

## CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement ("the Agreement") is made and agreed to by the entity or person designated as Principal below ("Principal"), and it is hereby agreed as follows:

**Michael Gandy, ("OWNER")**, owns the Leasehold Interest in Emerald Isle Golf Course, Oceanside, CA (the "Property").

Z. Gordon Davidson & Associates, Inc. ("Broker") has been engaged by OWNER in connection with a possible sale of the Leasehold Interest in the Property.

Principal has represented to OWNER that the undersigned, acting only as a principal, may be interested in a possible purchase of the Owner's Leasehold Interest in the Property, and has requested access to information pertaining to the Property, whether written or oral (collectively the "Confidential Information").

The parties hereto are considering entering into a business transaction which will require the exchange and disclosure to each other of financial and other information regarding their respective businesses. It is their intention and desire to keep such information confidential and to ensure that one party will not use such information to the prospective disadvantage of the other.

In consideration of Principal's receipt of the Confidential Information, Principal and OWNER agree as follows:

1. Strict confidentiality shall be maintained at all times. Any knowledge, information or data pertaining to financial records, customer lists, development plans, designs, methods, systems, improvements, trade secrets and other private matters, including information exchanged between the parties, shall at all times and for all purposes be strictly confidential. Such confidential information shall not be disclosed directly or indirectly by party or any employee, agent, company or entity with whom either party is associated without prior written consent of both parties. The confidentiality provisions shall be in full force and effect at all times during the existence of any business relationship between the parties hereto and shall survive (if such an event occurs) the termination of that relationship.

2. Either party may consult and otherwise seek counsel with one or more third parties in connection with this Agreement, and in such event each such third party shall be informed of the existence and intent of this Agreement and shall be bound by the confidentiality requirements of this Agreement.

3. In the event the relationship between the parties terminates, each party shall forthwith deliver to the other, without retaining copies thereof, any and all documents or other written information, obtained from the other party in connection with such relationship.

4. The parties agree not to use any information so exchanged between them directly or indirectly by themselves or in concert with any other person, company or entity for the purpose of gaining a perspective, pecuniary or competitive advantage over the other or otherwise commit any act which causes or could cause one party to gain such an advantage.

5. OWNER expressly reserves the right, at their sole discretion, and without any liability whatsoever, to reject any and all expressions of interest or offers to purchase the Leasehold Interest in the Property, and to terminate discussions at any time, with or without notice, and with or without cause. OWNER shall have no legal commitments or other obligations to any Related Party or any person reviewing the Confidential Information.

6. Neither OWNER, nor any of their respective affiliates, agents, managers, advisors, or representatives, (i) make any representations or warranties, expressed or implied, whatsoever as to the completeness or accuracy of the Confidential Information, or (ii) shall have any liability whatsoever to Principal or any related party relating to the Confidential Information, it being understood Principal will rely solely on its own due diligence studies in determining whether or not to make an offer to purchase the Leasehold Interest in the Property.

7. Neither party shall, without the prior written consent of the other, make any Statement, or any public announcement, or any release to trade publications or to the press, or make any statement to any competitor, customer, or any third party, with respect to such exchange and disclosure of confidential information except as may be necessary, in the opinion of their respective counsel, to comply with the requirements of any law, governmental order, or regulation. Principal will provide prior notice of a Property visit and agree not to communicate with any of OWNER's Property management or employees, relative to the Property without prior written notice.

8. Except for this Agreement, neither party shall be committed in any way with respect to the matter to be discussed by them, unless and until a formal agreement between the parties is executed, by the appropriate officers, and/or by the controlling owners of both parties.

9. This agreement shall become effective as of the Effective Date below, and shall, unless both parties agree in writing to an extension or an earlier termination date, continue for a period of six (6) weeks. During the term of this Agreement both parties agree not to hire, employ or solicit for employment the existing employees, agents, or independent contractors of the other party.

10. Broker, Z. Gordon Davidson & Associates, Inc., is the only party authorized to represent OWNER with respect to the marketing and sale of the Leasehold Interest in the Property, and neither OWNER nor Broker shall be obligated to pay any fees or commissions to any other advisor, broker, intermediary or representative. Principal shall be solely responsible for all brokerage commissions, finders' fees and other

compensation payable to any broker, finder, representative or other person retained or used by Principal in connection with the proposed purchase and sale of the Leasehold Interest in the Property, and Principal shall indemnify and save harmless Broker and OWNER, along with their respective officers, directors, employees, agents and representatives, from and against any claim, demand, proceeding, judgment, loss, damage, liability or expenses, including reasonable attorney's fees and expenses, arising out of any claim or claims by any broker, finder, representative or other person for commissions, fees or other compensation relating to any proposed transaction involving the Property if and to the extent such claims are based in whole or in part on alleged dealings or agreements with Principal or any of its representatives and such broker, finder, representative or other person. The terms of this paragraph shall survive the expiration or termination of this Agreement.

11. It is understood time is of the essence. It is also noted that there is ongoing negotiations with another party under the same agreement as this confidentiality agreement.

12. This Agreement shall be governed and enforceable by the laws of the State of California.

13. This Agreement is the entire agreement between the parties.

Accepted and Agreed to this \_\_\_\_ day of \_\_\_\_\_, 2013. ("Effective Date")

Michael Gandy dba Emerald Isle Golf PRINCIPAL: \_\_\_\_\_  
(Printed Name Above)

By: \_\_\_\_\_  
Owner

By: \_\_\_\_\_  
Principal (Signature Above)

\_\_\_\_\_  
Street

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Telephone

\_\_\_\_\_  
Email