

ESCROW AGREEMENT FOR
THE DOCKS AT STEINHATCHEE SHORES
PURCHASE DEPOSITS

THIS ESCROW AGREEMENT, made and entered into this _____day of June, 2006, by and between Steinhatchee Shores, LLC, a Florida limited liability company, whose office address is 3793 Longfellow Road, Tallahassee, Florida 32311, hereinafter referred to as "Developer," and MORRISON & CAUDILL, PL, whose address is 9010 Strada Stell Court, Suite 105, Naples, Florida 34109, hereinafter referred to as "Escrow Agent."

WITNESSETH:

WHEREAS, Developer is developing boat slips to be known as The Docks at Steinhatchee Shores, on certain real property located in Taylor County, Florida (hereinafter referred to as the "Development"); and

WHEREAS, Developer desires to make arrangements with Escrow Agent to hold all or a portion of certain deposit money (hereinafter referred to as "Deposit Money") received by Developer from purchasers of boat slips ("Boat Slips") in the Development (such purchasers hereinafter are referred to as "Purchasers");

WHEREAS, Escrow Agent desires to consent to act as Escrow Agent for Deposit Money paid by Purchasers under Contract for Purchase and Sale of a Boat Slip (hereinafter referred to as "Contracts") entered into by Developer and Purchasers and on the terms and conditions now about to be set forth;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other good and lawful consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereto agree as follows:

1. Representations. The representations set forth above are true and correct and are incorporated herein by reference.

2. Establishment of Escrow. Escrow Agent hereby accepts its designation to act and serve as Escrow Agent for the sale of Boat Slips in the Development by Developer, subject to all of the rights and privileges appertaining thereto and subject to the obligations incident thereto. Developer and Escrow Agent do hereby establish an escrow for the purposes of receiving, holding, and disbursing funds. The funds deposited into escrow shall be deposited in separate interest bearing accounts, provided Purchaser supplies to Escrow Agent an executed W-9, properly completed, or in the event a properly completed and executed W-9 is not provided to Escrow Agent, a common escrow account commingled with other escrow money received or handled by Escrow Agent.

3. Deposit of Funds.

a. Developer shall deliver certain Deposit Money received by it to Escrow Agent under Contracts in the form of the Purchaser's check made payable to or endorsed to the Escrow Agent, and Escrow Agent shall deposit only that Deposit Money into escrow. Simultaneously with the delivery of the Deposit Money, Developer shall deliver to Escrow Agent a schedule identifying the Deposit Money paid, the full legal name and mailing address of the Purchaser, information identifying the Slip for which the Deposit Money is given, Purchaser's social security number, and any other information as Escrow Agent reasonably may require. Additionally, with regard to each individual purchase, any transmittal of Deposit Money from Developer to Escrow Agent shall describe whether the Deposit Money pertaining to a Slip is for the first 10% of the purchase price for the Slip being transmitted, and shall identify any portion of the Deposit Money pertaining to a Slip that exceeds 10% of the purchase price of the Slip. The portion of the Deposit Money pertaining to a Slip that exceeds 10% of the purchase price of that Slip shall be held in a special escrow account ("Special Escrow Account"). Funds disbursed from the Special Escrow Account shall be used only for the actual construction and development of the Development and may not be used, in whole or in part, for salaries, commissions, expenses of salespersons, or for advertising purposes. Furthermore, funds from the Special Escrow Account may be disbursed only after construction of improvements has begun. Disbursements from the Special Escrow Account shall be made by Escrow Agent upon receipt of a written statement from Developer requesting those funds and stating that (1) construction of Development improvements has commenced, and (2) no portion of the funds to be disbursed shall be used, in whole or in part, for salaries, commissions, expenses of salespersons, or advertising purposes.

