

TRANSCENDENCE

RESERVATION AGREEMENT Transcendence, a Condominium Orange Beach, Alabama

Interested Purchaser: _____

Unit #: _____

Date of this Agreement: _____

Purchase Price (Before Discount): _____

Discount Percentage: _____

Purchase Price (After Discount): _____

THIS RESERVATION AGREEMENT (this "Agreement") between Transcendence Development, Inc., an Alabama corporation, ("Developer") and Interested Purchaser identified above, sets forth Interested Purchaser's intent to purchase a condominium unit ("Unit") for purchase from Developer, in a new condominium project planned to be constructed in Orange Beach, Alabama, on the Gulf of Mexico, and to be known as Transcendence, a Condominium ("Transcendence"). The purchase is in all respects subject to, and will be completed only in accordance with, the terms and provisions of a definitive purchase contract (the "Transcendence Purchase Contract"), which Transcendence Purchase Contract may be executed and delivered by Developer and Interested Purchaser after Developer has determined that any required federal and state disclosures and/or registration requirements have been satisfied and the preliminary plans and specifications for Transcendence are completed with the actual Unit specifically delineated thereon (the "Conditions").

1. Unit. If Developer, in its sole discretion, determines that the Conditions have been satisfied, then Interested Purchaser, by execution of this Agreement, indicates Interested Purchaser's desire to reserve the right to execute a Transcendence Purchase Contract to purchase the Transcendence Unit identified above. Interested Purchaser acknowledges having reviewed a NEED NOT BE BUILT site plan, floor plans, finish schedule, appliance specifications, and exterior elevations, but that this information and all other materials and information provided by Developer to Interested Purchaser are preliminary in nature and are subject to modification at Developer's sole and absolute discretion. This Agreement does not establish Interested Purchaser's priority for an opportunity to acquire a Unit, nor assure that Interested Purchaser will be given an opportunity to acquire a Unit. Interested Purchaser recognizes that this Agreement is a reservation solely with respect to a proposed condominium; and, accordingly, this Agreement is not an offer or agreement to purchase or sell any Unit and does not confer any lien upon, any interest in, any Unit or on the proposed Transcendence. Although Developer's current intention is to develop Transcendence, Interested Purchaser understands and acknowledges that: (a) Developer cannot provide any assurance or guaranty that it will in fact construct Transcendence; (b) circumstances may render Transcendence unfeasible or undesirable, including without limitation, issues raised in due diligence, increases in interest rates or construction costs, softening of demand or pricing for new condominium units in the Orange Beach area, hurricanes or other events, and (c) any preliminary plans that have been provided to Interested Purchaser are very preliminary in nature and are certain to change in material respects.

TRANSCENDENCE

2. Purchase Price. The purchase price (the "Purchase Price") for the Unit is set forth above.

3. The Transcendence Purchase Contract. Provided neither Interested Purchaser nor Developer has previously terminated this Agreement as provided in Section 5 or Section 6 below, Developer will deliver the Transcendence Purchase Contract to Interested Purchaser for execution. Such Transcendence Purchase Contract will (a) reflect the Purchase Price for the Unit, and (b) contain such terms and conditions as Developer shall determine in its sole and absolute discretion. It is contemplated that the amount of required earnest money ("Escrow Deposit") will be \$_____ (representing thirty-five percent (35%) of the After Discount Purchase Price). Interested Purchaser has the right to receive an offering statement as required by the Uniform Condominium Act of Alabama ("the Act"). Upon delivery of the Transcendence Purchase Contract, Interested Purchaser and Developer will have fifteen (15) days to execute the Transcendence Purchase Contract (the "Execution Period"). The Transcendence Purchase Contract will provide that the Developer may use the Escrow Deposit to the extent it exceeds 10% of the Purchase Price toward payment of the Hard Costs of construction of the Condominium; the detail, conditions and disclosure associated with the use of the Escrow Deposit will be more fully set out in the Transcendence Purchase Contract and the Offering Statement, but in connection with this use, Interested Purchaser hereby represents that Purchaser is a Qualified Purchaser, defined as 1) an individual, a group of individuals, or an entity owned directly or indirectly solely by individuals where each individual shall have an income of more than \$200,000 for the calendar year immediately preceding the date of Purchaser's signing of the Transcendence Purchase Contract, or a joint income with his or her spouse of \$300,000 for the calendar year immediately preceding the date of Interested Purchaser's signing of said Contract, with a good faith reasonable expectation to maintain the same level of income for the current calendar year; or 2) an individual, a group of individuals, or an entity owned directly or indirectly solely by individuals where each individual shall have a net worth, either individually or jointly with his or her spouse, exceeding \$1 million on the date of Interested Purchaser's signing of said Contract.

