



W I L D F L O W E R  
a group meeting / golf destination

**Wildflower Resort Company Files for Voluntary Chapter 11 Business Reorganization  
Facilitating Debt Restructuring and Construction Financing for  
\$360 million Group Meeting and Golf Destination Resort  
Grand Prairie, Texas.**

GRAND PRAIRIE, Texas – Wildflower Resort Company (Wildflower) today announced that in order to obtain the construction financing necessary to proceed with the development of the proposed USD \$360 million national group meeting and golf destination resort in Grand Prairie, Texas, it has filed a voluntary petition for business reorganization under chapter 11 of the U.S. Bankruptcy Code on Monday in Dallas, Texas.

Wildflower's management team will continue to manage the Company and the development of the Wildflower Resort Project. The Company expects to complete the arrangements for its construction financing and emerge from chapter 11 business reorganization in early 2007.

"Our development operations and construction financing activity will continue without interruption," said Raymond J. Goad, Wildflower's President and CEO. "The residents of Grand Prairie, our investors and creditors can be assured that we are committed to meeting all of our original goals and objectives with respect to the scale and quality of the development of the Wildflower Resort Project. "

Goad further state that "the development plan and the efficacy of the financial projections of the Wildflower Project have been proven to be sound and financially. Throughout this reorganization and beyond, we will remain intensely focused on a single goal, and that is the commencement of construction for the Project in early 2007."

Wildflower plans to finance the development of the Wildflower Resort Project going forward with USD \$360 million in equity and debt facilities. The company plans to obtain approval of an adequate protection package for the benefit of its prepetition lenders and investors as part of the Company's overall reorganization and construction financing activities.

"We took this action because a secured creditor, advancing approximately USD \$1.3 million late last year to meet land lease payments to the City of Grand Prairie and operating expenses, has unreasonably accelerated payment and repeatedly filed notices of foreclosure which have severely disrupted and impeded the efforts of the the Company to conclude its construction financing" said Goad. The secured creditor is identified as Bruce Johnson and Edward McCarthy of Chicago, who subsequently assigned their interest to JM Funding, Inc., an Illinois corporation.

The Company reported to the City of Grand Prairie, its Sublessor under the terms of a 99-year Land Lease for the 1000 acre site of the Wildflower Resort Project, that it received a Letter of Interest in August, and entered into a Terms Sheet in early October with Renaissance Funding Group and Jodie C. Getter, as Managing Director, of Coral Springs, Florida, for USD \$390 million of construction financing for the Wildflower Project. Based on these representations, the Company requested and the City of Grand Prairie agreed to forbear for sixty days the land lease rent payment of \$337,500 originally due September 1, 2006. However, the Company reports that on October 26<sup>th</sup> Renaissance established conditions for proceeding not reflected in the executed Terms Sheet and unacceptable to the Company.

Goad said that Wildflower has been engaged in extensive discussions with representatives of the secured creditor JM Funding, Inc. but was unable to satisfy the demands of the secured creditor without the consumation of the Renaissance Funding Group financing, or as a last resort the intervention of the U.S. courts. "Having been unable to resolve our secured creditor issues out of court," Goad said, "we determined it was in Wildflower's best interest to address the issues through the chapter 11 process."

Among other matters, the relief anticipated from the Bankruptcy Court this week, and at the first day hearings that will soon follow, will permit the company to continue its operations and enable it to with court supervision resume negotiations for its construction financing without disruption and in the same manner as before the filing.

Wildflower also noted that the execution of its reorganization plan through the chapter 11 process may give rise to the incurrence of additional prepetition claims as executory contracts, and as other liabilities of the company are addressed and resolved to maximize stakeholder value going forward.

More information on Wildflower's, including access to Court documents and other general information about the chapter 11 case, will be made available from time to time in the Company's "Chapter 11 Reorganization Room" on the Company's website at [www.wildflowerresort.com](http://www.wildflowerresort.com).

*For more information:*

Raymond J. Goad  
President & CEO  
[rgoad@wildflowerresort.com](mailto:rgoad@wildflowerresort.com)

Richard J. Lewis  
General Counsel  
[rlewis@wildflowerresort.com](mailto:rlewis@wildflowerresort.com)