual development until it receives Approval to Proceed with Development from the Commission;
- 3) The holder of the gaming site approval and site development plan approval will complete the construction of its casino and infrastructure facilities as set forth in the plan for development that has been approved by the Commission; any material deviations from this plan must be specifically approved by the Commission prior to the implementation. Any change to the site development plan, or placement or design of the cruise vessel or vessels, shall be submitted in advance to the Executive Director for a determination of whether such change constitutes a material change. If the Executive Director determines that a material change has occurred, Commission approval is required for same;
- 4) The holder of the gaming site approval and site development plan approval will comply with all federal and state laws, including the laws of Mississippi and particularly the Mississippi Gaming Control Act;
- 5) The holder of the gaming site approval and site

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development plan approval will comply with and does hereby agree to be bound by all laws, including the Gaming Control Act, of the State of Mississippi; further the holder of the approvals agrees to adjudicate all legal proceedings (both state and federal) relative to said site approval, in the court located in the State of Mississippi.”

Commissioner Canon: Motion to adopt recommendation  
Chairman Blackwell: Second

RECORDED VOTE:	Chairman Blackwell:	YES
	Commissioner Sanders:	Absent
	Commissioner Canon:	YES

N. RECOMMENDATION FOR LICENSURE – Coast Gaming Supply, Inc.

Jamie Sablich, Owner of Coast Gaming Supply, Inc. presented the request to the Commission.

EXECUTIVE DIRECTOR’S RECOMMENDATION: “With past Commission action, key principals of the company have been found suitable. The Executive Director recommends that Coast Gaming Supply, Inc. be granted a manufacturer and distributor’s license to conduct business in the State of Mississippi subject to the following conditions:

- 1) The license will be issued for a three-year period, effective June 19, 2004 through June 18, 2007;
- 2) Licensee will comply with all federal, state and local laws, including the laws of Mississippi and particularly the Mississippi Gaming Control Act;
- 3) Licensee will comply with all the policies, rules and regulations adopted by the Mississippi Gaming Commission;
- 4) Licensee will comply with and does hereby agree to be bound by all laws, including the Gaming Control Act, of the State of Mississippi; further, licensee agrees to adjudicate all

On March 16, 2006, Myriad re-applied to the Mississippi Gaming Commission for licensure to insure that their current approval did not expire in June 2007 before the development project could be completed.

The draft of the revised application is shown immediately hereafter. The application was approved by the Mississippi Gaming Commission and the license was extended to March 15, 2008, at which time the resort and casino must be operational.



MISSISSIPPI GAMING COMMISSION

March 16, 2006

Date of Commission Meeting

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AGENDA ITEM

(X) Administrative Policy	( ) Administrative Update
( ) Corporate Securities	(X) Request for Approval
( ) Investigative Report	( ) Background Summary
( ) Licensure	( ) Finding of Suitability

=====

BRIEF DESCRIPTION OF AGENDA ITEM

ITEM III. GAMING MATTERS

- \_\_\_ Request for Approvals - Myriad World Resorts of  
Tunica, LLC d/b/a Myriad Botanical Resorts
- (1) Surrender of Gaming Site;
- (2) Gaming Site; and
- (3) Site Development Plan.

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BACKGROUND INFORMATION

This is a request for gaming site approval and site development plan approval for Myriad World Resorts of Tunica, LLC d/b/a Myriad Botanical Resorts. MGC staff has reviewed various submissions related to the proposed site and site development plan. Representatives from Myriad World Resorts of Tunica, LLC are present to answer any questions.

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RECOMMENDATION

Based upon the review of various submissions related to the proposed site and site development plan for Myriad World Resorts of Tunica, LLC d/b/a Myriad Botanical Resorts ("Myriad"), the Executive Director recommends that the Mississippi Gaming Commission adopt the following findings of fact related thereto:

- 1) Myriad intends to develop and operate a casino gaming establishment on the Mississippi River at Old River, at

oxbow lake located inside the mainline Mississippi River Levee, in parcels found in Section Six (6) and Seven (7), Township Four (4) South, Range Eleven (11) West, Tunica County, Mississippi. The Boundary Survey dated June 1, 2004 and prepared by Allen & Hoshall of Tunica, Mississippi certifying the boundaries of the site including a legal description was submitted to the Commission on March 8, 2006. ~~A copy of the Tunica County, Mississippi Tax Map No. 4113, consisting of an aerial photograph taken in March 1998 with the boundaries of various parcels of real property superimposed thereon was submitted to the Commission on April 30, 2004.~~ The Myriad site consists of 3 adjacent parcels under lease, the locations of which are depicted on the map, all of which are situated in Township Four (4) South, Range Eleven (11) West:

TRACT I

The West Half (W ½) of Section Six (6) less the right of way to the Board of Commissioners to the Yazoo-Mississippi Levee Board containing 315.3 acres, more or less, LESS AND EXCEPT a tract bounded on the North by the North line of said Section Six (6); on the West by the West line of said Section Six (6); on the East by the right of way of the Mississippi Levee Board and the North-South centerline of said Section Six (6); and on the South by a line parallel with the North line of said Section Six (6) which is South of said North line a sufficient distance to include 87 acres in this tract.

TRACT II

The North Half (N ½) of Section Seven (7) less the right of way to the Board of Commissioners to the Yazoo-Mississippi Levee Board containing 242.5 acres, more or less. The North 87 acres of Section Seven (7), which lies West of the right of way of the Yazoo-Mississippi Levee; being a tract bounded on the North by the North line of said Section Seven (7); on the West by West line of said Section; on the East by the right of way of the said levee and on the South by a line parallel to said North line a distance to the South to include 87 acres in the tract.

TRACT III

Eighty-seven (87) acres off the North side of that part of the Northwest Quarter (NW 1/4) of Section Six (6) remaining after reduction for the right of way of the Mississippi Board of Levee Commissioners; being a tract bounded on the North by the North line of said Section Six (6); on the West by the West line of said Section Six (6); on the East by the right of way of the Mississippi Levee Board and the North-South centerline of said Section Six (6); and on the South by a line parallel with the north line of said Section Six (6) which is South of said North line a sufficient distance to include 87 acres in this tract.

A copy of the ground lease for the above described property which includes the legal descriptions thereof, was submitted to the Commission on **March 8, 2006**. ~~April 22, 2004. A survey prepared by Allen & Hoshall of Memphis, Tennessee dated June 1, 2004, indicating the specific location of the property and including the legal description thereof, was submitted to the Commission on June 8, 2004.~~

- 2) The site shall be the home port of Myriad's dockside gaming vessel. The vessel will not make excursions.
- 3) The site is bounded on the West by the Mississippi River and the West line of the aforesaid Sections Six (6) and Seven (7) and further bounded by a tree line running North and South and 150 feet in width. The site is bounded on the East by the right of way for the Mainline Levee of the Board of Commissioners to the Yazoo-Mississippi Levee Board and the North-South centerline of the aforesaid Section Six (6). The property is bounded on the North by the North line of the aforesaid Section Six (6). The property is bounded on the South by a tree line of 150 feet in width running north and south and by a wooded parcel of real property owned by a third party. The site may be entered from the East by either Indian Mound Road or Plantation Road.
- 4) The nearest residence to the site is located approximately 4,000 feet to the east. The nearest

school, Robinsonville Elementary School, is located approximately four miles to the east of the site. There are two nearby churches, with cemeteries, respectively located 4,500 feet to the northwest and 4,500 feet to the southeast of the site. The former church is abandoned. An area map was submitted to the Commission on ~~March 8, 2006, April 30, 2004,~~ with the location of the above-described properties marked thereon.

- 5) Uses for the site are subject to the Tunica County, Mississippi Zoning Ordinance. A copy of the official Zoning Map and portions of the Zoning Ordinance were submitted to the Commission on ~~March 8, 2006, April 30, 2004.~~ The property is zoned CA (CASINO DISTRICT). Casino gaming facilities are a permissible use in a CASINO DISTRICT with the approval of the Tunica County Planning Commission.
- 6) Myriad's casino will be located on a vessel with ~~120,000~~ 160,000 square feet of useable space, of which 80,000 square feet will be utilized for gaming, with approximately 2000 slot machines and 90 table games including blackjack, craps, roulette and other table games. The vessel will float at Old River as described in paragraph 1 hereinabove, and will be permanently moored. Myriad will develop the proposed site by constructing a 1200 room hotel, a convention center, ~~an arena,~~ a water park, ~~a snow park,~~ a covered 18-hole golf course, a golf clubhouse, a retail boardwalk and an entertainment district. The development will include multi-story parking garages and surface parking to provide approximately 6000 spaces for the casino, hotel, convention center, golf course and retail and entertainment establishments. A conceptual site plan depicting the gaming site was provided to the Commission on ~~February 23, 2006. May 13, 2004.~~ Artist's renderings depicting the development were presented to the Commission ~~on March 8, 2006. during its site visit on June 8, 2004.~~ The site development plan provides ample parking and the infrastructure facilities required by MGC Regulation II. A., Section 3 amount to more than 100% of the construction cost of the casino. ~~The Myriad site will also accommodate five additional casino vessels and hotels to be developed on sites along Old River as depicted in the Conceptual~~



Site Plan with the southernmost site to be developed by Myriad.

- 7) The vessel will be approximately 400 feet long and 200 feet wide, and will comply with all state and local safety and health ordinances and/or regulations.
- 8) On November 5, 1990, in accordance with *Miss. Code Ann.* § 19-3-79(2) the Board of Supervisors of Tunica County adopted a resolution stating that no petition for an election for gaming was timely filed and that legal gaming on vessels could henceforth be conducted in Tunica County.
- 9) Myriad filed its proposed Notice of Intent to Apply for a Gaming License with the Commission for approval by the Executive Director on April 22, 2004, and was so approved by the Executive Director on April 22, 2004. Myriad's Notice of Intent to Apply for a Gaming License was published in *The Tunica Times* newspaper on April 29, 2004, May 6, 2004 and May 13, 2004. *The Tunica Times* is a newspaper published weekly in Tunica County, Mississippi. *The Tunica Times* issued its proof of publication on May 13, 2004, confirming that Myriad's Notice of Intent to Apply for a Gaming License was published therein on the dates stated above. The aforesaid Notice of Intent included a description of the proposed gaming establishment, describing its size, the number and types of game to be operated, the vessel's home port, and a statement that the vessel will not make excursions. **The aforesaid Notice of Intent shall be applicable to and satisfy the requirements of this recommendation for site approval and site development plan approval.**
- 10) By letter dated **February 23, 2006, May 18, 2004,** along with supporting materials previously provided on **March 8, 2006, April 30 and May 4, 2004,** Myriad made application to the Commission for Gaming Site Approval and Site Development Plan Approval, and requested that said approvals be granted at the Commission's regular monthly meeting on June 16, 2004.
- 11) The following documents are attached as exhibits in support of Myriad's request for approvals (exhibits on file in General Counsel's office).

- Ex. 1a Notice of Intent to Apply for a Gaming License
- Ex. 1b Proof of Publication of Notice of Intent
- ~~Ex. 2a Letter from Tunica County Administrator Ken Murphree~~
- ~~Ex. 2b Resolution of Tunica County Board of Supervisors~~
- ~~Ex. 3a Tunica County Tax Map 4113~~
- ~~Ex. 3b Tunica County Tax Map 4113 (parcel information)~~
- Ex. 24 Casino Ground Lease (confidential, under seal)
- Ex. 35 Area Map depicting churches, school, cemetery and residential locations
- Ex. 46a Tunica County Official Zoning Map
- Ex. 46b Aerial Map depicting Zoning Districts
- Ex. 57 Comprehensive Land Use Plan for Tunica County
- Ex. 60 Tunica County Zoning Ordinance
- Ex. 79 Site Plan
- Ex. 810 Casino Floor Plan
- Ex. 911 Set of 6 artist's renderings
- Ex. 102 Boundary Survey prepared by Allen & Hoshall dated June 1, 2004 indicating the specific location of the property and including the legal description
- Ex. 110 Site Development Plan Infrastructure Worksheet
- Ex. 124 Hydrological Data

The Executive Director recommends that the Mississippi Gaming Commission adopted the following conclusions with respect to the proposed site and site development plan for Myriad:

- 1) In accordance with the Mississippi Gaming Control Act of 1990, codified at *Miss. Code Ann. § 75-76-1 et seq.* and amendments to *Miss. Code Ann. § 19-3-79* and *Miss. Code Ann. § 97-33-1*, Tunica County, Mississippi authorized gaming and thus gaming is legal aboard vessels in Tunica County.
- 2) In accordance with *Miss. Code Ann. § 27-109-1(2)* and Commission Regulation II. B., Section 1(b), the Myriad vessel will meet all statutory and regulatory requirements.
- 3) Pursuant to Commission Regulation II. B., Section 5 and *Miss. Code Ann. § 19-3-79(1)*, Myriad's Notice of Intent

to Apply for a Gaming License was approved by the Commission and properly published.

- 4) Myriad's dockside gaming vessel will be located at Old River in Tunica County, and thereby is a legal gaming site under *Miss. Code Ann. § 97-33-1(b)* and Commission Regulation II. B., Section 2(a)(2).
- 5) Myriad has provided the Commission with all information required for gaming site approval. The site's location relative to the nearest residential area, church and school is satisfactory, and the site is zoned appropriately for development as a dockside gaming development under Tunica County's Zoning Ordinance.
- 6) Myriad has provided the Commission with all information required for site development plan approval. The site development plan proposed by Myriad complies with all statutory and regulatory requirements.

Having determined that both the site and the site development plan meet all statutory and regulatory requirements, the Executive Director recommends that the site be approved as a gaming site and the site development plan be approved, subject to the following conditions:

- 1) That the Commission accept the surrender of the previous approved site approval and site development plan approval dated June 16, 2004;
- 2) The gaming site approval and site development plan approval will expire on March 15, 2008, within which time the holder of the approvals must complete the site development, obtain all agency approvals and open the property to the public;
- 3) With respect to the gaming site development plans, the Commission's approval constitutes only the approval of the plan in concept. The applicant may not proceed with actual development until it receives Approval to Proceed with Development from the Commission;
- 4) The holder of the gaming site approval and site development plan approval will complete the construction of its casino and infrastructure facilities as set forth in the plan for development

that has been approved by the Commission; any material deviations from this plan must be specifically approved by the Commission prior to the implementation. Any change to the site development plan, or placement or design of the cruise vessel or vessels, shall be submitted in advance to the Executive Director for a determination of whether such change constitutes a material change. If the Executive Director determines that a material change has occurred, Commission approval is required for same;

- 5) The holder of the gaming site approval and site development plan approval will comply with all federal and state laws, including the laws of Mississippi and particularly the Mississippi Gaming Control Act; and
- 6) The holder of the gaming site approval and site development plan approval will comply with and does hereby agree to be bound by all laws, including the Gaming Control Act, of the State of Mississippi; further the holder of the approvals agrees to adjudicate all legal proceedings (both state and federal) relative to said site approval, in the court located in the State of Mississippi.

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FINAL ACTION

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RECORDED VOTE

Chairman St. Pe`	Yes / No
Commissioner Canon	Yes / No
Commissioner Hairston	Yes / No



## THE APPRAISAL PROCESS – SCOPE OF WORK

The appraisal process is the orderly program in which the data used to estimate the value of the subject property are acquired, classified, analyzed, and presented. The first step is defining the appraisal problem, as was done in the previous section. This step involves the identification of the real estate, setting the effective date of the value estimate, determining the property rights being appraised, and determining the type of value sought.

The next step is the collection of information and studying the factors that affect the market value of the subject property. This includes analysis of the area and neighborhood, site and improvements, and determining the highest and best use. Once this has been accomplished, the appropriate methods are applied to estimate the property's market value. Appraisers generally use three approaches to value: the **Sale Comparison Approach** (also known as the Market Data Approach), the **Cost Approach**, and the **Income Approach**.

The **Sale Comparison Approach** is used to evaluate the value of the land and is vacant and/or the whole property including improvements. The appraiser gathers data on sales of comparable properties and analyzes the nature and condition of each sale, making logical adjustments for dissimilar characteristics. Typically a common denominator is found. For land value, this common denominator is either a price per square foot, front foot, or acre; for improved properties, the common denominator may be a price per square foot, price per unit, or a gross rent multiplier. The Sales Comparison Approach gives a good indication of value when sales of similar properties are available.

The second approach available to the appraiser is the **Cost Approach** to value. Accrued depreciation is deducted from the cost new of the improvements, and this is added to the land value. The resultant figure suggests the value of the whole property. Generally the land value is obtained through the analysis of sales of other vacant parcels of land. Reproduction cost new of the improvements is estimated based on current prices for the component parts of the building, less depreciation, computed after analyzing the disadvantages or deficiencies of the existing building as compared to a new building.

The **Income Approach** is predicated on the assumption that there is a definite relationship between the amount of income a property will earn and its value. This approach is based on the principle that value is created by the expectation of benefits derived from ownership in the future. The anticipated annual net income of the subject property is processed to produce an indication of value. Net income is the income generated before payment of any debt service. The process of converting net income into value is called capitalization, which involves dividing the net income by a capitalization rate. Factors such as risk, time, interest on the capital investment, and recapture of the depreciating asset are considered in the rate. The appropriateness of this rate is critical, and there

are a number of techniques by which it may be developed.

A final step in the appraisal process is the **Final Reconciliation**, or correlation, of the value indications. In the reconciliation the appraiser considers the reliability of the data gathered in each approach, the relative applicability of each approach, and then examines the range between the value indications, and finally places most emphasis on the approach that appears to produce the most reliable solution to the specific appraisal problem. The purpose of the appraisal, the type of property appraised, and the adequacy and reliability of the data are analyzed and a weight is applied to each different approach.

In analyzing the three approaches to value, the information pertaining to the market value of the subject property is derived from the marketplace because the appraiser anticipates the actions of buyers and sellers in the market to determine an estimate of value.

