

TERMS SHEET

\$3,500,000 Bridge Loan

by and between

WILDFLOWER RESORT COMPANY

And

WHEREAS: The Trinity River Authority of Texas, an agency of the State of Texas (“TRA”), and Estes Park Development Company, LLC, a Texas limited liability Company (“EPDCo”), entered into that certain Sublease dated November 12, 1999 for the development of a master planned resort at Estes Park on Joe Pool Lake in the City of Grand Prairie, Texas, (the “Sublease”).

WHEREAS: The TRA and Estes Park Development Corporation, a Delaware corporation (“EPDCorp”), entered into that certain First Amendment to Sublease dated August 23, 2000, providing for the approval of the TRA as Sublessor, for the assignment of all of the rights and interest in and to the Sublease to be assigned from EPDCo to EPDCorp, and for EPDCorp to assume all benefits, duties and obligations under the Sublease subject to the additional amended terms and conditions of the Sublease Amendment, (“First Amendment”).

WHEREAS: The TRA and the City of Grand Prairie entered into that certain Interlocal Contract Between Trinity River Authority of Texas and City of Grand Prairie, Texas, dated August 22, 2001, providing for the transfer of the responsibility for the Sublease premises from the TRA to the City of Grand Prairie pursuant to the authority granted by the U.S. Congress, (the “Interlocal Contract”).

WHEREAS: EPDCorp assigned all of its rights and interest in and to the Sublease to the Wildflower Resort Company (“WRC”), under the terms of that certain Second Amendment dated March 8, 2002 (the “Second Amendment”) for the development of the Wildflower Resort (the “Project”).

WHEREAS: Pursuant to Section 5.1 and Exhibit F of the Sublease, Minimum Annual Rent for 2006 is payable in the amount of \$675,000 in two installments of \$337,500 due on March 1st and September 1st. WRC has paid the City the first installment for 2006.

WHEREAS: WRC entered into that certain Engagement Letter dated August 18, 2005 with Ablum, Brown & Company (“ABC”) providing for ABC to act as the exclusive Placement Agent of WRC in connection with a Private Placement Offering for the financing of the equity and debt financing requirements for the construction of the Wildflower Resort as set forth in the Private Placement Memorandum, the disclosures, representations, and financial forecasts of which are incorporated in this Terms Sheet by this reference (the “PPM”).

WHEREAS: Pending the closing of the equity and debt financing contemplated under the PPM, this Bridge Loan is required to (a) fund the \$337,500 Rent Payment due September 1, 2006, and (b) provide for the payment in full of approximately \$2,600,000 of predevelopment funding now due and payable, the default of which could jeopardize the ability of WRC to close the financing of the equity and debt for the construction of the Wildflower Resort as set forth in the Private Placement Memorandum; and, (c) to fund the costs associated with the operations of WRC and the closing of the transactions contemplated under the PPM.

Bridge Loan	Three Million Five Hundred Thousand and no/100 Dollars (\$3,500,000.00)
Return	Four Million Five Hundred Thousand and no/100 Dollars (\$4,500,000), including the principal in the amount of \$3,500,000, together with the participating fee of \$1,000,000. Provided, however, in the event repayment of the full \$4,500,000 Return is not made on or before the Maturity Date, the total amount of the Financial Obligation hereunder shall be increased by the sum of a \$1,000,000 escalator fee to a Total Financing Amount of \$5,500,000.
Sublease Rent	Pursuant to Section 5.1 and Exhibit F of the Sublease, Minimum Annual Rent for 2006 is payable in the amount of \$675,000 in two installments of \$337,500 due on March 1 st and September 1 st . WRC has paid the City the first installment for 2006.
Lender(s)	
Borrower	Wildflower Resort Company
Guarantor	Raymond J. Goad, President & CEO Wildflower Resort Company
Term	Twelve months, commencing August __, 20056 and maturing on August __, 2007 (“Maturity Date”).
Uses / \$337K Rent Payment	The first advance under this Bridge Loan will be applied to pay in full the \$337K Rent Payment, assuring that the Sublease will remain in full force and effect through March 1 st , 2007.
Uses / \$2.6MM Loan Repayment	The next advance under the Bridge Loan in the amount of \$2.6M will be advanced to WRC upon closing for payment of the predevelopment funding now due and payable
Uses / Balance of Bridge Loan	The balance of the Bridge Loan will be advanced to WRC upon closing for payment of costs associated with the operations of WRC and the closing of the transactions contemplated under the PPM.
Convents regarding Repayment Sources	Borrower shall convent with Lender to aggressively pursue an agreed upon financial strategy that will assure a capital event providing resources for the repayment of the Bridge Loan: <ol style="list-style-type: none"> 1. WRC shall undertake to consummate an “Equity Commitment” under the terms of the PPM not later than December 30, 2006 (“Equity Offering Period”). 2. In the absence of an Equity Commitment, commencing January 1, 2007 WRC shall concurrently undertake to