4. Reservation Deposit. Simultaneously with the execution of this Agreement, Interested Purchaser has paid Twenty Thousand and No/100 Dollars (\$20,000.00) (the "Reservation Deposit") to Davis & Fields, P.C. (the "Escrow Agent"), for deposit in escrow in a federally insured interest-bearing account at a banking institution designated by Developer, and in accordance with the escrow agreement between Developer and Escrow Agent attached hereto as Exhibit "A" (the "Escrow Agreement"). Control of the Reservation Deposit will be governed hereby and by the Escrow Agreement. Any interest earned will become part of the Reservation Deposit. The Reservation Deposit must be made payable to the Escrow Agent and the Escrow Agent must provide a receipt to Interested Purchaser. If the undersigned timely executes the Transcendence Purchase Contract within the Execution Period, then upon the expiration of any statutory cancellation rights, the Reservation Deposit will be applied in full towards the earnest money deposit required under the provisions of the Transcendence Purchase Contract and this Agreement shall thereafter be null and void. In the event that any check for the Reservation Deposit (or any portion of the same) is returned for insufficient funds, has payment thereon stopped or does not clear for any reason whatsoever, this Agreement, may, in Developer's sole discretion, be terminated, in which event, this Agreement will be null and void, and thereafter, Interested Purchaser will have no claim of any kind against Developer. Interested Purchaser acknowledges that Davis & Fields, P.C.'s serving as Escrow Agent does not preclude said law firm from also representing Developer.

5. Termination of Reservation Agreement by Interested Purchaser. At any time prior to execution of the Transcendence Purchase Contract, Interested Purchaser may terminate this Agreement by written notice to Developer, in which event Interested Purchaser shall be entitled to an immediate and unqualified return of the Reservation Deposit, and Developer shall immediately cause Escrow Agent to have the Reservation Deposit released and paid in full to Interested

TRANSCENDENCE

Purchaser. Should Interested Purchaser fail to execute the Transcendence Purchase Contract within the Execution Period, this Agreement shall automatically terminate, and Developer shall immediately cause Escrow Agent to release the Reservation Deposit in full to Interested Purchaser.

6. Termination of Reservation Agreement by Developer. At any time prior to the execution of the Transcendence Purchase Contract, Developer shall have the right to terminate this Agreement for any reason whatsoever, including, but not limited to Developer's determination, in Developer's sole and absolute discretion, that it will not construct Transcendence, by providing written notice to Interested Purchaser in which event Interested Purchaser shall be entitled to an immediate and unqualified return of the Reservation Deposit, and Developer shall cause Escrow Agent to release the Reservation Deposit (and any interest earned thereon) in full to Interested Purchaser.

7. Effect of Termination. Upon a termination authorized under this Agreement and return of the Reservation Deposit to Interested Purchaser, neither party shall have any rights or obligations to the other.

8. Confidentiality. Interested Purchaser agrees to keep strictly confidential all information concerning the Purchase Price, the Reservation Deposit and specific details of this Unit, and Interested Purchaser will not make any disclosure thereof to any third party (other than legal, financial and accounting advisors and potential financing sources). Interested Purchaser acknowledges that Interested Purchaser's breach of this Section 8 will cause irreparable and material loss and damage to Developer as to which it will not have an adequate remedy at law or in damages and that accordingly, the issuance of an injunction or other equitable remedy in favor of Developer is an appropriate remedy for any such breach in addition to such other rights and remedies as Developer may have with respect thereto. This Section 8 will survive the termination of this Agreement.

9. Assignment. This Agreement is personal to Interested Purchaser and Interested Purchaser will not have the right to assign, transfer, pledge, mortgage or encumber this Agreement or its rights contained in this Agreement without Developer's prior written consent, such consent to be given or withheld in Developer's sole discretion, and any purported attempt to do so will be void and of no effect. Developer shall have the right to assign its rights and obligations under this Agreement without Interested Purchaser's prior written consent.

10. Effective Date. The effective date is the date on which the last of Interested Purchaser and Developer executes this Agreement.

11. Broker. Interested Purchaser represents and warrants to Developer that Interested Purchaser has not consulted or dealt with any broker, salesperson, agent or finder other than _____ (the "Selling Company"). A blank in this space or an "N/A" means that Developer has not agreed to pay any broker and that Interested Purchaser represents that there is no broker who can claim by, through or under Interested Purchaser, nor has the Interested Purchaser's expression of interest herein been procured by any real estate broker, salesperson, agent or finder. The Selling Company, if any, named herein, shall be paid a commission of 3% of the Purchase Price, one-third (1/3) of which commission (meaning 1% of the Purchase Price) shall be paid to the Selling Company if, as, and when any right Purchaser has to terminate, revoke, rescind, etc. the Transcendence Purchase Contract has expired or lapsed without termination, revocation, rescission, etc. and the remainder of which shall be payable within ten (10) days after the Condominium's pilings have obtained formal municipal building approval. DEVELOPER DISCLOSES THAT PRINCIPALS OF DEVELOPER ARE REAL ESTATE BROKERS AND/OR SALES LICENSEES.

