BOCA RESORTS INC
Form DEFM14A
November 15, 2004

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SCHEDULE 14A
(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES

EXCHANGE ACT OF 1934

Filed by the Registrant þ

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
þ Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

BOCA RESORTS, INC.

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

o No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

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(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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501 East Camino Real

Boca Raton, Florida 33432
November 15, 2004

Dear Stockholder:

The board of directors of Boca Resorts, Inc. (Boca Resorts or the Company) has approved a merger agreement providing for the acquisition of the Company by Baton Holdings Inc., an affiliate of The Blackstone Group. If the merger is completed, you will receive $24.00 in cash, without interest, for each share of the Company s common stock you own. This price represents a premium of approximately 25.3% over the closing price per share of the Company s Class A common stock on October 20, 2004, the last trading day prior to the public announcement of the merger.

You will be asked, at a special meeting of the Company s stockholders, to adopt the merger agreement. The board of directors has approved and declared the merger and the merger agreement advisable, and has declared that it is fair to and in the best interests of Boca Resorts stockholders that the Company enter into the merger agreement and consummate the merger on the terms and conditions set forth in the merger agreement. The board of directors recommends that Boca Resorts stockholders vote FOR the adoption of the merger agreement.

The time, date and place of the special meeting to consider and vote upon a proposal to adopt the merger agreement are as follows:

10:00 a.m. Eastern Standard Time, December 8, 2004
The Community Room located at 450 East Las Olas Blvd., Fort Lauderdale, Florida 33301

The proxy statement attached to this letter provides you with information about the proposed merger and the special meeting of the Company s stockholders. We encourage you to read the entire proxy statement carefully. You may also obtain more information about the Company from documents we have filed with the Securities and Exchange Commission.

YOU ARE REQUESTED TO VOTE YOUR SHARES BY PROMPTLY COMPLETING, SIGNING AND DATING THE ENCLOSED PROXY CARD AND RETURNING IT IN THE ENVELOPE PROVIDED, WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING. ALTERNATIVELY, YOU MAY GRANT A PROXY TO VOTE YOUR SHARES OVER THE INTERNET OR BY TELEPHONE, AS INDICATED ON THE PROXY CARD.

Voting by proxy will not prevent you from voting your shares in person if you subsequently choose to attend the special meeting.

Thank you for your cooperation and continued support.

Sincerely,

H. WAYNE HUIZENGA
Chairman of the Board and Chief Executive Officer

THIS PROXY STATEMENT IS DATED NOVEMBER 15, 2004
AND IS FIRST BEING MAILED TO STOCKHOLDERS ON OR ABOUT NOVEMBER 16, 2004.

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BOCA RESORTS, INC.

501 EAST CAMINO REAL
BOCA RATON, FLORIDA 33432

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held December 8, 2004

To the stockholders of Boca Resorts, Inc.:

A special meeting of stockholders of Boca Resorts, Inc., a Delaware corporation (Boca Resorts or the Company), will be held on December 8, 2004, at 10:00 a.m. Eastern Standard Time, in the Community Room located at 450 East Las Olas Blvd., Fort Lauderdale, Florida 33301, for the following purposes:

1. To consider and vote on a proposal to adopt the Agreement and Plan of Merger, dated as of October 20, 2004, among the Company, Baton Holdings Inc. (the parent), and Baton Acquisition Inc., a wholly owned subsidiary of the parent (the merger sub), pursuant to which, upon the merger becoming effective, each share of Class A common stock, par value $0.01 per share, and each share of Class B common stock, par value $0.01 per share, of Boca Resorts (other than shares held in the treasury of the Company or owned by the merger sub, the parent or any wholly owned subsidiary of the parent or the Company and other than shares held by a stockholder who properly demands statutory appraisal rights) will be converted into the right to receive $24.00 in cash, without interest; and

2. To transact such other business as may properly come before the special meeting or any adjournment or postponement thereof.

Only stockholders of record on November 12, 2004 are entitled to notice of and to vote at the special meeting and at any adjournment or postponement of the special meeting. All stockholders of record are cordially invited to attend the special meeting in person.

The adoption of the merger agreement requires the approval of the holders of a majority of the combined voting power of the outstanding shares of the Company s Class A common stock and Class B common stock entitled to vote thereon. Mr. H. Wayne Huizenga, the Company s Chairman and Chief Executive Officer, has agreed to vote shares representing approximately 98% of the combined voting power of the Company in favor of the adoption of the merger agreement. Nevertheless, you are requested to vote your shares. Even if you plan to attend the special meeting in person, we request that you complete, sign, date and return the enclosed proxy and thus ensure that your shares will be represented at the special meeting if you are unable to attend. Alternatively, you may grant a proxy to vote your shares over the Internet or by telephone, as indicated on the proxy card. If you are a stockholder of record and do attend the special meeting and wish to vote in person, you may withdraw your proxy and vote in person.

By Order of the Board of Directors,

RICHARD L. HANDLEY
Senior Vice President, Secretary and General Counsel

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QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER

The following discussion addresses briefly some questions you may have regarding the special meeting and the proposed merger. These questions and answers may not address all questions that may be important to you as a stockholder of Boca Resorts, Inc. Please refer to the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents referred to or incorporated by reference in this proxy statement. In this proxy statement, the terms Boca Resorts, Company, we, our, ours, and us refer t Resorts, Inc. and its subsidiaries.

Q: What is the proposed transaction?

A: The proposed transaction is the acquisition of the Company by an affiliate of The Blackstone Group (Blackstone) pursuant to an Agreement and Plan of Merger (the merger agreement), dated as of October 20, 2004, among the Company, Baton Holdings Inc. (the parent), and Baton Acquisition Inc., a wholly owned subsidiary of the parent (the merger sub). Once the merger agreement has been adopted by Boca Resorts stockholders and the other closing conditions under the merger agreement have been satisfied or waived, the merger sub will merge with and into Boca Resorts (the merger). Boca Resorts will be the surviving corporation in the merger (the surviving corporation) and will become a wholly owned subsidiary of the parent.

Q: What will I receive in the merger?

A: Upon completion of the merger, you will receive $24.00 in cash, without interest, for each share of our common stock that you own. For example, if you own 100 shares of our common stock, you will receive $2,400.00 in cash in exchange for your Boca Resorts shares.

Q: Where and when is the special meeting?

A: The special meeting will take place in the Community Room located at 450 East Las Olas Blvd., Fort Lauderdale, Florida 33301, on December 8, 2004 at 10:00 a.m. Eastern Standard Time.

Q: What vote of our stockholders is required to adopt the merger agreement?

A: For us to complete the merger, stockholders holding at least a majority of the combined voting power of our Class A common stock and our Class B common stock outstanding at the close of business on the record date must vote FOR the adoption of the merger agreement. Mr. H. Wayne Huizenga, our Chairman and Chief Executive Officer, has entered into a voting agreement with the parent pursuant to which Mr. Huizenga has agreed to vote shares of our common stock owned by him, which, as of the record date, represent approximately 98% of the combined voting power of the Company, in favor of the adoption of the merger agreement.

Q: How does the Company s board of directors recommend that I vote?

A: Our board of directors recommends that you vote FOR the proposal to adopt the merger agreement. You should read The Merger Reasons for the Merger for a discussion of the factors that our board of directors considered in deciding to recommend the adoption of the merger agreement.

Q: What do I need to do now?

A: We urge you to read this proxy statement carefully, including its annexes, and to consider how the merger affects you. If you are a stockholder of record, then you should mail your completed, dated and signed proxy card in the enclosed return envelope as soon as possible so that your shares can be voted at the special meeting of our stockholders. Alternatively, you may grant a proxy to vote your shares over the Internet or by telephone, as indicated on the proxy card.

Q: If my shares are held in street name by my broker, will my broker vote my shares for me?

A: Yes, but only if you provide instructions to your broker on how to vote. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. Without those instructions, your shares will not be voted.

Q: Can I change my vote after I have mailed my proxy card?

A: Yes. You can change your vote at any time before your proxy is voted at the special meeting. You may revoke your proxy by notifying the Secretary of Boca Resorts in writing or by submitting a new proxy card or granting another proxy over the Internet or by telephone, in each case dated after the date of the proxy being revoked. In addition, your proxy may be revoked by attending the special meeting and voting in person. However, simply attending the special meeting will not revoke your proxy. If you have instructed a broker to vote your shares, the above-described options for changing your vote do not apply and instead you must follow the instructions received from your broker to change your vote.

Q: Are appraisal rights available?

A: Yes. Under the General Corporation Law of the State of Delaware (the DGCL), holders of our common stock who do not vote in favor of adopting the merger agreement will have the right to seek appraisal of the fair value of their shares as determined by the Delaware Court of Chancery if the merger is completed, but only if they submit a written demand for an appraisal prior to the vote on the adoption of the merger agreement and they comply with the Delaware law procedures explained in this proxy statement. This appraisal amount could be more than, the same as or less than the amount a stockholder would be entitled to receive under the terms of the merger agreement.

Q: Is the merger expected to be taxable to me?

A: Yes. The receipt of $24.00 in cash for each share of our common stock pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes. For U.S. federal income tax purposes, generally you will recognize gain or loss as a result of the merger measured by the difference, if any, between $24.00 per share and your adjusted tax basis in that share. You should read The Merger Material U.S. Federal Income Tax Consequences for a more complete discussion of the U.S. federal income tax consequences of the merger. Tax matters can be complicated, and the tax consequences of the merger to you will depend on your particular tax situation. You should also consult your tax advisor on the tax consequences of the merger to you.

Q: When do you expect the merger to be completed?

A: We are working toward completing the merger as quickly as possible, and we anticipate that it will be completed in late 2004 or early 2005. In order to complete the merger, we must obtain stockholder approval, and the other closing conditions under the merger agreement must be satisfied, including the expiration or termination of the waiting period under federal antitrust laws. See The Merger Agreement Conditions to the Merger.

Q: Should I send in my stock certificates now?

A: No. Shortly after the merger is completed, you will receive a letter of transmittal with instructions informing you how to send your stock certificates to the paying agent in order to receive the merger consideration. You should use the letter of transmittal to exchange Boca Resorts stock certificates for the merger consideration to which you are entitled as a result of the merger. DO NOT SEND ANY STOCK CERTIFICATES WITH YOUR PROXY.

Q: Who can help answer my other questions?

A: If you have more questions about the merger, you should contact MaryJo Finocchiaro, Vice President and Corporate Controller, at (561) 447-5302. If your broker holds your shares, you should also call your broker for additional information.

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SUMMARY

The following summary highlights selected information from this proxy statement and may not contain all of the information that may be important to you. Accordingly, we encourage you to read carefully this entire proxy statement, its annexes and the documents referred to or incorporated by reference in this proxy statement. Each item in this summary includes a page reference directing you to a more complete description of that item.

The Parties to the Merger (Page 11)

Boca Resorts, Inc.

501 East Camino Real
Boca Raton, Florida 33432
(561) 447-5300

We own and operate five distinctive destination resorts located in Florida with hotels, conference facilities, golf courses, spas, marinas and private clubs. Our resorts include the Boca Raton Resort & Club in Boca Raton, the Registry Resort at Pelican Bay in Naples, the Edgewater Beach Hotel in Naples, the Hyatt Regency Pier 66 Hotel and Marina in Fort Lauderdale and the Radisson Bahia Mar Resort and Yachting Center in Fort Lauderdale. We also own and operate two golf clubs located in Florida, Grande Oaks Golf Club in Fort Lauderdale and Naples Grande Golf Club in Naples, that serve as additional amenities to our resorts, as well as components of our exclusive social club, known as the Premier Club. In addition, we own and operate two golf courses in Boca Raton that are part of the Boca Raton Resort & Club.

Baton Holdings Inc.

c/o Blackstone Real Estate Partners IV L.P.
345 Park Avenue
New York, New York 10154
(212) 583-5000

Baton Holdings Inc., which we refer to as the parent, is a Delaware corporation formed in connection with the merger by affiliates of Blackstone Real Estate Partners IV L.P., a Delaware limited partnership. The principal business of Blackstone Real Estate Partners IV L.P. consists of making various real estate related investments. Blackstone Real Estate Partners IV L.P. is an affiliate of Blackstone.

Blackstone, a private investment firm with offices in New York, London and Hamburg, was founded in 1985. Blackstone s Real Estate Group has raised five funds, representing over $6 billion in total equity, and has a long track record of investing in hotels and other commercial properties. In addition to real estate, Blackstone s core businesses include private equity, corporate debt investing, marketable alternative asset management, mergers and acquisitions advisory and restructuring and reorganization advisory.

Baton Acquisition Inc.

c/o Blackstone Real Estate Partners IV L.P.
345 Park Avenue
New York, New York 10154
(212) 583-5000

Baton Acquisition Inc., which we refer to as the merger sub, is a Delaware corporation and a wholly owned subsidiary of the parent. It was formed in connection with the merger by affiliates of Blackstone Real Estate Partners IV L.P.

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The Special Meeting

Time, Place and Date (Page 12)

The special meeting will be held on December 8, 2004, starting at 10:00 a.m. Eastern Standard Time, in the Community Room located at 450 East Las Olas Blvd., Fort Lauderdale, Florida 33301.

Purpose (Page 12)

At the special meeting, you will be asked to consider and vote upon a proposal to adopt the merger agreement. The merger agreement provides that the merger sub will be merged with and into the Company, and that each outstanding share of the Company s common stock (other than shares held in the treasury of the Company or owned by the merger sub, the parent or any wholly owned subsidiary of the parent or the Company and other than shares held by a stockholder who properly demands statutory appraisal rights) will be converted into the right to receive $24.00 in cash, without interest.

The persons named in the accompanying proxy will also have discretionary authority to vote upon other business, if any, that properly comes before the special meeting and any adjournments or postponements of the special meeting, including any adjournments or postponements for the purpose of soliciting additional proxies to adopt the merger agreement.

Record Date and Voting (Page 12)

You are entitled to vote at the special meeting if you owned shares of Boca Resorts common stock at the close of business on November 12, 2004, the record date for the special meeting. Each outstanding share of our Class A common stock on the record date entitles the holder to one vote, and each outstanding share of our Class B common stock on the record date entitles the holder to 10,000 votes, on each matter submitted to stockholders for approval at the special meeting. As of the record date, there were 40,063,726 shares of Class A common stock and 255,000 shares of Class B common stock of Boca Resorts entitled to be voted.

Vote Required (Page 12)

For us to complete the merger, stockholders holding at least a majority of the combined voting power of the shares of our Class A common stock and Class B common stock outstanding at the close of business on the record date must vote FOR the adoption of the merger agreement. Mr. H. Wayne Huizenga, our Chairman and Chief Executive Officer, currently owns all of the outstanding shares of our Class B common stock, which represent approximately 98% of the combined voting power of the Company as of the record date.

Voting Agreement (Page 25 and Annex B)

In connection with the merger agreement, Mr. Huizenga and Huizenga Investments Limited Partnership, an entity controlled by him, have entered into a voting agreement with the parent. Among other things, the voting agreement provides that Mr. Huizenga will vote all the shares of our Class B common stock that he owns, which represent approximately 98% of the combined voting power of the Company as of the record date, in favor of the adoption of the merger agreement and against any competing proposal or transaction or any proposal or transaction that could reasonably be expected to prevent or impede the completion of the merger.

Share Ownership of Directors and Executive Officers (Page 13)

As of the record date, the directors and executive officers of Boca Resorts beneficially owned in the aggregate (excluding options) approximately 99% of the combined voting power of the outstanding shares of Boca Resorts common stock entitled to vote at the special meeting. Each of them has either agreed to vote, or has advised us that he or she plans to vote, all of his or her shares in favor of the adoption of the merger agreement.

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Voting and Proxies (Page 13)

Any Boca Resorts stockholder of record entitled to vote may vote by returning the enclosed proxy, by voting over the Internet or by telephone, as indicated on the proxy card, or by appearing at the special meeting. If your shares are held in street name by your broker, you should instruct your broker how to vote your shares using the instructions provided by your broker.

