



January 31, 2016

Plantation Palms Homeowners Association Board
(By email)

Re: **Plantation Palms Golf Club**

Dear Sir/Madam:

Ace Golf intends to purchase, renovate and operate the Plantation Palms Golf Club subject to a legal agreement being reached with the Plantation Palms Homeowners Association.

Ace originally made an offer of \$650,000 based upon our ability to raise an additional \$500,000 in renovation capital through the sale of the 10-acre golf range for development. This \$500,000 would supplement the estimated \$1.5Million in renovation costs and cash flow requirements to get the club open and to fund the expected 3-4 years negative cash flow until we achieve a breakeven operating margin (similar to our other courses).

Two things have occurred that make the project economically infeasible: 1) the sellers rejected our offer and have required that we match a developer's \$1Million offer to make the purchase; and 2) our research shows that development of the driving range may be economically infeasible, so there may be little or no chance of raising renovation capital. With no renovation supplement and a purchase price beyond the economic value as a golf club, Ace would have no choice but to withdraw from the project.

The Plantation Palms HOA wishes to restore the golf club to full operation in order to improve property values and to avert not only residential development of the golf course but also the loss of golf club parcels that face imminent tax deed sales. The HOA has asked Ace what investment would be needed to make the golf club economically feasible and whether Ace would be willing to make an immediate agreement to purchase the golf club and begin renovations as an independent operator.

The maximum amount required to make the project feasible for Ace to immediately purchase the Plantation Palms Golf Club and begin renovations is a \$300,000 purchase supplement due on closing and a \$100,000/year 5-year renovation supplement due each calendar year from 2017 to 2021 (total \$500,000) given the following assumptions:

1. Ace would raise its purchase bid to \$700,000. The purchase price supplement of \$300,000 would enable acquisition at the \$1Million price required by seller. It would be due on closing (estimated at 10 business days after clear title is established, perhaps 3-5

Ace Golf 4503 Bayshore Blvd. Tampa, FL 33611

weeks in total) and may be paid directly to the seller. The \$300,000 total amount assumes there are no additional payments for any past due taxes or prior liens on the property -- \$1Million is a maximum, all-included price for the property.

2. The property would be purchased by Ace Golf, Inc. or by a newly created Ace corporate entity whose sole operation would be the Plantation Palms Golf Club (i.e. Ace Plantation Palms, Inc.), hereinafter referred to as "Ace". Ace's sole owners would be William Place and Su Lee (a married couple), and the new corporation would be structured and run similarly to Ace Golf's existing three golf course corporations.
3. If the property could be purchased for less, the \$300,000 contribution would be reduced to that extent that it is less than the \$1Million requested by sellers and any liens due. Ace would be the sole purchaser and owner. No interest in the property would be conveyed to any other owners, and this investment would not be returned or be considered as a loan.
4. Upon purchase of the Plantation Palms Golf Club, Ace agrees to immediately fund and begin renovations to restore the club as a fully-functioning, well-maintained golf course and restaurant operation. Renovations are anticipated to include, at a minimum:
 - a. Plant new greens
 - b. Restore fairways, sand bunkers, and all other areas of the golf course.
 - c. Repair maintenance equipment and purchase any that may be missing
 - d. Renovate the clubhouse
 - i. Repair or replace the roof
 - ii. Remove mold
 - iii. Set up and stock the Pro Shop
 - iv. Enclose the patio (proposed)
 - v. Add a moving wall partition (proposed)
 - vi. Add a deck (proposed)
 - vii. Update restrooms and decor
 - viii. Restore the kitchen, dining room and bar. Replace any missing or broken equipment.
 - ix. Update the restaurant to a branded concept similar to Mulligans Irish Pub at the Pebble Creek Golf Club.
 - x. Restore the landscaping and lighting around the clubhouse.
 - e. Add a new golf cart fleet
5. The Golf Club would be re-opened when the greens are fully grown in, estimated at mid-late summer or early fall. Ace would operate ongoing as a golf club and restaurant/banquet facility, similar to other Ace courses, and would link membership with Pebble Creek Golf Club in New Tampa. Other revenue generation services would be investigated, such as lighting the golf range and adding a miniature golf. An Advisory Council would be established for ongoing neighborhood and HOA input, and for Ace to keep all advised of the health of the golf club.
6. Ace would fund all renovation and cashflow requirements, estimated at approximately \$1.5Million in the first four years, with the majority invested in the first two years.
7. The renovation supplement of \$100,000/year for five years would also be a contribution, not a loan, and would not convey interest in the property. The first

\$100,000 supplement would be due by the club opening date, estimated at August 1st, and thereafter on each anniversary for five years, subject to these terms:

- a. If at such time before the end of the five years Ace achieves a profitability of \$250,000 in EBIDA (excluding the \$100,000 supplement) in any two consecutive calendar years, the \$100,000/year supplement will stop following the second year of attainment, and no further supplement will be due.
 - b. If at such time before the end of the five years Ace is able to sell any non-essential parcel of the golf course property (i.e. the driving range), the \$500,000 contribution will be reduced by the net proceeds of this sale as a reduction of the later year supplement payments.
8. Ace agrees to make its best efforts to restore the Plantation Palms Golf Club to a fully-functional golf course and restaurant and to take steps necessary to ensure the ongoing health of the business.

Sincerely,



William Place
President, Ace Golf
(813) 763-2654 – cell

Ace Golf Ranges
www.ace-golf.com



Pebble Creek Golf Club
www.pebblecreekclub.com



Wentworth Golf Club
www.wentworthgolfclub.org



Crescent Oaks Country Club
www.crescentoaksgolf.com

