



**Neimann Trading
International Corporation**

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May 25, 2004

CONFIDENTIAL

Mr. Raymond Goad, President

Wildflower Resort Company
100 Crescent Court 7th Floor,
Dallas, Texas 75201

Re: Proposed US\$ 90 Million Capital Funding, Wildflower Resort Development

Gentlemen:

We are pleased to advise you of the interest in providing capital to the Wildflower Resort Company, a Delaware corporation ("Wildflower") to facilitate the initial phase of development of the Wildflower Resort (the "Project"). The project is within 20 minutes of the Dallas/Ft. Worth Airport, which will facilitate easy access as an international group meeting and golf destination by business clientele and within easy reach of large and growing contingent of North Texans who seek high-end weekend getaways.

Wildflower Resort is located on the 1,000 acre Estes Peninsula at the center of a 7,500 acre lake and adjacent to Texas Parks and Wildlife property and the City of Grand Prairie parkland. The first phase of development will encompass the infrastructure for the Resort, a 500 room hotel, which will be managed by InterContinental Hotels, a 75,000 square foot meeting/convention center, a 25,000 square foot spa, an 18-hole Nicklaus Signature Golf Course, a second 18-hole Sergio Garcia Championship Golf Course with Nicklaus Design, and a 35,000 square foot Golf Clubhouse ("Phase One"). Future phases will include a 350,000 square foot Festival Entertainment Village targeted for the regional market, a boutique (200 room) five star hotel, equestrian center, and up to 500 units of fractional, Private Resident Club second-home ownership.

We understand that the estimated cost of Phase One is \$220 Million. Wildflower is seeking to secure the necessary capital to fully fund the cost of Phase One, which is estimated to take 24 months of development and construction.

The Neimann Trading International Corporation Inc, ("Neimann" or "NTIC") is a boutique investment banking firm, located in Dallas, Texas, with diverse investments, from incubator technology companies to large real estate development.

We are pleased to indicate this offer of investment in Wildflower Resort Company, as follows:

Total Amount: **US \$ 90.0 Million,**

Advancing Entity: Principals of Wildflower, doing business as Windhover Hotels and Resorts Ltd, a Delaware corporation, hereinafter collectively referred to as "Sponsors", together with NTIC are

to form in the State of Nevada, United States of America, a special purpose, bankruptcy remote vehicle, Windhover (Nevada) Inc., (“Advancing Entity”), a regular corporation with 10,000 authorized shares, to act as lender for project funding of a loan advance to Wildflower Resort Company (“Investment Entity”) in the amount of **US\$90.0 million**. The Advancing Entity will issue common shares in the following amounts and to the following companies:

- 5,000 common shares to Sponsors and/or designees, representing a 50% ownership interest in the Advancing Entity
- 5,000 common share to NTIC, representing a 50% ownership interest in the Advancing Entity

Investment Entity

The Investment Entity, Wildflower, will receive a capital advance of **\$90.0 Million** from the Advancing Entity by way of a priority, participating repayable capital advance and subject always to an Approved Budget, to be mutually agreed upon by the parties hereto, by the Loan Closing.



The Investment Entity will issues common shares to NTIC so that NTIC will have 40% of the issued and outstanding shares, debentures and preferred shares of the Investment Entity. In the event the Investment Entity shall offer its shares in an IPO, NTIC will have the option to acquire additional shares, on a prorata basis to maintain 40% of the issued and outstanding common shares, subject to Wildflower share repurchase option as hereinafter set out.

GIC Program:

Through the efforts of NTIC a loan program will be developed with a qualifying insurance company, a selected lender and a selected law firm that establishes a Guaranteed Investment Contract (“GIC”) of \$860 million between the insurance company and a qualified lender. From the proceeds of this GIC, the legal firm, acting as escrow agent, will contribute a total of \$126.5 million to the Advancing Entity from which an amount will be set aside for capital gains taxes. The adjusted amount, net of tax (“Adjusted Funding”) will be the basis for calculation of Management Fees, Transaction Fees and the Project Funding. The fees paid to NTIC for the establishment of the GIC Program (the “Management Fees”) are expected to be \$10.75 million, based upon 10% of the Adjusted Funding.. The Advancing Entity will receive **\$90.0 Million** in funding, after deduction of capital gains tax, Management Fees and Transaction Fees. For avoidance of doubt neither the Advancing Entity, Wildflower or the Sponsors will be under liability to repay or guarantee repayment of the contribution received from the lender or to compensate the insurance company for the GIC.