Revocability of Proxy (Page 13)

Any Boca Resorts stockholder of record who executes and returns a proxy may revoke the proxy at any time before it is voted in any one of the following four ways:

- filing with the Secretary of Boca Resorts, at or before the special meeting, a written notice of revocation that is dated a later date than the proxy;
- sending a later-dated proxy relating to the same shares to the Secretary of Boca Resorts, at or before the special meeting;
- submitting a later-dated vote over the Internet or by telephone, at or before the special meeting; or
- attending the special meeting and voting in person by ballot.

Simply attending the special meeting will not constitute revocation of a proxy. If you have instructed your broker to vote your shares, the above-described options for revoking your proxy do not apply and instead you must follow the directions provided by your broker to change these instructions.

When the Merger Will be Completed (Page 37)

We are working to complete the merger as soon as possible. We anticipate completing the merger in late 2004 or early 2005, subject to receipt of stockholder approval and satisfaction of the other closing conditions under the merger agreement, including the expiration or termination of the waiting period under federal antitrust laws.

Board Recommendation (Page 17)

After careful consideration, our board of directors:

- has determined that the merger and the merger agreement are advisable, fair to and in the best interests of the Company s stockholders;
- has approved the merger agreement; and
- recommends that Boca Resorts stockholders vote FOR the adoption of the merger agreement.

Opinion of Deutsche Bank (Page 17 and Annex C)

Deutsche Bank Securities Inc. (Deutsche Bank) has delivered to the Company s board of directors its opinion dated October 20, 2004 to the effect that, as of that date and based upon and subject to the matters and assumptions stated in that opinion, the merger consideration of $24.00 per share in cash to be received by the Company s stockholders pursuant to the merger agreement was fair from a financial point of view to the Company s stockholders. The opinion is not a recommendation as to how any of our stockholders should vote with respect to the merger agreement or the merger. The full text of the written opinion of Deutsche Bank, which sets forth the matters considered and assumptions made in connection with its opinion, is attached as Annex C to this proxy statement. We recommend that you read the entire opinion carefully.

Financing (Page 22)

In connection with the merger, the parent will cause approximately $1 billion in cash to be paid to our stockholders and holders of stock options. In addition, the outstanding balance under our credit facility will be repaid. We currently have $200 million of outstanding borrowings under our credit agreement.

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These payments are expected to be funded by a combination of equity contributions in the parent and debt financing. The parent has received a commitment letter from Bank of America, N.A., Bear Stearns Commercial Mortgage, Inc. and Merrill Lynch Mortgage Lending, Inc. pursuant to which those entities have committed to provide the parent with debt financing in the aggregate amount of $1 billion, subject to the satisfaction of the conditions contained in the commitment letter. The parent has agreed to use its reasonable best efforts to arrange the debt financing on the terms and conditions described in the commitment letter.

The merger agreement does not contain a financing condition, although it does contain a condition, which we refer to as the market MAC condition, which will be satisfied unless certain specified market disruptions occur.

Treatment of the Company s Stock Options (Page 29)

The merger agreement provides that all outstanding Boca Resorts stock options issued pursuant to Boca Resorts stock option plan, whether vested or unvested, will be canceled as of the effective time of the merger, and the holder of each stock option that has an exercise price of less than $24.00 will receive from the surviving corporation as promptly as practicable thereafter an amount in cash, less applicable withholding taxes, equal to the product of:

- the number of shares of our common stock subject to each option as of the effective time of the merger, multiplied by
- the excess of $24.00 over the exercise price per share of common stock subject to such option.

Interests of the Company s Directors and Executive Officers in the Merger (Page 23)

Our directors and executive officers may have interests in the merger that are different from, or in addition to, yours, including the following:

- our directors and executive officers will have their vested and unvested stock options canceled as of the effective time of the merger, and they will receive cash payments for each share underlying their options equal to the excess, if any, of $24.00 per share over the exercise price per share of their options, less applicable withholding taxes;
- certain of our executive officers will be entitled to benefits under certain change of control agreements, which provide for a lump sum payment and a continuation of health, life insurance and dental benefits if, during the two-year period following the completion of the merger, the executive officer is terminated without cause or resigns for good reason;
- Mr. Huizenga will be entitled to a lump sum payment under a tax gross-up agreement, which covers the costs of any excise taxes to which he may be subject by reason of his receipt of any payment that constitutes an excess parachute payment under Section 280G of the Internal Revenue Code of 1986, as amended (the Code); and
- the merger agreement provides for indemnification and insurance arrangements for our current and former directors and officers that will continue for six years following the effective time of the merger.

Material U.S. Federal Income Tax Consequences (Page 27)

The merger will be a taxable transaction to you. For U.S. federal income tax purposes, your receipt of cash in exchange for your shares of Boca Resorts common stock generally will cause you to recognize a gain or loss measured by the difference, if any, between the cash you receive in the merger and your adjusted tax basis in your shares of Boca Resorts common stock. You should consult your own tax advisor for a full understanding of how the merger will affect your taxes.

Regulatory Approvals (Page 28)

The Hart-Scott-Rodino Act provides that transactions such as the merger may not be completed until certain information has been submitted to the Federal Trade Commission and the Antitrust Division of the U.S. Department of Justice and certain waiting period requirements have been satisfied. On November 1, 2004, the Company and Baton Holdco I L.L.C. (an affiliate of Blackstone) each filed a Notification and Report Form with the Antitrust Division and the Federal Trade Commission and requested an early termination of the waiting period. If the early termination is not granted and a request for additional information by the relevant antitrust authorities is not made, the waiting period will expire at 11:59 p.m. on December 1, 2004.

Except as noted above with respect to the required filings under the Hart-Scott-Rodino Act and the filing of a certificate of merger in Delaware at or before the effective date of the merger, we are unaware of any material federal, state or foreign regulatory requirements or approvals required for the execution of the merger agreement or completion of the merger.

Procedure for Receiving Merger Consideration (Page 30)

As soon as practicable after the effective time of the merger, a paying agent appointed by the parent will mail a letter of transmittal and instructions to Boca Resorts stockholders. The letter of transmittal and instructions will tell you how to surrender your Boca Resorts common stock certificates in exchange for the merger consideration. You should not return your stock certificates with the enclosed proxy card, and you should not forward your stock certificates to the paying agent without a letter of transmittal.

No Solicitation of Transactions (Page 34)

The merger agreement contains restrictions on our ability to solicit or engage in discussions or negotiations with a third party regarding specified transactions involving the Company. Notwithstanding these restrictions, under certain circumstances, our board of directors may respond to an unsolicited written bona fide proposal for an alternative acquisition or terminate the merger agreement and enter into an acquisition agreement with respect to a superior proposal.

Conditions to Closing (Page 37)

Before we can complete the merger, a number of conditions must be satisfied. These include:

- the receipt of Company stockholder approval;
- the absence of any governmental orders that have the effect of making the merger illegal or that otherwise prohibit the closing;
- the expiration or termination of the waiting period under the Hart-Scott-Rodino Act;
- the truth and correctness of our representations and warranties (without regard to materiality or material adverse effect qualifications), except where the failure of our representations and warranties to be true and correct (without regard to materiality or material adverse effect qualifications) would not reasonably be expected to have a material adverse effect on us and our subsidiaries, taken as a whole, and the truth and correctness in all material respects of our representation and warranty regarding capitalization;
- the performance, in all material respects, by us of our covenants and agreements in the merger agreement;
- the absence of specified market disruptions; and
- the receipt of a letter from our lender under our credit agreement acknowledging the termination of our credit agreement and the release of our liabilities thereunder upon repayment of the aggregate principal amount outstanding under the credit agreement, together with any other amounts payable.

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Termination of the Merger Agreement (Page 38)

Boca Resorts and the parent may agree in writing to terminate the merger agreement at any time without completing the merger, even after the stockholders of Boca Resorts have adopted the merger agreement. The merger agreement may also be terminated in certain other circumstances, including:

- by either the parent or the Company if:
  - the closing has not occurred on or before April 20, 2005, so long as the failure to complete the merger is not the result of the failure of the terminating party to comply with the terms of the merger agreement;
  - the Company stockholders do not vote to adopt the merger agreement at the special meeting of the stockholders;
  - there is a breach by the non-terminating party of its representations, warranties, covenants or agreements in the merger agreement such that the closing conditions would not be satisfied, which breach has not been cured within 30 days; or
  - any governmental authority has enacted or entered any injunction or other ruling or takes any other action which has the effect of making the consummation of the merger illegal or otherwise preventing or prohibiting completion of the merger;
- by the parent, if our board of directors withdraws or modifies its recommendation that the Company s stockholders vote to adopt the merger agreement or recommends or approves another acquisition proposal;
- by the Company, prior to the stockholders meeting, if we receive a superior proposal in accordance with the terms of the merger agreement, but only after we have provided the parent a three business day period to make an offer that is at least as favorable as the superior proposal;
- by the Company, if certain conditions to closing have been satisfied or waived and the closing has not occurred within five business days; or
- by the Company, if a specified market disruption event has occurred and the parent has not waived its closing condition relating to such event within a certain period of time following a written request for a waiver from the Company.

Termination Fees and Expenses (Page 39)

Under certain circumstances, in connection with the termination of the merger agreement, the Company will be required to pay the parent up to $38 million in termination fees and expenses. The parent will be required to pay us a termination fee of $38 million if we have terminated the merger agreement under certain circumstances.

Market Price of Boca Resorts Stock (Page 41)

Our Class A common stock is listed on the New York Stock Exchange (the NYSE) under the trading symbol RST. On October 20, 2004, which was the last trading day before we announced the merger, the Company s Class A common stock closed at $19.15 per share. On November 12, 2004, which was the last trading day before the date of this proxy statement, the Company s Class A common stock closed at $23.95 per share.

There is no public trading market for the shares of our Class B common stock. All such shares are owned by Mr. Huizenga.

Dissenters Rights of Appraisal (Page 44 and Annex D)

Delaware law provides you with appraisal rights in connection with the merger. This means that you are entitled to have the value of your shares determined by the Delaware Court of Chancery and to receive payment based on that valuation. The ultimate amount you receive as a dissenting stockholder in an appraisal

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proceeding may be more or less than, or the same as, the amount you would have received under the merger agreement.

To exercise your appraisal rights, you must deliver a written objection to the merger to the Company at or before the vote on the adoption of the merger agreement at the special meeting and you must not vote in favor of the adoption of the merger agreement. Your failure to follow exactly the procedures specified under Delaware law will result in the loss of your appraisal rights.

A copy of Section 262 of the DGCL is attached to this proxy statement as Annex D.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

This proxy statement and the documents to which we refer you in this proxy statement contain forward-looking statements based on estimates and assumptions. Forward-looking statements include information concerning possible or assumed future results of operations of the Company, the expected completion and timing of the merger and other information relating to the merger. There are forward-looking statements throughout this proxy statement, including, among others, under the headings Summary, The Merger and The Merger Opinion of Deutsche Bank Securities Inc., and in statements containing the words believes, plans, expects, anticipates, intends, estimates or other similar exp For each of these statements, the Company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You should be aware that forward-looking statements involve known and unknown risks and uncertainties. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that the actual results or developments we anticipate will be realized or, even if realized, that they will have the expected effects on the business or operations of the Company. These forward-looking statements speak only as of the date on which the statements were made, and we undertake no obligation to publicly update or revise any forward-looking statements made in this proxy statement or elsewhere as a result of new information, future events or otherwise. In addition to other factors and matters contained or incorporated in this document, we believe the following factors could cause actual results to differ materially from those discussed in the forward-looking statements:

- risks relating to travel, including a change in travel patterns resulting from slowing economic conditions and geopolitical conditions, as well as changes in corporate policies relating to group meetings and air or other travel disruption;
- risks relating to the concentration of our resorts in South Florida;
- risks associated with construction and development at our properties, including our ability to meet construction and development schedules and budgets;
- the possibility of unexpected costs related to expansion, needed renovation or capital improvements;
- the seasonality of our resort operations;
- competition in our principal business;
- our ability to operate within the limitations imposed by financing arrangements;
- our dependence on key personnel;
- uncertainty as to our future profitability; and
- the availability of financing on terms suitable to us.

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THE PARTIES TO THE MERGER

Boca Resorts, Inc.

We are a Delaware corporation with our principal executive offices at 501 E. Camino Real, Boca Raton, Florida 33432. Our telephone number is (561) 447-5300. We own and operate five distinctive destination resorts located in Florida with hotels, conference facilities, golf courses, spas, marinas and private clubs. Our resorts include the Boca Raton Resort & Club in Boca Raton, the Registry Resort at Pelican Bay in Naples, the Edgewater Beach Hotel in Naples, the Hyatt Regency Pier 66 Hotel and Marina in Fort Lauderdale and the Radisson Bahia Mar Resort and Yachting Center in Fort Lauderdale. We also own and operate two golf clubs located in Florida, Grande Oaks Golf Club in Fort Lauderdale and Naples Grande Golf Club in Naples, that serve as additional amenities to our resorts, as well as components of our exclusive social club, known as the Premier Club. In addition, we own and operate two golf courses in Boca Raton that are part of the Boca Raton Resort & Club.

Baton Holdings Inc.

Baton Holdings Inc., which we refer to as the parent, is a Delaware corporation formed in connection with the merger by affiliates of Blackstone Real Estate Partners IV L.P., a Delaware limited partnership. The principal business of Blackstone Real Estate Partners IV L.P. consists of making various real estate related investments. Blackstone Real Estate Partners IV L.P. is an affiliate of Blackstone. The mailing address of the parent s principal executive offices is c/o Blackstone Real Estate Partners IV L.P., 345 Park Avenue, New York, New York 10154. The parent s telephone number is (212) 583-5000.

Blackstone, a private investment firm with offices in New York, London and Hamburg, was founded in 1985. Blackstone s Real Estate Group has raised five funds, representing over $6 billion in total equity, and has a long track record of investing in hotels and other commercial properties. In addition to real estate, Blackstone s core businesses include private equity, corporate debt investing, marketable alternative asset management, mergers and acquisitions advisory and restructuring and reorganization advisory.

Baton Acquisition Inc.

Baton Acquisition Inc., which we refer to as the merger sub, is a Delaware corporation and a wholly owned subsidiary of the parent. It was formed in connection with the merger by affiliates of Blackstone Real Estate Partners IV L.P. The mailing address of the merger sub s principal executive offices is c/o Blackstone Real Estate Partners IV L.P., 345 Park Avenue, New York, New York 10154. The merger sub s telephone number is (212) 583-5000.

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THE SPECIAL MEETING

Time, Place and Purpose of the Special Meeting

This proxy statement is being furnished to our stockholders as part of the solicitation of proxies by our board of directors for use at the special meeting to be held on December 8, 2004, starting at 10:00 a.m. Eastern Standard Time, in the Community Room located at 450 East Las Olas Blvd., Fort Lauderdale, Florida 33301. The purpose of the special meeting is for our stockholders to consider and vote upon a proposal to adopt the merger agreement. A copy of the merger agreement is attached to this proxy statement as Annex A. This proxy statement, the notice of the special meeting and the enclosed form of proxy are first being mailed to our stockholders on November 16, 2004.

Record Date, Quorum and Voting Power

The holders of record of Boca Resorts common stock at the close of business on November 12, 2004, the record date for the special meeting, are entitled to receive notice of, and to vote at, the special meeting. As of the record date, there were 40,063,726 shares of our Class A common stock and 255,000 shares of our Class B common stock issued and outstanding, all of which are entitled to be voted at the special meeting.

Each outstanding share of our Class A common stock on the record date entitles the holder to one vote, and each outstanding share of our Class B common stock on the record date entitles the holder to 10,000 votes, on each matter submitted to stockholders for approval at the special meeting.

The holders of a majority of the combined voting power of our outstanding common stock on the record date, represented in person or by proxy, will constitute a quorum for purposes of the special meeting. A quorum is necessary to hold the special meeting. Once a share is represented at the special meeting, it will be counted for the purpose of determining a quorum at the special meeting and any adjournment or postponement of the special meeting. However, if a new record date is set for the adjourned special meeting, then a new quorum will have to be established.

