



W I L D F L O W E R  
a group meeting — golf destination

# WILDFLOWER RESORT

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## Private Residence Club Villas

### Preliminary Development Proforma

*Prepared for*  
**Wildflower Resort Company**

*Prepared by*  
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## Financial Analysis

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The preliminary development pro forma (dated November 10, 2003) assumes the following:

### Revenue Assumptions

# Of Villas	50	With an average of 7 fractions per villa, this results in 350 fractions available for sale.
# Of Bedrooms	4	Future phases will provide a mix of units containing 3, 4 and maybe 5 bedroom. For purposes of this proforma, 4-bedroom is considered to be the average unit
Fractions Per Unit	1/5 <sup>th</sup> and 1/10 <sup>th</sup>	60 percent of each villa is owned in 1/5 <sup>th</sup> and 40 percent in 1/10 <sup>th</sup>
Sales Price	\$500,000 / \$300,000	This pricing was supposed by the market study. A sensitivity analysis should be completed with a lower price as well.
TIF Revenue	Tax Increment Financing	TIF revenue is based upon a return of a percentage of the real property taxes. The TIF revenue decreases at year 7 due to certain appraisal districts have capped their contributions. TIF revenue is not included in the Return Analysis calculations.

### Cost Assumptions

Land	Cost of land has not been included in this pro forma
Construction Cost	Based on the Turner/Gensler cost estimate dated 7/14/2003
Site Improvements	Standard 5% of building cost for high quality product
A & E	Estimated at 10% of construction cost
Marketing	Estimated at 15% of revenue per industry standard
Developer Fee	Estimated at 3% of revenue per industry standard
Legal Fee	Estimated at 1% of revenue per industry standard
Financing Cost	This is a cash on cash analysis; therefore, no assumptions for financing has been made for the purpose of this proforma
Golf Membership	Assumed to be \$30,000 per fraction sold. Members can use golf facilities when not in residence.
Member Portion of Clubhouse	Estimated at \$250,000 as a placeholder until better number can be provided.

The construction cost and sales assumptions reflect that villas are built in one year and sold in the next year. It was desirable to keep the financial performance of the first three villas separate. As a result, the pro forma shows construction of the next 10 villas in Year 2 with sales in Year 3. A variation of this pro forma could reflect construction of these same villas in Year 1, followed by sales of these 10 villas in Year 2. This pro forma is inflation and appreciation neutral.

