

LETTER OF INTENT
FOR THE PURCHASE OF
REAL PROPERTY

December 3, 2014

Friends of ArrowCreek, LLC
c/o Rew R. Goodenow
50 West Liberty Street, Suite No. 750
Reno, NV 89501

**Re: Letter of Intent to Purchase Real Property
Known As The Club at ArrowCreek
Reno/Washoe County**

Dear Friends of ArrowCreek, LLC:

I am authorized to present this proposal to you, on behalf of ArrowCreek Homeowners' Association ("hereinafter referred to as ACHOA"), for the option to purchase the property identified in Exhibit A to the document attached hereto as **Exhibit "1"**, hereinafter referred to as the "Subject Property" and further defined below, for a price to be later determined by the Parties.

1. The Parties:

Seller: The Friends of ArrowCreek, LLC, with contact information as follows:

Address: 50 West Liberty Street, Suite No. 750, Reno, 89501
Telephone: (775) 323-1601

Buyer: ACHOA, with contact information as follows:

Address: 10509 Professional Circle, Reno, Nevada 89521
Telephone: (775) 626-7333

Buyer may assign their interest to any corporation, partnership or limited liability company in which they are the controlling party or to any other third party without Seller approval.

2. The Subject Property:

The real property to be purchased includes what is known as The Club at ArrowCreek (also known as the Arrowcreek Golf Course) and all of the golf course appurtenances, maintenance facilities and club house(s). Also included in the purchase will be all of Seller's rights, title and interest in all of the fixtures, improvements, leases, maps, reports, plans, and other such material is having to do with the Subject Property including all land use entitlements, governmental permits and allocations, and other such governmental and agency approvals as may exist concerning the property. Additionally,

the Subject Property includes all furniture and furnishings and any other personal property owned by Seller in common areas of the Property, as well as all of the facility equipment. Seller shall provide Buyer within thirty (30) days of Acceptance a complete inventory list to the Buyer for approval.

3. Purchase Price

The intended purchase price is the total of all acquisition costs incurred by Seller in originally purchasing the Subject Property for, plus any losses/expenses incurred by Seller as of the date of the Parties' execution of the Purchase Agreement (inclusive of major maintenance and equipment expenses), plus twelve percent (12%) interest per annum. The final purchase price will be determined and agreed upon by the Parties.

4. Contingency Period:

The signed Purchase Agreement must be executed no later than May 31, 2015 at 5:00 pm, or at a later date to be agreed upon in writing by the Parties. The close of escrow will take place no later than ninety (90) days after execution of the Purchase Agreement. Buyer's option to purchase the Subject Property is contingent upon it obtaining the required votes necessary to adopt crucial amendments to the ACHOA's Governing Documents prior to execution of the Purchase Agreement. Additionally, Buyer shall have thirty (30) days from opening escrow to approve or disapprove the following:

- a. Financial Records: Seller to provide promptly from receipt of this letter: financial records for both Friends of Arrowcreek, LLC and the The Club at Arrow Creek from September 2014 until present.
- b. Title: The Buyer shall have the right to review and approve an Owner's Standard Coverage Preliminary Title Report and all exceptions to the Preliminary Title Report issued by a title company of Buyer's choice located in Reno, Nevada.
- c. Physical Inspections: Upon the Date of Acceptance of a valid Purchase Agreement, Buyer and its inspectors, appraisers and all other professionals representing Buyer, shall be entitled to reasonable access the Property.
- d. Inspections and Property Reports: Buyer will have the right to retain, at his or her expense, licensed experts including but not limited to engineers, geologists, architects, contractors, surveyors, arborists, and structural pest control operators to inspect the property for ANY structural or nonstructural conditions. Buyer, if requested by Seller, will promptly furnish, at no cost to the Seller, copies of all written inspection reports obtained.
- e. Leases and Other Existing Contracts: Within seven (7) days of Accepted Purchase Agreement, Seller will deliver to Buyer for approval, all service contracts, lease agreements, rent rolls, utility bills, plans, studies, list current gym memberships, correspondence and reports relative to the operation of the property which are in possession of the Seller.


- f. Taxes. Buyer acknowledges that the Property may be reassessed upon a change of ownership, which may result in a tax increase or decrease, but within seven (7) days of Accepted Purchase Agreement Seller is to provide Buyer for approval, copies of tax bills for the last three (3) years.

- g. Escrow and Closing Costs. Buyer acknowledges that it will pay all escrow and closing costs associated with the purchase of the Subject Property.

This Letter of Intent represents an expression of the Parties' interest to negotiate only and each Party reserves the right of final approval or disapproval, for any reason, of the PURCHASE AGREEMENT, which the parties acknowledge will contain their full and complete agreement. This Letter of Intent is not binding on either Party and is intended to merely establish general deal point agreements only. The Contract (PURCHASE AGREEMENT), when executed by both Parties shall contain their full agreement. The Parties understand that execution of the Purchase Agreement is contingent upon amendment of the ACHOA Governing Documents.

Sincerely,

BUYER:
ARROWCREEK HOMEOWNERS' ASSOCIATION

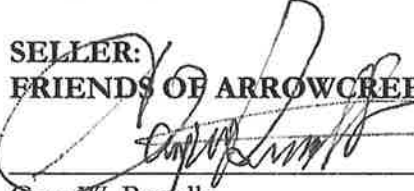

_____ Dated: 12-5-14
Samuel Fox

PRESIDENT

Title

Accepted by:

SELLER:
FRIENDS OF ARROWCREEK, LLC


_____ Dated: 12/5/14
Gary W. Pestello

CHAIRPERSON

Title