

Maureen B. Valentino

From: Julian MacQueen [julian@innisfree.com]
Sent: Thursday, March 12, 2009 12:28 AM
To: Gene Valentino
Cc: Julian MacQueen; Jeff Townsend
Subject: Talking points on the future of Hotels on Perdido Key and induced demand

From the perspective of the owner of the only hotel in the history of Perdido Key I would like to share with you a perspective on the future of Hospitality in that market. This is not for mass consumption but for you to pass on to the Condo Association Presidents you are meeting with tomorrow. Not as a hand-out but as a referral on the recent news of a bingo Hall and hotel being developed on the Key.

Around 1991 I bought the only hotel ever built in Perdido Key and it was bought out of a foreclosure sale because the hotel could not support the debt with the market on the key. The product was a 100 room Comfort Inn and I changed the flag to a Best Western. We bought the hotel for 40 cents on the dollar and struggled over the following decade to get the occupancy over 75% and a average daily rate over \$65.

When looking at this site for future development after hurricane Ivan, it became clear that the cost of rebuilding the hotel would exceed the market demand based on our past performance.

It is clear to me that if there is going to be a successful sustainable hospitality product on the Key it will have to come from the approach of '**Induced Demand**'. Induced Demand is basically a '*Build It And They Will Come*' approach to the market and it is driven from the idea that there is nothing in the market place to us as a comparable and therefore no historical foundation to build assumptions for demand. A parallel would be the use of comparable sales of existing condos to determine the value of another condo.

There are only two options I can see for the possibility for a hotel product on the Key. One would be a destination resort where a beach front large convention resort could be established similar to the one envisioned by WCI several years ago. This development was a mix use development incorporating a component of timeshare or Fractional ownership along with a typical Destination Resort hotel. Given the current credit market and the over all decline in the hospitality sector, I don't see a viable source of debt or equity in the next five years.

The only other way to bring a sizable 4 star hospitality product to the Key is to create the demand though a specialty product that brings with it, a demand. This would be '*Induced Demand*'. You would **induce demand** though a specialty product. I see upscale bingo as a potential product to create *induced demand* to the Key provided it is done in a upscale manner. If Cy Keefer and his development team remain true to the commitment of an upscale product and if the market demand reacts to the upscale product as Mr. Keefer projects, I can see this project become the catalyst to the rebirth of the key with other retail establishments following, including restaurants and other recreational product.

Absent this kind of development, the Key will need to follow in the wake of Pensacola Beach as the crown jewel of Pensacola and once that beach is fully developed, then Perdido Key will follow in 5 to 10 years.

Maureen B. Valentino

From: cyrus keefer [cyrus_keefer@hotmail.com]
Sent: Saturday, February 21, 2009 8:14 AM
To: Gene Valentino
Subject: FW: Casino on Perdido Key

Looks as though we could be a hit

> Date: Fri, 20 Feb 2009 21:27:53 -0600
> Subject: FW: Casino on Perdido Key
> From: julian@innisfree.com
> To: cyrus_keefer@hotmail.com; raad@ewbullock.com; ewb@ewbullock.com; jeff@innisfree.com
>
>
>
> Subject: Casino on Perdido Key
>
>
>
> You have been sent an online news article from Phil Martin as a courtesy of
> pnj.com.
>
>
> Article Title:
> Casino on Perdido Key
>
> To view the contents on www.pnj.com, go to:
> <http://www.pnj.com/apps/pbcs.dll/article?AID=/200902201526/NEWS01/90220022>
>
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>
> ----- End of Forwarded Message
>

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Maureen B. Valentino

From: Julian MacQueen [julian@innisfree.com]
Sent: Wednesday, February 11, 2009 11:58 PM
To: Gene Valentino; Cy Keefer
Cc: Jeff Townsend
Subject: Here is the latest plan discussed today for the press release

- We met with Raad Cawthon with Ellis Bullock to begin writing the press release and to discuss the strategy for the timeliness of the release.
- It was agreed that the impact of the Dog Track vote should be absorbed by the community before a press release was delivered to the New paper and other media.
- It was also decided to expand the scope of the feasibility study to also analyze the economic impact of the area.
- Equipped with the ammunition of the economic impact and a completed architectural rendering of the Hotel and Gaming facility the tribe would meet with the Editorial Board of the Pensacola News Journal and then 'walk the halls' of the County Commissioners the week after the vote on the dog track.
- Raad will coordinate the content of the press release with the county media representative, (Allison?)