Required Vote

Completion of the merger requires the adoption of the merger agreement by the affirmative vote of the holders of a majority of the combined voting power of our Class A common stock and Class B common stock outstanding on the record date. Mr. Huizenga currently owns all of the outstanding shares of our Class B common stock, which represent approximately 98% of the combined voting power of the Company as of the record date, and has agreed to vote these shares in favor of the adoption of the merger agreement.

In order for your shares of our common stock to be included in the vote, if you are a stockholder of record, you must vote your shares by completing, signing, dating and returning the enclosed proxy, by granting a proxy over the Internet or by telephone, as indicated on the proxy card, or by voting in person at the special meeting.

If your shares are held in street name by your broker, you should instruct your broker how to vote your shares using the instructions provided by your broker. If you have not received such voting instructions or require further information regarding such voting instructions, contact your broker and they can give you directions on how to vote your shares. Under the rules of the NYSE, brokers who hold shares in street name for customers may not exercise their voting discretion with respect to the approval of non-routine matters such as the merger proposal, and, therefore, absent specific instructions from the beneficial owner of such shares, brokers are not empowered to vote such shares with respect to the approval of such proposals (i.e., broker non-votes). Shares of Company common stock held by persons attending the special meeting but not voting, or shares for which the Company has received proxies with respect to which holders have abstained from voting, will be considered abstentions. Abstentions and properly executed broker non-votes will be treated as shares that are present and entitled to vote at the special meeting for purposes of determining whether a quorum exists but will have the same effect as votes AGAINST the adoption of the merger agreement.

As of November 12, 2004, the record date, the directors and executive officers of Boca Resorts beneficially owned (excluding options), in the aggregate, 9,543,844 shares of our Class A common stock and 255,000 shares of our Class B common stock, representing approximately 99% of the combined voting power of the outstanding shares of our common stock. The directors and executive officers have informed Boca Resorts that they have agreed to or intend to vote all of their shares of our common stock FOR the adoption of the merger agreement. At the parent s request, Mr. Huizenga and Huizenga Investments Limited Partnership, a Nevada limited partnership controlled by Mr. Huizenga, entered into a voting agreement with the parent that provides that Mr. Huizenga will vote his shares of our Class B common stock, which represent approximately 98% of our combined voting power, FOR the adoption of the merger agreement. See The Merger Voting Agreement.

Proxies; Revocation

If you vote your shares of our common stock by signing a proxy, or by granting a proxy over the Internet or by telephone as indicated on the proxy card, your shares will be voted at the special meeting in accordance with the instructions given. If no instructions are indicated on your signed proxy card, your shares of our common stock will be voted FOR the adoption of the merger agreement.

You may revoke your proxy at any time before the vote is taken at the special meeting. To revoke your proxy, you must advise our Secretary in writing, deliver a new proxy, or submit another proxy over the Internet or by telephone, in each case dated after the date of the proxy you wish to revoke or attend the special meeting and vote your shares in person. Attendance at the special meeting will not by itself constitute revocation of a proxy.

If you have instructed your broker to vote your shares, the above-described options for revoking your proxy do not apply, and instead you must follow the directions provided by your broker to change these instructions.

Boca Resorts does not expect that any matter other than the proposal to adopt the merger agreement will be brought before the special meeting. If, however, such a matter is properly presented at the special meeting or any adjournment or postponement of the special meeting, the persons appointed as proxies will have authority to vote the shares represented by duly executed proxies in accordance with their discretion and judgment.

Boca Resorts will pay the cost of this proxy solicitation. In addition to soliciting proxies by mail, directors, officers and employees of Boca Resorts may solicit proxies personally and by telephone, facsimile or other electronic means of communication. These persons will not receive additional or special compensation for such solicitation services. Boca Resorts will, upon request, reimburse brokers, banks and other nominees for their expenses in sending proxy materials to their customers who are beneficial owners and obtaining their voting instructions.

Adjournments and Postponements

Although it is not expected, the special meeting may be adjourned or postponed for the purpose of soliciting additional proxies. Any adjournment or postponement may be made without notice by an announcement made at the special meeting. Any signed proxies, or proxies submitted over the Internet or by telephone, received by Boca Resorts will be voted in favor of an adjournment or postponement in these circumstances. Any adjournment or postponement of the special meeting for the purpose of soliciting additional proxies will allow Boca Resorts stockholders who have already sent in their proxies to revoke them at any time prior to their use.

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THE MERGER

Background of the Merger

From time to time, the Company has received inquiries regarding a possible sale of assets or other business combination involving the Company. Between the fall of 2003 and October 2004, the Company received inquiries from several third parties, each expressing an interest in acquiring the Company or some or all of the assets of the Company. In each case, the Company advised the third party that any interest in acquiring the Company should be submitted in a formal proposal, which should include a description of committed financing necessary to complete any proposed transaction. The Company has not received anything further from any of these third parties.

In September 2003, the Company received a letter from a third party and its investment partner expressing an interest in acquiring the Company in a cash transaction at a price per share that was substantially below the $24.00 contemplated by the merger agreement with Blackstone. The proposal was subject to due diligence, as well as other conditions. After considering the expression of interest, the Company s board of directors determined that it was not interested in pursuing the transaction outlined in the letter.

In the spring of 2004, representatives of a private real estate investment trust contacted Mr. Huizenga, the Company s Chairman, regarding a possible all-cash acquisition of the Company. In April 2004, the Company entered into a confidentiality agreement with this party and, during the spring and summer of 2004, allowed its representatives to conduct due diligence regarding the Company s business and operations. In late August 2004, this party withdrew its all-cash proposal and indicated that it was instead interested in pursuing a transaction with the Company that would result in the Company s stockholders receiving cash and equity in a real estate investment trust to be formed and that would be publicly traded. In light of the change from an all-cash proposal to one in which a substantial portion of the consideration would consist of equity in a newly formed, newly listed real estate investment trust and the corresponding shift to the Company s stockholders of valuation risk with respect to that non-cash consideration, the Company declined to pursue the revised proposal.

In late August 2004, a director of the Company spoke with Mr. Jonathan D. Gray, Senior Managing Director of Blackstone, regarding Blackstone s possible interest in an acquisition of the Company. Shortly after this conversation, Mr. Gray spoke with Mr. Huizenga and indicated that Blackstone was interested in exploring an all-cash acquisition of the Company.

In order to further explore a possible transaction and in contemplation of the potential exchange of material non-public information between the parties, on August 30, 2004, the Company entered into a confidentiality agreement with Blackstone and thereafter Blackstone commenced its financial and legal due diligence review of the Company s business and operations.

On Tuesday, September 28, 2004, Mr. Huizenga and Mr. Gray discussed a variety of matters related to Blackstone s due diligence review of the Company. Mr. Gray indicated that, based on its due diligence review to date, Blackstone might be willing to acquire the Company at a price of $23.00 per share. Mr. Huizenga advised Mr. Gray that the Company s board of directors would not likely recommend a transaction to the Company s stockholders at less than $24.00 per share. Mr. Gray then indicated that Blackstone might be willing to pay $24.00 per share, subject to receiving Mr. Huizenga s firm commitment to support such a transaction, either in the form of an option on shares beneficially owned by him or an irrevocable voting agreement with respect to such shares. Mr. Huizenga advised Mr. Gray that the terms of the transaction would have to be negotiated with the Company s board of directors.

Also on September 28, 2004, a special meeting of the Company s board of directors was held. Mr. Huizenga summarized for the board the conversations that he and other members of senior management had with representatives of Blackstone concerning Blackstone s interest in acquiring the Company for $24.00 per share in cash. After discussion, the board of directors authorized management to engage financial and legal advisors, and to continue discussions and negotiations with Blackstone in order to develop more detailed terms of the proposal and to ascertain whether the proposal might form the basis for a transaction to be considered further by the board. The Company retained Shearman & Sterling LLP as its legal advisors and Deutsche Bank as its financial advisor in connection with the possible transaction. The Company s regular counsel, Akerman Senterfitt, and its Delaware counsel, Richards, Layton & Finger, P.A., were also engaged in connection with the possible transaction.

Beginning in late September 2004 and continuing until the execution of the merger agreement on October 20, 2004, there were numerous discussions among the Company and its legal advisors, on the one hand, and Blackstone and its legal advisors, Simpson Thacher & Bartlett LLP and Morris, Nichols, Arsht & Tunnell, on the other hand, regarding the terms of the proposed transaction. Throughout these discussions, the Company advised Blackstone that the Company s board would require the right to terminate the merger agreement if it received a superior proposal as defined in the merger agreement, and that if Mr. Huizenga were to enter into a voting agreement in support of the proposed transaction (as previously requested by Blackstone), the voting agreement would have to terminate concurrently with the termination of the merger agreement.

On October 6, 2004, Shearman & Sterling delivered to Blackstone and Simpson Thacher & Bartlett an initial draft of the merger agreement. On October 11, 2004, Blackstone delivered to the Company comments on the draft merger agreement. During that week, discussions and negotiations took place between the parties and their respective legal advisors. The Company delivered a revised draft of the merger agreement to Blackstone on October 13, 2004. Also on October 13, a draft of a voting agreement pursuant to which Mr. Huizenga would agree to vote Company shares beneficially owned by him in favor of the adoption of the merger agreement and against other proposals was delivered to Blackstone.

At a special meeting of the Company s board held on October 15, 2004, the board reviewed the discussions and contacts with Blackstone to date, including the financial and other terms of the proposed merger. Representatives of Deutsche Bank, Shearman & Sterling and Richards Layton & Finger participated in the meeting.

Discussions and negotiations between the parties and their respective advisors continued from October 15 to October 19, 2004.

At a special meeting of the Company s board held on October 19, 2004, the board reviewed the discussions and contacts with Blackstone occurring after the board s meeting held on October 15, 2004. Representatives of Shearman & Sterling, Richards Layton & Finger, Akerman Senterfitt and Deutsche Bank participated in the meeting. The board of directors reviewed in detail the proposed terms of the merger agreement and discussed various factors to be considered in connection with its deliberations with respect to the merger and the merger agreement. Deutsche Bank then delivered its detailed financial analysis in connection with the proposed transaction. The board of directors also discussed those issues that would need to be resolved before the terms of the merger agreement could be finalized. Deutsche Bank indicated to the board that it was prepared to deliver an opinion to the effect that, based upon and subject to the matters and assumptions to be stated in that opinion, the merger consideration of $24.00 per share in cash to be received by the Company s stockholders pursuant to the merger agreement was fair, from a financial point of view, to the Company s stockholders.

During the period from October 19 through October 20, 2004, the parties and their respective advisors finalized the terms of the merger agreement

The Company s board held another special meeting on October 20, 2004, in which representatives of Shearman & Sterling, Richards Layton & Finger, Akerman Senterfitt and Deutsche Bank participated. The board of directors reviewed the final terms of the merger agreement. Deutsche Bank then delivered its oral opinion, later confirmed in writing, to the effect that, as of that date and based upon and subject to the matters and assumptions stated in that opinion, the merger consideration of $24.00 per share in cash to be

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received by the Company s stockholders pursuant to the merger agreement was fair, from a financial point of view, to the Company s stockholders. Following these discussions and questions by the board members to the Company s senior management and financial and legal advisors, and based upon its investigations and the totality of information provided to it, the Company s board, by unanimous action of the directors present at the special meeting, approved and declared advisable the merger agreement and the merger and resolved to recommend that the Company s stockholders adopt the merger agreement.

Promptly after the October 20 meeting of the Company s board, the Company and Blackstone executed the merger agreement, Mr. Huizenga, Huizenga Investments Limited Partnership, an entity controlled by Mr. Huizenga, and Blackstone executed the voting agreement and the Company and Blackstone issued a joint press release announcing the merger.

Reasons for the Merger

After careful consideration, the Company s board of directors has approved and determined the merger agreement advisable and has declared that the merger and the merger agreement are fair to and in the best interests of the Company s stockholders. In the course of reaching its decision to approve the merger agreement, the Company s board of directors consulted with senior management and the Company s financial and legal advisors and considered a number of factors, including the following:

- the Company s business, operations, financial condition, strategy and prospects, as well as the risks involved in achieving those prospects, the nature of the resort lodging industry, and general industry, economic and market conditions, both on an historical and on a prospective basis;
- the potential value that might result from other alternatives available to the Company, including the alternative of remaining a stand-alone, independent company, as well as the risks and uncertainties associated with those alternatives;
- the efforts made by the Company and its advisors to negotiate and execute a merger agreement favorable to the Company;
- the financial and other terms and conditions of the merger agreement as reviewed by our board of directors with our financial and legal advisors (see The Merger Agreement) and the fact that they were the product of arm s-length negotiations between the parties;
- the current and historical market prices of the Company s Class A common stock, including the market price of the Company s Class A common stock relative to those of other industry participants and general market indices, and the fact that the cash merger price of $24.00 per share represents a premium of approximately 25.3% to the closing price on October 20, 2004, the last trading day before the merger was announced;
- the financial presentation of Deutsche Bank, including its opinion to the effect that, as of that date and based upon and subject to the matters and assumptions stated in that opinion, the merger consideration of $24.00 per share in cash to be received by the Company s stockholders pursuant to the merger agreement was fair, from a financial point of view, to the Company s stockholders (see the Merger Opinion of Deutsche Bank Securities Inc.);
- the fact that the merger consideration is all cash, so that the transaction allows the Company s stockholders to immediately realize a fair value, in cash, for their investment;
- the fact that an all-cash transaction would be taxable to the Company s stockholders for U.S. federal income tax purposes;
- the fact that the Company could terminate the merger agreement, prior to the stockholder vote, in order to approve a transaction proposal by a third party on terms more favorable to the Company s stockholders than the merger with the merger sub, after having given the parent an opportunity to match the third-party proposal and upon the payment to the parent of a $38 million termination fee

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(see The Merger Agreement Termination and The Merger Agreement Fees and Expenses);

the commitment made by the parent to treat the Company s employees in a fair and equitable manner, including to provide (for a two-year period following the closing) each employee of the Company with at least the same level of base salary, cash incentive compensation and other variable cash compensation that was provided to such employee immediately prior to the merger and employee benefits (other than equity-based compensation) that are no less favorable in the aggregate than those provided to such employee immediately prior to the merger;

the risks and costs to the Company if the merger does not close, including the diversion of management and employee attention, potential employee attrition and the potential effect on business and customer relationships;

the interests of the Company s officers and directors in the merger; and

the restrictions on the conduct of the Company s business prior to the completion of the merger, requiring the Company to conduct its business in the ordinary course, subject to specific limitations, which may delay or prevent the Company from undertaking business opportunities that may arise pending completion of the merger.

The foregoing discussion summarizes the material factors considered by our board of directors in its consideration of the merger, including factors that support the merger as well as those that may weigh against it. In view of the wide variety of factors considered by our board of directors, our board of directors did not find it practicable to quantify or otherwise assign relative weights to the foregoing factors. Our board of directors approved and recommends the merger based upon the totality of the information presented to and considered by it.

Recommendation of the Company s Board of Directors

After careful consideration, the Company s board of directors:

has determined that the merger and the merger agreement are advisable, fair to and in the best interests of the Company s stockholders;

has approved the merger agreement; and

recommends that the Company s stockholders vote FOR the adoption of the merger agreement.

Opinion of Deutsche Bank Securities Inc.

Deutsche Bank has acted as financial advisor to the Company in connection with the merger. On October 20, 2004, Deutsche Bank delivered its oral opinion to the Company s board of directors, subsequently confirmed in its written opinion dated October 20, 2004, to the effect that, as of such date, based upon and subject to the assumptions made, matters considered and limits of the review undertaken by Deutsche Bank, the merger consideration was fair, from a financial point of view, to the holders of the Company s common stock.

The full text of Deutsche Bank s written opinion, dated October 20, 2004, which discusses, among other things, the assumptions made, matters considered and limits of the review undertaken by Deutsche Bank in connection with the opinion, is attached as Annex C to this proxy statement and is incorporated herein by reference. Boca Resorts stockholders are urged to read this opinion in its entirety. The following summary of the Deutsche Bank opinion is qualified in its entirety by reference to the full text of the opinion.