4. Disbursement of Deposit Money.

a. Except as pertaining to disbursements involving the Special Escrow Account, Escrow Agent agrees to hold all Deposit Money in escrow subject to and in accordance with the following terms and conditions:

(1) Escrow Agent shall disburse applicable Deposit Money, together with any interest actually earned thereon, to Purchaser within five days after receipt of Developer's written certification that Purchaser properly has terminated the Contract.

(2) Escrow Agent shall disburse applicable Deposit Money to Developer within five days after receipt of Developer's written certification of the Purchaser's failure to cure a default in performance of Purchaser's obligations thereunder. Certification by Developer shall include: (a) Developer's statement that Purchaser has defaulted and that Developer has not defaulted; (b) a brief explanation of the nature of the default and the date of its occurrence; (c) a statement that Developer is entitled under the Contract to

the funds held by Escrow Agent; and (d) a statement that Developer has not received from Purchaser any written notice of a dispute between Developer and Purchaser or a claim by Purchaser to escrow.

Notwithstanding the foregoing, in the event that before a closing, Escrow Agent receives written notice from Purchaser that there is a dispute between Purchaser and Developer, Escrow Agent shall notify Developer in writing and continue to hold the Deposit Money until it receives written instructions signed by both Developer and Purchaser concerning disbursement.

(3) In the event of a closing, Escrow Agent shall disburse to Developer the Deposit Money with respect to the Contract in accordance with Purchaser's authorization as contained in the Contract. Deposit Money shall be disbursed to Developer on receipt by Escrow Agent from Developer of written notice that the closing has been completed.

(4) In addition to the above conditions and requirements, Escrow Agent shall, at any time, make disbursements of Purchaser's Deposit Money on: (1) written direction duly executed by Developer and Purchaser, or (2) an appropriate order of a court of competent jurisdiction.

(5) At closing, interest earned on Deposit Money, if any, shall be paid to the appropriate party as may be provided by the Contract. If the schedule of information provided to Escrow Agent by Developer under paragraph 3 above fails to indicate that the interest is to go to the Purchaser, Escrow Agent shall presume that the interest shall accrue to Developer.

(6) Notwithstanding anything contained herein to the contrary, Escrow Agent may, without further notice or authorization from any Purchaser on any Contract, transfer all Deposit Money received under this Agreement to another escrow agent; provided, however, that before the transfer, the substitute escrow agent executes an escrow agreement substantially the same as this Agreement.

5. Investment of Deposit Money. Escrow Agent shall invest the Deposit Money in 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. Developer shall advise Escrow Agent in writing from time to time of the method in which Developer desires the Deposit Money to be invested.

6. Request for Refund Directly from Purchaser. In the event Escrow Agent receives a request for a refund directly from a Purchaser, Escrow Agent immediately shall forward a copy of the request to Developer. Developer shall have 20 days from receipt of the refund request to either (a) make a refund directly to the Purchaser, with a copy to Escrow Agent, or (b) notify Escrow Agent that Developer disputes that a refund is owed. If Developer does not

respond to the refund request within 20 days, Escrow Agent shall forward to Developer its check, made payable to the Purchaser, in the amount of the refund due to the Purchaser, and Developer shall deliver the check to the Purchaser.

7. Separate Books and Records. Escrow Agent shall maintain books and records for the Development in accordance with good accounting practices.

8. General Obligations and Duties of Escrow Agent. Escrow Agent shall maintain the accounts called for in this Agreement only in a manner to be under the direct supervision and control of Escrow Agent. Escrow Agent shall maintain the escrow accounts provided for hereunder in accordance with good banking practices and release any funds held under this Agreement from escrow only in accordance with this Agreement. Escrow Agent shall maintain and retain all affidavits and reports received and issued under this Agreement.

9. Responsibilities of Developer. Developer agrees that it shall, at all times, comply with all terms and provisions of and all other federal, state, and local regulations affecting the Development.