Someone please pass this on to Phil. I can't find his email.
Julian

Maureen B. Valentino

From: E. Dixon [perdidobaytribe@comcast.net]
Sent: Wednesday, February 11, 2009 5:36 PM
To: perdidobaytribe@comcast.net
Subject: Letter from Chief Bearheart
Importance: High
Attachments: image002.jpg; image001.jpg; Letter to Members 21109.doc

February 11, 2009

Dear PBT Members,

For many years we have managed to continue operations with the help of generous friends and devoted tribal members. Our projects to bring a greater appreciation and respect for our Southeastern Creek Indian heritage have grown steadily as have our needs for supporting resources. I have studied long and often about a for-profit arm of PBT to support our non-profit projects.

In recent months, I, along with two other tribal members, formed a committee to search for suitable means to support a first-class operation in the Jones Swamp Preserve we are developing in cooperation with Escambia County, as well as our other educational outreach and service projects.

In addition, we also seek to find ways and means to assist our Muscogee Creek and other Native American members through a variety of possible programs yet to be developed and/or future employment opportunities.

The project we have selected will be a bingo game in which Perdido Bay Tribe will share the profits in partnership with the builder/developer. At this moment the construction plans are being prepared and we hope to have the operation up and running sometime this spring.

I understand that some of you may have mixed emotions about our plan. Feel free to express your thoughts and feelings, but please know that in these hard times we must look beyond some of our objections and make an effort to keep our projects growing and successful and to help our people as we are able. We will be in touch with updates as this new project gets underway.

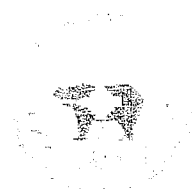
In your Service,

Micco Bobby Johns Bearheart

Note: This email is going only to heads of household & others I have addresses for. Please make sure all enrolled members of your family receive a copy. A signed copy of the letter is attached.

Thanks,

Edna Dixon Projects Coordinator



PERDIDO BAY TRIBE
Southeastern Lower Muscogee
Creek Indians, Inc.
Native Paths Cultural Heritage &
Resource Center
Mobile Museum of Southeastern
Creek Indian History and Culture
perdidobaytribe@comcast.net

Maureen B. Valentino

From: cyrus keefer [cyrus_keefer@hotmail.com]

Sent: Friday, April 10, 2009 3:25 PM

To: Gene Valentino

Cc: acooper70@comcast.net; bhoecker@stonington.com; christeeters@mac.com; kirkman@cox.net; mpiell@mac.com; julian@innisfree.com; icmsebastian@yahoo.com

Gene

Please be advised that no one on my staff or associated with Key Development or the Tribe will meet and or greet anyone from the county or those opposing this project until our review is finished (which is scheduled for 5/12) unless I'm advised by our legal council

Cy

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Maureen B. Valentino

From: Ashley Cooper [acooper70@comcast.net]
Sent: Sunday, April 05, 2009 10:43 AM
To: Gene Valentino
Subject: FW: Tomorrow' s meeting/game plan going forward

Gene,
 I saw it first thing this morning.
 Check out my email below to our attorney's at Beggs Lane.
 We need to talk. If we do in fact lose the appeal, game over. I can't imagine that can happen and we CANT let it happen.
 I will be in Pensacola tomorrow. We need to find a time to sit down and talk (you and I alone)
 Ashley

Ashley Cooper
 70 Oak Ridge Avenue
 Summit, NJ 07901
 acooper70@comcast.net
 office- 908-316-8500
 fax- 908-598-1351

From: Ashley Cooper [mailto:acooper70@comcast.net]
Sent: Sunday, April 05, 2009 9:47 AM
To: 'Jamie Campbell'
Cc: 'Gary Leuchtman'; 'Matt Piell'; 'cyrus keefer'; christeeters@mac.com; 'Brad Hoecker'; 'Barry W. Beroset'; TFFricke@aol.com; Phil Kittel
Subject: Tomorrow' s meeting/game plan going forward

Jamie,
 I read with interest this article (copied below) in the paper this morning.
 Yes we see all of the nonsense in the paper and yes we have a solid game plan which we can talk about tomorrow when I am in your office. This guy Carlton Proctor is on a serious mission to torpedo this project isn't he?
 Having said that, Proctor is not what concerns me.
 What does concern me is the following comment: "The appeal cited the county's own Land Development Code's prohibitions against using the land on the key for bingo gaming." If that is the case, we do have a serious problem. I can NOT imagine the board that granted us the development order for our bingo hall missing that in the land code. We need to be represented at that meeting (preferably by our legal team) and I would like to talk to you about it when I am in your office tomorrow (without our potential investor Don Bahouth who is meeting us at noon at Beggs Lane). We need to have someone from your firm taking a quick look at this for us to know what (if anything) we are up against as it relates to this appeal.

I spoke with Gene Valentino yesterday and there is in fact a hearing coming up with the Board

of Adjustments to listen to that appeal in the next few weeks. Gene was quoted on television in his interview last week as saying that our land is zoned for uses that could include the following: used car lot, tattoo parlor, pawn shop etc etc etc. You get my point and we need to be prepared. Julian's team helped us with the development order and we need to take the ball from here.

