

# LETTER OF INTENT

\_\_\_\_\_, 20\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ATTENTION:**

**RE: Letter of Intent to Purchase**  
\_\_\_\_\_  
\_\_\_\_\_

Dear Sirs:

This letter ("**Letter of Intent**") sets forth the basic terms and conditions pursuant to which \_\_\_\_\_ (collectively, the "**Buyer**") shall purchase from \_\_\_\_\_ (the "**Seller**"), that certain property commonly known as \_\_\_\_\_ (the "**Property**"). Following execution of this Letter of Intent, \_\_\_\_\_ will prepare a Purchase and Sale Agreement containing the terms and conditions set forth herein and such other customary terms and conditions as are reasonably acceptable to Buyer and Seller ("**Purchase and Sale Agreement**").

**Property:** Buyer shall acquire all of the real property and assets utilized in the ownership and operation of the Golf Club, (in addition to all improved and unimproved land and sites which are part of a planned development for which the golf club serves as an amenity) including but not limited to: personal property, equipment, cart building, maintenance building, locker rooms, snack bar, water rights, licenses and permits, and facilities (collectively the "**Property**"). The Property shall be acquired from Seller, free and clear of all monetary liens and encumbrances. This includes the proposed hotel site.

**Purchase Price:** The purchase price for the Property shall be \_\_\_\_\_ (\$\_\_\_\_\_). In addition to the Purchase price, buyer will be obligated to assume all leases and non-cancelable contracts.

**Deposit:** Buyer shall deposit earnest money in the amount of \_\_\_\_\_ percent (\_\_\_%) of the Purchase Price, which is \_\_\_\_\_ (\$\_\_\_\_\_ (the "**Deposit**") into an escrow account with the Buyer's title company and/or attorney at the acceptance of the Purchase and Sale Agreement by both Buyer and Seller. The deposit will become non-refundable upon completion of the Buyer's Due Diligence Period. If the Buyer decides not to terminate the Purchase and Sale Agreement, then at closing said Deposit will be applied against the Purchase Price. All interest on the Deposit will accompany the Deposit.

**Due Diligence:** Buyer shall complete all due diligence within \_\_\_\_\_ (\_\_\_) days after the acceptance of the Purchase and Sale Agreement ("**Due Diligence Period**"), and closing shall take place within \_\_\_\_\_ (\_\_\_) days after the Due Diligence Period. Within \_\_\_\_\_ (\_\_\_) business days of Buyer and Seller's execution of the Purchase and Sale Agreement, Seller shall provide Buyer with customary due diligence information to the extent available and in Seller's actual possession, regarding the ownership and operation of the Property. Buyer shall pay all of Buyer's due diligence expenses, including, without limitation, the cost of a survey of the real property, an environmental report, and any other studies that they may require. If Buyer or Buyer's Lender shall require a survey, then Buyer shall contract for, and provide Seller with, proof of said contract for the Survey of the property within \_\_\_\_\_ (\_\_\_) days of signing the Purchase and Sale Agreement.

**Source of Funds:** Buyer, within seven (7) days of signing this Letter of Intent, will deliver to Seller

verification of the funds available to close the escrow on either an all cash or cash to a new loan basis, which will be approved by Seller at its sole discretion. This offer to purchase is NOT contingent on financing.

**Inventories:** The Purchase and Sale Agreement shall provide that Buyer will purchase all pro-shop inventory, non-perishable food and beverage inventory and golf course maintenance supplies for an additional Purchase Price in an amount equal to Seller's cost for said items, not to exceed \$\_\_\_\_\_.

**Golf Carts Lease, Equipment Lease and Other Seller Liabilities:** Seller currently leases golf carts, maintenance equipment, and other equipment used at the golf course under Master Lease Agreements (collectively the "**Equipment Leases**"). Buyer agrees to assume or to pay off the Equipment Leases. The Purchase and Sale Agreement shall provide that upon Closing, Seller shall assign, and Buyer shall assume any obligations and liabilities under all outstanding leases, equipment leases, and/or contracts of the Seller at the Golf Course. Buyer shall also assume all obligations and liabilities under the Golf Course Membership Documents, if applicable.

**Pro-rations:** Taxes, utility charges, rents, membership fees, and other income and expense items pertaining to the ownership and operation of the Property shall be prorated between Seller and Buyer as of the closing.

**Closing Costs:** All closing costs shall be prorated between Buyer and Seller as is customary in the State of \_\_\_\_\_.

**Confidential Information:** Buyer acknowledges that Seller will be providing access to Seller's confidential information concerning the Subject Property following the execution of this Letter of Intent. Buyer agrees to retain such information as confidential. Each of the undersigned agree to keep the terms and provisions of this Letter of Intent strictly confidential and agree that they shall not disclose such information or the terms and provisions of this Letter of Intent to any person or entity (other than to their respective counsel, shareholders, directors, lenders, advisors, consultants, or employees) or otherwise as required by applicable law. The Buyer acknowledges and agrees that the terms and provisions of this Paragraph shall be binding on the parties and shall survive the termination of this Letter of Intent.

**Counterparts:** This Letter of Intent may be executed in one or more counterparts, each of which shall be deemed an original, but all of which will be deemed one instrument. Acceptance by facsimile shall be deemed binding.

**Good Faith Negotiations:** For ten (10) days after the date of this Letter of Intent, or until this Letter of Intent is terminated as provided herein, the Seller and the Buyer shall negotiate in good faith the terms and conditions of the Purchase Agreement, which must be acceptable to both parties. The parties agree that there shall be no binding agreement between Buyer and Seller for the sale and purchase of the property unless Buyer and Seller sign a Purchase and Sale Agreement within ten (10) days of the date this Letter of Intent is executed. If Buyer and Seller do not execute a Purchase Agreement within ten (10) days of the date this Letter of Intent is executed, this Letter of Intent shall automatically terminate.

It is understood by both parties that this Letter of Intent is merely a guide to the preparation of a mutually satisfactory agreement and is not intended to be binding between the parties. This letter is intended as a general outline of the terms and conditions upon which both parties hereto would consider entering into a formal written agreement and the execution and delivery of the formal written agreement is a condition precedent to the parties' obligations set forth herein.

Neither party may claim any legal rights against the other by reason of actions taken in reliance upon this non-binding Letter of Intent, including, without limitations, any partial performance of the transactions contemplated herein. The parties acknowledge that this non-binding Letter of Intent does not address all essential terms of the transaction contemplated by this letter and that such essential terms will be the subject of further negotiations. The parties acknowledge and agree that either party shall have the right to terminate the negotiation of a formal written agreement for any reason or no reason and that neither party owes the other party any duty to negotiate a formal written agreement.

This letter supersedes any previous negotiations between the parties relating to the Subject Property. If this

letter accurately sets forth your understanding of the status of the negotiations between Buyer and Seller to date, please sign the enclosed copy of this letter and return it to the undersigned. If a definitive Agreement has not been executed by the parties on or before the date that is ten (10) days from the date of execution by both parties of this Letter of Intent, this Letter of Intent shall be of no further force or effect.

Please acknowledge your acceptance of the terms of this Letter of Intent by executing a copy of this letter and returning via facsimile and US Mail the executed copy to:

**BUYER:**

**SELLER:**

\_\_\_\_\_

\_\_\_\_\_

By:

By:

\_\_\_\_\_

\_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_