



## Overview

The Wildflower Resort (“Wildflower” or the “Project”) is a \$350 million planned business meeting destination located approximately 20 minutes south of the Dallas/Fort Worth (“DFW”) International Airport in Grand Prairie, Texas. The Project is situated on the Estes Park Peninsula, an undeveloped 1,000 acre peninsula at the center of a 7,500 acre lake. The land has been secured by the master developer, Wildflower Resort Company (the “Master Developer” or the “Company”), in the form of a 99 year land lease with the city of Grand Prairie. Wildflower will be surrounded in perpetuity by Texas Parks and Wildlife property and Grand Prairie parkland. The Project is being directed by an experienced team of industry professionals led by Mr. Raymond J. Goad, a former senior executive of Westin Hotels.

The Project can be sub-divided into two divisions. The Hospitality Division includes a 500-room luxury hotel that will be managed by InterContinental® Hotels & Resorts (“InterContinental®”) as a group and business conference hotel with resort amenities, a 75,000 sq. ft. conference center, a 25,000 sq. ft. spa and fitness center, two world-class golf courses and clubhouse and up to 150 residential villas to be marketed on a fractional ownership basis. The Hospitality Division will also include the option to build a 120-room boutique hotel and a 350-room mid-scale hotel. The Village Division includes the Wildflower Festival Entertainment Village (the “Village”), a 75-acre town square featuring 350,000 sq. ft. of retail space and assorted entertainment venues.

The Master Developer is seeking total capital for the Project of approximately \$350 million with two alternative capital structures being considered. In Alternative I, the financing would comprise \$92 million of equity and \$257 million of senior debt and yield an estimated IRR to the equity of approximately 32% before the Master Developer’s carried interest and 24% after the carried interest. In Alternative II, the financing would comprise \$34 million of equity, \$85 million of mezzanine debt and \$220 million of senior debt and yield an estimated IRR to the equity of approximately 34% before the Master Developer’s carried interest and 26% after the carried interest. The mezzanine debt would have a targeted return of 20%. The difference in total funding requirements between the two alternatives reflects upfront fees on the senior and mezzanine debt and capitalized interest expense. As the design for the Project has been substantially completed (Gensler) and the construction contract negotiated (Turner), construction can begin within 90 days of the equity commitment. Although the Master Developer prefers to partner with a single party for the entire Project, it will consider separate proposals for the Hospitality and Village Divisions as outlined above.

## Development Features

- **InterContinental® Wildflower Hotel** – The 500-room, luxury hotel complex will recall a Texas ranch configuration with a forecourt, main house and numerous ancillary buildings. Guestrooms are varied to accommodate the demands of the resort’s upscale group business, including a large number of suites.
- **Grand Prairie Conference Center** - The 75,000 sq. ft. of meeting space will offer the capacity to simultaneously host two or more groups. The facilities will include a 20,000 sq. ft. grand ballroom and 9,000 sq. ft. junior ballroom. Other unique features include a 3,000 sq. ft. amphitheater and more than 6,000 sq. ft. of additional meeting rooms and spacious pre-function areas.
- **Spa & Fitness Center** – A 25,000 sq. ft. stylish freestanding facility with 7,000 sq. ft. of state of the art exercise facilities, lounges, gardens, lap pool, treatment rooms, and luxury day rooms.
- **Golf Course & Club House** – Nicklaus Design is designing a 36-hole project which will include a Jack Nicklaus Signature Golf Course, the first of its kind in the Dallas area, and the first golf course designed by professional golfer Sergio Garcia. The courses will be complemented by a semi-private 35,000 sq. ft. golf club.
- **Private Residence Club Villas** – The Project has been zoned and permitted for up to 300 residential villas around the lake and golf courses, although current plans are for 150. The villas will be offered for fractional ownership.
- **Wildflower Entertainment Village** - Occupying approximately 75 acres, the Village will consist of a mix of restaurant, entertainment and specialty retail shops. Along the waterfront, a pier and adjacent inlet will provide docking for boats. An outdoor band shell and concert venue at the end of the pier will provide an opportunity for a concert series.