Project Funding:

The Project will be funded by way of a **\$90.0 Million** capital advance from the Advancing Entity to Wildflower for a term of ten years. The capital advance will have an interest rate of 6% per annum with interest accrued during the first three years construction phase of the Project. During years 4 through 10, interest and principal payments will be made to the Advancing Entity by the Investment Entity. In addition to the interest charge, the Advancing Entity will share in a minimum of 30% of the available cash flow (after debt and expenses) received by Wildflower in respect of the Project during the term of the loan and will be entitled to a minimum look back Internal Rate of Return of 12% ("Minimum Return Criteria") based on the loan payments and participation in the cash flow.

NTIC will have a Right of First Offer to provide additional capital financing for the Project,  market terms, and in the event that the Investor declines  provide financing and the Project is financed by independent third parties ("New Lender"), the Investor will agree to subordinate the subject funding security to the New Lender. In the event that profit participation is required by the New Lender, the Investor will agree to dilute the shareholding in the Investment Entity prorata with the Sponsors.

In the event that NTIC provides additional capital financing of \$130 Million, NTIC to be issued additional shares in the Investment Entity, such that NTIC will have 50% of the issued and outstanding shares and the option to acquire additional shares to remain at 50% shareholding

Wildflower will have a prepayment option for the capital advance on or after the seventh anniversary of the Capital Advance Closing subject to the Minimum Return Criteria.

The loan will be repaid on or before the tenth anniversary of the Capital Advance Closing. In the event that the capital advance to Wildflower is in default, the Advancing Entity will have the right to 100% of the available cash flow (cash after debt payments and expenses but before any distributions to Wildflower shareholders) received by Wildflower until such time as the capital advance is in good standing or is repaid with the Minimum Return Criteria met whichever occurs first. Expenses shall include budgeted reasonable expenses required for the supervision and operation of the plant but will exclude any budgeted management fees. The Advancing Entity will be entitled to payment of any legal costs associated with the enforcement of capital advance remedies provided for in this agreement from the Investment Entity.

Share Liquidity:

The Shareholders Agreement to contain a “Put Option” provision which will, any time after the tenth anniversary of the loan funding, allow NTIC to require the Sponsors to purchase the NTIC interest in the Advancing and Investment Entities.

The Sponsors will purchase the NTIC interest in the Advancing Entity based upon the net book value of the Advancing Entity, based upon the most recent audited financial statement, subject to the requirement that the sale price will meet the Minimum Return Criteria.

The Sponsors will purchase the NTIC interest in the Investment Entity based upon the NTIC proportionate share of the value of the Investment Entity which shall be calculated based upon the greater of :

- a) the net book value or the valuation of the remaining assets of the Investment Entity, as determined by the most recent audited financial statements, or,
- b) the valuation of the assets, as determined by independent third party valuator or national stature.

Funding Advance:

Within one hundred twenty (120) business days of the receipt of the first tranche of the commitment fee.

Preconditions:

The Sponsors shall provide Neimann with the following reports, at least 30 business days prior to the Loan Closing, which shall have content acceptable to Neimann in its sole and unfetter discretion:

- Demand and Market Analysis;
- Project Cost Validation Report;
- Appraisal of Project on an “As Completed” Basis;
- Review of Business Plan of Wildwood; and
- Approved Budget

Neimann requires that the Sponsors retain Paradigm or PricewaterhouseCoopers (“PwC”) to prepare or manage the preparation of the above reports, acknowledging its reliance on Paradigm and/or PwC to assist in evaluating appropriate market, business and valuation issues.

The estimated costs of the Paradigm and/or PwC reports is \$75,000 to \$80,000. It is agreed that the cost of the Paradigm and/or PwC reports will not exceed \$100,000. These costs are to be paid by the Wildflower.

The Sponsors and Neimann will enter into a mutually acceptable Shareholders Agreement governing the rights and duties of each party, as set out below.