Because the subject parcel is an unimproved land site, the Market Data approach will be utilized in this report. There are improvements and infrastructure to compute, so the Cost Approach is applicable. There also is sufficient data available for computation of lease values on the vacant land, so the Income Approach will also be utilized.

The client has tasked the appraiser to arrive at a value for the raw land site, “as is”, as well as arriving at a value for the proposed additional casino sites to be developed into the project.

## SALES COMPARISON APPROACH

The Sales Comparison Approach, also known as the Market Data Approach, is traditionally an appraisal procedure in which the market value is predicated upon prices paid in actual market transactions and current listings, the former fixing the lower limit of value in a static or advancing price market, and fixing the higher limit of value in a declining market; the latter fixing the higher limit in *any* market. It is a process of analyzing sales of similar recently sold properties to derive an indication of the most probable sale price of the property being appraised. The reliability of this technique is dependent upon (a) the availability of comparable sales data, (b) the verification of the sales data, (c) the degree of comparability or extent of adjustment necessary for time differences, and (d) the absence of atypical conditions affecting the sales price.<sup>18</sup>

This analysis is based upon the principle of substitution, a valuation principle that states that a prudent purchaser would pay no more for real property than the cost of acquiring an equally desirable substitute on the open market. The principle of substitution presumes that the purchaser will consider the alternatives available, that he will act rationally or prudently on the basis of the information about those alternatives, and that reasonable time is available for the decision. Substitution may assume the form of the purchase of an existing property, with the same utility, or of acquiring an investment which will produce an income stream of the same size with the same risk as that involved in the property in question.<sup>19</sup>

In applying the Sales Comparison Approach, an appraiser follows a systematic procedure. The appraiser must always compare like with like. That is, the appraiser must adjust each comparable to the subject property to impute and indicated value to the subject property. The steps of the procedure are as follows:

- 1) Research the market to obtain information about transactions, listings, and other offerings of properties similar to the subject property.
- 2) Verify the information by considering whether the data obtained are factually accurate and if the transactions reflect "arm's length" market considerations. An appraiser verifies information by consulting a knowledgeable source, usually one of the participants in the transaction.

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<sup>18</sup>Byrl N. Boyce, editor, *Real Estate Appraisal Terminology, Revised Edition* (Chicago, IL: The American Institute of Real Estate Appraisers and the Society of Real Estate Appraisers, 1984)

<sup>19</sup>Byrl N. Boyce, editor, *Real Estate Appraisal Terminology, Revised Edition*.

- 3) Determine relevant units of comparison (e.g., acre, square foot, multiplier), and develop a comparative analysis for each unit.
- 4) Compare the subject and comparable sales according to the elements of comparison and adjust the sale price of each comparable as appropriate or eliminate the property as a comparable.
- 5) Reconcile the multiple value indications that result from the comparables into a single value indication.

Besides the Sales Comparison Approach, there are five other procedures available to the appraiser for estimating land value. All six procedures are derived from the basic approaches to value. Sales comparison and income capitalization can be directly applied to land valuation. Allocation and extraction procedures reflect the influence of the sales comparison and cost approaches; the land residual technique is based on the income capitalization and cost approaches. Subdivision development draws on elements of all three approaches.<sup>20</sup>

### **1) Allocation Procedure**

The procedure is based on the typical ratio of land-to-improvement value for specific categories of real estate in a specific location. When the improvements are recent, the ratio is more dependable; as improvements age, the ratio of land value to total value increases. Allocation is less conclusive than other procedures, but it is useful when data on comparable transactions are not available.

### **2) Extraction**

Extraction is a variant on the allocation method, where land value is extracted from the sale price of an improved property by deducting the contribution of the improvements, which is estimated from their depreciated costs. The remaining value represents the value of the land that can be used for comparison with subject property. Extraction is used to estimate the land value of improved properties in rural areas and in situations in which the building contributes little to total property value.

### **3) Subdivision Development**

This procedure is used to value land when subdivision and development represent the highest and best use of the land being appraised and sales data on

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<sup>20</sup>American Institute of Real Estate Appraisers, *The Appraisal of Real Estate, 9th Edition* (Chicago, IL: The American Institute of Real Estate Appraisers, 1987, pp. 308-309).



finished lots are available. The appraiser begins by determining the number and the size of lots that can be physically, legally, and economically be created from the parcel of land. Then finished lots are analyzed to estimate the likely sale price, development period, and absorption rate for the projected lots. From the anticipated gross sale price, the appraiser deducts all direct and indirect costs and an entrepreneurial profit. The net sales proceeds are discounted to present value with a market-derived-yield rate for the period required for project development and market absorption. The resulting value indication should be compared with prices being paid for similar parcels of raw land that have subdivision and development as their highest and best use.

#### **4) Land Residual Procedure**

This procedure is used when sales data on similar parcels of vacant land are not available. To apply this procedure, known or estimable building, known or estimable property NOI, and market-extracted building and land capitalization rates are needed. The appraiser determines what actual or hypothetical improvements represent the highest and best use of the site. The stabilized annual NOI attributable to the building is deducted from total NOI and the remainder, the "residual" income to the land, is capitalized at a market-derived rate to provide an estimate of land value.

#### **5) Ground Rent Capitalization**

This procedure is used to value land when the ground rent corresponds to the value of the landowner's interest in the property. Market-derived capitalization rates are used to convert ground rent into an indication of the market value of the land. This procedure is used when comparable sales of leased land indicate a range of rents and capitalization rates.

The most effective approach to valuation is by comparison with known sales of similar properties, provided sufficient sales data is available. A search of the records in the Chancery Clerk's office located in county courthouses and consultation with other appraisers, Realtors, and developers were necessary to obtain information with regard to comparable sales in the area of subject property for the past several years. From this information, several sales of vacant land and sales of improved property were examined and found to be pertinent to this report.

Mississippi is governed by a combination of Common and Civil Law wherein real estate documents are recorded with the Clerk of Court at the county courthouse under the Public Records Doctrine. In effect, it holds one important truth regarding real estate transactions. It is that public recordation of sales transactions is sufficient proof of the recorded owner being in effect the legal owner of any given property as far as third parties concerned. For example: If owner A sells a certain piece of property to buyer B and does not record his purchase, seller A could sell the same piece of property to buyer C, who upon

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recording his sales document prior to buyer B, would become in effect the legal owner of the property. In almost all cases of recorded real estate sales documents, the amount stated in the document is not the actual and true price that was paid for the property. Rather, it is commonly stated to be \$10 and other consideration. For these reasons, and additionally supported by confirming each of the transactions used in this report with either the buyer, seller, or broker involved, (especially regarding the amount of actual consideration), it is the appraiser's opinion that the recorded sales documents can be used with reliability.

In this appraisal problem, the Sales Comparison Approach will be utilized to estimate Market Value of the land (as if vacant) and the whole property "as is" as of the date of this appraisal. The comparable land sales are presented beginning on the first page following, followed by the analysis and conclusion.

## LAND VALUE ESTIMATE

Land value is estimated by comparison of vacant properties that are in some way similar to the property under appraisal. The reliability of the technique is dependent upon (a) the degree of compatibility of each property under appraisal, (b) the time of sale, (c) the verification of the sale data, and (d) the absence of unusual circumstances affecting the sale. The grantor, grantee, or real estate agent or broker handling the sale has confirmed all sales listed below. Lot values are sometimes extracted from the sale of improved sites. In those cases the value of the vacant site is confirmed with the appraiser of the particular site or with the developer.

**Land Sale #1:** On November 17, 1997, Larry O. Lewis, Special Master of the Chancery Court of Tunica County, issued a Special Master's Deed to BL Development Corporation (a subsidiary of Grand Casino) for a parcel containing 40 acres in Section 5, Township 3 South, Range 10 West. This parcel was one of a number of parcels assembled to create the 2,150-acre campus of Grand Casino. The consideration on this sale, as cited in Deed Book N5 at Page 129, was \$1,500,000, or **\$37,500 per acre**.

**Land Sale #2:** On August 8, 1993, George G. Hardie deeded 8 parcels identified as Tract A through H, located in Sections 3 & 4, Township 3 South, Range 10 West to BL Development Corp., a Minnesota Corporation. This parcel contained eight tracts deeded to BL Development on that same date by either George Hardie individually or Mississippi Grand Resort and Casino, Inc., (George Hardie, President) totaling 1,014 acres. The total consideration on all eight tracts was \$26,750,000, or **\$26,380.67 per acre**. This transaction is recorded in Deed Book Y4 at Pages 270 through 298.

**Land Sale #3:** On March 20, 1996, GLM, Inc. deeded a parcel containing 3.59 acres to BL Development Corporation, evidenced in Deed Book I5 at Page 18. The consideration on this sale was \$150,000, as evidenced by the closing statement and title policy on this transaction.<sup>21</sup> The indicated value in this transaction was **\$41,782 per acre**.

**Land Sale #4:** On July 22, 1994, Commerce Development, L.P. deeded 7.54 acres to BL Development Corporation. This transaction is recorded in Deed Book D5 at Page 150. The consideration on this sale, as evidenced by the title policy<sup>22</sup> insuring BL Development's 7.54-acre purchase, was \$75,400, or **\$10,000 per acre**.

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<sup>21</sup> The information from the closing statement was provided by Grand Casino Tunica, Legal Department, 11975 Seaway Rd, Gulfport, MS 39503.

<sup>22</sup> The information from the title policy was provided by Grand Casino Tunica, Legal Department, 11975 Seaway Rd, Gulfport, MS 39503.

**Land Sale #5:** On September 7, 1993, G.A. Robinson, III, Mary Robinson, C. Gregg Robinson and Heidi Robinson deeded 997.50+/- acres to BL Development Corporation through two separate deeds. The first deed, recorded in Book Y4 at Page 385, conveyed 547.915 acres and included property in both Tunica County, MS and Crittenden County, AR. The second deed, recorded at Book Y4 at Page 396, conveyed 449.584 acres, all in Tunica County. The total consideration on this sale was \$4,200,000, indicating a value-per-acre of **\$4,210.53 per acre**.

All sales relative to BL Development, a subsidiary of Grand Casino (now owned by Caesars Entertainment) were confirmed and documented with Caesars Vice President, Legal & Regulatory Affairs, Atty. Willie M Joyce of Gulfport, MS.

**Land Sale #6:** On May 6, 1999 Commerce Development, L.P., a Mississippi Limited Partnership sold a 145.893-acre parcel to Boyd Tunica, Inc, a Mississippi Corporation for the development of the Sam's Town Casino development. This property is located in Section 19, Township 3 South, Range 11 West, approximately 1.75 miles north of the subject parcel. The reported sales price of this parcel was \$25,000,000 (\$25 million), or approximately **\$171,358 per acre or \$3.93 per square foot**. This purchase included a restrictive covenant wherein the seller agreed not to permit gaming on an adjacent 127 acres for a period of five years. Further, the buyer, Boyd Tunica, received an option to purchase an additional 150 acres in a period of five years at an agreed price of \$15,000 per acre. This sale is recorded in Deed Book S5 at Page 131.

**Land Sale #7:** On November 3, 1993, William A. Leatherman; Irwin Leatherman Zanone; J. Shea Leatherman (individually); and J. Shea Leatherman, Trustee under Grantor Retained Annuity Trust of William A. Leatherman, Jr. dated July 23, 1993; and Philip R. Zanone, Trustee under Grantor Retained Annuity Trust of J. Shea Leatherman dated July 23, 1993 sold a tract of land containing 150 acres in Section 13, T3S, R12W and Section 18, T3S, R11W to Boyd Tunica, Inc. (the corporate entity doing business as Sam's Town casino). The sale is recorded in Deed Book Z4 at Page 257. The consideration on this sale was \$25,000,000, or **\$166,667 per acre, or \$3.82 per square foot**. This sale involved raw farm land with no utilities whatsoever present at the time of sale.

This sale also involved a Memorandum of Option that gave the sellers the option to purchase the land back from the grantee in 40 years (the year 2033) at a price of \$900,000 and then subsequently lease it back to the casino operator. The option to buy the land back runs with the land, i.e., the option would be binding on any subsequent landowner if Boyd Tunica (Sam's Town) should be sold or merged with any larger gaming operator prior to 2033. The Memorandum of Option is recorded in Deed Book Z4 at Page 554.



**Tunica Casino Land Lease:** In 1993, the Yazoo – Mississippi Delta Levee Board leased a 52-acre parcel to BL Development, a subsidiary of Grand Casino, for a period of six years, with nine (9) additional options to renew for a term of six years each. The primary term started on January 1, 1994 and ran through December 31, 1999. The lease payments during the primary term were as follows:

- An initial Option Payment of \$100,000.
- A payment of \$15,000 per month during the period January 1, 1994 through January 1, 1996, during the period that the parcel was being developed as a port facility for establishment of a barge casino with all the necessary infrastructure, utilities, roads, parking, etc.
- Upon becoming operational, the lease payment from the date becoming operational through January 1, 1997 was increased to \$208,333.33 per month; from January 1, 1997 through the end of the primary term, the lease was adjusted by the annual rate of inflation (defined as 'the percentage change in the Consumer Price Index, U.S. City Average, for All Urban Consumers, 'All Items', for the previous year").
- As of renewal of the lease on January 1, 2000, the rent for the new six year term would be capped at 20% over the initial \$208,333.33 per month for the first year (therefore, \$250,000 per month), then increased at the annual inflation rate each year for the remainder of that six-year period.
- As of renewal of the lease on January 1, 2006, the initial year is calculated at 130% of the first year rate of the previous term ( $\$250,000 \times 1.30 = \$325,000$ ). That \$325,000 per month is the rate being paid by the current owners of the property, Harrah's, Inc. **That current lease equates to \$3,900,000 per year for the 52 acres. Capitalizing that income at 10% ascribes a value of \$39,000,000 to the 52-acre parcel, or \$750,000 per acre.**

All of the above casino site sales occurred in the Tunica market during the period 1993 – 1999 as the Tunica gaming market was getting on its feet following the opening of the first two casinos in 1992. No new casino sites have occurred in Tunica since 1999. The following casino site sales are from the Mississippi Gulf Coast area and are indicative of current casino site values in matured gaming markets. All of these sales took place prior to Hurricane Katrina.

**Land Sale #8:** On May 16, 2003 Full House Resorts, Inc. sold a parcel at 791 Beach Boulevard, Biloxi, MS to Premier Entertainment, LLC. The site consisted of 43,165 square feet and sold for a consideration of \$2,500,000, or **\$57.92 per square foot (\$2,522,995 per acre)**. The sale is recorded in Harrison County Deed Book 402 at Page 184.

The sales price was quoted by William P. McComas, CEO of Full House, in a May 9, 2003 article in the Mississippi Business Journal and in SEC Form 10-KSB Annual Report filing for the fiscal year ended December 2003. The report also states that this property was purchased by Full House February 25, 1998 from

Vincent Paciera, et al (Deed Book 319 at Page 629) for a consideration of \$4,621,670. In November 1998 a series of agreements were executed with Hard Rock Café International to develop and operate a casino and entertainment property for a management and consulting fee. During subsequent option agreements with adjacent land owners and discussions with investment bankers, it became evident that the expected capital market requirements for the project were not acceptable to Hard Rock or Full House, and Full House was relieved of its obligations. Full House decided not to develop the property as planned. Based upon termination of agreements, and Hard Rock executing a licensing agreement with a potential new developer, Full House would be owed consulting fees after opening of the Hard Rock Casino in September 2005. Full House reported a gain of \$27,793 on this sale in documents filed with the SEC. This parcel is part of an assemblage that was developed on the former Gold Shore Casino site and was developed as the Hard Rock Casino and Hotel property owned by Premier Entertainment.

*The Hard Rock Casino and Hotel was scheduled to open September 1, 2005. The property was destroyed by Hurricane Katrina on August 29, 2005 and is currently being rebuilt.*

**Land Sale #9:** On May 16, 2003, Sun Tan Motel, Inc. sold Premier Entertainment, LLC a parcel south of Beach Boulevard and on the west side of what would be Delauney Street if extended, in Biloxi, MS. The parcel's tax identification is 1410K-02-007.000. This parcel contained 41,167 square feet and sold for \$4,837,162, or **\$117.50 per square foot (\$5,118,300 per acre)**. This sale is recorded in Deed Book 402 at pages 187 and 350.

This sale is part of the assemblage of what was formerly the Gold Shore Casino site and was part of the site developed for the Hard Rock Casino and Hotel. This site had been leased since July 1993 at a rate of \$30,000 per month for five years, with subsequent increases in the lease by \$5,000 per month at the end of each five year period. The lease was to continue for 50 years with the lease rate capped at \$70,000 per month from year 41 through year 50. At the time of sale the property would have been beginning its third five-year term (as of July 2003) at \$40,000 per month or \$480,000 annually. At the stated sales price, this would be a capitalization rate of 9.9%.

**Land Sale #10:** On May 19, 2003 Millimax Mississippi, Inc., et al sold a parcel containing 115,708 square feet to Premier Entertainment, LLC. The parcel, identified in Harrison County records as Parcel 1410K-02-003.001 and 004.000, is located in the City of Biloxi, MS at 715 Beach Boulevard. The consideration on the sale was \$7,500,000, or **\$64.82 per square foot (\$2,823,559 per acre)**. The sale is recorded in Deed Book 402 at Pages 222, 257 and 402.

This sale was part of the assemblage by Premier Entertainment, LLC for development of the Hard Rock Casino and Hotel.

**Land Sale #11:** On May 16, 2003, O’Keefe Family Properties, LLC sold Premier Entertainment a parcel containing 43,787 square feet for a consideration of \$5,682,300, or **\$129.77 per square foot (\$5,652,781 per acre)**. The sale is recorded in Deed Book 402 at Pages 177, 180, 324 and 345. This parcel is identified in Harrison County tax records as Parcel 1410K-02-006.000.

This property is part of the assemblage by Premier Entertainment, LLC for development of the Hard Rock Casino & Hotel.