In connection with Deutsche Bank s role as financial advisor to the Company, and in arriving at its opinion, Deutsche Bank reviewed certain publicly available financial and other information concerning the Company and certain internal analyses and other information furnished to it by the Company. Deutsche Bank

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also held discussions with members of the senior management of the Company regarding the businesses and prospects of the Company. In addition, Deutsche Bank:

- reviewed the reported prices and trading activity for the Company s Class A common stock;

- compared certain financial and stock market information for the Company with similar information for certain companies whose securities are publicly traded;

- reviewed the financial terms of certain recent business combinations, which it deemed comparable in whole or in part;

- reviewed the terms of the merger agreement; and

- performed such other studies and analyses and considered such other factors as it deemed appropriate.

In preparing its opinion, Deutsche Bank did not assume responsibility for the independent verification of, and did not independently verify, any information, whether publicly available or furnished to it, concerning the Company, including, without limitation, any financial information, forecasts or projections, considered in connection with the rendering of its opinion. Accordingly, for purposes of its opinion, Deutsche Bank assumed and relied upon the accuracy and completeness of all such information. Deutsche Bank did not conduct a physical inspection of any of the properties or assets, and did not prepare or obtain any independent evaluation or appraisal of any of the assets or liabilities, of the Company. With respect to the financial forecasts and projections made available to Deutsche Bank and used in its analysis, Deutsche Bank assumed that they were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of the Company as to the matters covered thereby. In rendering its opinion, Deutsche Bank expressed no view as to the reasonableness of those forecasts and projections or the assumptions on which they are based. Deutsche Bank s opinion was necessarily based upon economic, market and other conditions as in effect on, and the information made available to Deutsche Bank as of, the date of its opinion. In rendering its opinion, Deutsche Bank was not asked or authorized by the Company or its board of directors to solicit, and Deutsche Bank did not solicit, interests from any party with respect to the acquisition of all or any portion of the Company.

For purposes of rendering its opinion, Deutsche Bank assumed that, in all respects material to its analysis:

- the representations and warranties of the parent, the merger sub and the Company contained in the merger agreement are true and correct;

- the parent, the merger sub and the Company will each perform all of the covenants and agreements to be performed by it under the merger agreement;

- all conditions to the obligations of the parent, the merger sub and the Company to consummate the merger will be satisfied without any waiver or modification thereof; and

- all material governmental, regulatory or other approvals and consents required in connection with the consummation of the merger will be obtained and that in connection with obtaining any necessary governmental, regulatory or other approvals and consents, or any amendments, modifications or waivers to any agreements, instruments or orders to which the parent, the merger sub or the Company is a party or is subject or by which it is bound, no limitations, restrictions or conditions will be imposed or amendments, modifications or waivers made that would have an adverse effect on the parent, the merger sub or the Company.

Deutsche Bank s Financial Analysis

Set forth below is a summary of the material financial analyses performed by Deutsche Bank in connection with its opinion and reviewed with the Company s board of directors at its meeting on October 19, 2004.

Discounted Cash Flow Analysis. Deutsche Bank performed a discounted cash flow analysis for the Company as a stand-alone entity. Deutsche Bank calculated the discounted cash flow values for the Company as the sum of the net present values of:

- the estimated future free cash flows that the Company would generate for the second half of 2005 through 2009; and
- the terminal value of the Company at the end of such period.

The estimated future free cash flows were based on the financial projections for the Company for the second half of 2005 through 2009 as provided by the Company s management. The terminal value for the Company was calculated based on projected earnings before interest, taxes, depreciation and amortization, or EBITDA, for the Company for 2009 (based on projections provided by the Company s management) and a range of multiples of EBITDA ranging from 10.5x to 11.5x. Deutsche Bank used discount rates ranging from 8.0% to 10.0%. The discount rates were based on Deutsche Bank s judgment of the estimated weighted average cost of the Company s capital, and the terminal EBITDA multiples were based on its analysis of the selected precedent transaction described below.

Deutsche Bank observed that the implied value of the Company s common stock based on the discounted cash flow analysis ranged from $20.50 to $23.00 per share. Deutsche Bank compared this range of values to the merger consideration of $24.00 per share.

Analysis of Selected Precedent Transactions. Deutsche Bank reviewed six mergers and acquisitions transactions announced since February 20, 1998 in the lodging industry. The transactions reviewed, which are referred to as the selected transactions, are:

Date announced	Target	Acquirer
04/02/04	KSL Recreation Corp.	CNL Hospitality
05/08/03	RFS Hotel Investors	CNL Hospitality
06/11/98	Princess Hotels	Canadian Pacific
04/17/98	Blackstone Portfolio	Host Marriott Corporation
03/24/98	Bristol Hotel Company	FelCor Suite Hotels Inc.
02/20/98	Inter-Continental	Bass PLC

Deutsche Bank observed that the relevant multiples of the total enterprise value in such transactions to estimated EBITDA for the year following each of the selected transactions ranged from 10.5x to 11.5x, which, when applied to the estimated 2005 calendar year EBITDA for the Company, implied a range of values of $21.28 to $23.49 per share. Deutsche Bank compared that range of values to the merger consideration of $24.00 per share.

The analysis for the selected transactions was based on public information available at the time of announcement of such transactions, without taking into account differing market and other conditions during the period between February 20, 1998 and April 2, 2004, during which the selected transactions were announced. Because the reasons for, and circumstances surrounding, each of the selected transactions analyzed were so diverse, and due to the inherent differences between the operations and financial conditions of the Company and the companies involved in the selected transactions, Deutsche Bank believes that a comparable transaction analysis is not simply mathematical. Rather, it involves complex considerations and qualitative judgments, reflected in Deutsche Bank s opinion, concerning differences between the characteristics of the selected transactions and the merger that could affect the value of the subject companies and businesses and the Company.

Net Asset Value Analysis. Deutsche Bank performed a net asset value analysis for the Company. Deutsche Bank calculated the per share net asset value of the Company by determining the sum of the per share net values of:

the Boca Raton Resort & Club, based on a range of assumed per room values; plus

the Company s other hotel properties, based on a range of assumed per room values; plus

the Company s golf course properties, based on a fixed 10% capitalization rate; plus

the proceeds of in-the-money options, assuming exercise;

and subtracting out the Company s net debt, as estimated by the Company s management.

The estimated equity value per share of the Company s assets were based on a range of assumed per room values ranging from $700,000 to $800,000 for the Boca Raton Resort & Club and ranging from $250,000 to $350,000 for the Company s other hotels. The ranges of assumed per room values were based on the acquisition prices per room implied by certain comparable transactions.

Deutsche Bank observed that the implied value of the Company s common stock based on the net asset value analysis ranged from $22.50 to $25.50 per share. Deutsche Bank compared this range of values to the merger consideration of $24.00 per share.

Premiums Paid Analysis. Deutsche Bank reviewed premiums to stock price paid in 102 public company cash mergers and acquisitions transactions since January 1, 1998 with total enterprise values of $500 million to $2 billion. Deutsche Bank reviewed the premiums paid in these transactions over the prices of the target stock one day, one week and four weeks prior to the announcement of such transactions. Based on this analysis, Deutsche Bank observed a range of premiums of 20% to 30% over the market price of the target stock price one day, one week and four weeks prior to the announcement of such transactions. Deutsche Bank applied these ranges of premiums to the share price of the Company one day, one week and four weeks before the announcement of the merger, assuming the merger was announced on October 18, 2004. Deutsche Bank then calculated implied equity values of $22.31 to $24.17 per share based on the one-day premium range, $22.15 to $24.00 per share based on the one-week premium range, and $22.56 to $24.44 based on the four-weeks premium range. Deutsche Bank compared this range of values to the merger consideration of $24.00 per share.

Analysis of Selected Publicly Traded Companies. Deutsche Bank reviewed certain financial information and calculated commonly used valuation measurements for the Company and compared them to corresponding information and measurements for a group of publicly traded corporations in the lodging industry and a group of publicly traded real estate investment trusts, or REITs, in the lodging industry.

The publicly traded corporations selected in the lodging industry to which the Company was compared consisted of:

Fairmont Hotels & Resorts Inc.

Hilton Hotels Corporation

Marriott International, Inc.

Starwood Hotels & Resorts Worldwide, Inc.

Gaylord Entertainment Company

The publicly traded REITs selected in the lodging industry to which the Company was compared consisted of:

Host Marriott Corporation

LaSalle Hotel Properties

Strategic Hotel Capital, Inc.

The financial information and valuation measurements reviewed by Deutsche Bank included, among other things, ratios of total enterprise value to estimated EBITDA for calendar year 2005. To calculate the trading multiples with respect to the comparable companies, Deutsche Bank used publicly available information concerning historical and projected financial performance, including public company filings and financial estimates reported by FirstCall.

Deutsche Bank observed that the implied value of the Company s common stock based on the selected publicly traded companies analysis ranged from $20.17 to $23.49 per share using the multiple of total enterprise value to estimated 2005 calendar year EBITDA. Deutsche Bank compared this range of values to the merger consideration of $24.00 per share.

None of the companies utilized in the selected publicly traded companies analysis is identical to the Company. Accordingly, Deutsche Bank believes the analysis is not simply mathematical. Rather, it involves complex considerations and qualitative judgments, reflected in Deutsche Bank s opinion, concerning differences in financial and operating characteristics of the selected companies and other factors that could affect the public trading value of the selected companies.

General. The foregoing summary describes all analyses and factors that Deutsche Bank deemed material in its presentation to the Company s board of directors, but is not a comprehensive description of all analyses performed and factors considered by Deutsche Bank in connection with preparing its opinion. The preparation of a fairness opinion is a complex process involving the application of subjective business judgment in determining the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, is not readily susceptible to summary description. Deutsche Bank believes that its analyses must be considered as a whole and that considering any portion of such analyses and of the factors considered without considering all analyses and factors could create a misleading view of the process underlying the opinion. In arriving at its fairness determination, Deutsche Bank did not assign specific weights to any particular analyses.

In conducting its analyses and arriving at its opinions, Deutsche Bank utilized a variety of generally accepted valuation methods. The analyses were prepared solely for the purpose of enabling Deutsche Bank to provide its opinion to the Company s board of directors as to the fairness to the Company s stockholders of the merger consideration and do not purport to be appraisals or necessarily reflect the prices at which businesses or securities actually may be sold, which are inherently subject to uncertainty. In connection with its analyses, Deutsche Bank made, and was provided by the Company s management with, numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Deutsche Bank or the Company. Analyses based on estimates or forecasts of future results are not necessarily indicative of actual past or future values or results, which may be significantly more or less favorable than suggested by such analyses. Because such analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the Company, the parent or their respective advisors, neither the Company nor Deutsche Bank nor any other person assumes responsibility if future results or actual values are materially different from these forecasts or assumptions.

The terms of the merger were determined through negotiations between Blackstone and the Company and were approved by the Company s board of directors. The decision to enter into the merger agreement was solely that of the Company s board of directors. As described above, the opinion and presentation of Deutsche Bank to the Company s board of directors were only one of a number of factors taken into consideration by the Company s board of directors in making its determination to approve the merger. Deutsche Bank s opinion was provided to the Company s board of directors to assist it in connection with it consideration of the merger and does not constitute a recommendation to any stockholder as to how to vote or to take any other action with respect to the merger. Deutsche Bank s opinion does not in any manner address the prices at which the Company s Class A common stock will trade after the announcement of the merger.

The Company selected Deutsche Bank as financial advisor in connection with the merger based on Deutsche Bank s qualifications, expertise, reputation and experience in mergers and acquisitions. The Company retained Deutsche Bank pursuant to a letter agreement dated October 15, 2004, which is referred to as the engagement letter. Deutsche Bank was paid a fee of $250,000 upon delivery of its opinion and will be paid a transaction fee of $2.75 million for its services as financial advisor to the Company in connection with the merger, the payment of which is contingent upon the completion of the merger. In addition, other opinion and transaction fees may be payable under the engagement letter in certain circumstances. Regardless of whether the merger is completed, the Company has agreed to reimburse Deutsche Bank for reasonable fees and disbursements of Deutsche Bank s counsel and all of Deutsche Bank s reasonable travel and other out-of-pocket expenses incurred in connection with the merger or otherwise arising out of the retention of Deutsche Bank under the engagement letter. The Company has also agreed to indemnify Deutsche Bank and certain related persons to the full extent lawful against certain liabilities, including certain liabilities under the U.S. federal securities laws arising out of its engagement or the merger.

Deutsche Bank is an internationally recognized investment banking firm experienced in providing advice in connection with mergers and acquisitions and related transactions. Deutsche Bank is an affiliate of Deutsche Bank AG, which, together with its affiliates, is referred to as the DB Group. One or more members of the DB Group have, from time to time, provided investment banking, commercial banking (including extension of credit) and other financial services to the Company and Blackstone or their respective affiliates for which it has received compensation, including:

- the Company s July 2004 $325 million senior secured credit facility, for which a member of the DB Group acted as sole arranger;

- the Company s November 2001 $146 million senior secured credit facility, for which a member of the DB Group acted as administrative agent; and

- various financings and advisory assignments for Blackstone and its affiliates.

In addition, in November 2003, Deutsche Bank AG sold a real estate portfolio comprised of 51 branch offices located in Europe to Blackstone and its affiliates. In connection with the merger, the Company is expected to pay off existing loans made by members of the DB Group to the Company. In connection with services provided to the Company in the foregoing capacities, Deutsche Bank has received an aggregate of approximately $3.9 million in compensation from the Company.

In the ordinary course of business, members of the DB Group may actively trade in the securities and other instruments and obligations of the Company and affiliates of the parent and the Company for their own accounts and for the accounts of their customers. Accordingly, the DB Group may at any time hold a long or short position in such securities, instruments and obligations.

Financing

In connection with the merger, the parent will cause approximately $1 billion in cash to be paid to our stockholders and holders of stock options. In addition, our credit agreement will be repaid. We currently have $200 million of outstanding borrowings under our credit agreement. See The Merger Agreement Conditions to the Merger.

These payments are expected to be funded by a combination of equity contributions to the parent by affiliates of Blackstone and debt financing. It is expected that affiliates of Blackstone will contribute approximately $265 million of equity to the parent and that the remaining funds necessary to finance the acquisition and related debt refinancings will be obtained through the parent s debt financing.

In connection with the execution and delivery of the merger agreement, the parent obtained a commitment letter from Bank of America, N.A., Bear Stearns Commercial Mortgage, Inc. and Merrill Lynch Mortgage Lending, Inc. providing for $1 billion in debt financing. The funds to be borrowed pursuant to the commitment letter are to be secured by, among other things, first priority mortgage liens on substantially all of the properties of the Company and its subsidiaries, a first priority assignment of all leases and rents attributable to the properties, and a first priority assignment of all security accounts and other reserves and escrows for the properties. The financing will be non-recourse, subject to customary exceptions.

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The commitment is conditioned on the merger being consummated by April 20, 2005 and other customary conditions. The lenders have the right to terminate the commitment under certain circumstances, including:

- the occurrence of events which are substantially similar to the events constituting a market MAC that are described in The Merger Agreement Conditions to the Merger, and

- if the parent is entitled to terminate the merger agreement as a result of a breach of certain representations and warranties made by the Company. See The Merger Agreement Termination.

The merger agreement does not contain a financing condition, although it does contain a condition, which we refer to as the market MAC condition, which will be satisfied unless certain specified market disruptions occur. See The Merger Agreement Conditions to the Merger.

Under the terms of the merger agreement, the parent has agreed to use its reasonable best efforts to arrange its debt financing on the terms and conditions described in the debt commitment letter. In the event any portion of the parent s debt financing becomes unavailable on the terms and conditions contemplated in the debt commitment letter, the parent is obligated to use its reasonable best efforts to arrange to obtain that portion from alternative sources on comparable or more favorable terms. The parent is obligated to keep us informed of the status of its efforts to arrange its equity and debt financing and to give us prompt notice of any material breach by any party of the debt commitment letter or of any termination of the debt commitment letter. The parent must consult with us before it permits any material amendment or modification to be made to, or any waiver of any material provision or remedy under, the debt commitment letter. With certain exceptions, we have agreed to provide, and to cause our subsidiaries and their representatives to provide, all reasonable cooperation in connection with the arrangement of the debt financing as may be reasonably requested by the parent.

