

Joe Lavin

From: Raymond Goad [rjg@wildflowerresort.com]
Sent: Friday, March 12, 2004 3:34 PM
To: Joseph Lavin; Victor Myers; Lonnie Faulkner; Ben Hurlbutt; John M. Irvin
Cc: pl@jazzoids.com
Subject: Funding now Scheduled for Mon/Tues
Attachments: image001.jpg; Wildflower Project Team (518 bytes); John Irvin.pdf; Outline Project Startup315041.pdf

Importance: High
Sensitivity: Confidential

Dear Fellows,

I have been on the phone several times this morning with Tom Johnson of Zurich Capital. He just stepped out of a meeting at the BofA in Beverly Hills to explain that the draw provisions under the Letter of Credit are causing a problem if the Letter is issued from the California BofA. They have determined the LC will have to be issued by the Dallas BofA, and therefore the funding will not take place until Monday at the earliest, and Tuesday at the latest. I have sufficient information to feel 99% sure that this will happen then.

I am going to feel good about this over the weekend, and suggest that you should do the same. Thanks for your lost fingernails. We are almost there. The following is the text of a message that I have prepared to the Wildflower Team. I can't wait to push the "send" button addressed to the Wildflower Team attached above:

"Dear Project Team:

As you know, our financing strategy has been to raise 30% of the \$210MM estimated cost of construction as "third party equity," with conventional 70% debt financing for the balance. I am pleased to finally report that we have today received the equity portion of our funding from Zurich Capital Holdings, Inc., a private Investment Banking group in Beverly Hills, California This investment will be evidenced by a \$63.5MM Irrevocable Standby Letter of Credit drawn on the Bank of America

Under the terms of our agreement with Zurich, we can immediately draw against this Letter of Credit to bring our account with Turner current, complete the construction documents, and commence construction of the Project infrastructure. We expect to have additional commitments in hand soon for the balance of the construction costs.

We are also pleased to advise that we have retained John M. Irvin as Vice President of Design & Construction for Wildflower Resort Company. Twenty years ago John and I worked together at Westin on a task force responsible for the renovation of The Plaza Hotel in New York. Since then he has been a Project Manager for Woodbind Development Corporation (Westin La Cantera Resort Hotel, San Antonio), served as Project Director in Western Europe for InterContinental Hotels (5+ star Amstel Hotel in Amsterdam), worked with Robert Zimmer (the visionary responsible for the Rosewood Hotels concept); and, as you will see from his attached résumé, brings a wealth of professional experience to the Wildflower Project.

I have asked John to communicate directly with each of you regarding a plan of action to "Startup" the Wildflower Project."

More to follow on Monday. Have a nice weekend.

Regards,
Raymond J. Goad
President & CEO



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