All sales to Premier Entertainment were confirmed with Certified General Appraiser Don Jorgenson, MAI of Jackson, MS who confirmed all sales with Premier Entertainment, LLC and their closing attorney.

As per documents filed with the SEC, the Hard Rock Casino site contained a total of 8.5 acres that was assembled from several owners. Two owners, Demetri and Kosta Vlahos, required confidentiality agreements to keep the sales price confidential on the 38,822 square foot parcel they sold to Premier. The SEC documents indicate that the entire 8.5+/- acres sold for a total of \$30,991,578, or **\$83.70 per square foot (\$3,645,972 per acre)**.

**Land Sale #12:** During the period August – September 1993, and by subsequent exercise of various options, D’Iberville Landing Casino (James H. Fairley, et al) acquired a total of 349,351 square feet of land from Walter H. Gibbes, Jr., Walter H. Gibbes, Charles & Cindy Johnson, Carlo Corporation, and Jane Smith, et al. These transfers are recorded in Deed Book 249 at Page 504 and in Books 258, 259 and 260. Total consideration for the assembled parcels was \$10,726,324, or **\$30.70 per square foot (\$1,337,292 per acre)**. There are other options still active on three other parcels through 2005. These options involve 0.45 acres from Leslie and Jean Quave for \$1,500,000 (**\$76.52 per square foot or \$3,333,333 per acre**); 0.35 acres from Joan Guffey for \$1,500,000 (**\$98.38 per square foot or \$4,285,714 per acre**); and 0.63 acre from Benjamin Fournier at \$1,500,000 (**\$54.65 per square foot or \$2,380,952 per acre**). According to documents on record, the price on these options escalated to \$2.3 million each at the beginning of 2005 and expired as of August 1, 2005 if not exercised.

#### LAND VALUE RECONCILIATION

The appraiser has researched land sales relative to the assemblage of the 2,150+/- acre Grand Casino Tunica campus, a project much similar to that of the proposed Myriad Casino that is the subject of this appraisal, as well as two different sales of a 145+/- and a 150+/- acre Sam’s Town site. Most of the sales are within two to four miles of the subject.

Several sales have been selected and analyzed, representing a variety of parcels of various sizes from 3.59 acres to 1,014 acres. Four of these parcels were all purchased for a similar purpose - to assemble a contiguous 2,150+/- acre tract

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for development as part of the Grand Casino Tunica project. These lands were utilized for development of the golf course, golf school, hotel properties, convention center and other ancillary facilities and the north and south boulevard entrances of the Grand Casino Tunica Resort. The Grand Casino Tunica casino is situated on ground leased from the Board of Levee Commissioners for the Yazoo Mississippi Delta and is immediately adjacent to the resort property. This development pattern is most similar to the proposed Myriad Casino and Resort project that is to include a Casino on leased land and a resort to include an 18-hole indoor golf course.

Sale #6 represents another resort development land sale, that of the Sam's Town Casino Resort located less than two miles due north of the subject parcel.

Sale #7 is another 150-acre parcel acquired by Boyd Tunica, Inc. in 1993 when the Robinsonville gaming development was just getting started. Boyd paid \$166,667 per acre for that 150-acre site in 1993.

A 52-acre site leased to BL Development (Grand Casino) by the Levee Board is now in its third renewal period and Harrah's, Inc., current owners of the Grand Casino name, is paying a rate of \$325,000 per month or \$3.9 million per year on this lease. This equates to a capitalized value of \$39 million, or \$750,000 per acre to the land.

Land values indicated by the sales ranges from \$4,200 per acre to a high of \$171,358 per acre. These sales took place between 1993 and 1999. Sales #2 and #5, both dealing with parcels of 1,000+/- acres, took place one month apart in 1993 when the casino market in Tunica was attempting a revival after the failure of the first two casinos at Mhoon Landing. It is apparent that the landowners in these two transactions had two totally different viewpoints as to the value of farmland in Tunica County at the time. One landowner sold 997.5 acres for \$4.2 million while the other seller sold 1,014 acres for \$26.75 million.

The highest priced sale is the most recent sale – that of the Sam's Town resort property. The \$25 million sales price for approximately 146 acres brought the landowner \$171,358 per acre, but was conditioned by restrictive covenants that prohibited the seller from selling an adjacent parcel to any other gaming concern for a period of five years and also gave the casino developer an option on an additional 150 acres for five years at a bargain price of \$15,000 per acre. It is apparent that all these considerations played into the initial purchase price of \$171,000 per acre.

Sales 7 through 10 are 2003 sales of assembled parcels for the Hard Rock Casino and Hotel in Biloxi, MS. These parcels show a range of value from **\$2.1 million per acre to \$5.6 million per acre in a mature casino market**. The appraiser also extracted some other casino land sales from throughout the United States for various casino ventures. These sales were acquired from [www.costar.com](http://www.costar.com), a web site by CoStar Realty Information, Inc. Sales listed on



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this website are purported to be confirmed with either a party to the sale or by affidavit. We have not factored these sales into our analysis, but provide this information solely as supporting data for our conclusions. Our conclusion of value is based on the land sales in Tunica, MS and Biloxi, MS, both mature gaming markets with multiple casino properties in place.

<i>Casino Comparable Site Sales</i>									
<i>Sale Date</i>	<i>Type</i>	<i>City</i>	<i>Zip</i>	<i>Price</i>	<i>Source</i>	<i>Size (SF)</i>	<i>Acres</i>	<i>Price/Acre</i>	<i>Price/SF</i>
1/3/2006	Casino Site	Ridgefield, WA	98642	\$8,886,239	comps.com	2,425,856	55.7	\$159,566	\$3.66
3/13/2003	Casino Hotel & Pkg	Detroit, MI	48226	\$6,911,000	comps.com	120,603	2.8	\$2,496,150	\$57.30
12/20/1999	Casino Site	Detroit, MI	48201	\$2,600,000	comps.com	66,468	1.5	\$1,703,918	\$39.12
7/29/1994	Casino Card Room	Colma, CA	94014	\$2,400,000	comps.com	130,680	3.0	\$800,000	\$18.37
9/1/1999	Casino Expansion	Joliet, IL	60432	\$1,650,000	comps.com	49,641	1.1	\$1,447,876	\$33.24
10/19/2001	Casino Site	Algona, WA	98001	\$1,585,000	comps.com	132,858	3.1	\$519,672	\$11.93
6/11/2003	Casino/Restaurant	Mountlake, WA	98026	\$1,500,000	comps.com	66,211	1.5	\$986,845	\$22.65
7/26/2005	Casino Site	Barstow, CA	92311	\$1,500,000	comps.com	2,580,494	59.2	\$25,321	\$0.58
3/30/1994	Bingo Parlor	Renton, WA	98055	\$1,250,000	comps.com	182,914	4.2	\$297,681	\$6.83
10/19/2001	Casino Site	Algona, WA	98001	\$914,760	comps.com	132,858	3.1	\$299,921	\$6.89
6/17/2002	Casino Site (Por)	Lakewood, WA	98499	\$675,000	comps.com	52,000	1.2	\$565,442	\$12.98
6/17/2002	Casino Site (Por)	Lakewood, WA	98499	\$575,000	comps.com	31,798	0.7	\$787,691	\$18.08
6/8/2000	Casino Site	Fife, WA	98424	\$434,000	comps.com	37,026	0.9	\$510,588	\$11.72
6/17/2002	Casino Site (Por)	Lakewood, WA	98499	\$250,000	comps.com	47,044	1.1	\$231,485	\$5.31
<i>Data Included In This Report</i>									
5/16/2003	Casino Site (Por)	Biloxi, MS	39530	\$4,837,162	Confirmed	41,167	0.9	\$5,118,342	\$117.50
5/16/2003	Casino Site (Por)	Biloxi, MS	39530	\$2,500,000	Confirmed	43,165	1.0	\$2,522,877	\$57.92
9/1/1993	Casino Site	D'Iberville, MS	39540	\$10,726,324	Confirmed	349,351	8.0	\$1,337,448	\$30.70
5/19/2003	Casino Site (Por)	Biloxi, MS	39530	\$7,500,000	Confirmed	115,708	2.7	\$2,823,487	\$64.82
5/16/2003	Casino Site (Por)	Biloxi, MS	39530	\$5,682,300	Confirmed	43,787	1.0	\$5,652,842	\$129.77
5/19/2003	Casino Site (Por)	Biloxi, MS	39530	\$20,519,462	Confirmed	243,827	5.6	\$3,665,828	\$84.16
11/17/1997	Casino Site (Por)	Tunica, MS	38676	\$1,500,000	Confirmed	1,742,400	40	\$37,500	\$0.86
8/8/1993	Casino Site (Por)	Tunica, MS	38676	\$26,750,000	Confirmed	44,169,840	1014	\$26,381	\$0.61
3/20/1996	Casino Site (Por)	Tunica, MS	38676	\$150,000	Confirmed	156,380	3.59	\$41,783	\$0.96
7/22/1994	Casino Site (Por)	Tunica, MS	38676	\$75,400	Confirmed	328,442	7.54	\$10,000	\$0.23
9/7/1993	Casino Site (Por)	Tunica, MS	38676	\$4,200,000	Confirmed	43,451,100	997.50	\$4,211	\$0.10
5/6/1999	Casino Site	Tunica, MS	38676	\$25,000,000	Confirmed	6,355,099	145.89	\$171,358	\$3.93
11/13/1993	Casino Site	Tunica, MS	38676	\$25,000,000	Confirmed	6,534,000	150.00	\$166,667	\$3.83

As evidenced here, casino sites in Tunica ranged from \$4,200 per acre to as high as \$171,350 during the period 1993 – 1999. However, note that casino sites in the Biloxi market ranged from \$1.3 million to \$5.1 million per acre in 2003. Most of the Biloxi sales are small parcels of less than an acre to 2.7 acres. The largest Biloxi sale is 8.0 acres.

The projected marketing time for parcels of this size is estimated at six to twenty-four months if placed in the open market and marketed by real estate professionals familiar with the Tunica County market and economy.

**SUBJECT PARCEL RECONCILIATION:** Adjusting the sales for differences in location, size, utility, and time of sale (particularly accounting for the maturity of the Tunica gaming market to the third ranked casino resort area in the U.S), the indicated value for the subject land is \$100,000 per acre.

Applying the indicated value per acre to the 513 acre site indicates a base value of the raw land as follows:

$$513 \text{ Acres} \times \$100,000 \text{ per acre} = \$51,300,000$$

In addition to the base raw land value, Myriad has already accrued certain soft costs involved with this project, as well as an estimated \$14.9 million in development costs of Phase One of the development project. The soft costs are projected as follows:

***Myriad World Resorts***

*Program Development and Program-level Cost Estimates*

*and*

*Permits and Entitlements*

3/22/2006

Consultant	Fee
Architect of Record - Milton Pate Architects	\$1,500,000
Arena Design - Heilein, Schrock, Sterns	\$150,000
Permits and Entitlements - AYE & RiverBend	\$450,000
Breazeale Saunders O'Neil - CPAs for Mississippi Issues	\$50,000
Dulaney Law Firm - General Law / TIF	\$50,000
EDSA - Landscape Design	\$150,000
Engineer of Record - Allen & Hoshall	\$1,500,000
Ervin Lee Law Firm - Casino Attorney	\$50,000
Golf Consultants - Dr. Trey Rogers, Japan Bamboo Designer / Ron Garl / Kris Whitfield	\$350,000
HDC International - Construction Management and Budgets	\$500,000
Heineke & Associates - Environmental Consultants & Other Consultants	\$100,000
Horticultural Consultant - Sam Hogan / Festival & Garden Design	\$150,000
IMG - Tennis & Golf Academy	\$250,000
JOJO Maisliner - Retail Consultation	\$150,000
Jonathan Nehmer and Associates - Casino Design	\$500,000
Murphree Consultation - Real Estate	\$240,000
Musco - Lighting & Sound	\$150,000
NBNS - Water Park Design	\$150,000
PaulMa Design - Resort Design and Themeing	\$750,000
R Communications - Marketing	\$150,000
Rogich Communication Group	\$150,000
Sam Begley - Casino Attorney	\$50,000
Select Design Group - MS Eye, Lucid, FEC, Snow Globe	\$600,000
Solar Roof Consultant - Solargenix / Rocky Mountain Institute / Innovative Design	\$350,000
TCUD-Offsite Utilities	\$150,000
Topo Surveys & Soil Borings - RiverBend	\$200,000
Urban Planning Associates - TIF/Grants	\$250,000
Watkins, Ludlam, Winters and Stennis - Major Economic Impact Consultations	\$200,000
Whitfield and Associates, LLC Dixie Whitfield Elmore Hotel Room Design and Product Display	\$250,000
<i>Subtotal</i>	<i>\$9,540,000</i>
Overhead & Reimbursables	\$477,000
	<b>\$10,017,000</b>

The following table shows the projected initial development costs for Phase One of the overall development project. Phase 1 will involve the development of 140 acres of the 513-acre project. The 140 acres will be purchased immediately and an option will be taken on the remaining 373 acres to be acquired at a later date for the development of the golf course and other venues.

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In addition to the 140 acres to be acquired from the Perry family for the Phase 1 development, Myriad will also be acquiring a total of 42 acres for parking and for an access right-of-way for the entry boulevard to the development site.

<b>MYRIAD WORLD RESORTS</b>				
<b>ESTIMATE OF PROBABLE COSTS PHASE ONE</b>				
ITEM	ORIGINAL			BUDGET
General Conditions	500,000	-	-	500,000
				-
<b>General Conditions</b>	<b>500,000</b>	<b>-</b>	<b>-</b>	<b>500,000</b>
<b>Sitework</b>				
Clear & Grub	25,000	-	-	25,000
Site Cut & Fill	6,125,000	-	-	6,125,000
Offsite Borrow	3,500,000	-	-	3,500,000
Cement Stabilized Base & Gravel	300,000	-	-	300,000
Erosion Control & Storm Drainage	500,000	-	-	500,000
Water Lines Across Levee	300,000	-	-	300,000
				-
<b>SITE WORK</b>	<b>10,750,000</b>	<b>-</b>	<b>-</b>	<b>10,750,000</b>
<b>Concrete Work</b>				
Box Culvert - East of Levee	300,000	-	-	300,000
Structures - West of Levee	500,000	-	-	500,000
				-
<b>CONCRETE WORK</b>	<b>800,000</b>	<b>-</b>	<b>-</b>	<b>800,000</b>
<b>TOTALS - Site work and Concrete</b>	<b>11,550,000</b>	<b>-</b>	<b>-</b>	<b>11,550,000</b>
<b>TOTAL</b>	<b>12,050,000</b>	<b>-</b>	<b>-</b>	<b>12,050,000</b>
General Contractor Mark Up			5%	602,500
<b>TOTAL CONSTRUCTION COST</b>				<b>12,652,500</b>
Building Permit			0.25%	31,631
Builder's Risk Insurance			0.55%	69,589
Performance Bond			0.75%	94,894
Gross Receipt Tax			3.63%	466,405
<b>General Contractor Add Ons</b>				<b>662,518</b>
<b>TOTAL COST TO CONSTRUCT</b>				<b>13,315,018</b>
<b>OTHER COSTS</b>				
Engineering Fees - Phase 1				\$ 1,100,000
Geotechnical				\$ 75,000
Topo Surveys				\$ 50,000
Other Fees				\$ 200,000
Contingency				\$ 250,000
<b>TOTAL OTHER COSTS</b>				<b>\$ 1,675,000</b>
<b>PROJECT COSTS</b>				<b>\$ 14,990,018</b>

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As shown in the tables above, there will be an additional \$10 million in soft costs and \$15 million in direct development costs involved in Phase 1 of this development project. Adding those costs to the base raw land value derives a value to the land with site preparation of:

<b>Raw Land Value</b>	<b>\$51,300,000</b>
<b>Soft Costs</b>	<b>\$10,000,000</b>
<b>Site Preparation Costs</b>	<b><u>\$15,000,000</u></b>
<b>Total Land Value (513_- Acres)</b>	<b>\$76,300,000</b>



## COST PROJECTIONS – ADDITIONAL CASINO SITES

The Myriad Resort development is projected to cost approximately \$1,916,000,000 (\$1.9 billion). This figure includes land acquisition, site development and infrastructure, construction of buildings and venues, soft costs, along with finish, furnishing and equipment (FFE).

Myriad -Tunica APPENDIX A1 - Estimate of Capital Expenditures (HDC Schedule details)				DRAFT 6.1 2/27/06 8:46 PM			
FUNDS USED FOR :				FUNDS FROM :			
Description	Ref.	Estimated Costs	%	Description		%	Debits/Equities Ratio
Land	HDC	\$ 40,000,000	2.1%	Debits (Senior)	\$ 977,235,630	51.0%	n/a
Buildings	[Note 1]	\$ 1,272,002,205	66.4%	FF&E Financing (80% of FF&E Costs)	\$ 129,254,722	6.7%	n/a
Soft Costs (Entire Resort)	[Note 2]	\$ 7,029,000	0.4%	Total Debits	\$ 1,106,490,351	57.7%	n/a
FF&E <sup>A</sup>	[Note 3]	\$ 161,568,402	8.4%	Casino Lot Sales	\$ 160,000,000	8.3%	n/a
Development and Finance <sup>AA</sup>	[Note 4]	\$ 402,400,945	21.0%	Primary Equity Sponsor <sup>AAA</sup>	\$ 300,000,000	15.7%	n/a
<b>TOTAL CAPITAL COSTS</b>		<b>\$ 1,883,000,551</b>	<b>98.3%</b>	Secondary Equity Sponsor(s)	\$ 100,000,000	5.2%	n/a
Mississippi Sales Tax	0%	\$ -	0.0%	State Funding	\$ 250,000,000	13.0%	n/a
<b>TOTAL CAPITAL COSTS+Sales Tax</b>		<b>\$ 1,883,000,551</b>	<b>98.3%</b>	Total Equities	\$ 610,000,000	42.3%	n/a
Working Capital	[Note 5]	\$ 33,490,000	1.7%	Total Debits + Equities	\$ 1,516,490,351	100.0%	1.4
<b>TOTAL FUNDS USED</b>		<b>\$ 1,916,490,551</b>	<b>100.0%</b>				

<sup>AA</sup> Includes: \$ 174,211,513 of construction interest.