10. Disputes. In the event Escrow Agent shall receive conflicting demands for the escrowed funds or property, Escrow Agent shall either (1) with the consent of all parties, submit the matter to arbitration with the cost and expense to be equally split between the Developer and the applicable Purchaser, or (2) by interpleader, or otherwise, seek an adjudication of the matter by court proceeding. In the event of any dispute, or in the event of any litigation arising out of any of the terms or provisions of this Agreement, Escrow Agent shall be entitled to recover its reasonable attorneys' fees and court costs at all trial and appellate levels.

11. Term of Agreement.

a. This Agreement shall remain in effect unless and until it is canceled in either of the following manners:

(1) On written notice given by Developer to Escrow Agent of cancellation of designation of Escrow Agent to act and serve in that capacity, in which event the cancellation shall take effect no later than 30 days after notice to Escrow Agent of the cancellation; or

(2) Escrow Agent may resign as Escrow Agent at any time on giving notice to Developer of its desire to resign; provided, however, that resignation by Escrow Agent shall take effect not sooner than 30 days after Escrow Agent gives notice of resignation unless a successor escrow agent has been designated sooner by Developer and all escrowed funds have been delivered to the successor escrow agent.

b. On giving or receiving the notice of termination of the duties of Escrow Agent, in either manner described in subsection a above, Developer immediately shall

designate a successor escrow agent, and Escrow Agent shall deliver within 10 business days thereafter any and all funds held by it in escrow and any and all contracts or documents and copies, if not the original, maintained by Escrow Agent to the successor escrow agent.

12. Nonexclusive Agreement. The parties hereto acknowledge and agree that nothing herein shall prohibit Escrow Agent from serving in a similar capacity on behalf of other developers; provided, however, that any other escrow accounts maintained by Escrow Agent shall be maintained separately as distinct books and records for each project.

13. Reliance by Escrow Agent. Escrow Agent may act on any instrument or other writing believed by Escrow Agent in good faith to be genuine and signed or presented by the proper person, and Escrow Agent shall not be liable in connection with the performance or nonperformance of its duties under the provisions of this Agreement, except for its own default or negligence, and it shall be under no obligation to institute or defend any action, lawsuit, or legal proceeding in connection herewith or to take any other action likely to result in any expense or liability being incurred by Escrow Agent unless first indemnified.

14. Indemnification. Developer agrees to indemnify and hold Escrow Agent harmless against any and all losses, claims, damages, liabilities, and expenses other than those arising out of the negligence or misconduct of Escrow Agent, including reasonable costs of investigation, counsel fees, and disbursements that may be imposed on Escrow Agent or incurred by Escrow Agent in connection with its acceptance of its appointment hereunder or in the performance of its duties hereunder, including any litigation arising from this Agreement or involving the subject matter hereof.

15. Notices. All notices, certificates, requests, demands, materials, and other communications hereunder shall be in writing and shall be deemed to have been duly given on the delivery thereof by hand to the appropriate addresses set forth in the first paragraph of this agreement as evidenced by a signed receipt for same, or shall be considered given by mail on the date postmarked if mailed by first class mail, postage prepaid, or given telegraphically on the date transmitted from the place of origin.

16. Binding Agreement. This Agreement shall be binding on Developer and Escrow Agent and their successors and assigns.

IN WITNESS WHEREOF, Developer and Escrow Agent have caused this Agreement to be executed in their respective corporate names by their undersigned authorized officers and have caused their respective corporate seals to be affixed hereto on the dates and year noted below.

Signed, Sealed, and Delivered

DEVELOPER:

STEINHATCHEE SHORES, LLC, a Florida limited liability company

By: Steinhatchee Management, LLC, a Florida limited liability company, Manager of Steinhatchee Shores, LLC

Witness:_____

By:_____
Steven J. Bracci, Managing Member
of Steinhatchee Management, LLC

Witness:_____

ESCROW AGENT:

MORRISON & CAUDILL, PL, a Florida professional limited liability company

Witness #1 (print name below)

Witness #2 (print name below)

By:_____
David N. Morrison
Its: Managing Member