Guarantee; Remedies

In connection with the merger agreement, Blackstone Real Estate Partners IV L.P. has agreed to guarantee the due and punctual observance, performance and discharge of all of the payment obligations and liabilities of the parent and the merger sub under the merger agreement, up to a maximum amount of $38 million. The guarantee will remain in full force and effect until the effective time of the merger or, if the merger agreement is terminated, until the second anniversary of the termination date.

We cannot seek specific performance to require the parent or the merger sub to complete the merger, and our exclusive remedy for the failure of the parent or the merger sub to complete the merger is a termination fee of $38 million payable to us in the circumstances described under The Merger Agreement Fees and Expenses. In no event can we seek to recover in excess of $38 million for a breach of the merger agreement by the parent or the merger sub.

Interests of the Company s Directors and Executive Officers in the Merger

Company Stock Options

As of the record date, there were approximately 4,000,000 shares of our common stock subject to stock options granted to our executive officers and directors under our stock option plan. Under the terms of our stock option plan, all such stock options shall become immediately vested and exercisable effective as of a change of control, which would include the completion of the merger. Under the terms of the merger agreement, any outstanding stock options that remain outstanding and unexercised as of the effective time of the merger will be canceled, and the holder of each stock option that has an exercise price of less than $24.00 will receive from the surviving corporation as promptly as practicable thereafter a cash payment, less applicable withholding taxes, equal to the product of:

- the number of shares of our common stock subject to each option as of the effective time of the merger, multiplied by

- the excess of $24.00 over the exercise price per share of common stock subject to such option.

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The following table summarizes the vested and unvested options with exercise prices of less than $24.00 per share held by each of our executive officers and directors as of November 12, 2004 and the consideration that each of them will receive pursuant to the merger agreement in connection with the cancellation of their options:

	No. of Shares Underlying Vested and Unvested Options	Weighted Average Exercise Price of Vested and Unvested Options	Resulting Consideration
H. Wayne Huizenga	1,800,000	$12.36	$20,960,000
David S. Feder	405,000	$11.14	$ 5,209,625
Wayne Moor	125,000	$11.75	$ 1,530,875
Richard L. Handley	312,500	$12.08	$ 3,723,875
MaryJo Finocchiaro	106,027	$12.46	$ 1,223,714
Steven R. Berrard	105,000	$11.63	$ 1,299,075
Dennis J. Callaghan	72,500	$15.07	$ 647,325
Michael S. Egan	80,000	$12.14	$ 949,075
Harris W. Hudson	105,000	$11.63	$ 1,299,075
George D. Johnson, Jr.	105,000	$11.63	$ 1,299,075
Henry Latimer	105,000	$13.83	$ 1,067,825
Peter H. Roberts	85,000	$13.26	$ 912,900
Richard C. Rochon	595,000	$13.81	$ 6,060,775

Change of Control Agreements

On October 20, 2004, we adopted a form of change of control agreement to be entered into prior to the completion of the merger with each of the following four officers: David S. Feder, MaryJo Finocchiaro, Wayne Moor and Robert J. Stirk. Each change of control agreement becomes effective if a change of control of the Company, which would include completion of the merger, occurs and remains effective until the last day of the month in which the second anniversary of the change of control occurs, or, if later, the date that all benefits due under the change of control agreement have been paid. Under each change of control agreement, if the officer s employment is terminated by us without cause or by the officer for good reason (which includes an officer s resignation of employment for any reason during the 30-day period following a change of control of the Company), as those terms are defined in the change of control agreement, the officer will be entitled to receive a lump sum payment, no later than the later of 15 calendar days after termination and the effective date of a waiver and release to be executed by the officer, equal to the following: (1) all accrued but unpaid compensation; (2) the officer s annual base salary, as in effect either immediately prior to the change of control of the Company or upon termination of employment, whichever is greater; (3) his or her annual target bonus for the year of the termination, based on the assumption that all targets have been achieved; (4) a pro rata portion of the officer s annual target bonus for the year of termination; and (5) any other amounts or benefits required to be paid or provided to such officer under any plan or program with the Company. If an officer becomes entitled to receive these severance amounts, the officer will also be entitled to continued coverage under our health, life insurance and dental plans, at our cost, for a period of 12 months and will be entitled to reasonable outplacement assistance. Each change of control agreement also contains a tax gross-up provision whereby if the officer incurs any excise tax by reason of his or her receipt of any payment that constitutes an excess parachute payment as defined in Section 280G of the Code, the officer will receive a gross-up payment in an amount that would place the officer in the same after-tax position that he or she would have been in if no excise tax had applied. As a condition to receiving any payments or benefits under the change of control agreements, the officers must execute a release of claims in respect of their employment with us. Each change of control agreement may be amended or terminated by the Company at any time prior to a change of control; however, while a potential change of control is pending or following a change of control, the change of control agreement may not be terminated or amended without the written consent of the parties.

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The aggregate amount of severance benefits that would be payable under the change of control agreements is approximately $1.4 million, assuming each officer is terminated within the two-year period commencing on the date that the change of control occurs. No tax gross-up payment is anticipated.

Tax Gross-Up Letter

On October 20, 2004, we adopted a form of excise tax gross-up agreement to be entered into prior to the completion of the merger with H. Wayne Huizenga. The gross-up agreement provides that if Mr. Huizenga incurs any excise tax by reason of his receipt of any payment that constitutes an excess parachute payment as defined in Section 280G of the Code, then he will receive a gross-up payment in an amount that will place him in the same after-tax position that he would have been in if no excise tax had applied. As a condition to receiving any payments or benefits under the gross-up agreement, Mr. Huizenga must execute a release of claims in respect of his service with us. The excise tax gross-up agreement may be amended or terminated by the Company at any time prior to a change of control of the Company; however, while a potential change of control is pending or following a change of control, the excise tax gross-up agreement may not be terminated or amended without the written consent of the parties.

The aggregate amount of the tax gross-up payable to Mr. Huizenga by reason of the imposition of the excise tax on excess parachute payments is approximately $376,000.

Indemnification and Insurance

The merger agreement provides that the certificate of incorporation and bylaws of the surviving corporation will contain provisions no less favorable with respect to exculpation and indemnification of our directors, officers, employees, fiduciaries or agents than those set forth in the Company s certificate of incorporation and bylaws. The indemnification provisions in the surviving corporation s certificate of incorporation and bylaws will not be amended or repealed in any manner adverse to persons entitled to rights under those provisions on or prior to the effective time for a period of six years following the effective time of the merger.

The parent and the surviving corporation have agreed to indemnify, to the same extent as provided in our certificate of incorporation, bylaws or any other applicable contract in effect on October 20, 2004 each of our present and former directors and officers against all expenses, losses and liabilities incurred in connection with any claim, proceeding or investigation arising out of any act or omission in their capacity as an officer or director occurring on or before the effective time of the merger.

The merger agreement requires that the surviving corporation either:

obtain tail directors and officers insurance policies in an amount and scope at least as favorable as the Company s existing policies and with a claims period of at least six years from the effective time of the merger for claims arising from facts or events that occurred on or prior to the effective time; or

maintain in effect, for a period of six years after the effective time of the merger, our current directors and officers liability insurance policies with respect to matters occurring prior to the effective time or obtain policies of at least the same coverage, subject to a maximum annual premium of 250% of our current premium. If the annual premiums of insurance coverage exceed 250% of our current annual premium, the surviving corporation must obtain a policy with the greatest coverage available for a cost not exceeding 250% of the current annual premium paid by us.

The obligations described above regarding directors and officers indemnification and insurance must be assumed by any successor entity to the parent or the surviving corporation as a result of any consolidation, merger or transfer of all or substantially all properties and assets.

Voting Agreement

As a condition to its entering into the merger agreement, the parent required Mr. H. Wayne Huizenga, our Chairman and Chief Executive Officer, and Huizenga Investments Limited Partnership, an entity controlled by him, to enter into a voting agreement with respect to all 255,000 shares of Class B common

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stock owned by Mr. Huizenga as of the record date and any additional shares of Class B common stock acquired by Mr. Huizenga. As of the record date, the outstanding shares of Class B common stock owned by Mr. Huizenga represent approximately 98% of the votes eligible to be cast at the special meeting.

Under the voting agreement, Mr. Huizenga has agreed to do the following:

- when the special meeting is held, to appear at the meeting or otherwise cause all the shares of Class B common stock of the Company beneficially owned by him to be counted as present at the meeting for the purpose of establishing a quorum;
- vote, or cause to be voted, in person or by proxy all the shares of Class B common stock of the Company beneficially owned by him in favor of the adoption of the merger agreement and any other matters necessary for consummation of the transactions contemplated by the merger agreement; and
- vote, or cause to be voted, all the shares of Class B common stock of the Company beneficially owned by him against:
  - any proposal for any recapitalization, reorganization, liquidation, merger, sale of assets or other business combination between the Company and any other person, other than the merger; and
  - any other action that could reasonably be expected to impede, interfere with, delay, postpone or adversely affect the merger or any of the transactions contemplated by the merger agreement or the voting agreement or result in a breach in any material respect of any covenant, representation or warranty or other obligation or agreement of the Company under the merger agreement.

Mr. Huizenga and Huizenga Investments Limited Partnership have irrevocably granted, until the termination of the merger agreement, and appointed the parent, the President of the parent and the Secretary of the parent, in their respective capacities as officers of the parent, and any other designee of the parent, proxy to vote as described above all shares subject to the voting agreement.

Mr. Huizenga has agreed not to sell, transfer or otherwise dispose of any shares of Class B common stock of the Company. Mr. Huizenga and Huizenga Investments Limited Partnership have agreed not to sell, transfer or otherwise dispose of any shares of Class A common stock of the Company other than to specified related persons who agree to be bound by the voting agreement or enter into any voting agreement with respect to those shares.

Mr. Huizenga and Huizenga Investments Limited Partnership have agreed not to, and not to permit any representative to, directly or indirectly, solicit, including by way of furnishing information, any inquiry or the making of any proposal by any person or entity, other than the parent or any affiliate of the parent, which constitutes, or could reasonably be expected to lead to, another acquisition proposal, except that this obligation shall not restrict Mr. Huizenga acting in his capacity as a director of the Company and in compliance with the merger agreement. Furthermore, under the voting agreement, Mr. Huizenga may provide information and engage in discussions with a third party as and to the extent the Company is permitted to do so under the terms of the merger agreement.

The voting agreement terminates upon the earliest of:

- the effective time of the merger;
- the termination of the merger agreement in accordance with its terms; and
- written notice of termination of the voting agreement by the parent to Mr. Huizenga and Huizenga Investments Limited Partnership.

The foregoing summary of the voting agreement is qualified in its entirety by reference to the voting agreement, a copy of which is attached to this proxy statement as Annex B and which we incorporate by reference into this document. This summary may not contain all of the information about the voting agreement that is important to you. We encourage you to read carefully the voting agreement in its entirety.

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Material U.S. Federal Income Tax Consequences

The following is a general discussion of certain material U.S. federal income tax consequences of the merger to U.S. holders of our common stock. We base this summary on the provisions of the Code, applicable current and proposed U.S. Treasury Regulations, judicial authority, and administrative rulings and practice, all of which are subject to change, possibly on a retroactive basis.

For purposes of this discussion, we use the term U.S. holder to mean a beneficial owner of Boca Resorts common stock that is:

- a citizen or individual resident of the U.S. for U.S. federal income tax purposes;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the U.S. or any State or the District of Columbia;
- a trust if it (1) is subject to the primary supervision of a court within the U.S. and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person; or
- an estate the income of which is subject to U.S. federal income tax regardless of its source.

The U.S. federal income taxes of a partner in a partnership holding our common stock will depend on the status of the partner and the activities of the partnership. Partners in a partnership holding shares of our common stock should consult their own tax advisors.

This discussion assumes that you hold the shares of our common stock as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all aspects of U.S. federal income tax that may be relevant to you in light of your particular circumstances, or that may apply to you if you are subject to special treatment under the U.S. federal income tax laws (including, for example, insurance companies, dealers in securities or foreign currencies, tax-exempt organizations, financial institutions, mutual funds, partnerships or other pass through entities for U.S. federal income tax purposes, non-U.S. persons, stockholders who hold shares of our common stock as part of a hedge, straddle, constructive sale or conversion transaction, or stockholders who acquired their shares of our common stock through the exercise of employee stock options or other compensation arrangements). In addition, the discussion does not address any tax considerations under state, local or foreign laws or U.S. federal laws other than those pertaining to the U.S. federal income tax that may apply to you. **We urge you to consult your own tax advisor to determine the particular tax consequences to you, including the application and effect of any state, local or foreign income and other tax laws, of the receipt of cash in exchange for our common stock pursuant to the merger.**

The receipt of cash in the merger by U.S. holders of our common stock will be a taxable transaction for U.S. federal income tax purposes (and may also be a taxable transaction under applicable state, local and foreign tax laws). In general, for U.S. federal income tax purposes, a U.S. holder of our common stock will recognize gain or loss equal to the difference between:

- the amount of cash received in exchange for such common stock; and
- the U.S. holder s adjusted tax basis in such common stock.

If the holding period in our common stock surrendered in the merger is greater than one year as of the date of the merger, the gain or loss will be long-term capital gain or loss. The deductibility of a capital loss recognized on the exchange is subject to limitations under the Code. Certain U.S. holders, including individuals, are eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. If you acquired different blocks of our common stock at different times and different prices, you must determine your adjusted tax basis and holding period separately with respect to each block of our common stock.

Under the Code, you may be subject to information reporting on the cash received in the merger. Backup withholding will also apply (currently at a rate of 28%) with respect to the amount of cash received in the

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merger, unless you provide proof of an applicable exemption or a correct taxpayer identification number, and otherwise comply with the applicable requirements of the backup withholding rules. Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be refunded or credited against your U.S. federal income tax liability, if any, provided that you furnish the required information to the Internal Revenue Service in a timely manner.

Regulatory Approvals

The Hart-Scott-Rodino Antitrust Improvements Act of 1976 and related rules provide that transactions such as the merger may not be completed until certain information has been submitted to the Federal Trade Commission and the Antitrust Division of the U.S. Department of Justice and specified waiting period requirements have been satisfied. On November 1, 2004, the Company and Baton Holdco I L.L.C. (an affiliate of Blackstone) each filed a Notification and Report Form with the Antitrust Division and the Federal Trade Commission and requested an early termination of the waiting period. If the early termination is not granted and a request for additional information by the relevant antitrust authorities is not made, the waiting period will expire at 11:59 p.m. on December 1, 2004.

Under the merger agreement, the Company, the parent and the merger sub have agreed to use their reasonable best efforts to obtain all required governmental approvals in connection with the execution of the merger agreement and completion of the merger. In addition, the parent and the merger sub have agreed to take whatever action as may be necessary or required by any governmental authority or court to resolve any objections asserted on antitrust grounds with respect to the merger and to avoid the entry of an injunction or other final judgment preventing the merger, including agreeing to hold separate or to divest any of the businesses or assets of the parent, the merger sub or the Company.

Except as noted above with respect to the required filings under the Hart-Scott-Rodino Act and the filing of a certificate of merger in Delaware at or before the effective date of the merger, we are unaware of any material federal, state or foreign regulatory requirements or approvals required for the execution of the merger agreement or completion of the merger.

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THE MERGER AGREEMENT

The summary of the material terms of the merger agreement below and elsewhere in this proxy statement is qualified in its entirety by reference to the merger agreement, a copy of which is attached to this proxy statement as Annex A and which we incorporate by reference into this document. This summary may not contain all of the information about the merger agreement that is important to you. We encourage you to read carefully the merger agreement in its entirety.

Effective Time

The effective time of the merger will occur at the time that we file a certificate of merger with the Secretary of State of the State of Delaware on the closing date of the merger. The closing date will occur on a date to be specified by the parties, which will be no earlier than November 19, 2004 and no later than the second business day after all of the conditions set forth in the merger agreement have been satisfied or waived, or such other date as the parties may agree.