<sup>A</sup> Fixtures, Furnishing and Equipment

<sup>AAA</sup> Sponsor assumes equity investment risk for 10 yr. 6%/yr. ROI and 1st claim on Free Cash Flow

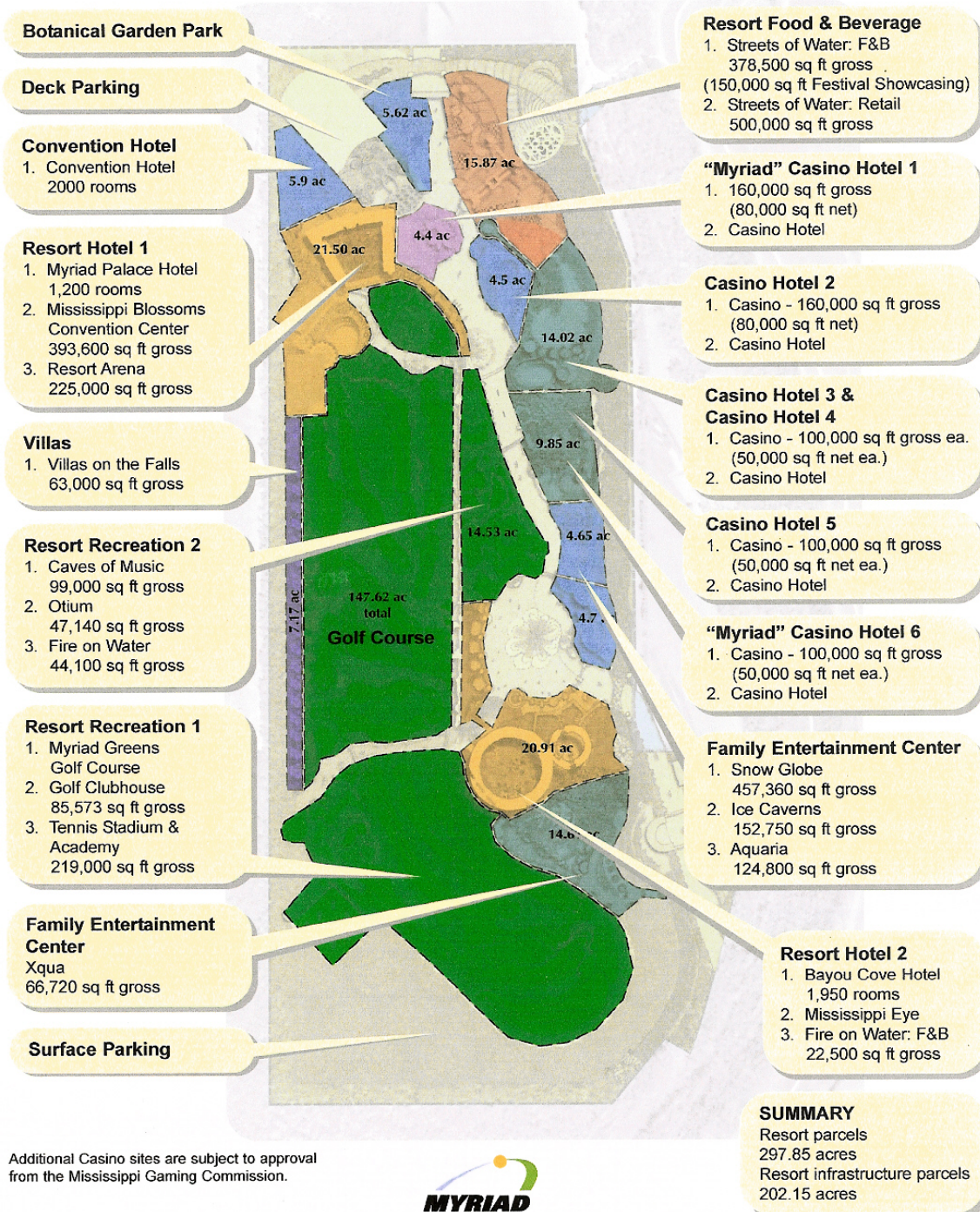
Development plans call for development of the 80,000 square foot (casino floor dimensions) Myriad Casino with a 1,950 room hotel, along with proposed sites for five additional casino properties<sup>23</sup> consisting of one additional 80,000 square foot casino, and four 50,000 square foot casinos, each with parking for 1000 cars. Projections are being developed for development of each of these casino properties with and without its own hotel. A summary of projected costs is shown in the following chart:

Site #	Casino Size	Cost w/o Hotel	Cost With 500-rm Hotel	Site Size
1	80,000 sf	\$138,586,500	\$240,132,200	4.40 Acres
2	50,000 sf	\$105,433,000	\$199,905,200	5.62 Acres
3	50,000 sf	\$105,433,000	\$199,905,200	4.50 Acres
4	50,000 sf	\$105,433,000	\$199,905,200	4.65 Acres
5	50,000 sf	\$105,433,000	\$199,905,200	4.70 Acres
<b>Myriad Anchor</b>	80,000 sf			20.91 Acres

The Myriad anchor site includes the 120,000 square foot gross/80,000 square foot net casino, the 1,950 room Bayou Cove Hotel, the Mississippi Eye theme attraction and the Fire on Water theme attraction. Initially, Myriad Casino will not have an adjacent hotel but will operate the 1,200-room hotel at the Convention Center site at the north end of the resort.

<sup>23</sup> Additional casino or casino/hotel sites have not been presented to the Mississippi Gaming Commission for approval. The appraiser is making an extraordinary assumption that this portion of the development plan will be approved by the Gaming Commission.

## Parcelization Plan



Additional Casino sites are subject to approval from the Mississippi Gaming Commission.



**BOTANICAL RESORT**  
TUNICA, MISSISSIPPI



Since the Tunica market has never had a mega-resort before, there obviously has never been a sale of a casino site inside a resort with all of the entertainment facilities surrounding the site. Previous casino site sales in Tunica (as well as in Las Vegas and Atlantic City) have been sites that were undeveloped parcels or developed parcels where the previous improvements were demolished and replaced with new improvements.

During the past ten years, as many as seven casino sites in Las Vegas have been imploded to make room for new \$1+ billion developments. In Atlantic City, a developer, Steve Wynn, was given a 35+ acre tract by local government for one dollar (\$1) with the stipulation that Wynn develop a mega resort unlike anything previous in that market. The resulting 40-story hotel and casino complex with the surrounding 30+ acres in shopping, night clubs, restaurants and other family entertainment facilities has turned the Atlantic City gaming market on its head. The Wynn property has captured such a large percentage of the local tourist market that almost every casino in that market (including the Trump casinos that were in bankruptcy) now has plans on the drawing boards for \$1+ billion dollar remodeling and expansion projects.

Statistically, 99% of Tunica tourists gamble during their stays in Tunica. That's great for the gaming revenue bottom line, but falls short of attracting the family-oriented tourist trade. As an afterthought, most casinos in the Tunica market have a Planet Rock-type video game room for teens, giving them something to do while their parents enjoy the gaming. However, no one has given thought to a resort geared specifically to attract more than just gamblers. The Water Park, Ice Park, arena, amphitheater, botanical gardens, and golf course attractions of the proposed Myriad Resort are geared to attract those same families that go to Branson, Missouri, Disney World, Sea World, Six Flags and other family oriented theme park areas. The Wynn property in Atlantic City has proven that this mega-resort approach can also have significant impact on the gaming bottom line. The Wynn casino is currently reported to bring in more than \$60,000,000 (\$60 million) in gaming revenues daily, not including the revenues from the theaters, clubs, restaurants and shopping.

The following data, extracted from a report to Myriad Resorts by Land & Leisure, Inc. in a report dated April 2003<sup>24</sup> shows the flattened trend of gaming revenues throughout the State of Mississippi, but points out that the North River Region (essentially Tunica) accounts for as much as 44% of the total state gaming revenues.

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<sup>24</sup> *Preliminary Report, Myriad Golf Resort, Tunica, MS*; Pages 6 & 7, Land & Leisure, Inc., 2716 Downing Dr., Plano, TX 75023.

Gaming Revenues in Mississippi  
1994 - 2002

Year	Gulf Coast Counties	% Change	Mississippi River Counties	% Change	Total State	% Change
1994	\$ 727,326,701	-	\$ 735,467,945	-	\$ 1,462,794,646	-
1995	\$ 716,016,554	-1.56%	\$ 1,008,326,452	37.10%	\$ 1,724,343,006	17.88%
1996	\$ 749,339,088	4.65%	\$ 1,112,707,243	10.35%	\$ 1,862,046,331	7.99%
1997	\$ 757,568,501	1.10%	\$ 1,226,798,344	10.25%	\$ 1,984,366,845	6.57%
1998	\$ 813,668,601	7.41%	\$ 1,360,532,585	10.90%	\$ 2,174,201,186	9.57%
1999	\$ 1,029,919,576	26.58%	\$ 1,486,326,643	9.25%	\$ 2,516,246,219	15.73%
2000	\$ 1,110,445,713	7.82%	\$ 1,538,850,404	3.53%	\$ 2,649,296,117	5.29%
2001	\$ 1,151,112,775	3.66%	\$ 1,549,648,639	0.70%	\$ 2,700,761,414	1.94%
2002	\$ 1,158,173,634	0.61%	\$ 1,559,808,517	0.66%	\$ 2,717,982,151	0.64%

Based on the data from the Mississippi Gaming Commission, the growth of gaming revenues has slowed throughout Mississippi and this is causing concern on the part of the casino managers in the Tunica area. As indicated above, the data for the state and subdivisions indicated relatively small increases in revenues for the casinos in the Mississippi River counties, including Tunica, since 2000. Based on the available data, total gaming revenues for the Mississippi River casinos since 2000 have been 0.70 percent in 2001 and 0.66 percent in 2002 – a level market.

Nevertheless, the total annual casino revenues for the Mississippi River counties have exceeded \$1 billion annually since 1995, the third year gaming was authorized in these counties, and exceeded \$1.5 billion in 2000, 2001 and 2002. However, with the recent diminished gains in revenues, many of the casino managers believe the prospects for additional capacities are limited and that any new casino could only cannibalize off the existing operations. Based on the data, the Mississippi River counties represent the biggest part of the total Mississippi gaming revenues, even larger than the Gulf Coast counties. Casinos in the Mississippi River counties account for more than 57 percent of total Mississippi gaming revenues.

As indicated, the Mississippi Gaming Commission has recently begun to publish data for the Mississippi River counties and have separated the data into the North River Region and the South River Region. The North River Region is essentially the Tunica casinos with the addition of one casino in Lula. The South River Region includes casinos in Vicksburg, Greenville and Natchez. The total gaming revenues in the North River Region, essentially Tunica, remain strong totaling approximately \$1,481,685,000 in 2002 or

## The Dunklin Appraisal Group

79 percent of the total for the Mississippi River counties and 44 percent of the state total as indicated in the following data.

Quarterly Gaming Revenues  
2nd Q 2001 - 4th Q 2002

		North River Region	% of State	South River Region	% of State	State Total
2nd Quarter	2001	\$ 373,825,869	44.18%	\$ 95,238,234	11.26%	\$ 846,111,520
3rd Quarter	2001	\$ 384,308,239	41.45%	\$ 133,275,362	14.38%	\$ 927,074,121
4th Quarter	2001	\$ 352,749,853	43.94%	\$ 92,837,707	11.57%	\$ 802,742,224
1st Quarter	2002	\$ 389,966,728	43.82%	\$ 105,302,958	11.83%	\$ 889,894,957
2nd Quarter	2002	\$ 375,094,776	42.51%	\$ 99,281,475	11.25%	\$ 882,320,965
3rd Quarter	2002	\$ 376,402,522	43.19%	\$ 95,719,448	10.98%	\$ 871,465,260
4th Quarter	2002	\$ 340,220,868	45.39%	\$ 88,117,634	11.76%	\$ 749,537,580

Because of the flattened trend of gaming revenues throughout the state, the indication is that a new gaming facility alone would not have the draw to spur those revenue figures towards new levels. The prospect of family-oriented entertainment that can draw tourists to the area for reasons other than gaming points Tunica County in a new direction – that of an entertainment destination rather than only a gaming destination. This new approach to tourism was even identified by Tunica County in their efforts with the Tunica River Park. The thinking by county officials was that some 14 million visitors per year came through Tunica County and few of them ever even saw the Mississippi River during their stay. The idea was to create a park centered on the river and its history and attract visitors to the area for other than just the gaming entertainment as well as giving gamers alternatives during their stay.

The same Land & Leisure report points out that “Based on the 2002 *Tunica Visitor Profile*, the average visitor to Tunica spends 7 hours per day gambling with most spending an average of 2 nights in Tunica. Based on the current data, 84% of Tunica visitors have visited previously, averaging 3.9 vacations to Tunica annually.”<sup>25</sup> The 2002 Tunica Visitor Profile went on to point out that the average gambler spent \$557 on gambling on each visit. The median spending figure for gaming is \$274. Only 64% of visitors list gaming as their primary reason for their visit to Tunica, leaving 36% of visitors with un-met expectations. 30% of the 4,000,000+ residents in Tunica’s 2002 primary market of a 150-mile radius<sup>26</sup> were under 18 years old and therefore not eligible gamblers. To facilitate growth in the market, the need, then, is for attractions to accommodate that 1.2 million potential guests that cannot gamble, i.e., to make Tunica a family tourist destination.

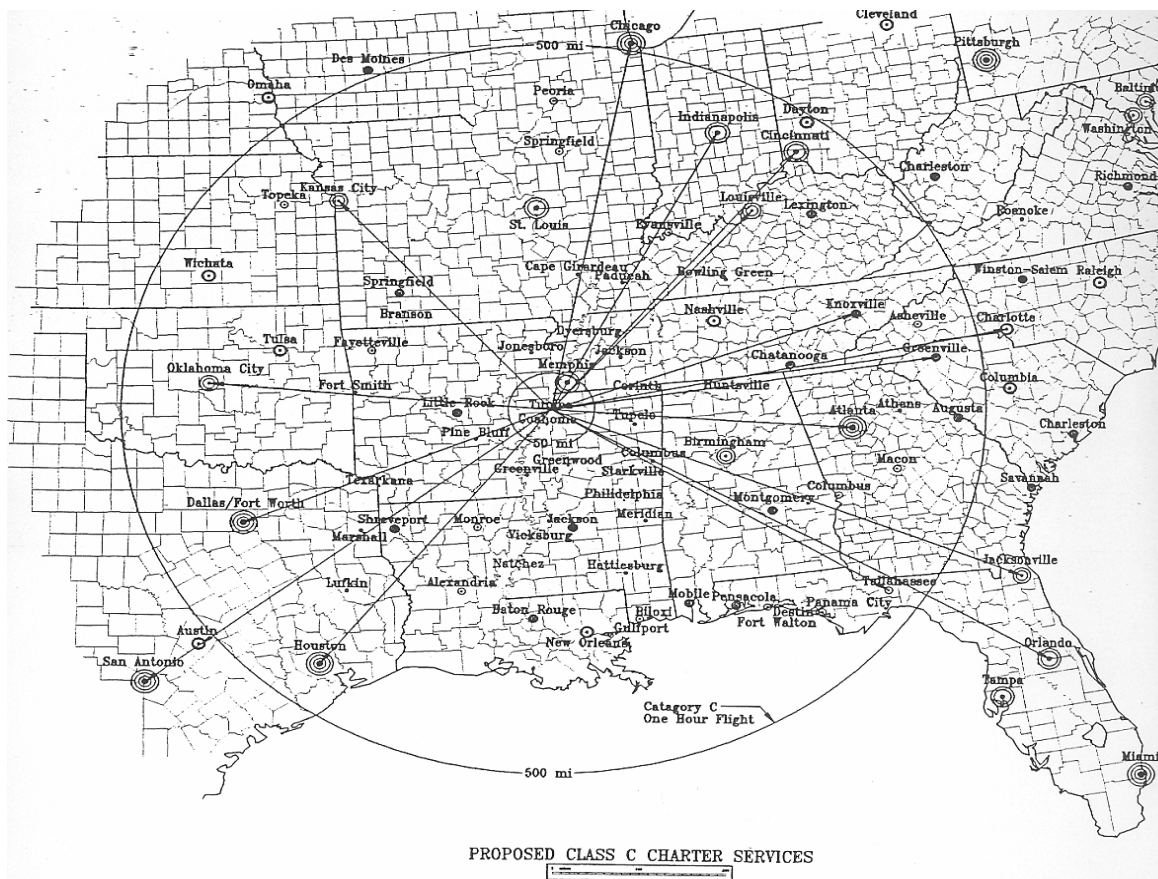
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<sup>25</sup> Ibid, Pg 7

<sup>26</sup> The 150-mile radius market limitation was based on the fact that Tunica had no commercial airport at the time. The new airport was still under construction.



It should also be noted that the Tunica Visitor Profile data was done in 2002, prior to completion of the new airport facility. At that time, Tunica's primary draw was from persons within a 150 mile radius who could easily drive to the area. With the opening of the new airport and jet traffic, the market draw has been expanded to a radius of 500 miles, westward to Oklahoma City, northward to Chicago, eastward to Atlanta and Charlotte. The 500-mile radius extends southward to the Mississippi, Louisiana, Alabama and Florida Gulf Coasts, but because Mississippi has a large contingent of gaming facilities on the Mississippi Gulf Coast (Biloxi and Gulfport) and since many of the Gulf Coast casinos are owned by the same corporations that operate the Tunica casinos, very little advertising is directed southward from Tunica. The current demographics exactly mirror the projected market area of the Tunica Gaming Area predicted in the Tunica Transportation Study done in 1995 when the Tunica Airport Commission began considering developing a new airport.<sup>27</sup>



The following chart shows the 4<sup>th</sup> Quarter 2004 demographics of the typical Tunica Visitor.

