

**RESERVATION AGREEMENT  
ISLAND BEACH RESORT**

This Reservation Agreement is made on \_\_\_\_\_, 2009, by and between Island Beach, LLC, a Minnesota limited liability company, as Seller, and \_\_\_\_\_, as Buyer.

Buyer desires to purchase Lot \_\_\_\_ and Garage Unit \_\_\_\_ (if applicable) at Island Beach Resort, A Planned Community. Buyer understands the lots are unimproved and that construction of the Garage Unit may not be complete prior to closing. Buyer also understands that the closing date will occur only after completion of the process of subjecting Island Beach Resort, a planned community (not a condominium or a cooperative), to the common interest community form of ownership, which includes but is not limited to the recording of a CIC Plat.

Buyer herewith:

1. Deposits \$ \_\_\_\_\_ to be placed in escrow at Edmunds Company, 2200 Water Street, Duluth, Minnesota in a non-interest bearing escrow account. This deposit shall be held in accordance with the terms and conditions of this Reservation Agreement, including the refund/deposit provided herein.

2. Is assigned Lot, which has an estimated purchase price of \$ \_\_\_\_\_ and Garage Unit \_\_\_\_\_ (if applicable), which has an estimated purchase price of \$ \_\_\_\_\_. This assignment entitles Buyer to priority for the purchase of the Lot and Garage Unit (if applicable) selected by Buyer. This priority will hold unless the parties fail to execute a formal contract within 10 days of presentation of a separate purchase agreement to Buyer.

3. Seller agrees to provide Buyer with periodic updates regarding the status of the development, and promotional materials regarding Island Beach Resort to Buyer, assuming such materials are available, and to provide Buyer with a separate purchase agreement for review and negotiation on the basis of which Buyer can determine whether to purchase the Lot and Garage Unit and enter into a purchase agreement. If no purchase agreement is entered into within the 10 days following original presentation of a separate purchase agreement to Buyer, this Agreement shall automatically terminate, all rights hereunder shall cease, and the reservation deposit shall be promptly returned to Buyer.

4. If Buyer elects to sign a purchase agreement, Buyer will deposit an additional \$ \_\_\_\_\_ upon signing of the purchase agreement, which purchase agreement will combine the \$ \_\_\_\_\_ reservation deposit with the additional \$ \_\_\_\_\_ and denominate same as a down payment, with the balance of the purchase price to be payable in accordance with the terms of the purchase agreement.

5. This Reservation Agreement is not a purchase agreement. It is subject to cancellation and refund at either party's election at anytime prior to execution of a formal contract and deposit of the additional \$ \_\_\_\_\_ under paragraph 4, by a written notice to the other party.

6. This Reservation Agreement may not be transferred or assigned.

**ISLAND BEACH, LLC**

Dated: \_\_\_\_\_

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

Its: \_\_\_\_\_

Dated: \_\_\_\_\_

\_\_\_\_\_  
Buyer

Dated: \_\_\_\_\_

\_\_\_\_\_  
Buyer