Structure

At the effective time of the merger, the merger sub will merge with and into us. We will survive the merger and continue to exist after the merger as a wholly owned subsidiary of the parent. All of the Company s and the merger sub s properties, assets, rights, privileges, immunities, powers and purposes, and all of their liabilities, obligations and penalties, will become those of the surviving corporation. Following the completion of the merger, the Company s Class A common stock will be delisted from the NYSE, deregistered under the Securities Exchange Act of 1934, as amended (the Exchange Act), and no longer publicly traded.

Treatment of Stock and Options

Company Common Stock

At the effective time of the merger, each share of our common stock issued and outstanding immediately prior to the effective time of the merger will automatically be canceled and converted into the right to receive $24.00 in cash, without interest, other than Company common stock:

- held in the Company s treasury immediately prior to the effective time of the merger;
- held by the merger sub, the parent or any direct or indirect wholly owned subsidiary of the parent or the Company immediately prior to the effective time of the merger; and
- as to which the Company s stockholders demand appraisal in compliance with Delaware law.

Company Stock Options

As of the effective time of the merger, each outstanding option to acquire our common stock will be canceled, and the holder of each stock option that has an exercise price of less than $24.00 will receive from the surviving corporation as promptly as practicable thereafter a cash payment, less applicable withholding taxes, equal to the product of:

- the number of shares of our common stock subject to each option, as of the effective time of the merger, multiplied by
- the excess of $24.00 over the exercise price per share of common stock subject to such option.

We have agreed to take all actions necessary prior to the effective time of the merger to terminate the Company s stock option plan and to cancel each stock option granted thereunder that is outstanding and unexercised as of the effective time of the merger.

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No Further Ownership Rights

After the effective time of the merger, each of our outstanding stock certificates will represent only the right to receive the merger consideration, except as to those stockholders asserting appraisal rights. The merger consideration paid upon surrender of each certificate will be paid in full satisfaction of all rights pertaining to the shares of our common stock represented by that certificate.

Exchange and Payment Procedures

At the effective time of the merger, the parent will deposit an amount of cash sufficient to pay the merger consideration to holders of shares of our common stock with a bank or trust company (the paying agent) reasonably acceptable to us. As soon as practicable after the effective time of the merger, the paying agent will mail a letter of transmittal and instructions to you and the other Company stockholders. The letter of transmittal and instructions will tell you how to surrender your Company common stock certificates in exchange for the merger consideration.

You should not return your stock certificates with the enclosed proxy card, and you should not forward your stock certificates to the paying agent without a letter of transmittal.

You will not be entitled to receive the merger consideration until you surrender your Company common stock certificate or certificates to the paying agent, together with a duly completed and executed letter of transmittal and any other documents as the paying agent may reasonably require. The merger consideration may be paid to a person other than the person in whose name the corresponding certificate is registered if the certificate is properly endorsed or is otherwise in the proper form for transfer. In addition, the person requesting payment must either pay any applicable stock transfer taxes or establish to the reasonable satisfaction of the parent that such stock transfer taxes have been paid or are not applicable.

No interest will be paid or will accrue on the cash payable upon surrender of the certificates. Each of the paying agent, the surviving corporation and the parent will be entitled to deduct and withhold any applicable taxes from the merger consideration.

At the effective time of the merger, our share transfer books will be closed, and there will be no further registration of transfers of outstanding shares of our common stock. If, after the effective time of the merger, certificates are presented to the surviving corporation or the paying agent for transfer or any other reason, they will be canceled and exchanged for the merger consideration.

None of the paying agent, the merger sub, the parent or the surviving corporation will be liable to any person for any cash delivered to a public official pursuant to any applicable abandoned property, escheat or similar law. Any portion of the merger consideration deposited with the paying agent that remains undistributed to the holders of certificates evidencing shares of our common stock for one year after the effective time of the merger will be delivered, upon demand, to the parent. Holders of certificates who have not surrendered their certificates within one year after the effective time of the merger may only look to the parent for the payment of the merger consideration. Any portion of the merger consideration that remains unclaimed as of a date that is immediately prior to such time as such amounts would otherwise escheat to or become property of any governmental authority will, to the extent permitted by law, become the property of the parent free and clear of any claims or interest of any person previously entitled to the merger consideration.

If you have lost a certificate, or if it has been stolen or destroyed, then you will be required to make an affidavit of that fact before you will be entitled to receive the merger consideration. In addition, if you hold more than ten shares of the Company s common stock and if required by the surviving corporation, you will have to post a bond in a reasonable amount determined by the surviving corporation indemnifying the surviving corporation against any claims made against it with respect to the lost, stolen or destroyed certificate. If you are a holder of ten or fewer shares of the Company s common stock, the surviving corporation may require that you provide reasonable personal assurances, instead of a bond, indemnifying the surviving corporation against any claims made against it with respect to the lost, stolen or destroyed certificate.

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Certificate of Incorporation and Bylaws

The certificate of incorporation of the Company will be amended as of the effective time of the merger to read as set forth in the merger agreement and, as so amended, will be the certificate of incorporation of the surviving corporation. In addition, the bylaws of the Company will be amended and restated as of the effective time of the merger to read as set forth in the merger agreement and, as so amended and restated, will be the bylaws of the surviving corporation.

Directors and Officers

The directors and officers of the merger sub immediately prior to the effective time of the merger will be the initial directors and officers of the surviving corporation.

Representations and Warranties

We make customary representations and warranties in the merger agreement that are subject, in some cases, to specified exceptions and qualifications. Our representations and warranties relate to, among other things:

our and our subsidiaries proper organization, good standing and corporate power to operate our businesses;

our certificate of incorporation and bylaws and the certificates of incorporation, bylaws or similar organizational documents of our subsidiaries;

our capitalization, including in particular the number of shares of our common stock and stock options outstanding and the amount of our debt outstanding;

our corporate power and authority to enter into the merger agreement and to consummate the transactions contemplated by the merger agreement;

the absence of any violation of or conflict with our organizational documents, applicable law or certain agreements as a result of entering into the merger agreement and consummating the merger;

required consents and approvals of governmental entities as a result of the merger;

our possession of all licenses and permits necessary to operate our properties and carry on our business;

our SEC filings since July 1, 2001 and the financial statements contained therein;

the absence of liabilities, other than as set forth on our June 30, 2004 balance sheet, ordinary course liabilities and liabilities incurred in connection with the merger;

the accuracy and completeness of information supplied by us in this proxy statement;

the absence of certain changes and events since June 30, 2004;

the absence of litigation or outstanding court orders against us;

employment and labor matters affecting us, including matters relating to our employee benefit plans;

real property owned and leased by us and title to assets;

our franchise and license agreements and our Premier Club membership plan;

our intellectual property;

taxes, environmental matters and material contracts;

our insurance policies;

the approval and recommendation by our board of directors of the merger agreement and the merger;

the required vote of our stockholders in connection with the adoption of the merger agreement;

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the absence of interested party transactions between the date of our proxy statement for our 2004 annual meeting of stockholders and the date of the merger agreement;

receipt by us of a fairness opinion of Deutsche Bank;

the absence of undisclosed broker s fees; and

the absence, since June 30, 2004, of any event, circumstance, change development or effect that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on the Company.

For the purposes of the merger agreement, material adverse effect means any event, circumstance, development, change or effect that, individually or in the aggregate with all other events, circumstances, developments, changes and effects:

is materially adverse to the business, operations, assets, condition (financial or otherwise) or results of operations of the Company and any of our subsidiaries taken as a whole; or

would reasonably be expected to prevent or materially delay the consummation of the merger and the other transactions contemplated by the merger agreement or prevent or materially impair or delay our ability to perform our obligations under the merger agreement.

A material adverse effect will not have occurred, however, as a result of any event, circumstance, change or effect resulting from or relating to:

a change in general economic or financial market conditions;

a change in industry conditions;

seasonal fluctuations in our business or the business of our subsidiaries;

any acts of terrorism or war, except to the extent such event, circumstance, change or effect has had a disproportionate effect on us as compared to other persons in the industry in which we conduct business;

the announcement of the execution of the merger agreement or the pendency or consummation of the transactions contemplated by the merger agreement; or

compliance with the terms of, or the taking of any action required by, the merger agreement.

The merger agreement also contains customary representations and warranties made by the parent and the merger sub that are subject, in some cases, to specified exceptions and qualifications. The representations and warranties relate to, among other things:

their proper organization, good standing and corporate power to operate their businesses;

their certificate of incorporation and bylaws;

their corporate power and authority to enter into the merger agreement and to consummate the transactions contemplated by the merger agreement;

the absence of any violation of or conflict with their organizational documents, applicable law or certain agreements as a result of entering into the merger agreement and consummating the merger;

required consents and approvals of governmental entities as a result of the merger;

the accuracy and completeness of information they have supplied for inclusion in this proxy statement;

the absence of litigation or outstanding court orders against them;

the operations of the merger sub;

the parent s receipt at closing of the financing proceeds required to complete the merger and the other transactions contemplated by the merger agreement;

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- the delivery by the parent of the guarantee by an affiliate of the parent with respect to the obligations of the parent and the merger sub under the merger agreement; and
- the absence of undisclosed broker s fees.

The representations and warranties of each of the parties to the merger agreement will expire upon completion of the merger.

Conduct of Our Business Pending the Merger

Under the merger agreement, we have agreed that, subject to certain exceptions, between October 20, 2004 and the completion of the merger we and our subsidiaries will:

- conduct our business only in the ordinary course of business, in a manner consistent with past practice and in compliance with applicable laws; and
- use reasonable best efforts to preserve substantially intact our business organization, to preserve our assets and properties in good repair and condition, to maintain and protect our rights in the intellectual property we use and to preserve our current relationships with customers, suppliers and other persons with which we have material business relations, in each case in the ordinary course of business and in a manner consistent with past practice.

We have also agreed that during the same time period, and again subject to certain exceptions or unless the parent gives its prior written consent, we and our subsidiaries will not:

- amend or otherwise change our organizational documents;
- issue, sell or encumber any of our or our subsidiaries securities, real property or tangible or intangible assets;
- declare or pay dividends;
- reclassify, combine, split, subdivide or redeem, purchase or otherwise acquire, directly or indirectly, any of our or our subsidiaries securities;
- increase, adopt, terminate or amend compensation, retention, severance or benefit plan arrangements;
- loan or advance any money or property to any current or former director, officer or employee;
- grant any equity or equity-based awards;
- make or file for any change in any method of tax accounting;
- make, change or rescind any material tax election, file any amended tax return, enter into any closing agreement relating to taxes, waive or extend the statute of limitations in respect of taxes, or settle or compromise any material U.S. federal, state or local income tax liability, audit, claim or assessment, or surrender any right to claim for a tax refund;
- release or settle pending litigation or pay, waive or settle other liabilities or obligations;
- enter into or amend material contracts;
- make any advertising or marketing expenditures other than in the ordinary course of business;
- fail to maintain in full force and effect existing insurance policies;
- enter into or amend any related party transactions;

effectuate a plant closing or mass layoff;

permit certain subsidiaries to own any additional real estate or conduct any additional business;

amend, modify or terminate certain contracts regarding our Premier Club program, our Hyatt Hotel franchise agreement and our license agreement with Radisson Hotels;

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grant any lifetime honorary memberships in the Premier Club;

initiate or consent to any material zoning reclassification or any material change to any site plan or other land use entitlement regarding our properties;

incur or repay any indebtedness, make loans or grant security interests in any assets, other than under the Company s existing credit facility or in the ordinary course of business; or

announce an intention, enter into any formal or informal agreement or otherwise make a commitment to do any of the foregoing.

Except as set out in our capital expenditure and development budget, during the same time period, and again subject to certain other exceptions or unless the parent gives its prior written consent, we and our subsidiaries will not:

acquire any businesses, properties or assets, other than non-real property assets either in the ordinary course of business or that do not exceed $1 million in the aggregate;

acquire, enter into or extend any option to acquire or exercise an option to acquire real property;

make any capital expenditures and, during the 90-day period beginning October 20, 2004, we will not undertake specified capital projects, even if set out in our capital expenditure and development budget;

commence construction of, or enter into any contract to develop or construct, real estate projects;

enter into any new line of business; or

make investments in persons other than existing subsidiaries.

The parent and the merger sub have agreed to pay any expenses related to, and to indemnify us for, any penalty incurred by us under any contract as a result of our agreement not to undertake certain capital projects for 90 days without the prior consent of the parent.

No Solicitation of Transactions

We have agreed that neither we nor any of our subsidiaries or representatives will, directly or indirectly:

solicit or initiate or knowingly encourage or otherwise knowingly facilitate any inquiries or the implementation or submission of any acquisition proposal; or

participate in discussions or negotiations regarding, or furnish to any person any non-public information in connection with, any acquisition proposal.

For purposes of the merger agreement, acquisition proposal means any proposal or offer, including any proposal to our stockholders, from any person other than the parent or the merger sub relating to:

any direct or indirect acquisition of more than 15% of our assets and the assets of our consolidated subsidiaries, taken as a whole;

any direct or indirect acquisition of more than 15% of any class of our equity securities;

any tender offer or exchange offer that, if consummated, would result in any person beneficially owning 15% or more of any class of our equity securities; or

any merger, consolidation, business combination, recapitalization, liquidation, dissolution or other similar transaction involving us.

Prior to the adoption of the merger agreement by our stockholders at the special meeting, however, we or our board of directors are permitted to engage in discussions or negotiations with, or provide any information

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to, a third party in connection with an unsolicited bona fide written acquisition proposal, if and only to the extent that:

after consultation with its advisors, our board of directors believes in good faith that the acquisition proposal is, or could reasonably be expected to result in, a superior proposal and determines in good faith that it is required to engage in discussions or provide information to the third party to comply with its fiduciary duties to our stockholders; and

our board of directors receives from the third party an executed confidentiality agreement containing terms that are substantially similar to and no less favorable to us than those contained in the confidentiality agreement signed with an affiliate of the parent.

For purposes of the merger agreement, superior proposal means any bona fide written acquisition proposal that:

is not solicited or initiated in violation of our obligations under the merger agreement;

relates to more than 50% of our outstanding common stock or all or substantially all of our and our subsidiaries assets, taken as a whole;

our board of directors determines in its good faith judgment is more favorable to our stockholders, from a financial point of view, than the merger agreement; and

our board of directors determines is reasonably capable of being completed.

We have agreed to notify the parent within 48 hours of our receipt of any bona fide inquiries, proposals or offers, requests for information or requests for discussions or negotiations regarding any acquisition proposal. In our notice to the parent, we have agreed to specify the material terms and conditions of the acquisition proposal and the identity of the third party making the proposal. We have also agreed to keep the parent reasonably informed of the status of any discussions or negotiations with third parties and of any modifications to the third-party inquiries, proposals or offers. Under the merger agreement, we may not terminate, waive, amend or modify any standstill or confidentiality agreement to which we are a party. We also agreed to terminate or cause to be terminated any discussions or negotiations with any parties that may have been ongoing with respect to any acquisition proposal as of October 20, 2004.

We have also agreed that our board of directors will not and will not publicly propose to:

withdraw or modify its approval or recommendation of the merger agreement or the merger;

approve or recommend any acquisition proposal; or

approve any letter of intent, acquisition agreement or similar agreement with respect to any acquisition proposal.

Notwithstanding our obligations under the merger agreement, prior to the adoption of the merger agreement by our stockholders at the special meeting, our board of directors may withdraw or modify its approval or recommendation of the merger agreement or the merger if:

in response to the receipt of an unsolicited third-party acquisition proposal, the board of directors determines in good faith, after consultation with its advisors, that the acquisition proposal is a superior proposal and that the board of directors is required to withdraw or modify its approval or recommendation in order to comply with its fiduciary duties to our stockholders; or

other than in connection with an acquisition proposal, the board of directors determines in good faith, after consultation with its outside legal counsel, that it is required to withdraw or modify its approval or recommendation in order to comply with its fiduciary duties to our stockholders.