Specifically as it relates to the article below regarding "the numbers not adding up" . CLEARLY we have been crushed by the leaks, the editorials etc. Barry Beronet did NOT say that we would not have electronic bingo games. That was another Proctor "spin" that you and I discussed. We have a plan with our gaming lawyers and we will be very aggressive with that plan. The burden is now on us to prove to the state's attorney (and everyone else) that there are forms of electronic bingo that ARE legal in the state of Florida that are CURRENTLY being played.

This project DOES make money if we only do paper bingo in a very well designed and constructed facility but that is obviously not what we all signed up for. We will take our time getting the electronic component implemented (through the legal channels) as we play paper bingo in a "high end bingo hall" if we can all stomach that oxymoron. Check out this website that our gaming lawyer Tom Fricke has starting working with us on : <http://infinitygroupincorporated.com/uploads/TabForcePultabflyer.pdf> It is from Infinity Group Systems who we are talking with next week. Tom Fricke is convinced (and will prove it) that this is a legal electronic bingo system.

More to come on that tomorrow.

I land at 9:55am tomorrow morning. Phil Kittel is picking me up and we will head straight to your offices.

Have a good Sunday.

AC

Ashley Cooper
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Summit, NJ 07901
acooper70@comcast.net
office- 908-316-5580

5/26/2009

Maureen B. Valentino

From: Ashley Cooper [acooper70@comcast.net]
Sent: Saturday, April 04, 2009 7:44 AM
To: Gene Valentino
Subject: Appeal article

Gene,
 I will be in Pensacola Monday.
 Any validity to Smith's statements about bingo not being a permitted use under the land development code or his comments regarding requirements for traffic flow and water and sewer capabilities?
 Ashley

Two try to block bingo hall

Carlton Proctor • cproctor@pnj.com • April 3, 2009



Two Perdido Key landowners have filed an appeal with Escambia County's Board of Adjustment to block construction of a controversial bingo hall.

Pensacola attorney Gregory Smith filed the administrative appeal Thursday on behalf of property owners Eddie McMillan and Joe Mirabile.

McMillan and Mirabile declined to comment on the appeal, referring all questions to Smith.

Smith's appeal contends a development order issued last month to Key Development, LLC, is flawed and should be reversed because the county's Land Development Code prohibits bingo gaming on the parcel of land in question.

"Bingo is not a permitted use for the parcel in question under the Land Development Code," Smith said.

Smith also said there are serious questions about whether the proposed development would meet requirements for traffic flow and water and sewer capacities, he noted.

Smith's appeal also cites the "failure of the county to follow its own procedures, and the haste with which the instant application was addressed."

The 7.3-acre bingo hall site on Perdido Key is owned by hotel developer Julian MacQueen, and is zoned for general commercial use.

In March, Dallas developer Cy Keefer announced he had reached a tentative agreement with MacQueen to lease/purchase the property and build a "bingo casino" on the site.

Keefer's plans were quickly issued a development order by the county's Board of Review, but were met immediately with opposition by several Perdido Key citizens groups.

Late last month, State Attorney William "Bill" Eddins issued an opinion that Keefer's plans to erect a bingo hall with electronic slot-like machines would violate Florida gaming laws.

Keefer responded through Pensacola attorney Barry Beronet that he had no plans to build a "bingo casino" that offered customers use of an electronic machines.

However, following Eddins statement, Keefer said he would move forward with plans to build an "upscale" bingo hall on the key.

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Maureen B. Valentino

From: cyrus keefer [cyrus_keefer@hotmail.com]
Sent: Tuesday, March 31, 2009 7:44 AM
To: Gene Valentino
Subject: RE: Check out St. County judge clears way for electronic bingo to be played in As

It's coming to Florida as well
Cy

Subject: RE: Check out St. County judge clears way for electronic bingo to be played in As
Date: Tue, 31 Mar 2009 06:43:18 -0500
From: genev@collectorsolutions.com
To: julian@innisfree.com; cyrus_keefer@hotmail.com; kirkman@cox.net; mpiell@mac.com; jeff@innisfree.com

Wonderful... While we wash Cy well today... Please click on this link. You can share it with those you want. Then click on "Florida Key Issues" below the site. Grab a coffee and watch for 30 minutes... This is what was broadcast on Ch 3 two Sunday's ago...

Screenshot of a web browser displaying the profile of Gene Valentino on the Escambia County Board of County Commissioners website. The page includes sections for Government Experience, Community Involvement, Biographical Information, and Education. A map of the county is also visible.

Handwritten note: 3/31/09