## Sources & Uses

The table below provides estimated sources and uses of funds under the two financing alternatives. To date, the Company has spent approximately \$12.0 million on pre-development including land lease payments and design development plans for the Hospitality Division and Project infrastructure. The table also provides IRRs net of management's carried interest.

(\$ in millions)

ALTERNATIVE I (Includes Capitalized Interest)				ALTERNATIVE II (Excludes Capitalized Interest)							
Sources		Uses		Net IRRs		Sources		Uses		Net IRRs	
Senior Debt	\$257	Hospitality	\$236	22%		Senior Debt	\$220	Hospitality	\$228	26%	
Mezzanine Debt	0	Village	113	27%		Mezzanine Debt	85	Village	111	28%	
Equity	92					Equity	34				
Total Sources	<u>\$349</u>	Total Uses (1)	<u>\$349</u>	24%		Total Sources	<u>\$339</u>	Total Uses (1)	<u>\$339</u>	26%	

(1) The differences in total uses between the two alternatives reflects upfront financing fees and capitalized interest.

The estimates above for the Hospitality Division do not include the costs to complete the aforementioned mid-scale hotel and boutique hotel. However, they do include the costs to construct three residential villas with the hotel which the Master Developer intends to use as models to pre-sell the other 147 villas.

## Investment Highlights

- Experienced Project Manager** – The Project is being led by Mr. Raymond Goad, formerly an executive of Westin Hotels. Mr. Goad has been involved in several large and complex hospitality development transactions including the Mauna Kea Beach Hotel in Hawaii. He directly negotiated the land lease for the Project and raised the pre-development capital. Mr. Goad has hired a number of experienced industry professionals to be part of the Wildflower team.
- Attractive Location** – The Project is situated within a 20-minute drive of the cities of Dallas (northeast) and Fort Worth (northwest) and the DFW Airport (north). The proposed site for the new Dallas Cowboys' stadium is a 10-minute drive. Wildflower is located within 10 minutes of four interstates: 20, 30, 35 and 45. It is accessible from the north by Interstate 20 or Interstate 30 via Hwy. 360 (six lane) and Hwy. 161 (proposed six lanes). From the east, the property is accessible from Interstate 45 or Interstate 35 on Hwy. 360 (six lanes) and Hwy. 161 (proposed six lanes) along Hwy. 67.
- Strong Demographics** – Wildflower is located within a two-hour drive of 12 million people; a population projected to grow to 17 million over the next 20 years. The local Dallas/Fort Worth market currently has 5.5 million people and is expected to grow to 7.0 million people by the end of the decade and to 8.8 million people by 2020. The DFW Airport is the third busiest airport in the U.S. with approximately 2,700 daily flights and serves 60 million passengers annually.
- World Class Partners**
  - InterContinental® Hotels & Resorts** – InterContinental® has worldwide portfolio of 140 landmark hotels in 75 countries on six continents. Wildflower would be the first InterContinental® resort in the US.
  - Turner Construction** - The nation's leading general builder, performing work on over 1,500 projects each year. A guaranteed maximum price contract for the Hospitality Division and Project infrastructure was negotiated with Turner.
  - Gensler** - Leading global design, planning and strategic consulting firm which is consistently ranked as the leading architecture and interior design firm in international and national industry surveys.
  - Nicklaus Design** - Nicklaus Design, recognized as the world leader in golf course design, has been involved with over 250 courses in 27 countries and 35 states.
  - Troon Golf** - Troon Golf will provide golf management services for the Wildflower golf complex. Troon manages operations at more than 140 golf courses located in 26 states and 11 countries.
  - Racanelli Development** - Wildflower has partnered with Racanelli Development to design the Village. Racanelli has been involved in specialty retail projects such as The Pier at Caesars in Atlantic City; and MGM Mirage properties in Las Vegas, including The Bellagio, The Mirage, Treasure Island and New York, New York.

*Ablum Brown & Company and Shattuck Hammond Partners, LLC have been retained by the Master Developer as its exclusive placement agent. For additional information including drawings of the Project, please visit the Project's website at [www.wildflowerresort.com](http://www.wildflowerresort.com).*

*All questions regarding this opportunity should be directed to the following individuals:*

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*To receive a copy of the confidential placement memorandum, please sign and fax back the attached Confidentiality Agreement.*