consummate a “Joint Venture” with a Co-developer capable of providing support for the financing of the Project with a strong capital structure and successful track record of developing similar projects not later than March 1, 2007 (“JV Search Period”).

- Prepayment** In the event that the Borrower obtains any debt financing or equity investment prior to the Maturity Date, the Bridge Loan shall be accelerated, the amount outstanding thereunder shall become immediately due and payable, and the Borrower will be required to immediately prepay the Bridge Loan in full.
- Event of Default** In the event the Borrower has not repaid the Bridge Loan in full on or before the Maturity Date or if any other Event of Default shall occur under the Bridge Loan, Lenders shall be authorized, but not obligated, to (1) accelerate the Bridge Loan, (2) foreclose on the Lenders’ below-defined Collateral, and (4) pursue any other remedies or courses of action authorized under the Bridge Loan, the Sublease, and applicable law.
- Collateral** Borrower shall execute in favor of Lenders a Leasehold Deed of Trust, Security Agreement, Assignment of Leases and Rents, Fixture Filing and Environmental Indemnity, granting Lenders a first priority leasehold Deed of Trust on the Sublease and a first priority security interest in all of Borrower’s property and contract rights (the “Deed of Trust”).
- Borrower shall fully cooperate in the filing and/or recordation of the Deed of Trust, and any attendant documentation, filings or financing statements related to the Bridge Loan, and hereby expressly authorizes Lenders to perform any such filings and/or recordings without the need to first obtain Borrower’s consent.
- Borrower’s Compliance** As an inducement and condition precedent to Lenders’ agreement to make the Bridge Loan and to accept the Deed of Trust on the Sublease, Borrower agrees to be in compliance, in all respects, with the requirements and covenants of the Sublease (as amended and modified), including as it relates to the Bridge Loan and Borrower’s granting of the Deed of Trust.

CLOSING CHECKLIST

**Secured Loan
From**

**as Lenders,
to
Wildflower Resort Company,
as Borrower**

Document	Party Responsible for Preparation	Status
1. Secured Promissory Note	Borrower	
2. Leasehold Deed of Trust, Security Agreement, Assignment of Leases and Rents, Fixture Filing and Environmental Indemnity	Borrower	
3. Guaranty of Raymond J. Goad	Borrower	
4. UCC, Tax Lien, Pending Suit and Judgment Searches	Borrower	
(a) Secretary of State, Delaware	Borrower	
(b) New Castle County, Delaware	Borrower	
(c) Dallas County, Texas	Borrower	
(d) Tarrant County, Texas	Borrower	
5. UCC Financing Statements	Borrower	
(a) Secretary of State, Delaware	Borrower	
(b) Dallas County, Texas	Borrower	
(c) Tarrant County, Texas	Borrower	
6. Secretary's Certificate re:	Borrower	

Document	Party Responsible for Preparation	Status
(a) Authorizing Resolutions	Borrower	
(b) Articles of Incorporation	Borrower	
(c) By-laws	Borrower	
(d) Incumbency and Specimen Signatures	Borrower	
7. Title Commitment	Title Company	
8. Title Policy	Title Company	
9. Certificate of Good Standing:	Borrower	
10. Opinion of Counsel	Borrower	