<sup>27</sup> Tunica Transportation Study by O.T. Marshall Architects – Engineers, 1995.

## 2004 Visitor Demographics

	<u>2004</u>	<u>2002</u>
Average Age	56	58
Household Income	\$53.6K	\$53.8K
Married	75%	70%
Employed	55%	51%
Retired	39%	43%

As noted in the two years from 2002 to 2004, the average age has dropped from 58 years to 56 years; household income is slightly less than earlier; 5% more visitors are married (thereby indicating a greater need for family entertainment); 4% more visitors are employed rather than retired.

## **Trip Characteristics**

	<u>2004</u>	<u>2002</u>
Overnight	81%	84%
# of nights	2.9	2.4
Repeat Visitor	76%	82%
1 <sup>st</sup> Time Visitor	24%	18%
Very Satisfied	94%	91%

The rate of repeat visitors has dropped off about 6% in the past two years, but the number of first-time visitors has increased by 6%. The overall satisfaction level has increased to an admirable 94%. Events such as the World Poker Championship and the associated cable television coverage broadcast throughout the country have given Tunica a national presence.

One of the more interesting determinations of the 2004 Tunica Visitor Profile is the radius of the current market.

## Residence of Visitors

	<u>Total</u>	<u>Repeat</u>	<u>1<sup>st</sup> Time</u>
Chicago	10%	7%	19%
Little Rock	9%	11%	4%
St. Louis	7%	7%	7%
Nashville	7%	8%	3%
Huntsville	5%	7%	0%

These figures exactly parallel the market radius projected by the 1995 Tunica Transportation Study. Of particular note is that a greater total percentage of visitors arrive from the furthest destination, Chicago, and more of these are first-time visitors than from any other market.

As per the O. T. Marshall study, the population base within the 500-mile market radius created by the jet-capable Tunica Airport is 106,000,000 (106 Million) persons as opposed to the 4 million persons within the 150-mile driving radius. If the 30% ratio holds true for the expanded market, there are then 31.8 million potential customers less than 21 years of age who cannot participate in the gaming in Tunica but who can be drawn to Tunica with the right mix of family entertainment. Within that market are a number of very large population centers from which to draw patrons:

<i><b>Market Size</b></i>	<i><b>Cities Within 500 Miles</b></i>
<b>400,000 - 600,000</b>	New Orleans, Nashville, Tulsa, Wichita, Dayton
<b>600,000 - 800,000</b>	Oklahoma City, Kansas City, Birmingham, Louisville
<b>800,000 - 1,000,000</b>	Memphis, St. Louis, Indianapolis, Cincinnati
<b>1,000,000 +</b>	Dallas, Atlanta, Chicago, Houston

Another important factor to consider is the differentiation between first-time and returning visitors. Some of the more noticeable differences are as follows:

	<i><b>First-Time Visitors</b></i>	<i><b>Returning Visitors</b></i>
<i><b>Average Age</b></i>	50	58
<i><b>Time Spent Gambling</b></i>	4.9 hrs.	6.3 hrs.
<i><b>\$ Spent on Food/Drinks</b></i>	\$132	\$108

The Tunica Visitor Profile also points out that first-time visitors are much more likely to visit other attractions such as the Tunica RiverPark and the Tunica Queen river cruise, the Factory Outlet Mall and the Tunica Agricultural Museum. All in all, the profile indicates a visitor that is less interested in non-stop gaming and more interested in other attractions and entertainment (dining, shows, night clubs, and shopping and other family entertainment venues). Since the study shows that the current visitor is younger, spends more money gambling in fewer hours, is married and has family, the need for a Destination Resort with a variety of entertainment venues is essential to attract and retain that customer to the Tunica market.



## **ANALYSIS OF PROPOSED CASINO SITE SALES**

Unlike any other property in Tunica or any other casino area in the U.S., Myriad World Resorts of Tunica, LLC has plans to develop a 550+ acre site with multiple entertainment and sports venues. The development concept also includes having much of the resort enveloped in an air support roof structure that will permit a climate-controlled environment for golfing, skiing and other family activities.

Another unique feature of this proposed development is the placement of multiple separately-branded casinos within the theme park. Provisions have been made for five (5) sites to be allocated for separately branded casino facilities in addition to the anchor site of Myriad's own casino. Myriad will initially develop an 80,000 square foot (casino floor size) casino of its own, with a 1,950-room hotel at the south end of the resort. At the north end of the resort there will be a convention center with a 1,200-room hotel, with plans to add an adjacent 2,000-room hotel as the convention business grows to need the additional room space.

On sites ranging from 4.4 acres to 14.02 acres (a single site that will house two (2) other-branded casino/hotel operations), there will be available locations for other-branded casinos, each with an accompanying hotel. The separately branded casinos will be able to take advantage of the traffic created by the draw of the family entertainment venues (golf course under roof, ski venue under roof, waterpark, ice caverns, aquarium, amphitheater and botanical gardens, shopping and dining/beverage venues as well as the sporting venues such as the arena and the tennis stadium). The concept is much like the development of a major shopping center with Myriad as the anchor with Myriad-branded facilities at each end of the resort and other casinos locating between the Myriad properties and taking advantage of the tourists drawn by the Myriad gaming, convention, entertainment and shopping venues.

Preliminary plans call for setting aside space for one additional 80,000 square foot casino and four 50,000 square foot casinos. Cost estimates have been developed for freestanding casino facilities both with their own hotel facilities.

Since a concept of this nature has never been done in Tunica or any other gaming resort in the United States, there are not any comparable site sales to compare to the site sales proposed in this resort. To arrive at an opinion of value for these sites, the appraiser will have to use the Land Residual technique to arrive at a value for the sites. To derive a value for the land, the appraiser will utilize a Discounted Present Value of the variable lease revenues for the sites.

The tenant casino will have the option of 1) an outright purchase of their site, plus a CAM (Common Area Maintenance) charge of \$11 per square foot of gross building space, or 2) a lease of the site with a 4% overage charge (i.e., 4% of gross revenues generated by the casino property) plus the same \$11 per square foot of gross building area CAM charge. In addition, as a result of Myriad's plan

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to add the Aeromovel monorail system, all venues, including casinos, will pay a 2% fee to recoup the development costs and operating costs of the monorail system.

Important to note is that gross building area is greater than the casino floor area. In a casino with 80,000 square feet of casino floor, an additional 80,000 square feet of 'backend' space (offices, security, vault areas, restaurants, etc.) would be required. The CAM charge would then be computed on 160,000 square feet. A 50,000 square foot casino floor property would pay a CAM charge based on 100,000 square feet.

The figures used to compute the development costs for the casino properties, both with and without included hotel space, are pro-forma cost figures generated by Myriad. The individual casinos would, however, build their own facilities with Myriad maintaining design control.

## **COST APPROACH ANALYSIS**

The developer, Myriad World Resorts of Tunica, LLC, has the following development costs associated with this project:

<b>Raw Land Cost</b>	<b>\$50,000,000</b>
----------------------	---------------------

**Resort Infrastructure:**

Utility Installation  
Drainage  
Pumping Stations  
Site Preparation  
Perimeter Levee  
Grading

**\$21,345,500**

**Site Features:**

Waterways  
Lagoons  
Edge Treatments  
Landscaping

**\$29,403,000**

**Vehicle Access Features:**

Roads  
Parking Decks  
Parking Lots

**\$28,500,000**

**TOTAL SITE DEVELOPMENT**

**\$79,248,500**

**TOTAL LAND & DEVELOPMENT COST**

**\$129,248,500**

The development costs shown are for basic site acquisition and site improvements. Resort venues (golf course, botanical gardens, ski village, water park, ice park all with air support roof; amphitheater; tennis stadium; shopping venues; clubs, restaurants, spa; convention facilities and hotels) arena are not included in these cost projections. These and all other development costs are in addition to the above costs. Initial estimates were for a total project development cost of \$1,220,000,000 (\$1.22 Billion). With the addition of the Aeormovel monorail system and other development changes, the current project development cost has reached \$1.9 billion. The pro-forma cost projection for the entire project is as follows:

## The Dunklin Appraisal Group

Myriad -Tunica APPENDIX A1 - Estimate of Capital Expenditures (HDC Schedule details)				DRAFT 6.1 2/27/06 1:11 AM			
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Mississippi Sales Tax	0%	\$ -	0.0%	State Funding	\$ 250,000,000	13.0%	n/a
<b>TOTAL CAPITAL COSTS+Sales Tax</b>		<b>\$ 1,883,000,551</b>	98.3%	Total Equities	\$ 810,000,000	42.3%	n/a
Working Capital	[Note 5]	\$ 33,490,000	1.7%	Total Debts + Equities	\$ 1,916,490,551	100.0%	1.4
<b>TOTAL FUNDS USED</b>		<b>\$ 1,916,490,551</b>	100.0%	^ Fixtures, Furnishing and Equipment			
^^ Includes: \$ 174,211,813 of construction interest.				^^^ Sponsor assumes equity investment risk for 10 yr. 6%/yr. ROI and 1st claim on Free Cash Flow			
Note 1 - Building				Note 1A - General Construction			
Description	Ref	\$	%	Description	Ref	\$	%
General Construction	Note 1A	\$ 946,888,002	74.4%	Site & Infrastructure	HDC	\$ 21,000,000	2.2%
Venues	Note 1B	\$ 155,800,673	12.2%	"PER" (Site work, paving, Levy crossing, street lights)	HDC	\$ 15,523,200	1.6%
Infrastructure	HDC	\$ 29,403,000	2.3%	Site Civil	HDC	\$ 9,605,556	1.0%
Design Consultants	HDC	\$ 93,614,118	7.4%	Non-Golf Dome Structure (from MWR)	HDC	\$ 26,869,830	2.8%
Construction Consultants	HDC	\$ 13,215,752	1.0%	Convention, meeting, office, etc. (400,000SF)	HDC	\$ 70,200,000	7.4%
Building Contingency (3 % on G.Const'n & Venues)		\$ 33,080,660	2.6%	1200 Keys @ FAR HOTEL	HDC	\$ 173,400,000	18.3%
		\$ 1,272,002,205	100.0%	2 500 Key Casinos # 1 HOTEL & #2 HOTEL	HDC	\$ 163,197,267	17.2%
Note 1B - Venues				Villas 36 Ea	HDC	\$ 14,652,000	1.5%
Description	Ref	\$	%	Condominiums 80 1800 sf ea	HDC	\$ 20,880,000	2.2%
Family Entertainment Center	HDC	\$ 13,714,500	8.8%	Health Club & Spa 25,000 SF	HDC	\$ 12,500,000	1.3%
Aeromobile	HDC	\$ 40,000,000	25.7%	2 Casinos (80,000SF)	HDC	\$ 91,200,000	9.6%
Theater 2500 seats	HDC	\$ 20,000,000	12.8%	Bleacher Style Stadium (10,000 Seats)	HDC	\$ 33,750,000	3.6%
Mississippi Eye	HDC	\$ 34,403,613	22.1%	Parking Deck	HDC	\$ 75,000,000	7.9%
Millinium Water Projection Theater	HDC	\$ 5,000,000	3.2%	Interior Landscaping	HDC	\$ 17,968,500	1.9%
Lucid Digital Multi-Media Night Club	HDC	\$ 6,990,000	4.5%	Exterior Landscaping	HDC	\$ 6,534,000	0.7%
Snow Park	HDC	\$ 15,692,560	10.1%	Solar Roof Dome (Includes 80,000,000 Tax Credit)	HDC	\$ 120,000,000	12.7%
Water Park ( Interior )	HDC	\$ 20,000,000	12.8%	Golf Academy	HDC	\$ 937,500	0.1%
		\$ 155,800,673	100.0%	Golf Clubhouse and Golf Course	HDC	\$ 18,000,000	1.9%
Note 2 - Pre-Develop. Costs (Entire Resort)				Tennis Academy	HDC	\$ 937,500	0.1%
Description	Ref	\$	%	Dog Kennels	HDC	\$ 500,000	0.1%
Feasibility Study/Site Valuation	HDC	\$ 185,000	2.6%	Additional Domes & Structures	HDC	\$ 25,000,000	2.6%
Legal Fees	HDC	\$ 250,000	3.6%	Plant Staggering	HDC	\$ 6,732,650	0.7%
Property Survey	HDC	\$ 45,000	0.6%	Retail (250,000 SF)	HDC	\$ 22,500,000	2.4%
Gaming Commission Fees	HDC	\$ 40,000	0.6%			\$ 946,888,002	100.0%
Gaming License legal	HDC	\$ 40,000	0.6%	Note 3 - FF&E			
Planning Consulting Fees	HDC	\$ 250,000	3.6%	Description	Ref	\$	%
Architect Fees (Domes) 6% of dome cost	HDC	\$ 1,320,000	18.8%	FF&E Guestrooms	HDC	\$ 32,095,400	19.9%
Accounting	HDC	\$ 145,000	2.1%	FF&E Public Area	HDC	\$ 84,041,145	52.0%
Civil Engineering Fees	HDC	\$ 2,000,000	28.5%	Kitchen / Laundry	HDC	\$ 8,300,000	5.1%
Mississippi Water Management Study	HDC	\$ 75,000	1.1%	Expendables	HDC	\$ 8,800,000	5.4%
Geotechnical Engineer	HDC	\$ 75,000	1.1%	Back of House	HDC	\$ 840,000	0.5%
Archeologist Fees	HDC	\$ 10,000	0.1%	Systems (IT,AV, Security etc)	HDC	\$ 8,400,000	5.2%
Liability Insurance	HDC	\$ 324,000	4.6%	Purchasing Agent	HDC	\$ 11,398,124	7.1%
Environmental Impact Report	HDC	\$ 220,000	3.1%	FF&E Contingency	HDC	\$ 7,693,733	4.8%
General & Administration	HDC	\$ 350,000	5.0%			\$ 161,568,402	100.0%
Financing Fees	HDC	\$ 600,000	8.5%	Note 4A - Finance			
Working Capital & Contingency	HDC	\$ 1,100,000	15.6%	Description	Ref	\$	%
		\$ 7,029,000	100.0%	Financing Fees	HDC	\$ 10,000,000	17.1%
Note 4 - Development & Finance				Brokerage Fees	HDC	\$ 48,000,000	81.8%
Description	Ref	\$	%	Appraisal	HDC	\$ 500,000	0.9%
Development Fees	HDC	\$ 44,207,118	11.0%	Lenders Consultant	HDC	\$ 150,000	0.3%
Technical Service	HDC	\$ 750,000	0.2%			\$ 58,650,000	100.0%
Finance	Note 4A	\$ 58,650,000	14.6%	Note 4B - Development Exps.			
Legal & Accounting	HDC	\$ 1,250,000	0.3%	Description		\$	%
Project Administration	HDC	\$ 11,670,000	2.9%	Predevelopment Costs	HDC	\$ 6,000,000	9.9%
Development Exps.	Note 4B	\$ 60,671,674	15.1%	Builder Risks Ins (1.5% of Gen. Construction)	HDC	\$ 14,203,320	23.4%
Construction Interest	HDC	\$ 174,211,813	43.3%	Liability Ins. (1.5% of Gen. Construction)	HDC	\$ 14,203,320	23.4%
Development Contingency	Note 4C	\$ 50,990,339	12.7%	Title Ins./Retail/Retail Broker	HDC	\$ 1,670,594	2.8%
		\$ 402,400,945	100.0%	Inspection/Transportation	HDC	\$ 710,000	1.2%
Note 5 - Working Capital				Taxes during construction ( 0.5% of G.Const'n )	HDC	\$ 4,734,440	7.8%
Description	Ref	\$	%	Public Rel'n./Promo./Misc.	HDC	\$ 6,650,000	11.0%
Working Capital	HDC	\$ 23,490,000	70.1%	Pre-Opening Exps.	HDC	\$ 12,500,000	20.6%
Operating Shortfalls	HDC	\$ 10,000,000	29.9%			\$ 60,671,674	100.0%
		\$ 33,490,000	100.0%	Note 4C - Dvp/mt.Contingency			
Note 1A-a Breakdown of ESI Air-Support Structure				Description	Ref	\$	%
Description		\$	%	FF&E	HDC	\$ 5,897,247	n/a
Fabric		\$ -	0.0%	Complete Resort	HDC	\$ 256,559	n/a
Mechanical		\$ -	0.0%	Design Consultants	HDC	\$ 3,416,915	n/a
Fabrication		\$ -	0.0%	Venues	HDC	\$ 5,686,725	n/a
Cables		\$ -	0.0%	General Construction	HDC	\$ 34,561,412	n/a
		\$ -	0.0%	FF&E Guestrooms	HDC	\$ 1,171,482	n/a
Contingency		\$ -	0.0%			\$ 50,990,339	n/a
		\$ -	0.0%				

To determine a value for the other-branded casino sites, some projection has to be made as to the cost to erect such casinos with independent hotel facilities, as well as projecting profitability of such facilities. Space will be made available for one 80,000 square foot (net casino floor area) facilities with a 500-room hotel, as well as four 50,000 square foot (net casino floor area) casinos with 500-room hotel facilities. Myriad itself will erect an 80,000 square foot casino at the south end of the resort with future plans to attach an adjacent 1,950-room hotel.

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Initially, however, the casino will be built without the hotel as Myriad will have a 1,200-room hotel at the north end of the resort adjacent to the convention center.

