



312 INDIGO DRIVE
DAYTONA BEACH, FL 32114
(386) 254-3699

**Indigo Lakes Golf Club
312 Indigo Drive
Daytona Beach, Florida 32114
(386) 254-3607**

**Bruce Campbell
City of Flagler Beach**

**Letter of Intent: Ocean Palms Golf Course
Date: March 4, 2015**

On behalf of the Executive Management and Ownership Team here at Indigo Lakes Golf Club, located in Daytona Beach, Florida. We would like to offer this Non-Binding "Letter Of Intent". Our preliminary due diligence and business requests are as follows, but not limited to:

- **St. Johns Water Management Assessment, Evaluation and Property Attributes, pertaining to the Real Estate in Question. "EN50 Filing Status" – Approval Protocol**
- **Approval of new construction, for a clubhouse/restaurant, no higher than 35'.**
- **Invasive vegetation removal.**
- **Complete demolition & removal of existing clubhouse.**
- **City of Flagler Beach to purchase the 3-acre parcel from its current ownership group**

In addition, Indigo Lakes will invest holistically in the rebuilding, revitalization as well as perform top notch hands on operation of the golf course. In addition, our future plans will include the feasibility to build a full service clubhouse and restaurant combination facility. We will work hand-in-hand with the City of Flagler Beach, with an end goal of being a premier 9-hole golf facility. Please keep us informed with any and all developments to assist us in moving this project forward.

Point of Contact:

Edward Peterson – 845-664-0488

Cc: Brad Keith, Edward Coleman and Colin Jon

FLAGLER GOLF MANAGEMENT, LLC

**931 Magnolia Terrace
Flagler Beach, FL 32136**

NON-BINDING LETTER OF INTENT

MARCH 15, 2015

This letter is meant to be an initial letter of intent of the Flagler Golf Management, LLC, hereinafter referred to as "Lessee", to enter into a long term lease agreement with the City of Flagler Beach, Florida , hereinafter referred to as "Lessor" for the city owned parcel currently known as Ocean Palms Golf Course.

Whereas the Lessee has the experience and the ability to bring the golf course back to its former state of luster for the enjoyment of the local public community and out of town visitors.

Whereas the Lessor is owner to a parcel of land with tremendous financial commitment, and management and then must become a golf course management entity as well.

The parties will enter into a 40 year lease agreement for the parcel inclusive of the entire property including all buildings, equipment, fixtures in a where is, as is, condition including clubhouse and existing beer and wine license.

The lease terms will be for \$1 for the first 5 years of the lease and then 2% of the gross revenue proceeds derived from the entire operation to include golf, food and beverage for the remaining 35 years. However, this revenue will not include revenue earned by golf professionals receiving compensation for lessons.

Greens Fees and Clubhouse revenue can maintain golf course operations without Driving Range.

Lessee will have the "first right of refusal" of any future purchase or sale of the property should there be one.

Lessee will have full golf operation within 120 days of lease signing.

Lessor will contribute any spare city equipment it can for golf course maintenance. (gator cart, mowers, tractor, etc.)

Lessor will contribute labor and equipment towards of the removal of the Brazilian peppers.

Lessor will provide building permits and city water for the clubhouse renovation project. Cost of renovation shall not exceed 50% of building value.

Lessor will maintain a "friendly" partnership with Lessee throughout term of lease to establish a mutually beneficial partnership lease with both parties.