



W I L D F L O W E R

a group meeting *and* golf destination

March 5, 2006

Via Email

Donald R. Postell, Esq.
City Attorney
317 College Street
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Texas 75053-4045

Re: Status Report on Financing of Wildflower Resort Project.

Dear Don,

This updates will provide a brief overview of our progress with respect to the financing of the Wildflower Resort Project. Should questions arise that you would like to discuss with either Ablum, Brown & Company ("ABC"), or myself you are welcome to give any of us a call at any time.

The Private Placement Offering being conducted by ABC continues to proceed generally according to plan. While we are disappointed that we are not yet engaged in the negotiation of a specific transaction, we are not discouraged, and have experienced a definite upturn in interest and active leads in the past 45 days.

The following summary of ABC's efforts was updated as of today:

Wildflower Resort Company Equity Marketing Summary

Status Summary

Insurance Companies	6
Pension Funds / Pension Managers	9
Opportunity Funds (inc Hedge Funds & Funds w/ IBanks)	72
Real Estate Investment Groups / Developers	54
Money Managers / Family Offices	8
Other	30
Hotel Mezzanine	6
Hotel Developers	28
Total Targeted Investors	213
Investors that have Passed	139
Remaining Active Investors	74
Investors already Contacted	199
Investors to be Contacted	14
Teasers Distributed	115
Books Distributed	21
HK Names	137
TA Names	42
PJC Names	25
AW Names	8
Unassigned	0

Hot List

Hospitality Investors

A List

Clarion	OF
Moody National	RED
Stormont Noble	HDev

B List

Almbridge	RED
Babcock & Brown	OTH
CALPERS	PF
Equastone	RED
Greenfield	RED
Highland Capital	OF
Oxford Lodging	RED
Patrinely	HDev
Sentry	HDev

Retail Developers

General Growth
JA Wilson
Forum Development

The following additional information can be provided regarding these and other contacts:

1. During the course of my trip to Atlanta on March 20th and 21st I met with Nobel Investment Group (identified above as Stormont Noble), and they continue to be actively in a due diligence review of the Project. Nobel represents a potential Joint Venture transaction with Wildflower Resort Company as an equity partner and Co-Developer of the Project. I had a productive introduction to their management and feel encouraged that we could work well together. They have confirmed that they are actively considering the various alternatives that this opportunity presents. I have further calls scheduled with them later this week that could involve scheduling meetings in their offices next week, which would include their senior officers, Tom Ablum, Hal Katz, Ed Hales (of Sutherland Asbill & Brennan) and myself. (See Additional information on Nobel below)
2. It is worthy of note that the Clarion listing in A above is with ING Clarion, the U.S. investment management arm of ING Real Estate; together, ING Clarion and ING Real Estate have \$85.5 billion in real estate assets under management, making ING the largest real estate investment manager in the world. They have requested that Hal Katz provide them with a one page "Terms Sheet" of a potential equity investment transaction, which they now have under active consideration.
3. The CALPERS listing in B above has developed into a series of Email exchanges with Barry Sternlicht of Starwood Capital Group which recently announced the naming of Jim Motta to head a new subsidiary "Starwood Land Company, LLC" that will oversee the "development of the company's residential and resort investments in the Eastern United States and the Caribbean." I was personally referred to Jim before the announcement and have been speaking with him for the past month. Hal Katz recently responded to some additional questions from Sternlicht, and expects to be in touch with him again later this week or next. I believe this inquiry to be serious. I have worked with Barry Sternlicht in the past and he does not personally express this level of interest and involvement unless he finds the "target" to be of particular interest.
4. I not heard further from Larry Van Tuyl who heads a real estate investment and development company based in Phoenix Arizona. The Van Tuyl Group became aware of the Project through their other investment activities in the DFW area, and sought the meeting through their contacts with the City. They have received our materials and are actively considering the possibility of a Joint Venture with Wildflower Resort Company on both the Hospitality and the Village components of the Project. I will be coordinating these discussion with ABC should they progress to the next level.

5. The City also introduced me to a Kenneth Kim who has ties to a South Korean golf course owner and developer. I understand that Kim's Principal in South Korea is reviewing the Project and may invite me to meet with him in country. I have agreed to do so providing they confirm the strength of their interest by bearing the expenses of such a visit. I will be coordinating these discussion with ABC should they progress to the next level.

6. I have also been personally referred to Mark DePiero, an executive with Dolce International, a hospitality company specializing in group meeting properties. The company has a collection of 21 properties in the United States, Canada and Europe associated with the International Association of Conference Centers (IACC). They are headquartered in Montvale, New Jersey and Paris, France, and have approximately 3,000 employees. I have a scheduled conference call with Mark DePiero and will learn more about their apparent interest in the Project. I plan on speaking directly with Mark DePiero this week, and should he have further interest referring him to ABC to assist with any further due diligence requirements Dolce may care to undertake.

7. During the course of my visit to Atlanta, Kirk Kinsell, SVP and Chief Development Officer of InterContinental Hotels suggested that I contact Kell Martin and Michael Murphy of First Fidelity Companies in Atlanta. They have a strong reputation in the Atlanta market having been in business there for almost 40 years. They have done considerable work in the Hospitality Industry, and reportedly recently arranged equity financing for a \$350MM hotel construction project. They have completed their due diligence and confirmed their interest in teaming with ABC to assist us in completing our financing. We are making arrangements to meet with them in their offices in Atlanta next week to consummate our arrangements for First Fidelity and ABC to jointly pursue our equity and debt financing. We expect to confirm these arrangements later this week, and to meet in Atlanta next week.

Regards,
WILDFLOWER RESORT COMPANY



Raymond J. Goad
President and CEO

CC: Thomas Ablum
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