

RESERVATION DEPOSIT AGREEMENT
BREAKERS BEACH CLUB, A CONDOMINIUM

TO: COASTAL BLUE EAST DEVELOPMENT, LLC
P.O. Box 28105
Panama City, FL 32411

We, the undersigned, herein referred to as:

DEPOSITOR: _____

Social Security Number: _____

Permanent Address: _____

City: _____

State: _____ Zip: _____

Phone: _____

Business Phone: _____

do hereby make application to Coastal Blue East Development, LLC, Developer, to reserve condominium unit _____ in a proposed resort condominium development in Bay County, Florida, to be called "BREAKERS BEACH CLUB, A CONDOMINIUM" for purchase on the following terms:

1. The purchase price currently is \$_____. Due to the uncertainty of construction costs and other market conditions, the Developer cannot provide assurance that the price of the condominium unit referenced herein will be the same price for which the unit will be sold pursuant to a Subscription and Purchase Agreement. The Reservation Deposit of \$_____, plus interest earned thereon, if any, shall be applied against the purchase price, unless either party hereto shall cancel this Agreement.

2. The Developer shall file, or cause to be filed, condominium documents with the Division of Land Sales and Condominiums of the Department of Business Regulations of the State of Florida prior to entering into binding Contracts for Purchase and Sale or

Lease Agreements for more than five [5] years.

3. The Developer shall deliver, or cause to be delivered, to the Depositor all condominium documents required pursuant to Chapter 718 of Florida Statutes.

4. The Depositor shall receive a receipt for all funds deposited pursuant to this Agreement from BURKE, BLUE, HUTCHISON & WALTERS, P.A., 221 McKenzie Avenue, Panama City, Florida, 32401, Escrow Agent, for all funds delivered to the Escrow Agent pursuant to this Agreement. MAKE CHECKS PAYABLE TO "BURKE, BLUE, HUTCHISON & WALTERS, P.A., BREAKERS BEACH CLUB ESCROW ACCOUNT."

5. The Depositor agrees to execute the Contract for Purchase and Sale on the above described unit within fifteen [15] days of being requested to do so by COASTAL BLUE EAST DEVELOPMENT, LLC, otherwise, this Agreement shall be null and void and all funds deposited hereunder shall be returned to the Depositor. At the time of execution of the Contract for Purchase and Sale, the Reservation Deposit paid pursuant to this Reservation Deposit Agreement shall be applied towards the deposit required by the Contract for Purchase and Sale and this Reservation Deposit Agreement shall thereafter be null and void.

6. The Developer may direct the Escrow Agent from time to time to invest the funds deposited pursuant to this Agreement in interest bearing accounts for the benefit of Depositor. All funds shall be invested only in such securities of the United States or an agency thereof or in accounts in institutions the deposits of which are insured by an agency of the United States as the Developer may from time to time designate. The Escrow Agent's determination of the amount of interest earned or allocable to each Depositor shall be binding on all interested parties.

7. The Developer has an ownership, leasehold, or contractual interest in the land upon which the condominium is to be developed as required by Chapter 718, Florida Statutes, as amended, including §718.502(2)(a).

8. This Reservation Deposit Agreement may be canceled by either party at any time for any reason whatsoever by a written notice of cancellation delivered to the other party or to the Escrow Agent, and, upon such cancellation, all funds deposited pursuant to this Agreement shall be immediately and without

qualification refunded to the Depositor(s). Upon cancellation, the parties to this Agreement shall be released from any further liability or obligation one to the other.

SUBMITTED by the undersigned as Depositor, this _____ day of _____, 2005.

"DEPOSITOR(S) "

Signature of Depositor

Signature of Depositor

COASTAL BLUE EAST DEVELOPMENT, LLC

Authorized Agent
"DEVELOPER"

Received and accepted on behalf of
Coastal Blue Development, LLC, the Developer

BURKE, BLUE, HUTCHISON & WALTERS, P.A.

By: _____
Rob Blue, Jr.
"ESCROW AGENT"