Shareholders Agreement:

The Sponsors and Neimann, as shareholders of the Advancing Entity and the Investment Entity, shall enter into a Shareholder's Agreement prior to Closing which will contain provisions including the following non-exhaustive list:

- Voting Rights of Shareholders;
- Requirement for Annual Audited Statements of Advancing and Investment Entity;
- Governance Provisions, including the right to appoint two members of the Board of Directors of each of the Advancing Entity and the Investment Entity ;
- Unanimous Consent to Major Decisions (to be defined); and
- Buy/Sell Provisions

Financial Review:

The Advancing Entity and Wildflower will provide financial statements, audited by KPMG, for a period of ten years, to NTIC designee, within 120 days of company year end. An annual review of financial statements, including source and use of funds of Wildflower will be managed by NTIC nominee, at an annual cost of \$30,000, plus out of pocket expense, which shall be paid by Wildflower

Neimann shall have the right to review all expenditures. Review of expenditures will be managed by Paradigm or alternate designee. Any subsequent funding requests from Advancing Entity will be processed by Paradigm or designated alternate and submitted to Neimann on the basis of an Approved Budget (to be defined).

Approved Budget:

The Sponsors will prepare a definitive ten year schedule of revenues and costs which will form the basis of the proposed loan advances to fund the development of the Project. These schedules will form the basis of the financial projections for the Project that will be reviewed and accepted by both Neimann and the Sponsors, (the "Approved Budget").

Use of Proceeds:

It is agreed that any existing financing that has been drawn to fund the current work on the Project will be repaid from the loan proceeds by Wildflower. Further, it is agreed that Wildflower will require the approval of the Advancing Entity and NTIC prior to borrowing from any other entity, subject to the NTIC right to provide additional financing, as set out herein. The Sponsors will provide a list of the financing repayments to be made, along with detail of the use of the proceeds of the funding.

Security of the Loan: It is agreed that the Advancing Entity may register a priority charge on the land lease and assets of Wildflower, which will require that Wildflower obtain the approval of the Advancing Entity prior to any other charges being registered on the assets secured under the Loan.

Transaction Fee: A transaction fee equivalent to six percent (6%) of the Adjusted Funding shall be paid by the Advancing Entity to Paradigm at the time of Closing.

Commitment Fees: A commitment fee totaling US\$500,000 will be paid by Borrower as follows:

1. US\$250,000 will be paid upon signing of this MOU by Sponsors to NTIC. NTIC will apply these funds towards legal fees, rate commitment fees and other due diligence costs and fees. It is estimated that the legal fees will be \$120,000, the rate commitment fee will be \$30,000, initial due diligence will be \$60,000 and a fee to third party facilitators of \$40,000. It is agreed that NTIC will provide an accounting of the disbursements. It is anticipated that the initial due diligence period will be no longer than thirty working days.

2. US\$250,000 will be paid upon receipt of a loan commitment from a qualified lender and commitment by insurance company such as AIG, ING or equivalent stature issuer to provide a GIC on behalf of the Advancing Entity to that lender, coupled with funding terms for the Investment Entity as set out in this MOU. It is anticipated that this due diligence period will take no longer than 30 working days following completion of the Preconditions.

Address for Payment Of Commitment Fees: The Sponsors will wire transfer the commitment funds to the NTIC account as set out below:

Account Holder:	Neimann Trading International Corporation
Account Type:	U.S. Dollar Corporate
Account Number:	883005330865
Bank Name:	J. P. Morgan Chase Bank
Bank Location:	Metroplex Dallas Region 2200 Ross Avenue, Dallas, Texas 75201
A.B.A. Routing:	113000609

Notices

The following addresses are to be used for transmitting information between the parties:

Wildflower Resort Company
Mr. Raymond Goad, President
Wildflower Resort Company
100 Crescent Court 7th Floor,
Dallas, Texas 75201

Neimann Trading International Corporation
David Neimann, CEO
Neimann Trading International Corporation
10694 Pagewood Dr.
Dallas, TX 75230

Copies of all notices will also be provided to:

Mr. Tom Stevens or Ms. Lisa Baum
Paradigm Global Capital Ltd.
162 Cumberland Street, Suite 300
Toronto, ON M5R 3N5

Our company looks forward to the opportunity of doing business with you and your esteemed organization.

This offer is open for acceptance until 6:00 PM EST, May 28, 2004

Sincerely,



For Mr. David P. Neimann
President & Chief Executive Officer

CONFORME / ACCEPTED BY:

Wildflower Resort Company
By its authorized signing officer(s)

Printed Name: _____ T _____

Title / Designation: _____

CC: NTIC Legal
Paradigm Global Capital Ltd.
File

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Sincerely,


For Mr. David P. Neimann
President & Chief Executive Officer

CONFORME / ACCEPTED BY:

Wildflower Resort Company
By its authorized signing officer(s)



Printed Name: Raymond J. Goad

Title / Designation: President + CEO

CC: NTIC Legal
Paradigm Global Capital Ltd.
File