

LETTER OF INTENT

This letter of intent ("Letter of Intent") evidences in principal of _____, and/or assigns as permitted ("Purchaser") to purchase the Bayleaf Restaurant located in Napa, CA (the "Property") from Atlas Peak Holdings and/or Affiliates ("Seller"), the parties will commence good faith negotiations, with the objective to enter into a definitive purchase and sale agreement ("Purchase Agreement") within five (5) calendar days. The Purchaser and Seller hereby agree on the following:

1. PROPERTY:

The **Bayleaf Restaurant**, located at **2025 Monticello Avenue, CA 94558** with fee simple interest, consisting of a 3.48 acres, a restaurant and all other buildings, structures and facilities (the "Restaurant"). Also included as part of the purchase are all of the furniture, furnishings, fixtures, machinery, signage and equipment utilized in the operation of the Restaurant; all computers, computer equipment and manuals, and computer software, programs and data bases; and all assignable contracts and agreements benefiting the Property, all of which are hereinafter collectively called the "Property".

2. PURCHASE PRICE AND TERMS:

The Purchase Price for the Property shall be _____ Million _____ Hundred Thousand dollars (\$ _____), payable by Purchaser at the closing of Escrow as follows:

- a. The entirety of the purchase price shall be paid by Purchaser in cash (or cash equivalent) at closing, less any previous escrow deposits.
- b. The Purchaser to obtain financing for Restaurant with a ___% LTV.

3. DEPOSITS:

Within two (2) business day after the mutual execution of a Purchase and Sale Agreement ("Agreement") by Purchaser and Seller, acceptable by both Purchaser and Seller ("Escrow Agent") an Initial Deposit in the amount of _____ Hundred Thousand and _____ Dollars (\$____,000). The initial deposit shall be refundable for any and all reasons until the end of the Due Diligence Period. At the conclusion of the Due Diligence Period, if Purchaser elects to proceed with the transaction, then within one (1) business day following the expiration of the Due Diligence Period, the Purchaser shall deposit an additional Earnest Money Deposit of _____ Thousand Dollars (\$____,000) with the Escrow Agent, along with the Initial Deposit, will become non-refundable to Purchaser, subject to the terms and conditions of the Purchase Agreement. At Closing, the Earnest Money Deposit and all of the interest earned thereon shall be credited against the Purchase Price.

Purchasers Initials _____

Seller's Initials _____

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4. CONTINGENCY PERIOD:

Inspection Period: Upon execution of the Purchase and Sale Agreement buyer shall have (____) days to inspect and approve Property and complete all due diligence including but not limited to Property inspection, books & records review, and title report review. Seller agrees and acknowledges that within five calendar (5) days after the execution of the Agreement, Seller shall deliver to Purchaser all reports, studies, books, records and any other due diligence materials available regarding the Property in Seller’s possession.

Financing Contingency Period: Buyer shall have (____) days following execution of the Purchase and Sale Agreement to obtain financing at rates and terms acceptable to Buyer.

Franchise Contingency Period: Buyer shall have (____) days following execution of the Purchase and Sale Agreement to make franchise arrangements acceptable to Buyer.

Purchaser shall give the seller reasonable advance notice prior to entry by Purchaser or its representative and/or independent contractor on the Property and shall not enter the Property until it has received Seller’s prior approval. Purchaser shall not discuss the sale of the Property with the Restaurant general manager or any Restaurant employees until it has received Seller’s approval for such discussions. Seller agrees they shall cooperate with Purchaser and allow Purchaser reasonable access during normal business hours to the Property and its books and records.

At the conclusion of the Contingency Periods the balance of the Deposit shall become fully non-refundable and remitted to Receiver.

5. CLOSING:

If all contingencies are met, the sale shall occur no later than thirty (30) calendar days from the expiration of the Contingency Period.

6. CONDITION:

Purchaser acknowledges that the property is being sold “As Is, Where Is” without any representations or warranties from the Seller. Purchaser shall have the right to obtain any additional environmental reports on the Property, which Purchaser may deem advisable at Purchaser’s sole expense.

7. TITLE INSURANCE:

The cost of a standard form owner’s policy of title insurance shall be as per standard practice in the state of California, issued by a Title Company acceptable to both Purchaser and Seller in the amount of the Purchase Price allocated to the land and improvements, insuring that the leasehold title to the land and improvements are vested in Purchaser. Purchaser shall be responsible for the cost of title insurance required by lender and any extended coverage or any endorsements to the standard owner’s policy, which may be required by Purchaser.

8. COST AND PRORATIONS:

Seller will pay any customary closing costs pursuant to standard practice in the State of California. Prorations will be made on the Closing Date in accordance with the provisions of the Purchase Agreement.

9. BROKER COMMISSION & REPRESENTATION:

Seller and Purchaser represent and warrant to each other that each has not dealt with any broker or intermediary other than Passport Advisory Group in connection with the transaction contemplated hereunder. If and only if the transaction contemplated herein closes, Seller will pay a real estate commission pursuant to a separate agreement between Seller and Passport Advisory Group.

10. CONFIDENTIALITY:

Purchaser and Seller shall maintain confidentiality with regard to all terms and provisions of this Letter of Intent and Purchase and Sale Agreement, as well as any information regarding the Property whether disclosed by Seller or discovered by Purchaser in the course of investigating the Property prior to the closing of Escrow. Purchaser shall instruct all third parties working on behalf of the Purchaser of the confidential nature of this proposed transaction prior to providing any such information to such parties. The confidentiality obligation set forth in this section shall survive the termination of this Letter of Intent or termination of the Purchase and Sale Agreement.

If this Letter of Intent meets with your approval, please indicate by executing it in the space below and returning it to my attention. It is understood and agreed that this Letter of Intent is a non-binding agreement, and as such the execution by you hereof shall not form a binding contract for the sale of the Property until which time a definitive Purchase Agreement is executed by both parties. Upon acceptance of this Letter of Intent by Seller, Seller shall commence preparation of the initial draft of the Purchase Agreement.

SIGNATURE PAGE

If this Letter of Intent is not executed by both the Purchaser and the Seller and returned to the undersigned on or before 5:00 p.m. Pacific Daylight Time on _____, 2012 it shall expire and be deemed null and void and have no further force or effect.

PURCHASER:

By: _____ (signature)

Name: _____ (print)

Title: _____

Accepted and Agreed to this ____ day of _____, 2012

SELLER:

By: _____ (signature)

Name: _____ (print)

Title: _____

Agreed to this ____ day of _____, 2012

Please send LOI to:

Joe Wolosz
Principal and Founder
Passport Advisory Group
P.O. Box 3449
Yountville, CA 94559
415.727.3939 (f)
joe@passportag.com

Purchasers Initials _____

Seller's Initials _____