

NON-BINDING LETTER OF INTENT
TO PURCHASE LOT

DEVELOPER:

Pegasus Bay Development, LP
8610 N. New Braunfels, Suite 520
San Antonio, Texas 78217

PROSPECTIVE PURCHASER:

Name: _____
Address: _____

Telephone: _____
E-Mail: _____

MARKETING BY:

Key Allegro Real Estate
P. O. Box 1765
Rockport, Texas 78382
Office: (361) 729-3691 / (800) 348-1627
Fax: (361) 729-7967

ESCROW AGENT:

Rockport Abstract and Title Company
505 East Market Street
Rockport, Texas 78382
Office: (361) 729-5442
Fax: (361) 729-0668

Pegasus Bay Lot No: _____

Estimated Pegasus Bay Lot Price: _____

Deposit Amount: _____ (\$ _____)

Pegasus Bay Development, LP proposes to develop that portion of land, subdivided as Pegasus Bay Subdivision. In consideration of the Deposit Amount listed above, the Developer hereby grants to the Prospective Purchaser the limited right to purchase the above described Pegasus Bay lot, subject to the following terms and conditions:

1. Notwithstanding any terms contained herein, the exact purchase price and date(s) for delivery shall be determined at the time a written contract for sale is drafted for the sale of the Lot by the Developer to the Prospective Purchaser. The Developer, its parent, agents, assigns, employees and shareholders do not assume any liability in connection with this transaction and hereby disclaim any liability to the Prospective Purchaser, except to return the Deposit Amount in accordance with paragraph 2. It is understood by the Prospective Purchaser that no assurance is made that the Lot number listed above will be made available at any particular price or date. It is understood by both parties that this is a non-binding Letter of Intent and shall not be construed as an offer, contract for sale or other binding sales agreement.

2. **The Deposit Amount shall be held in escrow with Rockport Abstract and Title Company, Market Street Closing Office. The Deposit Amount shall not be held in an interest bearing account. In the event this Letter of Intent is cancelled in accordance with paragraphs 3, 4, or 5, the Deposit Amount shall be promptly returned to the Prospective Purchaser.**
3. **This Letter of Intent may be cancelled by the Prospective Purchaser, for any reason and without penalty, at any time, before entering into a final written contract for sale with the Developer for the Lot by sending notice to the Developer in accordance with paragraph 10.**
4. **The Developer may cancel this Letter of Intent if the Prospective Purchaser fails to enter into a contract for sale of the Lot with the Developer, upon the terms proposed by the Developer, within ten (10) calendar days after Prospective Purchaser's receipt of (i) the proposed contract for sale of the Lot, (ii) the Home Owners Association documents for the Pegasus Bay subdivision along with all applicable property restrictions and (iii) any other disclosures required for the sale of the Lot by the Developer to the Prospective Purchaser.**
5. **The Developer may cancel this Letter of Intent by sending notice to the Prospective Purchaser, in accordance with paragraph 10, of Developers postponement or cancellation of its plans for the sale of the Lot or Lots within the Pegasus Bay subdivision. If the Developer postpones or cancels its plans for the sale of the Lot or Lots in the Pegasus Bay subdivision, neither the Developer nor the Prospective Purchaser shall have any further rights or obligations under this Letter of Intent, except for Developers obligation to return the Deposit Amount in accordance with paragraph 2.**
6. **If the Developer and the Prospective Purchaser subsequently enter into a contract for sale, the terms of this Letter of Intent shall be superseded by the contract for sale. In the event of any conflicting terms or conditions between this Letter of Intent and the contract for sale, the contract for sale shall prevail. Upon execution of a contract for sale of the Lot, the Deposit Amount shall be assigned to the escrow agent as part of the initial deposit of earnest money by the Prospective Purchaser for the sale of the Lot.**
7. **Developer reserves the right to enter into backup Letters of Intent for any and all Lots in the Pegasus Bay subdivision. If the Prospective Purchaser fails to enter into a contract for sale as provided in paragraph 5, the Developer may enter into a contract for sale with another purchaser without liability or obligation to the Prospective Purchaser other than the return of the Deposit Amount in accordance with paragraph 2.**
8. **This Letter of Intent may not be assigned by the Prospective Purchaser without the written permission of the Developer. The Developer reserves the right to assign this Letter of Intent.**
9. **Developer reserves the right to limit, in its own discretion, the number of Letters of Intent it will accept from any Prospective Purchaser or group of related Prospective Purchasers.**

10. All notices required or permitted hereunder shall be in writing and shall be effective when personally delivered, mailed by regular U.S. mail or received by facsimile transmission at the address or facsimile number indicated on page one of this agreement.
11. This Letter of Intent may be executed in counterparts, all of which, when taken together, shall constitute one original Letter of Intent.

Executed this _____ day of _____, 20_____.

DEVELOPER:

PROSPECTIVE PURCHASER:

Pegasus Bay Development, LP

By: _____

ESCROW AGENT RECEIPT

Rockport Abstract and Title Company, 505 East Market St., as escrow agent, hereby acknowledges receipt of the Deposit Amount of _____ (\$_____), and a copy of this Letter of Intent. Rockport Abstract and Title Company agrees to hold and dispose of the Deposit Amount in accordance with the terms and conditions of this Letter of Intent.

By: _____

Name: _____

Title: _____

Phone: _____