Myriad has projected their costs if they were to build such facilities and have provided these figures to the appraiser for use in this analysis. Cost and income data has been developed for the 80,000 square foot casino scenario and the 50,000 square foot casino scenarios. The following pages show those projected costs and the associated projected incomes and debt servicing requirements for each scenario:





**EXHIBIT B - Myriad Phase 1 - Casino/Hotel** **PRO-FORMA Financial Statements (II)** **DRAFT** 10/3/05 11:49 PM

**(3) CASH FLOW STATEMENT**

		OPERATING YEAR														
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>Escalations</b>	Vol.	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Price	0%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Tot. % Chg/Yr (= % Δ in V x %Δ in P)		0.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Compound Annual Growth Rate ("CAGR") [Volume]		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CAGR [Price]		0.00%	1.00%	2.01%	3.03%	4.06%	5.10%	6.15%	7.21%	8.29%	9.37%	10.46%	11.57%	12.68%	13.81%	14.95%
CAGR [ Price + Volume ]		0.00%	1.00%	2.01%	3.03%	4.06%	5.10%	6.15%	7.21%	8.29%	9.37%	10.46%	11.57%	12.68%	13.81%	14.95%

		OPERATING YEAR															
		Total	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Operating Revenues (Net of Promo.Allow.)		2,175.71	135.16	136.52	137.88	139.26	140.65	142.06	143.48	144.91	146.36	147.83	149.30	150.80	152.31	153.83	155.37
Operating Expenses		(1,694.26)	(105.25)	(106.31)	(107.37)	(108.44)	(109.53)	(110.62)	(111.73)	(112.85)	(113.98)	(115.11)	(116.27)	(117.43)	(118.60)	(119.79)	(120.99)
EBITDA		481.45	29.91	30.21	30.51	30.82	31.12	31.44	31.75	32.07	32.39	32.71	33.04	33.37	33.70	34.04	34.38
Interest Expense		(142.91)	(10.75)	(10.65)	(10.53)	(10.40)	(10.25)	(10.09)	(9.92)	(9.72)	(9.51)	(9.27)	(9.01)	(8.72)	(8.40)	(8.04)	(7.65)
Depreciation		(90.00)	(6.00)	(6.00)	(6.00)	(6.00)	(6.00)	(6.00)	(6.00)	(6.00)	(6.00)	(6.00)	(6.00)	(6.00)	(6.00)	(6.00)	(6.00)
Pre-Tax Earnings		248.54	13.16	13.56	13.98	14.42	14.87	15.34	15.83	16.34	16.88	17.44	18.03	18.65	19.30	20.00	20.73
Corporate Tax 33.0%		(82.02)	(4.34)	(4.48)	(4.61)	(4.76)	(4.91)	(5.06)	(5.22)	(5.39)	(5.57)	(5.76)	(5.95)	(6.15)	(6.37)	(6.60)	(6.84)
After Tax Earnings		166.52	8.81	9.09	9.37	9.66	9.96	10.28	10.61	10.95	11.31	11.69	12.08	12.50	12.93	13.40	13.89
Beginning Cash Balance		-	-	1.38	1.53	1.57	1.58	1.60	1.62	1.64	1.65	1.67	1.68	1.70	0.34	0.32	0.32
Cash From: (i) Net Earnings		166.52	8.81	9.09	9.37	9.66	9.96	10.28	10.61	10.95	11.31	11.69	12.08	12.50	12.93	13.40	13.89
(ii) Depreciation		90.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Available Cash		256.52	14.81	16.47	16.90	17.23	17.55	17.88	18.23	18.59	18.96	19.35	19.77	20.20	19.28	19.72	20.21
Cash Used For: (i) Debt Prin. Repayment		(33.74)	(1.02)	(1.13)	(1.25)	(1.38)	(1.52)	(1.68)	(1.86)	(2.05)	(2.27)	(2.51)	(2.77)	(3.06)	(3.38)	(3.73)	(4.12)
Cash Available for Dividend Distribution		222.78	13.79	15.34	15.65	15.85	16.02	16.20	16.37	16.53	16.69	16.85	17.00	17.14	15.90	15.98	16.08
Div.Distribution (% of A.Cash) %		99.9%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	98.0%	98.0%	98.0%	98.0%
\$		(222.46)	(12.41)	(13.80)	(14.09)	(14.26)	(14.42)	(14.58)	(14.73)	(14.88)	(15.02)	(15.16)	(15.30)	(16.79)	(15.58)	(15.66)	(15.76)
Ending Cash Balance		0.32	1.38	1.53	1.57	1.58	1.60	1.62	1.64	1.65	1.67	1.68	1.70	0.34	0.32	0.32	0.32
Terminal Value 8.5 x		292.23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	292.23
Tot. Distributed Cash		514.69	12.41	13.80	14.09	14.26	14.42	14.58	14.73	14.88	15.02	15.16	15.30	16.79	15.58	15.66	307.99

Phase 1 IRR = 22.9%  
Phase 1 NPV @ 11% discount rate = \$92.87 mm

<b>DEBT SERVICE RATIOS</b>		[a] EBITDA / Debt Service	2.5X	2.6X	2.6X	2.6X	2.6X	2.7X	2.7X	2.7X	2.8X	2.8X	2.8X	2.8X	2.9X	2.9X	2.9X
		[b] Debt / EBITDA	3.6X	3.5X	3.5X	3.4X	3.3X	3.2X	3.2X	3.1X	3.0X	2.9X	2.8X	2.7X	2.5X	2.4X	2.3X

Myriad-Tunica		APPENDIX A7 - Schedule 21 - Calculation of Debt Amortization							0		10/3/05 11:49 PM									
(A) Amortization of Debts																				
Type of Debt	\$	Annual	Amortization /	# of Interest	Monthly			Annual Payments												
		Interest Rate ^	Interest Payment	Computations	Interest Rate	Period (Months)	Payments	Year 1 to 7	Year 8 to 10	Year 11 onwards										
			Period (Yrs.)	per Year																
(a) Convertible Debt (Interest Only)	\$	-	3.0%	7	12	0.25%	84	\$	-	\$	-	\$	-							
(i) Debt A	\$	-	7.0%	10	12	0.58%	120	\$	-	\$	-	\$	-							
(ii) Debt B	\$	108,000,000	10.0%	25	12	0.83%	300	\$	(981,397)	\$	(11,776,762)	\$	(11,776,762)							
(iii) Debt C	\$	-	9.0%	7	12	0.75%	84	\$	-	\$	-	\$	-							
TOTAL	\$	108,000,000	n/a	n/a	n/a	n/a	n/a	\$	(981,397)	\$	(11,776,762)	\$	(11,776,762)							
OPERATING YEAR																				
	1	2	3	4	5	6	7	8	9	10										
(i) Debt A																				
Outstanding Debt @ Beg. of :	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-								
Annual Interest Payment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-								
Annual Principal Repayment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-								
Total Annual Payment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-								
(ii) Debt B																				
Outstanding Debt @ Beg. of :	\$	108,000,000	\$	106,977,203	\$	105,847,306	\$	104,599,093	\$	103,220,177	\$	101,696,870	\$	100,014,053	\$	98,155,022	\$	96,101,327	\$	93,832,584
Annual Interest Payment	\$	10,753,965	\$	10,646,864	\$	10,528,549	\$	10,397,845	\$	10,253,455	\$	10,093,944	\$	9,917,732	\$	9,723,067	\$	9,508,018	\$	9,270,451
Annual Principal Repayment	\$	1,022,797	\$	1,129,897	\$	1,248,212	\$	1,378,916	\$	1,523,307	\$	1,682,817	\$	1,859,030	\$	2,053,695	\$	2,268,744	\$	2,506,311
Total Annual Payment	\$	11,776,762	\$	11,776,762	\$	11,776,762	\$	11,776,762	\$	11,776,762	\$	11,776,762	\$	11,776,762	\$	11,776,762	\$	11,776,762	\$	11,776,762
Re-issuance Fees 0.000%	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
(iii) Debt C																				
Outstanding Debt @ Beg. of :	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Annual Interest Payment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Annual Principal Repayment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total Annual Payment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total [(a)+(I)+(ii)+(iii)]																				
Outstanding Debt @ Beg. of :	\$	108,000,000	\$	106,977,203	\$	105,847,306	\$	104,599,093	\$	103,220,177	\$	101,696,870	\$	100,014,053	\$	98,155,022	\$	96,101,327	\$	93,832,584
Annual Interest Payment	\$	10,753,965	\$	10,646,864	\$	10,528,549	\$	10,397,845	\$	10,253,455	\$	10,093,944	\$	9,917,732	\$	9,723,067	\$	9,508,018	\$	9,270,451
Annual Principal Repayment	\$	1,022,797	\$	1,129,897	\$	1,248,212	\$	1,378,916	\$	1,523,307	\$	1,682,817	\$	1,859,030	\$	2,053,695	\$	2,268,744	\$	2,506,311
Total Annual Payment	\$	11,776,762	\$	11,776,762	\$	11,776,762	\$	11,776,762	\$	11,776,762	\$	11,776,762	\$	11,776,762	\$	11,776,762	\$	11,776,762	\$	11,776,762
OPERATING YEAR																				
	11	12	13	14	15	16	17	18	19	20										
(ii) Debt B																				
Outstanding Debt @ Beg. of :	\$	91,326,273	\$	88,557,519	\$	85,498,840	\$	82,119,877	\$	78,387,093	\$	74,263,438	\$	69,707,982	\$	64,675,510	\$	59,116,073	\$	52,974,490
Annual Interest Payment	\$	9,008,007	\$	8,718,083	\$	8,397,799	\$	8,043,978	\$	7,653,106	\$	7,221,306	\$	6,744,290	\$	6,217,324	\$	5,635,179	\$	4,992,075
Annual Principal Repayment	\$	2,768,754	\$	3,058,679	\$	3,378,963	\$	3,732,784	\$	4,123,655	\$	4,555,456	\$	5,032,472	\$	5,559,437	\$	6,141,583	\$	6,784,687
Total Annual Payment	\$	11,776,762	\$	11,776,762	\$	11,776,762	\$	11,776,762	\$	11,776,762	\$	11,776,762	\$	11,776,762	\$	11,776,762	\$	11,776,762	\$	11,776,762
Re-issuance Fees 0.000%	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-

## PROJECTED COSTS FOR 50,000 SQUARE FOOT CASINO & HOTEL

<b>EXHIBIT A - Myriad Phase 1 - Casino/Hotel PRO-FORMA Financial Statements (I)</b>	<b>DRAFT</b>
	10/3/05 11:49 PM

<b>(1) CAPITAL COSTS &amp; FINANCING</b>					
	\$mm		\$mm	D/E Ratio	
Casino Pad	\$ 40.0	Equity	40.00%	\$ 64.00	
50,000 sqft Casino (Includes soft costs)	\$ 42.5	Debt	60.00%	\$ 96.00	
Hotel (Includes soft costs) 500 Rms.@ \$0.155 / Rm	\$ 77.5		100.00%	\$ 160.00	1.5
	\$ 160.0				
Depreciation =Straight Line 30 Yrs.					

	Annual Interest Rate	Amortization Period (Years)	# of Interest Computations per Year	Monthly Interest Rate	Monthly Period (Months)	Monthly Payments	Annual Payments
Debt \$	10.0%	30	12	0.83%	360	\$ (842,469)	(\$10,109,624)

<b>(2) YEAR 1 PRO-FORMA INCOME STATEMENT</b>					
Revenues	\$mm	Comments:	% of Tot. Gross Revenue		
			Myriad	Fitz. (Note 1)	
Casino	\$ 120.00	See Note 2	85.1%	91.1%	
Rooms	\$ 9.08	See Note 2	6.4%	3.0%	
Food and beverage	\$ 12.00	See Note 2	8.5%	4.3%	
Other	\$ -	None	0.0%	1.6%	
<b>Total Gross Revenues</b>	<b>\$ 141.08</b>		<b>100.0%</b>	<b>100.0%</b>	
Less: Promotional allowances	\$ (18.90)	13.4% of Total Gross Revenues	-13.4%	-13.4%	
<b>[A] Net Revenues</b>	<b>\$ 122.17</b>		<b>86.6%</b>	<b>86.6%</b>	

<b>Costs and Expenses</b>					
Casino	\$ (36.00)	30.0% of Casino Revenue	-25.5%	-22.9%	
Rooms	\$ (5.45)	60.0% of Rooms revenue	-3.9%	-0.7%	
Food and beverage	\$ (7.20)	60.0% of F&B revenue	-5.1%	-2.0%	
Other	\$ -	0.0% of Other revenue	0.0%	-0.3%	
Gaming taxes	\$ (14.40)	12.0% of Casino Revenue (Note 3)	-10.2%	-20.5%	
Sales Tax	\$ (2.11)	10.0% of Non Casino Revenues	-1.5%	0.0%	
Advertising and promotion	\$ (7.62)	5.4% of Total Gross Revenues	-5.4%	-5.4%	
General & administrative	\$ (11.29)	8.0% of Total Gross Revenues	-8.0%	-15.1%	
Horizontal Development	\$ (2.40)	2.0% of Casino Revenue	-1.7%	-1.3%	
Common Area Maintenance ("CAM")	\$ (2.10)	n/a See Note 4	-1.5%	0.0%	
Fees to Myriad Tunica LLC	\$ (4.80)	4.0% of Casino Revenue	-3.3%	0.0%	
Facility Recapitalization	\$ (1.80)	1.5% of Casino Revenue (Note 5)	-1.3%	0.0%	
<b>Total Costs &amp; Expenses</b>	<b>\$ (95.16)</b>		<b>-67.4%</b>	<b>-68.2%</b>	

<b>[B] EBITDA</b>	<b>\$ 27.01</b>	19.1% of Total Gross Revenues	<b>19.2%</b>	<b>18.4%</b>	
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Interest Expense	\$ (9.56)	-6.8% of Total Gross Revenues	-6.8%	-11.0%	
Depreciation	\$ (5.33)	-3.3% of Total Capital Costs	-3.8%	-6.6%	

<b>[C] Pre-Tax Earnings</b>	<b>\$ 12.12</b>	8.6% of Total Gross Revenues	<b>8.7%</b>	<b>0.8%</b>	
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Corporate Tax	\$ (4.00)	33.0% of Pre-Tax Earnings	-2.8%	0.0%	
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<b>[D] After Tax Earnings</b>	<b>\$ 8.12</b>	5.8% of Total Gross Revenues	<b>5.8%</b>	<b>0.8%</b>	
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Add: Depreciation	\$ 5.33				
Minus: Debt Principal Repayment	\$ (0.91)				

<b>[E] Distributable Cash</b>	<b>\$ 12.55</b>				
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Note 1:- See Appendix 3-a for details

Note 2:- See Appendix 3-b for details

Note 3:- See Appendix 3-c for details

Note 4:- Calculation of Common Area Maintenance ("CAM") fess.

				CAM	
		Gross SF		\$/SF/Yr.	Total
Hotel	500 Rms. @	800 SF/Rm	400,000	\$ 2.50	\$ 1,000,000
Casino	Floor space + Back of house		100,000	\$ 11.00	\$ 1,100,000
			<u>500,000</u>		<u>\$ 2,100,000</u>

Note 5:- Facility recapitalization is charged as an annual expense and not capitalized.

<b>EXHIBIT B - Myriad Phase 1 - Casino/Hotel</b>	<b>PRO-FORMA Financial Statements (II)</b>	<b>DRAFT</b>	10/3/05 11:49 PM
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**(3) CASH FLOW STATEMENT**

(3) CASH FLOW STATEMENT		OPERATING YEAR															
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Escalations	Vol.	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
	Price	0%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	
Tot. % Chg/Yr (= % Δ in V x %Δ in P)		0.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
Compound Annual Growth Rate ("CAGR") [Volume]		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
CAGR [Price]		0.00%	1.00%	2.01%	3.03%	4.06%	5.10%	6.15%	7.21%	8.29%	9.37%	10.46%	11.57%	12.68%	13.81%	14.95%	
CAGR [ Price + Volume ]		0.00%	1.00%	2.01%	3.03%	4.06%	5.10%	6.15%	7.21%	8.29%	9.37%	10.46%	11.57%	12.68%	13.81%	14.95%	
		OPERATING YEAR															
	Total	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Operating Revenues (Net of Promo.Allow.)		1,966.61	122.17	123.40	124.63	125.88	127.13	128.41	129.69	130.99	132.30	133.62	134.96	136.31	137.67	139.04	140.44
Operating Expenses		(1,531.77)	(95.16)	(96.11)	(97.07)	(98.04)	(99.02)	(100.01)	(101.01)	(102.02)	(103.04)	(104.07)	(105.11)	(106.17)	(107.23)	(108.30)	(109.38)
EBITDA		434.85	27.01	27.28	27.56	27.83	28.11	28.39	28.68	28.96	29.25	29.55	29.84	30.14	30.44	30.75	31.05
Interest Expense		(127.04)	(9.56)	(9.46)	(9.36)	(9.24)	(9.11)	(8.97)	(8.82)	(8.64)	(8.45)	(8.24)	(8.01)	(7.75)	(7.46)	(7.15)	(6.80)
Depreciation		(80.00)	(5.33)	(5.33)	(5.33)	(5.33)	(5.33)	(5.33)	(5.33)	(5.33)	(5.33)	(5.33)	(5.33)	(5.33)	(5.33)	(5.33)	(5.33)
Pre-Tax Earnings		227.81	12.12	12.49	12.87	13.26	13.66	14.09	14.53	14.99	15.47	15.97	16.50	17.06	17.64	18.26	18.92
Corporate Tax 33.0%		(75.18)	(4.00)	(4.12)	(4.25)	(4.37)	(4.51)	(4.65)	(4.79)	(4.95)	(5.10)	(5.27)	(5.45)	(5.63)	(5.82)	(6.03)	(6.24)
After Tax Earnings		152.64	8.12	8.37	8.62	8.88	9.15	9.44	9.73	10.04	10.36	10.70	11.06	11.43	11.82	12.24	12.67
Beginning Cash Balance		-	-	1.25	1.40	1.42	1.44	1.46	1.47	1.49	1.50	1.52	1.53	1.55	0.31	0.29	0.29
Cash From:	(i) Net Earnings	152.64	8.12	8.37	8.62	8.88	9.15	9.44	9.73	10.04	10.36	10.70	11.06	11.43	11.82	12.24	12.67
	(ii) Depreciation	80.00	5.33	5.33	5.33	5.33	5.33	5.33	5.33	5.33	5.33	5.33	5.33	5.33	5.33	5.33	5.33
Available Cash		232.64	13.46	14.95	15.35	15.64	15.93	16.23	16.54	16.86	17.20	17.55	17.92	18.31	17.47	17.86	18.30
Cash Used For: (i) Debt Prin. Repayment		(29.99)	(0.91)	(1.00)	(1.11)	(1.23)	(1.35)	(1.50)	(1.65)	(1.83)	(2.02)	(2.23)	(2.46)	(2.72)	(3.00)	(3.32)	(3.67)
Cash Available for Dividend Distribution		202.65	12.55	13.95	14.24	14.41	14.58	14.73	14.89	15.04	15.18	15.32	15.46	15.59	14.46	14.54	14.63
Div.Distribution (% of A.Cash) %		99.9%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	98.0%	98.0%	98.0%	98.0%
\$		(202.35)	(11.29)	(12.56)	(12.81)	(12.97)	(13.12)	(13.26)	(13.40)	(13.53)	(13.67)	(13.79)	(13.91)	(15.28)	(14.17)	(14.25)	(14.34)
Ending Cash Balance		0.29	1.25	1.40	1.42	1.44	1.46	1.47	1.49	1.50	1.52	1.53	1.55	0.31	0.29	0.29	0.29
Terminal Value 8.5 x		263.95	-	-	-	-	-	-	-	-	-	-	-	-	-	-	263.95
Tot. Distributed Cash		466.30	11.29	12.56	12.81	12.97	13.12	13.26	13.40	13.53	13.67	13.79	13.91	15.28	14.17	14.25	278.29