Employee Benefits

For a period of two years following the effective time of the merger, the parent has agreed that it will, or will cause the surviving corporation and its subsidiaries to, provide each of our employees as of the effective time with at least the same level of base salary, cash incentive compensation and other variable cash compensation that was provided to our employees immediately before the merger. For that two-year period, the parent has agreed that it will, or will cause the surviving corporation and its subsidiaries to, provide our employees as of the effective time with employee benefits, other than equity-based compensation, that are no less favorable in the aggregate than those provided to such employees immediately before the effective time of the merger.

In addition, the parent has agreed to:

- provide our employees with credit for all purposes (other than with respect to benefit accruals under any defined benefit pension plan) for service accrued or deemed accrued with the Company, any of our subsidiaries and all affiliates (where service with the affiliate was credited prior to the merger) with respect to any of the parent s employee benefit plans under which our employees may be eligible to participate after the effective time of the merger, provided that such crediting of service shall not operate to duplicate any benefit or the funding of any such benefit;

- provide severance benefits to any employee eligible to participate in our severance plan and who is terminated during the two-year period immediately following the effective time of the merger in an amount that is at least equal to the severance benefits that would have been paid to that employee pursuant to the terms of our severance plan as in effect immediately prior to the effective time of the merger; and

- with respect to the welfare benefit plans maintained or sponsored by the parent or the surviving corporation and in which our employees may be eligible to participate on or after the effective time of the merger:

  - waive, or cause its insurance carrier to waive, all limitations as to preexisting and at-work conditions, if any, with respect to participation and coverage requirements applicable to each employee under any of those welfare benefit plans to the same extent waived under our comparable plans; and

  - provide credit to each employee for any co-payments, deductibles and out-of-pocket expenses paid by such employee under our plans during the relevant plan year, up to and including the effective time of the merger.

Termination Agreement

In connection with the merger agreement, the Company and Huizenga Holdings, Inc. have entered into a termination agreement providing that, as of the effective time of the merger, the management agreement currently in place between the Company and Huizenga Holdings, Inc. will terminate without any further obligation on the part of the Company or any of its subsidiaries.

Pre-Closing Transactions

Pursuant to the merger agreement, the parent may request that, immediately prior to the closing, the Company convert any subsidiary organized as a corporation or limited partnership into a limited liability company, and sell the equity interests in any subsidiary to an affiliate of the parent, subject to indemnification by the parent and the merger sub.

Prior to the closing, the Company has also agreed to use its commercially reasonable efforts to:

- take certain actions with respect to its organizational structure; and

- exercise its right to acquire a minority interest, that is not owned by the Company, in Florida Golf Management, Inc., a subsidiary of the Company.

These actions are not required to be completed prior to the closing.

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In addition, the Company has agreed that, prior to the closing, it will use commercially reasonable efforts to complete the acquisition of a designated parcel of property. The Company has also agreed to obtain a six-month extension from a local environmental authority with respect to a soil removal strategy for a portion of the Grande Oaks Golf Club in Fort Lauderdale.

Agreement to Take Further Action and to Use Reasonable Best Efforts

Subject to the terms and conditions of the merger agreement, each party has agreed to use its reasonable best efforts to take all appropriate action and to do all things necessary, proper or advisable to complete and to make effective the transactions contemplated under the merger agreement. Among other things, each party has committed to use such efforts to cooperate with each other to obtain all necessary consents, approvals and authorizations from governmental authorities and third parties. Each party has also agreed to make appropriate filings for the purpose of obtaining anti-trust approval for the transaction from the appropriate governmental authorities. The parent and the merger sub have agreed to take whatever action may be necessary, including divesting assets and businesses, to resolve any objections of governmental authorities to the merger on antitrust grounds.

Furthermore, the parties have agreed to use their respective reasonable best efforts to obtain any third-party consents:

- necessary or advisable to complete the transactions contemplated under the merger agreement;
- specified in the merger agreement; or
- required to prevent a material adverse effect from occurring.

In addition, we have agreed that, in the event that we fail to obtain any of the third-party consents mentioned above, we will use our reasonable best efforts and take all such actions reasonably requested by the parent in order to minimize any adverse effect on the Company and the parent and their respective businesses as a result of the failure to obtain such consents.

We have agreed that neither we nor the parent or its affiliates will be required to pay or commit to pay any consideration, make any commitment or incur any liability in connection with obtaining any approval or consent from any non-governmental third party unless the parent has provided its prior written consent, which the parent cannot unreasonably withhold if the payment, commitment or incurrence is to be made by the Company.

Conditions to the Merger

The obligations of the parties to complete the merger are subject to the following mutual conditions:

- receipt of Company stockholder approval;
- the absence of any governmental orders that have the effect of making the merger illegal or that otherwise prohibit the closing; and
- the expiration or termination of the waiting period under the Hart-Scott-Rodino Act.

The obligations of the parent and the merger sub to complete the merger are subject to the following additional conditions:

- the truth and correctness of our representations and warranties, without giving effect to any materiality or material adverse effect qualifiers, except where the failure of our representations and warranties to be true and correct, without giving effect to any materiality or material adverse effect qualifiers, would not reasonably be expected to have a material adverse effect on us and our subsidiaries, taken as a whole, and the truth and correctness in all material respects of our representation and warranty regarding capitalization;
- the performance, in all material respects, by us of our covenants and agreements in the merger agreement;

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our delivery to the parent at closing of a certificate with respect to our representations, warranties, covenants and agreements;

the absence of a market MAC market disruption or the absence of an occurrence of any market MAC event which with the passage of time could become a market MAC ; a market MAC is defined as any one of the following market disruption events:

any general suspension of trading in securities on the NYSE for three or more consecutive business days;

the declaration of a banking moratorium or any suspension of payments in respect of banks for three or more consecutive business days;

the commencement or material escalation of war or other crisis, including terrorist acts, that results in a material disruption or material adverse change in the U.S. commercial credit, debt capital or commercial mortgage-backed securities markets for a period of three or more consecutive business days; or

any limitation by any governmental authority that prohibits the extension of credit by banks in the U.S. or New York for a period of three or more consecutive business days in a manner that prevents Blackstone s lenders from providing its debt financing;

receipt of a letter from our lender under our credit agreement acknowledging that our credit agreement will be terminated and we and our subsidiaries will be released from liability thereunder upon the repayment of the aggregate principal amount outstanding under our credit agreement; and

the termination agreement regarding the termination of the management agreement with Huizenga Holdings, Inc. being in full force and effect at the time of the merger.

Our obligation to complete the merger is subject to the following additional conditions:

the truth and correctness in all material respects of the parent s and the merger sub s representations and warranties;

the performance, in all material respects, by the parent and the merger sub of their covenants and agreements in the merger agreement; and

the delivery at closing by the parent of a certificate with respect to the parent s and the merger sub s representations, warranties, covenants and agreements.

Termination

The merger agreement may be terminated and the merger may be abandoned at any time prior to the effective time of the merger, whether before or after stockholder approval has been obtained, as follows:

by mutual consent of the parties;

by either the parent or the Company if:

the closing has not occurred on or before April 20, 2005, so long as the failure to complete the merger is not the result of the failure of the terminating party to comply with the terms of the merger agreement;

an injunction or order has been entered or an action has been taken by a governmental authority that has the effect of making completion of the merger illegal or otherwise prohibits completion of the merger;

the Company stockholders do not vote to adopt the merger agreement at the special meeting; or

there is a breach by the non-terminating party of its representations, warranties, covenants or agreements in the merger agreement such that the closing conditions would not be satisfied, which breach has not been cured within 30 days;

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by the parent, if our board of directors withdraws or modifies its recommendation or approval of the merger agreement or the merger or recommends or approves another acquisition proposal;

by the Company, prior to the special meeting, if we receive a superior proposal in accordance with the terms of the merger agreement, but only after we have provided notice to the parent regarding the superior proposal and provided the parent a three business day period, during which time we must negotiate in good faith with the parent, to make an offer that is at least as favorable as the superior proposal;

by the Company if certain conditions to closing have been satisfied or waived and the closing has not occurred within five business days; or

by the Company if a market MAC has occurred and the parent has not waived its closing condition relating to such event within a certain period of time following a written request for a waiver from the Company, provided that the Company may only make this request after the parent has delivered a notice to the Company within 60 days after the occurrence of the market MAC, and provided further that the parent may only deliver one such notice.

Fees and Expenses

We have agreed to reimburse the parent s transaction expenses, up to a limit of $5 million if:

the parent terminates the merger agreement due to a breach by us of our representations, warranties, covenants or agreements such that the closing conditions would not be satisfied, which breach has not been cured within 30 days; or

either the Company or the parent terminates the merger agreement because of the failure to receive Company stockholder approval at the special meeting of the stockholders and, at or prior to the termination date, an acquisition proposal has been publicly announced.

In addition, we have agreed to pay to the parent a termination fee of $38 million if:

the parent has terminated the merger agreement due to a breach by us of our representations, warranties, covenants or agreements such that the closing conditions would not be satisfied, which breach has not been cured within 30 days; and

at or prior to the termination date, an acquisition proposal has been publicly announced; and

within 12 months after the termination, we submit to our stockholders, enter into or complete an acquisition proposal;

either the Company or the parent has terminated the merger agreement because of the failure to receive Company stockholder approval; and

at or prior to the termination date, an acquisition proposal has been publicly announced; and

within 12 months after the termination, the Company submits to the stockholders, enters into or completes an acquisition proposal;

the parent has terminated the merger agreement because our board of directors has withdrawn or modified its recommendation of the merger or the merger agreement or recommended or approved another acquisition proposal, so long as neither the parent nor the merger sub was in material breach of the merger agreement as of the termination date; or

the Company has terminated the merger agreement, prior to the special meeting, if we receive a superior proposal in accordance with the terms of the merger agreement, but only after we have provided notice to the parent regarding the superior proposal and provided the parent with a three business day period, during which time we must negotiate in good faith with the parent, to make an offer that is at least as favorable as the superior proposal.

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If we are obligated to pay a termination fee, any amounts already paid to the parent as transaction expense reimbursement will be credited toward the termination fee amount payable by us. In no event will we be obligated to pay to the parent aggregate expenses and fee amounts in excess of $38 million. For purposes of determining whether transaction expenses or a termination fee is payable by us, an acquisition proposal is one that involves over 50% of our stock or assets or a merger or other business combination in which our stockholders would cease to own at least 50% of the stock of the Company immediately following the transaction.

The parent has agreed to pay us a termination fee of $38 million if we terminate the merger agreement:

due to a breach by the parent or the merger sub of its representations, warranties, covenants or agreements such that the closing conditions would not be satisfied, which breach has not been cured within 30 days;

because the closing has not occurred by April 20, 2005, so long as the failure to complete the merger is not the result of the failure of the Company to comply with the terms of the merger agreement, and, at the time of the termination, certain conditions to closing have been satisfied or waived; or

because the mutual closing conditions relating to our stockholder approval, the absence of governmental orders and the expiration of anti-trust waiting periods and the parent s closing conditions relating to our representations, warranties, covenants and agreements and the absence of a market MAC have been satisfied or waived and the closing has not occurred within five business days, provided that the mutual closing conditions relating to the absence of governmental orders, insofar as they relate to anti-trust matters, or the expiration of anti-trust waiting periods need not have been satisfied if the parent and the merger sub have not materially complied with their covenants regarding resolution of objections to the merger on anti-trust grounds.

Our right to receive a termination fee from the parent is our exclusive remedy for losses suffered by us as a result of the failure of the merger to close.

Amendment and Waiver

The merger agreement may be amended prior to the effective time of the merger by mutual agreement of the parties. After the merger agreement has been adopted by our stockholders, no amendment will be made to the merger agreement except as allowed under applicable law. The merger agreement also provides that, at any time prior to the effective time of the merger, any party may extend the time for the performance of any obligations or other acts of the other parties, waive any inaccuracies in the representations and warranties of the other parties or waive compliance with any agreement of another party or any condition to its own obligations contained in the merger agreement.

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MARKET PRICES OF THE COMPANY S STOCK

Our Class A common stock is traded on the NYSE under the symbol RST. The following table sets forth the high and low sales prices per share of our Class A common stock on the NYSE for the periods indicated.

Market Information

	Class A Common Stock	
	High	Low
Fiscal Year Ended June 30, 2005:		
1st Quarter	$20.02	$17.85
2nd Quarter (through November 12, 2004)	$23.96	$17.99
Fiscal Year Ended June 30, 2004:		
1st Quarter	$13.53	$12.34
2nd Quarter	$15.43	$12.93
3rd Quarter	$17.87	$15.06
4th Quarter	$19.92	$16.83
Fiscal Year Ended June 30, 2003:		
1st Quarter	$13.30	$ 9.60
2nd Quarter	$11.87	$ 9.60
3rd Quarter	$11.86	$10.00
4th Quarter	$13.20	$10.96

The closing sale price of our Class A common stock on the NYSE on October 20, 2004, which was the last trading day before we announced the merger, was $19.15. On November 12, 2004, the last trading day before the date of this proxy statement, the closing price for the Company s Class A common stock on the NYSE was $23.95. You are encouraged to obtain current market quotations for Boca Resorts Class A common stock in connection with voting your shares.

There is no public trading market for the shares of our Class B common stock, as all such shares are owned by Mr. Huizenga.

During the two prior fiscal years, we have not paid any cash dividends on our Class A common stock or our Class B common stock, and we are currently restricted by the terms of the merger agreement from paying cash dividends.

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SECURITY OWNERSHIP BY CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of our Class A common stock (including shares which the named individuals have the right to acquire within 60 days upon the exercise of outstanding options) as of November 12, 2004, by:

- each person known to own beneficially more than 5% of our Class A common stock;
- each of our directors and executive officers; and
- all of our directors and executive officers as a group.

There were approximately 8,800 record holders of Class A common stock and one record holder of Class B common stock on that date. In addition, there were 40,063,726 shares of Class A common stock and 255,000 shares of Class B common stock outstanding on that date.

Unless otherwise indicated, the address of the designated party is at 501 East Camino Real, Boca Raton, Florida 33432, our principal business address.

	Class A Common Stock	Options Exercisable Within 60 Days	Total Shares Beneficially Owned	Percent Ownership(1)
H. Wayne Huizenga(2)	6,785,796	1,500,000	8,285,796	19.8%
David S. Feder		295,000	295,000	*
Wayne Moor		53,125	53,125	*
Richard L. Handley	15,000	319,850	334,850	*
MaryJo Finocchiaro		73,777	73,777	*
Steven R. Berrard(3)	350,000	90,000	440,000	1.1%
Dennis J. Callaghan		307,500	307,500	*
Michael S. Egan(4)	110,200	90,000	200,200	*
Harris W. Hudson(5)	391,000	90,000	481,000	1.2%
George D. Johnson, Jr.(6)	1,739,848	90,000	1,829,848	4.5%
Henry Latimer		90,000	90,000	*
Peter H. Roberts(7)	407,000	60,000	467,000	1.2%
Richard C. Rochon		557,500	557,500	1.4%
All directors and executive officers as a group (13 persons)	9,798,844	3,616,752	13,415,596	30.6%
H. Wayne Huizenga, Jr. 450 East Las Olas Blvd. Fort Lauderdale, Florida 33301(8)	9,706,781	31,000	9,737,781	24.1%
Dimensional Fund Advisors, Inc. 1299 Ocean Avenue, 11th Floor Santa Monica, California 90401(9)	2,553,641		2,553,641	6.3%
Cascade Investment, L.L.C. 2365 Carillon Point Kirkland, Washington 98033(10)	2,047,704		2,047,704	5.1%
Mario Gabelli c/o Gabelli Asset Management Inc. One Corporate Center Rye, New York 10580(11)	3,652,000		3,652,000	9.1%

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* Represents less than 1% of our outstanding common stock.

(1) The denominator used to calculate percent of beneficial ownership for each named stockholder is based on 40,063,726 shares of our Class A common stock outstanding at November 12, 2004, plus those shares issuable within 60 days of November 12, 2004 upon exercise of any options that are held by the applicable stockholder.

