

HFF

Holliday Fenoglio Fowler, L.P.

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**HFF arranges \$62.2 million construction loan for
the Zermatt Resort and Spa in Midway, Utah**

PORTLAND, OR – The Portland office of Holliday Fenoglio Fowler, L.P. has arranged a \$62.2 million construction loan for the Zermatt Resort and Spa, a 226-room hotel and conference center and 126-unit condominium development in Midway, Utah.

HFF director Kyle Williams worked on behalf of Zermatt Resort, LLC to secure the two-year, fixed-rate loan through Owens Financial Group, Inc., a private investor. The loan represents 65% of the property value and will allow for full completion of the entire project. Williams has secured three additional construction loans for Zermatt through Owens Financial Group, Inc. over the past 18 months.

Upon completion in March 2006, Zermatt Resort and Spa will encompass 372,000 square feet and include a 191-room Hotel “der Baer” flagged by Dolce International, 35 individually owned queen or king chalet suites within the hotel, a one-, two- and three-bedroom condominium villa development with 126 units, and 63,030 square feet of indoor and outdoor meeting and conference space. The hotel will also include a complete full service 17,000-square-foot spa facility with treatment rooms and three restaurants.

The nearly 18-acre site is located at 810 North Homestead Drive, at the northwest corner of Homestead Drive and Bigler Lane in Midway, approximately 45 miles from Salt Lake City via Interstate 80 and U.S. Highway 40. In close proximity to Soldier Hollow, the largest venue for the 2002 Winter Olympics, the site offers year round activities (90 holes of championship golf, hiking biking, boating, fishing, skiing both alpine and Nordic, ice skating and snow shoeing) not found in the nearby ski resorts of Deer Valley, Park City, Sundance and The Canyons.

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“HFF was very involved in the budgeting and modeling of Zermatt Resort and Spa to demonstrate the intricacies of the cash flows and the project to lenders,” said Williams. “The strong pre-sales of the condominiums and suites confirmed the attractiveness of the site and project while also providing the lender the comfort they needed by reducing the loan basis of the hotel component.”

“Zermatt, though located in a beautiful setting with very close proximity to Salt Lake International Airport, proved challenging to finance in today’s post 9/11 economy,” said Dr. Robert Fuller, Managing Member of Zermatt Resort, LLC. “Although there were several obstacles to overcome, HFF assisted us in working through the various stages to help the lender understand the strength of the development and security in the loan.”

HFF operates 17 offices nationwide, and in combination with affiliate HFF Securities L.P. is a dominant real estate investment banking firm. HFF offers clients a full range of capital solutions and services including debt, equity, financial advisory, investment sales, note sales and loan servicing. Since 1998, the firm has completed more than \$98 billion in transactions in all markets and property types.

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