Phase 1 IRR = 23.3%  
Phase 1 NPV @ 11% discount rate = \$85.58 mm

<b>DEBT SERVICE RATIOS</b>	<b>[a] EBITDA / Debt Service</b>	2.6X	2.6X	2.6X	2.7X	2.7X	2.7X	2.7X	2.8X	2.8X	2.8X	2.9X	2.9X	2.9X	2.9X	3.0X
	<b>[b] Debt / EBITDA</b>	3.6X	3.5X	3.4X	3.3X	3.3X	3.2X	3.1X	3.0X	2.9X	2.8X	2.7X	2.6X	2.5X	2.4X	2.2X



The 80,000 square foot casino model is based on a casino floor with 2,500 slot machines and 42 gaming tables. Other revenues are from food & beverage and merchandise sales. In the 500-room hotel projections are for 85% paying occupancy of the 500 rooms at a nightly rate of \$65 for paying customers. As per the Tunica Convention and Visitors Bureau, current paying occupancy for Tunica casinos is at 50%. The remaining 50% of rooms are complimentary for qualifying gaming customers. This 50% rate is typical in a gaming-only tourist environment. Because the Myriad project will be a family entertainment destination environment not wholly centered on gaming, the projected 35% greater paying occupancy rate is considered a reasonable assumption. The 500-room hotel produces an additional \$10,000,000 in gross revenues, but actually produces less operating profit because of increased operating costs for the hotel (utilities, laundry, hotel staff salaries and benefits, maintenance, security, etc.). The 500-room hotel results in approximately \$400,000 less operating profit than does an 80,000 square foot casino without a hotel, but the hotel is a necessary accommodation to both gaming and entertainment tourists.

Under either a ground lease scenario or a purchase, the other-branded casino would pay a typical 4% (four percent) of gross revenues to the developer. This figure is consistent in the gaming industry where casinos are operated on leased ground, but Myriad has negotiated purchase contracts that include a similar 4% fee to support the overall park. The typical ground lease required by a gaming corporation planning to invest in excess of \$160,000,000 to erect a casino/hotel complex would be not less than 20 years, and would usually include at least two successive 20-year option periods.

To arrive at a value to purchase the land rather than lease, the appraiser can reach that value using a discounted present value scenario much similar to a subdivision analysis. In other words, the income attributable to the land over a 20-year period from the lease can be discounted to a net present value to set a value to purchase the land. From the viewpoint of the tenant casino, there would be no advantage to purchase the land unless that purchase was for a price less than the sum of the 20-year lease payments. There would be no advantage to paying even the sum of the lease payments and incurring debt service expenses rather than leasing out of operating incomes.

From Myriad's perspective, on the other hand, there is a logical reason for opting to purchase the 557+ acres of land for greater than the prescribed 4% of gross revenues lease payments. If operating only a casino, the 4% lease payment would be a reasonable number to absorb, but with the added revenues from all of the resort venues (shopping, restaurants, entertainment venues, sporting venues, etc.) the 4% of gross revenues would rapidly get to be a number that far exceeded the \$50,000,000 price to purchase the land. In addition, in contemplating the five additional casino sites, if the land were leased from the current landowner, the majority of the 4% sublease revenues from the other casino operators would flow to the landowner (Mr. Perry) rather than to Myriad. If

Myriad is to operate this resort and sell or lease sites to other casino operators, then the only logical way to accomplish this profitably is to own the land from the outset.

**Discount Rate**

<b>20.00%</b>
---------------

**Reversion Amount**

<b>\$0</b>
------------

**Variable Flows each Period**  
(enter each period amount)

Period	Income	Present Value
1	\$7,592,720	\$6,327,267
2	\$7,744,574	\$5,378,176
3	\$7,976,911	\$4,616,268
4	\$8,216,219	\$3,962,297
5	\$8,462,705	\$3,400,971
6	\$8,716,586	\$2,919,167
7	\$8,978,084	\$2,505,618
8	\$9,247,427	\$2,150,656
9	\$9,524,849	\$1,845,980
10	\$9,810,595	\$1,584,466
11	\$10,104,913	\$1,360,000
12	\$10,408,060	\$1,167,333
13	\$10,720,302	\$1,001,961
14	\$11,041,911	\$860,017
15	\$11,373,168	\$738,181
16	\$11,714,363	\$633,605
17	\$12,065,794	\$543,844
18	\$12,427,768	\$466,800
19	\$12,800,601	\$400,670
20	\$13,184,619	\$343,908

Income	<b>\$42,207,185</b>
Reversion	<b>\$0</b>
<b>TOTAL</b>	<b>\$42,207,185</b>

**Constant Flows per Period**  
(enter last period amount only)

# of Periods	Income	Present Value
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Income	<b>\$0</b>
Reversion	<b>\$0</b>
<b>TOTAL</b>	<b>\$0</b>

The Discounted Present Value of the 4% per annum revenue stream from the casino operations of an 80,000 square foot casino property with a hotel indicates a value to the 5+/- acres of land of \$42,207,185, which we shall round to \$42,000,000.

Logically, a casino would not be willing to pay \$42,000,000 for a five-acre raw land site. However, in the concept planned by Myriad World Resorts of Tunica, LLC, the tenant casino operator would not be leasing or purchasing a freestanding site but rather a site in a fully developed \$1.9 billion resort with a myriad of attractions to draw tourist traffic to the operator's site. The concept is similar to the difference between a McDonald's Restaurant purchasing a site on

the corner of North State Street and Northside Drive in Big City, USA based on the vehicle traffic at that corner versus purchasing a site in the middle of the block on Main Street at Disney World. The Disney attractions will draw significantly more foot traffic right past the front door of the mid-block McDonald's on Main Street than could ever be accomplished at the corner in Big City, USA. By the same token, the foot traffic created by the water park, snow caverns, botanical gardens, golf course, shopping venues, restaurant and beverage venues, sports arenas, villas and other attractions at Myriad Resorts will create a greater draw than that same casino operator could achieve on a freestanding site.

Because the proposed Myriad World Resorts of Tunica, LLC operation will involve attractions that will draw traffic not only to Myriad's own casino property but to all casino properties within the park, other casinos will have to share in the cost of maintaining the overall park. Myriad will assess an \$11 per square foot Common Area Maintenance fee based on the gross square footage of the casino property. In the 80,000 square foot net casino property, the overall square footage, including 'backend of house' space, will be approximately 160,000 square feet. Whether leased or purchased, the site will incur a CAM fee of \$2,760,000 annually. Because this CAM fee is not dependent on whether the property is leased or purchased, the fee is not included in the Discounted Present Value computations. This would be a fixed operating expense to the other-branded casino operator, much like a tenant would pay in a mall for Common Area Maintenance.

From the viewpoint of Myriad World Resorts of Tunica, LLC, the benefit of selling the site versus leasing would be the addition of \$42,000,000 to working capital at the front end of the project.

**March 16, 2006:**

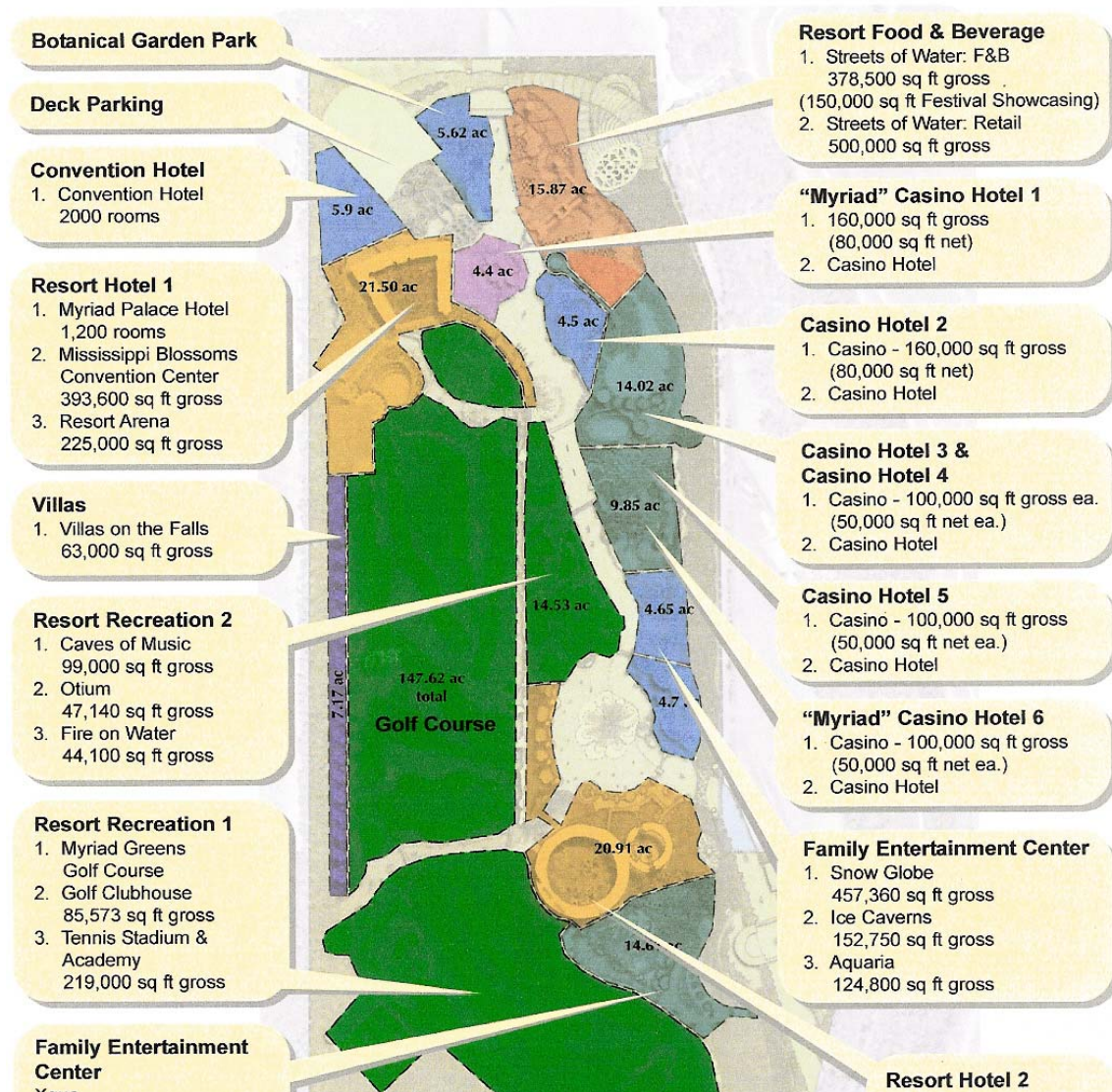
**As of this date, Myriad has presold three casino 'pads' to other-branded casino operators in the Myriad Botanical Resort. Two of the sites are under contract with earnest money deposits of approximately \$1,000,000 each. A third parcel is pending contract signing but has received a Letter of Intent from the prospective buyer/casino operator. All three buyers are experienced casino operators with one or more casino facilities in other markets. Each of the three pending sales are constructed under basically the same terms, as follows:**

- 1. Myriad shall have design control over any casino/hotel erected within the resort.**
- 2. Myriad will assist the other-branded casino operator in securing a Mississippi gaming license.**
- 3. Myriad will require the hotel/casino to be of a size sufficient to allow the casino operator to receive a competitive return on its investment. At present, that size requirement is a minimum of 100,000 square feet of casino (50,000 square foot gaming floor with 50,000 square feet of 'back end' space) and a minimum 500-room hotel.**
- 4. Myriad will charge a yearly Common Area Maintenance (CAM) fee of \$11.00 per square foot for the combined square footage of the casino and hotel properties.**
- 5. Myriad shall receive a royalty of 4% of the net revenues of the Casino/Hotel operation based on the first \$100 million of gross revenues.**
- 6. Myriad will receive an adjusted royalty on the net revenues of the Casino/Hotel operation on revenues in excess of the first \$100 million of gross revenues.**
- 7. Myriad shall receive a Transportation Fee of 2% of the gross revenues of the Casino/Hotel operation to fund the Aeromovel (monorail) system that Myriad will install connecting the Tunica Airport, Myriad Botanical Resort and all other casino sites in the Robinsonville area.**
- 8. Myriad reserves the right to increase the CAM and Transportation fees to reflect increased traffic to the resort resulting in increased wear and tear on the resort.**
- 9. Myriad will provide all necessary infrastructure before the casino operator is required to begin construction of their casino/hotel facilities.**

**The agreed purchase price for a 4.5-acre site for each of these transactions is \$40,000,000 (\$40 Million), with a required \$1 Million earnest money deposit. The sites are identified in the following revised Parcelization Plan:**



## Parcelization Plan



Given that three such sites are currently presold (even prior to Myriad closing its own purchase of the 513+/-acre resort site) the value for the other-branded casino sites is supported at \$42,000,000. Since this land appraisal was originally prepared in 2005, the overall cost of the proposed project has increased from approximately \$1.22 billion to currently in excess of \$1.9 billion including the cost of the planned monorail system to be incorporated into the project. Additionally, with the Tunica Airport now fully operational and having been approved for commercial flights and at least one regional airline already scheduling jet flights to Tunica and negotiations continuing with one or more other airlines, the market area for the Tunica casino market has increased from a 150-mile driving radius to a 500 mile radius by air.



It should also be noted that Myriad has negotiated terms of sale that are in excess of this appraiser's initial projections. Initially we projected the 4% royalty only if the other-branded casino operator were to *lease* its site within the Myriad Botanical Resort. Myriad, however, ultimately negotiated sales of three of the sites ***including a 4% royalty fee*** on revenues generated by the casino operator as a result of being located within the resort and its surrounding amenities. The Transportation Fee was also not considered when this land development was originally appraised in 2005. The Aeromovel monorail system was not part of the original design of the resort but has become an integral part of the overall development plan.

Given the changes that have taken place within the past year in the planning for this development and with two of three sales contracts firmly in hand, it is the opinion of this appraiser that the value of the sites to be sold to other-branded casinos is

**FORTY-TWO MILLION DOLLARS**

**\$42,000,000**

Myriad's own anchor casino will sit on an approximately 5-acre site and will initially operate the 500-room hotel at the north end of the property adjacent to the convention center. Myriad will have space to add a future 1,950 room hotel alongside its own casino at the south end of the property.

Myriad Casino will operate independent of Myriad World Resorts of Tunica, LLC. In other words, the casino operation will be independent of the resort operation and will either lease or purchase its site as will the other separately branded casino operations.

For this reason, a scenario has been developed to determine the value of Myriad Casino's own property. The casino at the south end of the property and the hotel at the north end of the property will also occupy approximately the same size total site space as the other casinos – approximately 5 acres.

The spreadsheet that follows shows the revenues and expenses for Myriad's 80,000 square foot casino and 500-room hotel.