(2) The aggregate number of shares of our common stock owned by Mr. Huizenga includes (a) 6,033,494 shares of our Class A common stock owned by Huizenga Investment Limited Partnership, a Nevada limited partnership controlled by Mr. Huizenga, (b) 397,202 shares owned directly by Mr. Huizenga, (c) 100,100 shares owned by Mr. Huizenga s wife and (d) 255,000 shares of Class B common stock, which are all the shares of Class B common stock issued and outstanding. Each share of Class B common stock is entitled to 10,000 votes on each matter submitted to stockholders for approval at the special meeting. Mr. Huizenga disclaims beneficial ownership of the shares owned by his wife.

(3) The aggregate number of shares of our Class A common stock owned by Mr. Berrard consists of 350,000 shares owned by Berrard Holdings Limited Partnership, a Nevada limited partnership controlled by Mr. Berrard.

(4) The aggregate number of shares of our Class A common stock owned by Mr. Egan consists of 110,000 shares owned directly by Mr. Egan and 200 shares owned by a member of Mr. Egan s family living in the same household as Mr. Egan.

(5) The aggregate number of shares of our Class A common stock owned by Mr. Hudson consists of 300,000 shares owned by the Harris W. Hudson Limited Partnership, a Nevada limited partnership controlled by Mr. Hudson, and 91,000 shares owned directly by Mr. Hudson.

(6) The aggregate number of shares of our Class A common stock owned by Mr. Johnson consists of (a) 1,118,848 shares owned by GDJ, Jr. Investments Limited Partnership, a Nevada limited partnership controlled by Mr. Johnson, (b) 15,000 shares owned by Mr. Johnson s wife, (c) 303,000 shares owned by the GD Johnson III ESA Trust and (d) 303,000 shares owned by the SP Johnson ESA Trust. Mr. Johnson disclaims beneficial ownership of the shares owned by his wife, the GD Johnson III ESA Trust and the SP Johnson ESA Trust.

(7) The aggregate number of shares of our Class A common stock owned by Mr. Roberts consists of 400,000 shares owned directly by Mr. Roberts and 7,000 shares owned by Mr. Robert s wife. Mr. Roberts disclaims beneficial ownership of the shares owned by his wife.

(8) The number of shares of common stock beneficially owned by H. Wayne Huizenga, Jr., son of Mr. Huizenga, is based upon a review of the Form 4 filed on January 7, 2004.

(9) The number of shares of common stock beneficially owned by Dimensional Fund Advisors, Inc. is based upon a review of the Schedule 13G/ A filed on February 6, 2004.

(10) The number of shares of common stock beneficially owned by Cascade Investment, L.L.C. is based upon a review of the Schedule 13D filed on October 12, 2000.

(11) The number of shares of common stock beneficially owned by Mario Gabelli is based upon a review of the Schedule 13D/A filed on November 9, 2004.

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DISSENTERS RIGHTS OF APPRAISAL

Under the DGCL, you have the right to dissent from the merger and to receive payment in cash for the fair value of your common stock of the Company, exclusive of any element of value arising from the accomplishment or expectation of the merger, together with a fair rate of interest, as determined by the Delaware Court of Chancery. The Company s stockholders electing to exercise appraisal rights must comply with the provisions of Section 262 of the DGCL in order to perfect their rights. The Company will require strict compliance with the statutory procedures.

The following is intended as a brief summary of the material provisions of the Delaware statutory procedures required to be followed by a stockholder in order to dissent from the merger and perfect appraisal rights. This summary, however, is not a complete statement of all applicable requirements and is qualified in its entirety by reference to Section 262 of the DGCL, the full text of which appears in Annex D to this proxy statement. This summary does not constitute legal advice, nor does it constitute a recommendation that Company stockholders exercise their appraisal rights under Section 262.

Section 262 requires that, where a merger agreement is to be submitted for adoption at a stockholders meeting, stockholders be notified that appraisal rights will be available not less than 20 days before the special meeting to vote on the merger. A copy of Section 262 must be included with such notice. This proxy statement constitutes the Company s notice to its stockholders of the availability of appraisal rights in connection with the merger in compliance with the requirements of Section 262. If you wish to consider exercising your appraisal rights, you should carefully review the text of Section 262 contained in Annex D since failure to timely and properly comply with the requirements of Section 262 will result in the loss of your appraisal rights under Delaware law.

If you elect to demand appraisal of your shares, you must satisfy each of the following conditions:

You must deliver to the Company a written demand for appraisal of your shares before the vote with respect to the merger is taken. This written demand for appraisal must be in addition to and separate from any proxy or vote abstaining from or voting against the adoption of the merger agreement. A holder of shares of common stock of the Company wishing to exercise appraisal rights must hold of record the shares on the date that the written demand for appraisal is made and must continue to hold the shares of record through the effective date of the merger, since appraisal rights will be lost if the shares are transferred prior to the effective date of the merger. Voting against or failing to vote for the adoption of the merger agreement by itself does not constitute a demand for appraisal within the meaning of Section 262.

You must not vote in favor of the adoption of the merger agreement. A vote in favor of the adoption of the merger agreement, by proxy, over the Internet, by telephone or in person, will constitute a waiver of your appraisal rights in respect of the shares so voted and will nullify any previously filed written demands for appraisal. A proxy that is signed and does not contain voting instructions will, unless revoked, be voted in favor of the adoption of the merger agreement, and it will constitute a waiver of the stockholder s right of appraisal and will nullify any previously delivered written demand for appraisal. Therefore, a stockholder who votes by proxy and who wishes to exercise appraisal rights must vote against the adoption of the merger agreement or abstain from voting on the merger agreement.

If you fail to comply with either of these conditions and the merger is completed, you will be entitled to receive the cash payment for your shares of the Company s common stock as provided for in the merger agreement, but you will have no appraisal rights with respect to your shares of the Company s common stock.

All demands for appraisal should be addressed to Boca Resorts, Inc., 501 East Camino Real, Boca Raton, Florida 33432, Attention: Richard L. Handley, Senior Vice President, Secretary and General Counsel, before the vote on the merger agreement is taken at the special meeting, and should be executed by, or on behalf of, the record holder of the shares of the Company s common stock. The demand must reasonably inform the Company of the identity of the stockholder and the intention of the stockholder to demand appraisal of his, her or its shares.

To be effective, a demand for appraisal by a holder of the Company s common stock must be made by, or in the name of, such registered stockholder, fully and correctly, as the stockholder s name appears on his or her stock certificate(s). **Beneficial owners who do not also hold the shares of record may not directly make appraisal demands to the Company. The beneficial holder must, in such cases, have the registered owner submit the required demand in respect of those shares.** If shares are held of record in a fiduciary capacity, such as by a trustee, guardian or custodian, execution of a demand for appraisal should be made in that capacity; and if the shares are held of record by more than one person, as in a joint tenancy or tenancy in common, the demand should be executed by or for all joint owners. An authorized agent, including an authorized agent for two or more joint owners, may execute the demand for appraisal for a stockholder of record; however, the agent must identify the record holder or holders and expressly disclose the fact that, in executing the demand, he or she is acting as agent for the record holder. A record holder, such as a broker, who holds shares as a nominee for others, may exercise his or her right of appraisal with respect to the shares held for one or more beneficial owners, while not exercising this right for other beneficial owners. In that case, the written demand should state the number of shares as to which appraisal is sought. Where no number of shares is expressly mentioned, the demand will be presumed to cover all shares held in the name of the record holder.

If you hold your shares of the Company s common stock in a brokerage account or in other nominee form and you wish to exercise appraisal rights, you should consult with your broker or the other nominee to determine the appropriate procedures for the making of a demand for appraisal by the nominee.

Within 10 days after the effective time of the merger, the surviving corporation must give written notice that the merger has become effective to each Company stockholder who has properly filed a written demand for appraisal and who did not vote in favor of the merger agreement. At any time within 60 days after the effective time, any stockholder who has demanded an appraisal has the right to withdraw the demand and to accept the cash payment specified by the merger agreement for his or her shares of the Company s common stock. Within 120 days after the effective time, either the surviving corporation or any stockholder who has complied with the requirements of Section 262 may file a petition in the Delaware Court of Chancery demanding a determination of the fair value of the shares held by all stockholders entitled to appraisal. The surviving corporation has no obligation, and no present intention, to file such a petition in the event there are dissenting stockholders. Accordingly, the failure of a stockholder to file such a petition within the period specified could nullify the stockholder s previously written demand for appraisal.

Within 120 days after the effective time of the merger, any stockholder who has complied with Section 262 will be entitled, upon written request, to receive a statement setting forth the aggregate number of shares of Company common stock with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. The statement must be mailed within ten days after a written request therefor has been received by the surviving corporation or within ten days after the expiration of the period for delivery of demands for appraisal, whichever is later.

If a petition for appraisal is duly filed by a stockholder and a copy of the petition is delivered to the surviving corporation, the surviving corporation will then be obligated, within 20 days after receiving service of a copy of the petition, to provide the Chancery Court with a duly verified list containing the names and addresses of all stockholders who have demanded an appraisal of their shares. After notice to stockholders who have demanded an appraisal of their shares, the Chancery Court is empowered to conduct a hearing upon the petition, and to determine those stockholders who have complied with Section 262 and who have become entitled to the appraisal rights provided thereby. The Chancery Court may require the stockholders who have demanded payment for their shares to submit their stock certificates to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings; and if any stockholder fails to comply with that direction, the Chancery Court may dismiss the proceedings as to that stockholder.

After determination of the stockholders entitled to appraisal of their shares of the Company s common stock, the Chancery Court will appraise the shares, determining their fair value exclusive of any element of value arising from the accomplishment or expectation of the merger, together with a fair rate of interest. When the value is determined, the Chancery Court will direct the payment of such value, with interest

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thereon accrued during the pendency of the proceeding, if the Chancery Court so determines, to the stockholders entitled to receive the same, upon surrender by such holders of the certificates representing those shares.

In determining fair value and, if applicable, a fair rate of interest, the Chancery Court is required to take into account all relevant factors. In *Weinberger v. UOP, Inc.*, the Supreme Court of Delaware discussed the factors that could be considered in determining fair value in an appraisal proceeding, stating that proof of value by any techniques or methods that are generally considered acceptable in the financial community and otherwise admissible in court should be considered, and that fair price obviously requires consideration of all relevant factors involving the value of a company. The Delaware Supreme Court stated that, in making this determination of fair value, the court must consider market value, asset value, dividends, earnings prospects, the nature of the enterprise and any other facts that could be ascertained as of the date of the merger that throw any light on future prospects of the merged corporation. Section 262 provides that fair value is to be exclusive of any element of value arising from the accomplishment or expectation of the merger. In *Cede & Co. v. Technicolor, Inc.*, the Delaware Supreme Court stated that such exclusion is a narrow exclusion [that] does not encompass known elements of value, but which rather applies only to the speculative elements of value arising from such accomplishment or expectation. In *Weinberger,* the Supreme Court of Delaware also stated that elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the merger and not the product of speculation, may be considered. **You should be aware that the fair value of your shares as determined under Section 262 could be more, the same, or less than the value that you are entitled to receive under the terms of the merger agreement.**

Costs of the appraisal proceeding may be imposed upon the surviving corporation and the stockholders participating in the appraisal proceeding by the Chancery Court as the Chancery Court deems equitable in the circumstances. Upon the application of a stockholder, the Chancery Court may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorneys fees and the fees and expenses of experts, to be charged pro rata against the value of all shares entitled to appraisal. Any stockholder who had demanded appraisal rights will not, after the effective time, be entitled to vote shares subject to that demand for any purpose or to receive payments of dividends or any other distribution with respect to those shares, other than with respect to payment as of a record date prior to the effective time; however, if no petition for appraisal is filed within 120 days after the effective time of the merger, or if the stockholder delivers a written withdrawal of his or her demand for appraisal and an acceptance of the terms of the merger within 60 days after the effective time of the merger, then the right of that stockholder to appraisal will cease and that stockholder will be entitled to receive the cash payment for shares of his, her or its Company common stock pursuant to the merger agreement. Any withdrawal of a demand for appraisal made more than 60 days after the effective time of the merger may only be made with the written approval of the surviving corporation and must, to be effective, be made within 120 days after the effective time.

In view of the complexity of Section 262, the Company s stockholders who may wish to dissent from the merger and pursue appraisal rights should consult their legal advisors.

MULTIPLE STOCKHOLDERS SHARING ONE ADDRESS

In accordance with Rule 14a-3(e)(1) under the Exchange Act, one proxy statement will be delivered to two or more stockholders who share an address, unless Boca Resorts has received contrary instructions from one or more of the stockholders. Boca Resorts will deliver promptly upon written or oral request a separate copy of the proxy statement to a stockholder at a shared address to which a single copy of the proxy statement was delivered. Requests for additional copies of the proxy statement, and requests that in the future separate proxy statements be sent to stockholders who share an address, should be directed to Boca Resorts, Inc., 501 East Camino Real, Boca Raton, Florida 33432, Attention: MaryJo Finocchiaro, Vice President and Corporate Controller, telephone: (561) 447-5302, with a copy to the attention of the Company s Senior Vice President, Secretary and General Counsel. In addition, stockholders who share a single address but receive multiple copies of the proxy statement may request that in the future they receive a single copy by contacting Boca Resorts at the address and phone number set forth in the prior sentence.

SUBMISSION OF STOCKHOLDER PROPOSALS

If the merger is completed, we will no longer be a publicly held company and there will be no public participation in any future meetings of our stockholders. However, if the merger is not completed, our stockholders will continue to be entitled to attend and participate in our stockholders meetings. If the merger is not completed, we will inform our stockholders, by press release or other means determined reasonable, of the date by which stockholder proposals must be received by us for inclusion in the proxy materials relating to our 2004 annual meeting, which proposals must comply with the rules and regulations of the Securities and Exchange Commission then in effect. In addition, our amended and restated by-laws provide that stockholders seeking to bring business before an annual meeting of stockholders, or to nominate candidates for election as directors at an annual meeting of stockholders, must provide timely notice thereof in writing. To be timely, a stockholder s notice must be delivered to the Secretary of Boca Resorts at our principal executive offices not later than 90 days nor earlier than 120 days prior to the first anniversary of the preceding year s annual meeting. If the date of the annual meeting is more than 30 days before or more than 70 days after the first anniversary date of the preceding year s annual meeting, notice by the stockholder to be timely must be delivered not earlier than 120 days prior to the annual meeting and not later than either 90 days prior to the annual meeting or ten days following the public announcement of the meeting, whichever is later. We reserve the right to reject, rule out of order, or take other appropriate action with respect to any proposal that does not comply with these and other applicable requirements.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

The Company files annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any reports, proxy statements or other information that we file with the SEC at the following location of the SEC:

Public Reference Room
450 Fifth Street, N.W.
Room 1024
Washington, D.C. 20549

Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. You may also obtain copies of this information by mail from the Public Reference Section of the SEC, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, at prescribed rates. The Company s public filings are also available to the public from document retrieval services and the Internet website maintained by the SEC at www.sec.gov.

Reports, proxy statements or other information concerning us may also be inspected at the offices of the New York Stock Exchange at:

20 Broad Street
New York, NY 10005

Any person, including any beneficial owner, to whom this proxy statement is delivered may request copies of reports, proxy statements or other information concerning us, without charge, by written or telephonic request directed to us at Boca Resorts, Inc., 501 East Camino Real, Boca Raton, FL 33432, Attention: Mary Jo Finocchiaro, Vice President and Corporate Controller, with a copy to the attention of the Company s Senior Vice President, Secretary and General Counsel. If you would like to request documents, please do so by November 24, 2004, in order to receive them before the special meeting.

No persons have been authorized to give any information or to make any representations other than those contained in this proxy statement and, if given or made, such information or representations must not be relied upon as having been authorized by us or any other person. This proxy statement is dated November 15, 2004. You should not assume that the information contained in this proxy statement is accurate as of any date other than that date, and the mailing of this proxy statement to stockholders shall not create any implication to the contrary.

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ANNEX A

AGREEMENT AND PLAN OF MERGER

among
BATON HOLDINGS INC.,
BATON ACQUISITION INC.
and
BOCA RESORTS, INC.
dated as of
October 20, 2004

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