TRANSCENDENCE

The listing company, NONE, is:

(Two blocks may be checked)

- An agent of the Seller/Developer.
- An agent of the Buyer (Interested Purchaser).
- An agent of both the Seller/Developer and Buyer (Interested Purchaser) and is acting as a limited consensual dual agent.
- Assisting the ____Buyer (Interested Purchaser) ____Seller/Developer as a transaction broker.

The selling company _____ is:

(Two blocks may be checked)

- An agent of the Seller/Developer.
- An agent of the Buyer (Interested Purchaser).
- An agent of both the Seller/Developer and Buyer (Interested Purchaser) and is acting as a limited consensual dual agent.
- Assisting the ____Buyer ____Seller as a transaction broker.

_____Buyer (Interested Purchaser) Initials

_____Seller/Developer Initials

12. Notices. All notices or other communications hereunder to either party shall be (i) in writing and shall be deemed to be given on the earlier to occur of (a) actual receipt or (b) the third business day after deposit of both the original and copy as provided below in a regularly maintained receptacle for the United States mail, by registered or certified mail, return receipt requested, postage prepaid, addressed as provided on each party's respective signature page. Notices may be given by overnight courier service, in which event, the notice shall be deemed delivered on the next business day. Notices may also be given by electronic mail, in which event, the notice shall be deemed delivered upon confirmation of delivery of said notice, provided a copy of such notice is deposited the same date with any nationally recognized airborne/overnight delivery service.

13. No Recordation. Interested Purchaser may not record this Agreement or any memorandum thereof in the real property records and any such recordation in violation of such restriction will automatically render this Agreement null and void.

14. Miscellaneous. This Reservation Agreement contains the entire understanding of the parties and supersedes any representations, stipulations, understandings, etc. not set forth herein. No amendment to this Agreement shall be binding unless in writing and signed by the parties.

15. No Profit Expectation. Interested Purchaser represents to Developer that Interested Purchaser is not purchasing the Unit based on any expectation of profit or other economic benefit.

[Signature Pages to Follow]

TRANSCENDENCE

PURCHASER *[If Interested Purchaser is an entity]:*

Entity Name: _____

A _____

Entity Tax ID: _____

By: _____

Printed Name: _____

As its: _____

Date: _____

Employer/Occupation: _____

Social Security Number: _____

***** Social is required for escrow purposes since it is an interest bearing account. Should you not want to include it you can contact B.A. Fogarty at Bryant Bank at (251) 607-5753 or email it to him at ba.fogarty@bryantbank.com.**

[If Interested Purchaser is an individual. Include both spouses, if applicable.]

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Date: _____

Date: _____

Employer/Occupation: _____

Employer/Occupation: _____

Social Security Number: _____

Social Security Number: _____

*****Social is required for escrow purposes since it is an interest bearing account. Should you not want to include it you can contact B.A. Fogarty at Bryant Bank at (251) 607-5753 or email it to him at ba.fogarty@bryantbank.com.**

Address for Notice:

TRANSCENDENCE

Phone: _____ Fax #: _____

Email: _____

*****Buyer will need to provide a copy of their driver license and a W-9 to B.A. Fogarty at Bryant Bank. He can be reached at (251) 607-5753 or by email ba.fogarty@bryantbank.com.**

TRANSCENDENCE

TRANSCENDENCE DEVELOPMENT, INC.

An Alabama corporation

DEVELOPER:

Date: _____

By:

NATHAN L. COX, as President

Address for Notice:

Transcendence Development, Inc.
29891 Woodrow Lane, Suite 300
Spanish Fort, Alabama 36527

ATTN:

Phone:

Fax:

Email:

Nathan L. Cox

(251) 625-1198

(251) 650-1643

ncox@battleplancapital.com

With a copy to:

Byrd Campbell, P.A.
180 Park Avenue North, Suite 2A
Winter Park, Florida 32789

ATTN:

Phone:

Fax: (850) 308-7441

Email:

James S. Campbell, Esquire

(850) 308-7440

jcampbell@byrdcampbell.com

And a copy to:

Davis & Fields, P.C.
Post Office Box 2925
Daphne, Alabama 36526

ATTN:

Phone:

Fax:

Email:

Richard E. Davis, Esquire

(251) 621-1555

(251) 621-1520

rdavis@davis-fields.com

TRANSCENDENCE

ACKNOWLEDGEMENT OF ESCROW AGENT

Escrow Agent joins herein in order to evidence its agreement to perform the duties and obligations of Escrow Agent set forth herein and to acknowledge receipt of a fully executed copy of this Reservation Agreement.

Date: _____

ESCROW AGENT:

DAVIS & FIELDS, P.C.

By: _____

RICHARD E. DAVIS, as President

Address for Notice:

DAVIS & FIELDS, P.C.

Post Office Box 2925

Daphne, Alabama 36526

Attention: Richard E. Davis, Esquire

Phone: (251) 621-1555

Fax:

(251) 621-1520

E-Mail: rdavis@davis-fields.com