

**Arlington Ridge Community Development District
Lake County, Florida
Arlington Ridge Golf Club Acquisition**

<u>Seller:</u>	Arlington Ridge Golf Club, LLC (“ARGC”)	
<u>Buyer:</u>	Arlington Ridge Community Development District (also sometimes referred to herein as the “District”)	
<u>Developer:</u>	CB Arlington Ridge Landco, LLC	
<u>Purchase Price:</u>	\$1,229,651 (which is an approximate amount equal to the outstanding amount of debt assessments allocated to the golf course). If the Seller pays the Fiscal Year 2018-2019 debt assessment payment prior to closing, a prorated amount of the interest paid from the date of closing through September 30, 2019 shall be due to the Seller by the Buyer.	Golf course to be sold as is, subject to due diligence as specified herein and the following: for improvements to the District’s stormwater management system that relate to Holes 5 and Hole 16, the District shall pay for such improvements; provided that ARGC agrees it shall coordinate and cooperate with the District to repairs in those areas and will provide an in kind contribution of advisory and management services.
<u>Inspection Period:</u>	Sixty (60) calendar days from date of execution of the Purchase and Sale Agreement.	
<u>Closing Date</u>	On or before thirty (30) calendar days from the expiration of the Inspection Period or after the certificate of no appeal is issued by the Circuit Court in and for Lake County, Florida, whichever is later but in no event later than January 15, 2019; however, this date may be extended upon mutual agreement of the parties.	
<u>Golf Club:</u>	The property which is the subject of this transaction consists of the Real Property, Tangible Personal Property, Intangible Personal Property, and Restrictive Covenant Rights, all as defined herein (together, the “Golf Club”).	
<u>Real Property:</u>	The real property generally includes the following: 18-hole Arlington Ridge Golf Course (includes driving range, practice green, restrooms, practice	Provided, however, the following: 1. The Seller and its affiliates may occupy the two trailers located on the property for so long as they are actively engaged in home sales,

	<p>green and practice chipping area, etc) Arlington Ridge Golf Shop/Pro Shop Cart Storage Building Maintenance Building</p>	<p>whichever is longer (subject to bond counsel sign off). 2. The HOA's contracted lawn care company may use the maintenance parcel area for continued storage of their lawn care related equipment.</p>
<u>Tangible Personal Property:</u>	<p>All tangible personal property owned by Seller and used in connection with ownership and/or operation of the Golf Club.</p> <p>[Need inventory list of specific items from Golf Club and pro shop, i.e. anything not going to DTE which may include carts, flags, golf balls, equipment, etc.]</p>	
<u>Intangible Personal Property:</u>	<p>All intangible personal property of Seller pertaining to the Golf Club including, but not limited to: Membership Agreements Management Agreements Contract Rights pertaining to the operation of the Golf Club</p> <p>[Need list and copies of all relevant agreements.]</p>	
<u>Restrictive Covenant Rights:</u>	<p>All right, title, and interest of Seller and any affiliate of Seller, including CB Arlington Ridge Landco, LLC, of certain rights arising from the declaration of restrictive covenants, if any, related to the Golf Club.</p>	<p>Provided, however, that the Seller is able to retain its declarant and development rights associated with developing the project.</p>
<u>Transfer of Interests and Rights in Golf Club:</u>	<p>To the extent owned and controlled by the Seller, or any affiliate of Seller, the purchase of the Golf Club shall include the transfer of:</p> <p>(i) All entitlements associated with the Golf Club; (ii) Ingress and egress rights to the public right of ways; (iii) All onsite improvements associated with the Golf Club; (iv) All construction and development plans associated with the Golf Club; (v) All engineering plans associated with the Golf Club;</p>	<p>Provided, however, that the Seller is able to retain its declarant and development rights associated with developing the project.</p>

	<p>(vi) All approvals from each controlling governmental entity;</p> <p>(vii) All rights and benefits of permits associated with the Golf Club;</p> <p>(viii) Any and all improvements attached to the Golf Club;</p> <p>(ix) Any and all prepaid development fees related to the Golf Club;</p> <p>(x) Any and all impact fee credits associated with the Golf Club;</p> <p>(xi) All other rights, benefits, and entitlements associated with the Golf Club.</p>	
<p><u>Title and Title Insurance:</u></p>	<p>Seller covenants to convey good and marketable fee title in and to the Property. Title shall be insurable by First American Title Insurance Company, or another national company selected by Seller, at then current standard rates under the standard form of ALTA owner's policy of title insurance in effect on the Closing Date.</p>	
<p><u>Financing Contingency:</u></p>	<p>The consummation of the transaction proposed by this term sheet shall be contingent upon the District acquiring financing in an amount and upon terms acceptable to the District in the District's discretion.</p>	<p>Possible financing scenarios in no particular order:</p> <p>Option 1: Structure possible financing mechanism with bondholder whereby CDD would pledge O&M assessments to repay an amount equal to the debt lien on the golf course at the time of the closing and bondholder would agree to release the debt lien. Validation necessary. Or potentially purchase the bonds and pay with a bank loan.</p> <p>Option 2: District form an SPE and take title to the property, subject to the debt lien. Validation required. See memo on pros/cons of SPE formation.</p> <p>Option 3: Refunding and/or new money issue, follow up with MBS. Validation required. Expensive COI for small amount of money unless plan is to wrap improvements too.</p>

<u>Golf Club Management:</u>	Buyer agrees to retain the current management structure and agrees to enter into a Lease agreement for a nominal amount with the Seller for a minimum of one (1) year (with a one year option to be exercised by golf course operator) from the date of Closing. Seller shall be responsible for operational profits and losses and the Buyer shall be responsible for capital improvements. Seller shall, however, be required to operate the Golf Club as a public golf course, allowing non-resident members to join the Golf Club (at a higher rate).	<ul style="list-style-type: none"> • ARGC will pay for all operational costs and receive all operational revenues as long as ARGC is managing the golf course and will retain DTE under its existing contract so long as ARGC is managing the golf course unless DTE is in default after contractual notice and an opportunity to cure has passed. • Should there be any substantive changes to the terms of the DTE contract, such proposed changes must be approved by the District through its Board of Supervisors. • Provided that District agrees it will not charge initiation fees to individuals that purchase lots in Phase 3 after the District commences operation of the golf course (or said differently after ARGC is no longer operating the golf course).
<u>Exclusivity:</u>	During the Purchase and Sale Agreement Term, Seller will not enter into any term sheet or other agreement regarding any sale or transfer of the Golf Club with any other potential purchaser but may market the property.	
<u>Purchase and Sale.</u>	Upon mutual agreement by the parties to the terms of this Term Sheet, the District will diligently commence preparing a Purchase and Sale Agreement (“PSA”) for presentation to the Seller, which PSA shall be presented to the Seller for consideration no later than 30 days after agreement by the parties to the terms set forth herein.	

The Parties hereto agree to the terms and conditions of this Term Sheet as of the ____ day of _____, 2018.

Arlington Ridge Community Development District

Arlington Ridge Golf Club, LLC