## PROJECTED COSTS FOR MYRIAD'S CLASS 'A' CASINO & HOTEL

### EXHIBIT B

### Phase I - Casino/Hotel Pro-Forma DEBT SERVICE & INCOME STATEMENTS

(1) DEBT SERVICE							
		\$m				\$m	D/E Ratio
Casino Pad		\$	38.0	Equity	30.00%	\$	86.07
Casino		\$	124.8	Debt	70.00%	\$	200.82
Hotel	500 Rms.@	\$	124.1		100.00%	\$	286.89
		\$	286.9				

## EXHIBIT C

## Phase I - Casino/Hotel

## Pro-Forma CASH FLOW STATEMENT &amp; SENSITIVITY ANALYSIS

## (3) CASH FLOW STATEMENT

		OPERATING YEAR														
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>Escalations</b>	Vol.	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Price	0%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Tot. % Chg/Yr (= % Δ in V x %Δ in P)		0.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Cumulative Growth Rate ("CGR") [Volume]		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CGR [Price]		0.00%	1.00%	2.01%	3.03%	4.06%	5.10%	6.15%	7.21%	8.29%	9.37%	10.46%	11.57%	12.68%	13.81%	14.95%
CGR [Price + Volume]		0.00%	1.00%	2.01%	3.03%	4.06%	5.10%	6.15%	7.21%	8.29%	9.37%	10.46%	11.57%	12.68%	13.81%	14.95%
<b>Annual Facility Recapitalization (% of Op.Rev.)</b>		<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>

		OPERATING YEAR															
		Total	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Operating Revenues (Net of Promo.)		3,290.44	204.41	206.46	208.52	210.61	212.71	214.84	216.99	219.16	221.35	223.57	225.80	228.06	230.34	232.64	234.97
Operating Expenses		(2,565.88)	(159.40)	(161.00)	(162.61)	(164.23)	(165.87)	(167.53)	(169.21)	(170.90)	(172.61)	(174.34)	(176.08)	(177.84)	(179.62)	(181.41)	(183.23)
EBITDA		724.56	45.01	45.46	45.92	46.38	46.84	47.31	47.78	48.26	48.74	49.23	49.72	50.22	50.72	51.23	51.74
Interest Expense		(264.84)	(19.03)	(18.90)	(18.77)	(18.62)	(18.46)	(18.28)	(18.08)	(17.86)	(17.62)	(17.36)	(17.07)	(16.76)	(16.41)	(16.03)	(15.61)
Depreciation		(179.77)	(9.56)	(10.14)	(10.71)	(11.30)	(11.89)	(12.48)	(12.51)	(12.54)	(12.57)	(12.60)	(12.63)	(12.66)	(12.69)	(12.72)	(12.76)
Pre-Tax Earnings		279.94	16.42	16.42	16.44	16.46	16.50	16.55	17.19	17.86	18.55	19.27	20.02	20.80	21.62	22.48	23.38
Corporate Tax 33.0%		(92.38)	(5.42)	(5.42)	(5.42)	(5.43)	(5.44)	(5.46)	(5.67)	(5.89)	(6.12)	(6.36)	(6.61)	(6.86)	(7.13)	(7.42)	(7.71)
After Tax Earnings		187.56	11.00	11.00	11.01	11.03	11.05	11.09	11.52	11.96	12.43	12.91	13.41	13.94	14.48	15.06	15.66
Beginning Cash Balance ^		-	-	1.65	1.85	1.92	1.96	2.01	2.06	2.09	2.11	2.14	2.16	2.19	0.44	0.41	0.41
Cash From: (i) Net Earnings		187.56	11.00	11.00	11.01	11.03	11.05	11.09	11.52	11.96	12.43	12.91	13.41	13.94	14.48	15.06	15.66
(ii) Depreciation		179.77	9.56	10.14	10.71	11.30	11.89	12.48	12.51	12.54	12.57	12.60	12.63	12.66	12.69	12.72	12.76
Available Cash		367.33	20.57	22.79	23.58	24.24	24.91	25.58	26.09	26.59	27.11	27.65	28.20	28.78	29.62	28.20	28.83
Cash Used For: (i) Debt Prin. Repayment		(39.11)	(1.24)	(1.36)	(1.50)	(1.64)	(1.81)	(1.99)	(2.18)	(2.40)	(2.64)	(2.90)	(3.19)	(3.51)	(3.85)	(4.24)	(4.66)
(ii) Facility Recapitalization		(46.07)	(2.86)	(2.89)	(2.92)	(2.95)	(2.98)	(3.01)	(3.04)	(3.07)	(3.10)	(3.13)	(3.16)	(3.19)	(3.22)	(3.26)	(3.29)
Cash Available for Div.Distribution		282.16	16.47	18.53	19.16	19.65	20.12	20.59	20.87	21.12	21.37	21.61	21.85	22.08	20.54	20.70	20.89
Div.Distrib'n. (% of A.Cash) %		99.9%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	98.0%	98.0%	98.0%	98.0%
\$		(281.74)	(14.82)	(16.68)	(17.25)	(17.68)	(18.11)	(18.53)	(18.78)	(19.01)	(19.23)	(19.45)	(19.67)	(21.64)	(20.13)	(20.29)	(20.47)
Ending Cash Balance		0.42	1.65	1.85	1.92	1.96	2.01	2.06	2.09	2.11	2.14	2.16	2.19	0.44	0.41	0.41	0.42
Terminal Value 8.5 x		439.79	-	-	-	-	-	-	-	-	-	-	-	-	-	-	439.79
Tot. Distributed Cash		721.53	14.82	16.68	17.25	17.68	18.11	18.53	18.78	19.01	19.23	19.45	19.67	21.64	20.13	20.29	460.26

## DEBT SRV. RATIOS [a] EBITDA / Debt Srv.

## [b] Debt / EBITDA

2.2X	2.2X	2.3X	2.3X	2.3X	2.3X	2.3X	2.4X	2.4X	2.4X	2.4X	2.5X	2.5X	2.5X	2.5X	2.5X	2.6X
4.5X	4.4X	4.3X	4.2X	4.2X	4.1X	4.0X	3.9X	3.8X	3.7X	3.6X	3.5X	3.4X	3.3X	3.2X	3.1X	3.0X

^ Beginning Cash Balance for Yr. 1 is assumed to be \$0 even though there is a working capital provision of \$7.0m in the capital budget.

## (4a) SENSITIVITY ANALYSIS - Effect of change in: [a] Capital Costs and [b] Casino Revenue on IRR

The pro forma for Myriad Casino's gaming and hotel operations indicate first year gross revenues of \$213.3 million. A lease based on the same 4% of gross revenues as other tenant casino operators indicates a first year lease payment of \$8.5 million. With annual volume increases of 1% and annual inflation increases of 2%, the projected ground lease revenues for 20 years are shown in the following table with a Discounted Present Value of the cash flows to Myriad World Resorts of Tunica, LLC. Myriad Casino would also be subject to an additional Common Area Maintenance fee of \$11/square foot of gross casino and hotel area, but that figure is not included in these computations as it would be a fixed expense whether the site was leased or purchased.

<b>Discount Rate</b>			<b>Reversion Amount</b>		
<b>20.00%</b>			<b>\$0</b>		
<b>Variable Flows each Period</b> (enter each period amount)			<b>Constant Flows per Period</b> (enter last period amount only)		
Period	Income	Present Value	# of Periods	Income	Present Value
1	\$8,157,375	\$6,797,813	1		
2	\$8,320,522	\$5,778,140	2		
3	\$8,570,138	\$4,959,571	3		
4	\$8,827,242	\$4,256,965	4		
5	\$9,092,059	\$3,653,895	5		
6	\$9,364,821	\$3,136,260	6		
7	\$9,645,766	\$2,691,956	7		
8	\$9,935,139	\$2,310,596	8		
9	\$10,233,193	\$1,983,261	9		
10	\$10,540,189	\$1,702,299			
11	\$10,856,394	\$1,461,140			
12	\$11,182,086	\$1,254,145			
13	\$11,517,549	\$1,076,475			
14	\$11,863,075	\$923,974			
15	\$12,218,967	\$793,078			
16	\$12,585,537	\$680,725			
17	\$12,963,103	\$584,289			
18	\$13,351,996	\$501,515			
19	\$13,752,556	\$430,467			
20	\$14,165,132	\$369,484			
	Income	<b>\$45,346,047</b>	10		
	Reversion	<b>\$0</b>		Income	<b>\$0</b>
	<b>TOTAL</b>	<b>\$45,346,047</b>		Reversion	<b>\$0</b>
				<b>TOTAL</b>	<b>\$0</b>

As indicated by these computations, the discounted present value of the 5+/- acres occupied by Myriad Casino and its 500-room hotel property would be \$45,346,047 which we shall round to \$45,000,000.



**CERTIFICATION**

**THE APPRAISER CERTIFIES TO THE BEST OF MY KNOWLEDGE AND BELIEF THAT:**

1. The Appraiser has no present or contemplated future interest in the property appraised; and neither the employment to make the appraisal, nor the compensation for it, is contingent upon developing or reporting predetermined results. The compensation for completing the assignment is not contingent upon the developing or reporting of a predetermined value or direction of value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal.
2. The Appraiser has no present or prospective personal interest in or bias with respect to the subject matter of the appraisal report or the parties involved. The "Opinion of Value" in the appraisal report is not based in whole or in part upon the race color, or national origin of the prospective owners or occupants of the properties in the vicinity of the property appraised.
3. The Appraiser has personally inspected the property, both inside and outside, and has made an exterior inspection of all comparable sales listed in the report. To the best of the Appraiser's knowledge and belief, all statements and information in this report are true and accurate, and the Appraiser has not knowingly withheld any significant information.
4. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions and conclusions.
5. This appraisal has been made in conformity with and is subject to the requirements of the **Uniform Standards of Professional Appraisal Practice (USPAP)** as promulgated by the Appraisal Standards Board of the Appraisal Foundation.
6. All conclusions and opinions concerning the real estate that are set forth in the appraisal report were prepared by the Appraiser whose signature appears on the appraisal report, unless indicated as "Review Appraiser". Unless noted elsewhere, no other parties provided significant professional assistance to the person signing this report. No change of any item in the appraisal (including additions to or deletions from the report as delivered) shall be made by anyone other than the Appraiser, and the Appraiser shall have no responsibility for any such unauthorized change(s).



**H. L. Dunklin, MSA, IFAS**  
**Certified General Appraiser #GA-96**

## **LIMITING CONDITIONS**

**The Certification of the Appraiser appearing in the appraisal report is subject to the following conditions and such other specific and limiting conditions as set forth by the Appraiser in the report:**

- The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion about the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
- Any sketch in the report may show approximate dimensions and is included to help the reader in visualizing the property. The Appraiser has made no survey of the property.
- The appraiser is not required to give testimony or appear in court because of having made the appraisal report concerning the property in question, unless arrangements have previously been made therefor. Any subsequent agreed court testimony or consultation shall be billable on an hourly basis in addition to and exclusive of the fee charged for this original appraisal report.
- The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions, or for engineering that might be required to discover such factors.
- Any description herein of the physical conditions of improvements, including the heating, plumbing, and electrical systems (motors, etc.), is based upon visual inspection only, with no demonstration performed, and they are therefore assumed to be in normal working condition. No liability is assumed for same, nor the soundness of structural members for which no engineering tests were made.
- It is assumed that any well contains an adequate supply of pure water, and that any septic system is effective and legal. It is further assumed that no wood destroying organisms are present in any improvement.
- Information, estimates, and opinions furnished to the Appraiser, and contained in the report, were obtained from sources considered to be reliable and believed to be true and correct. However, no responsibility for accuracy of items furnished the Appraiser can be assumed by the Appraiser.
- It is assumed that there is full compliance with all applicable Federal, State, and local environmental regulations and laws, unless non-compliance is stated, defined and considered in the appraisal report.
- No environmental impact studies were requested or made with this appraisal, and the Appraiser here reserves the right to alter, amend, revise, or rescind any of the

### The Dunklin Appraisal Group

value opinions, based upon any subsequent environmental impact studies, research or investigation.

- Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the professional appraisal organization with which the Appraiser is affiliated, and by the **Uniform Standards of Professional Appraisal Practice**.
- Neither all, nor any part of the content of the report, or copy of it (including conclusions about the property value, the identity of the Appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which the Appraiser is connected), shall be used for any purposes by anyone but the client specified in the report, the borrower if the appraisal fee is paid for by same, the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, any state or federally approved financial institution., any department, agency, or instrumentality of the United States or any state or the District of Columbia, without the previous written consent of the Appraiser, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the previous written consent of the Appraiser.
- On all appraisals subject to satisfactory completion of repairs or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workmanlike manner, contingent upon and according to the plans and specifications initialed by the Appraiser, and contingent upon the final inspection of construction.



Appraising The State Since 1978

**H. L. Dunklin, MSA, IFAS**

Mississippi State Certification #GA-96

**EDUCATION BACKGROUND**

Jim Hill High School, Jackson, MS  
Graduated 1964, College Prep Curriculum

Defense Language Institute, Monterey, CA  
BA, Chinese Mandarin Language, 1967

Defense Language Institute, Monterey, CA  
MA, Chinese Mandarin Language, 1970

Jackson State University, Jackson, MS  
BA, Business Administration, 1975

Jackson State University, Jackson, MS  
MBA, Marketing & Finance, 1976

Graduate, Realtor's Institute (G.R.I.)  
Jackson, MS, Courses I, II, III. , 1978

Fundamentals of Appraisal, Course I  
*Principles of Residential Property Appraisal*  
National Society of Real Estate Appraisers, 1978

Master Residential Appraiser (MRA) Series  
*Residential Appraisal*  
National Assoc. of Master Appraisers, 1987

Master Farm & Land Appraiser (MFLA) Series  
*Farm and Land Appraisal*  
National Assoc. of Master Appraisers, 1987

Master Senior Appraiser (MSA) Series  
*Commercial and Industrial Appraisal*

National Assoc. of Master Appraisers, 1987  
*Residential Appraisal Technique and Trends*  
Annual HUD Seminars

U.S. Dept. of Housing & Urban Development  
1979 to Present

Employee Relocation Council Seminar  
*ERC Appraisal Technique & Trends*  
Dallas, TX, 1988

*The Simplified Approach to  
Income Property Appraisals*  
Mississippi Real Estate Commission, 1989

*Real Estate License Law*  
Mississippi Real Estate Commission, 1989

*Professional Standards of Practice*  
National Assoc. of Independent Fee Appraisers  
1990

*Residential Report Writing 1.4*  
National Assoc. of Independent Fee Appraisers  
1990

*Income Property Appraising 2.1A*  
National Assoc. of Independent Fee Appraisers  
1991

*Income Property Appraising 2.1B*  
National Assoc. of Independent Fee Appraisers  
1991

*PHH Relocation Appraisal Seminar*  
PHH Homequity Relocation  
1992 thru 1995

*FIRREA Compliance and the Appraiser:  
What The Lender Requires*  
The Appraisal Institute, Jackson, MS  
1993

*Uniform Energy Rating System*  
Mississippi Appraisal Board  
1995

*Principles of Business Appraisal*  
Lincoln Graduate Center  
1997

USPAP Update  
1995, 1997, 1999, 2000, 2001, 2002, 2003,  
2004, 2005

Overview of The Appraisal Process  
Ms. Appraisal Board Course 284  
July 1997

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Land Economics & Industrial Development  
Talmadge Rayborn, Economic Development  
Consultants  
MAB Course 208  
September 1997

Principles of Business Appraisal  
Lincoln Graduate Center Course 680  
October 1997

Red Flags of Home Inspection  
Lincoln Graduate Center  
June 1999

Course 4.7, FHA Appraisal Requirements  
NAIFA  
September 1999

Real Estate Law  
MREC Course, 2001

NAIFA Instructor Seminar  
February 2001; March 2002; March 2003

ANSI Measurement Standards  
NAIFA – Jackson Chapter, 2001

Home Inspections & Common Defects  
NAIFA – Jackson Chapter, 2002

NAIFA Course 6.0B; 6.0A  
Appraising Historic Properties, 2002, 2003

NAIFA Course 1.2C  
*Defending, Documenting & Supporting  
Appraisal Reports*, 2003

NAIFA Course 99.1A  
*Fraud, Flip & the FBI*, 2003

NAIFA Course 8.3  
*Is the Comparable Comparable?*, 2003

NAIFA Course 9.7A  
*Fannie Mae Update*, 2003

NAIFA Course 5.0E  
*Ethics*, 2003

## **PROFESSIONAL AFFILIATIONS**

Member  
National Assoc. of Master Appraisers  
  
Regional Governor  
National Assoc. of Independent Fee Appraisers  
  
Member, Employee Relocation Council  
  
Certified HUD Appraiser

Certified VA Appraiser

Member  
Accredited Review Appraisers Council

## **APPRAISAL EXPERIENCE**

Single Family Residential  
Multi-Family Residential  
Commercial Buildings  
Industrial Buildings  
Residential and Commercial Land  
Furniture, Fixtures & Equipment  
Farms and Land  
Easements  
Community Development Block Grant Projects  
Eminent Domain Proceedings  
Review Appraiser

## **PROFESSIONAL DESIGNATIONS**

**Certified General Appraiser**  
**Certification #GA-96**

**Master Residential Appraiser (MRA)**  
**Master Farm and Land Appraiser (MFLA)**  
**Master Senior Appraiser (MSA)**

**Senior Member; Regional Governor**  
**National Assoc. of Independent Fee**  
**Appraisers (IFAS)**

**Expert Witness**  
Hinds County Court of Eminent Domain  
Hinds County Chancery Court  
Madison County Chancery Court  
Wilkinson County Chancery Court  
Tunica County Chancery Court  
Simpson County Chancery Court  
Mississippi Supreme Court

**Commissioner**  
Yazoo County Chancery Court

**Member**  
**Accredited Review Appraisers Council**  
**Certification #2162**

**Accredited in Business Appraisal**  
**Certification #2162**



**CLIENT REFERENCES**

City of Jackson, MS  
City of Vicksburg, MS  
City of Grenada, MS  
Town of Edwards, MS  
Town of Brooksville, MS  
AmSouth Bank  
Bancorp South  
Union Planters Bank  
Eastover Bank for Savings  
Merchants and Planters Bank  
First American Bank  
Merchants and Farmers Bank  
First National Bank of Vicksburg  
Cendant Relocation Company  
Prudential Relocation Management  
Deposit Guaranty Mortgage Company  
Realty Mortgage Corporation  
Mid-South Investments, Inc.  
Mid State Mortgage Co.  
Commercial Credit Mortgage Corp.  
The Lomas & Nettleton Co.  
AmSouth Mortgage Corp.  
Mortgage Corp. of the South  
National Mortgage Co.  
Southern Mortgage Services Corp.  
First Family Financial Services  
Mortgage Funding Network, Atlanta, GA  
U.S. Dept. of HUD  
Federal Deposit Insurance Corp. (FDIC)  
Resolution Trust Corporation (RTC)  
Small Business Administration (SBA)  
Hinds County Board of Supervisors  
Copiah County Board of Supervisors  
Hinds County Public Works Department  
Mississippi State Highway Department  
Hinds County Special Court of Eminent Domain  
Jackson State University  
Jackson Redevelopment Authority  
Myriad World Resorts of Tunica, LLC

**TEACHING EXPERIENCE**

FHA Appraisal Training Seminar  
NAIFA National Instructor  
CE @ Sea Coordinator