

STEINHATCHEE SHORES  
ESCROW AGREEMENT

THIS ESCROW AGREEMENT, made and entered into this \_\_\_ day of \_\_\_\_\_, 2006, by and between STEINHATCHEE SHORES, LLC, a Florida limited liability company, whose address is 3793 Longfellow Road, Tallahassee, Florida 32311, hereinafter referred to as "Developer," and MORRISON & CAUDILL, PL, whose address is 4933 Tamiami Trail North, Suite 200, Naples, Florida 34103, hereinafter referred to as "Escrow Agent."

RECITALS:

Developer is the Developer of Steinhatchee Shores, a subdivision located in Taylor County, Florida.

Escrow Agent is a law firm licensed to practice law in Florida, whose principal office is located in Naples, Collier County, Florida.

Developer has asked Escrow Agent to hold certain sales deposits received from Purchasers of homes, and Escrow Agent is willing to do so.

Developer wants to establish an escrow account to hold all payments received from each Purchaser, plus accrued interest thereon, in accordance with the Terms of the Purchase Agreement (herein the "Escrow Account").

The parties desire to set forth in writing the terms and conditions of the Escrow Agreement.

AGREEMENT:

An account is hereby established with Escrow Agent. Escrow Agent may, but shall not be required to, invest the escrowed funds in securities of the United States or any agency thereof, or in deposits in institutions insured by an agency of the United States. No other investments of the escrowed funds by Escrow Agent are permitted.

1. All funds deposited in any escrow account shall be released from escrow only as follows:

A. In the event the Purchaser defaults in the performance of his obligations under this Purchase Agreement, the escrow deposit shall be paid to Developer, with any interest earned.

B. In the event Purchaser has waived its right to have the deposit monies held in escrow, Escrow Agent shall pay to Developer at the time Developer takes title to the site, the escrowed funds. In the event Developer is in title to the site, the escrowed funds shall be immediately released to Developer.

C. In the event Purchaser has not waived its right to have the deposit monies held in escrow, Escrow Agent shall pay to Developer at the time Purchaser closes on the Site the escrowed funds, assuming Escrow Agent has not received from the Purchaser a written notice of dispute between the Purchaser and the Developer.

D. In the event Purchaser has not waived its right to have the deposit monies held in escrow, all deposits which are in excess of ten percent (10%) of the purchase price received by Escrow Agent prior to the closing shall be released by Escrow Agent to Developer upon Developer's request for the sole and exclusive use by Developer for the actual construction and development of the Subdivision in which the Site is located. No part of the deposit monies may be used for salaries, commissions, or expenses of salesmen or for advertising purposes.

2. When Developer makes a deposit into the Escrow Account, Developer must furnish Escrow Agent with a breakdown of each deposit indicating each Purchaser's name, address and the number of the Lot being purchased, the purchase price of each Lot, and a copy of each Purchase Agreement. Escrow Agent shall be entitled to fully rely on such list and information.

3. Escrow Agent shall give each Purchaser a receipt for each deposit made with respect to such Purchaser, upon request by Purchaser.

4. Developer and Purchaser agree to indemnify and hold Escrow Agent harmless from and against all claims, actions, damages, liabilities, judgments, costs and expenses (including reasonable attorney's fees, whether for negotiations, trial, or other services) which Escrow Agent may suffer or incur as a direct or indirect

result of acting as Escrow Agent pursuant to the terms of this Agreement, except those arising from Escrow Agent's intentional misconduct or gross negligence.

5. If the deposit shall earn interest, the interest shall be paid or credited to Developer if it is entitled to receive the principal, or paid to the Purchaser if it is entitled to return of the principal. Developer acknowledges that Escrow Agent is unable to place the escrowed funds in an interest bearing account unless the escrow funds are accompanied with a fully executed W-9 by the Purchaser. Escrow Agent shall not make any deposit in an interest bearing account until an executed W-9 is provided to Escrow Agent by Developer.

6. Any notice or request required to be given in writing hereunder shall be made by certified or registered mail, return receipt requested, and shall be deemed given when deposited in the United States mails, addressed to the proper party at the address shown above with sufficient postage attached thereto to carry it to its destination.

7. It is agreed by all parties hereto that the duties of Escrow Agent are only such as are herein specifically provided, being purely ministerial in nature and that Escrow Agent shall incur no liability whatever except for willful misconduct or gross negligence.

8. Escrow Agent shall be under no responsibility in respect to any of the monies deposited with it other than faithfully to perform its duties in accordance with the terms hereof upon, if necessary, the advice of counsel and it shall be fully protected in any action taken in good faith, in accordance with such advice. If in the performance of its duties hereunder, Escrow Agent shall be subject to or included in any legal proceeding or retain counsel in connection with any legal action involving Escrow Agent, Developer agrees to pay the reasonable attorney's fees incurred by Escrow Agent as a result of employment of such counsel. Escrow Agent shall not be required to defend any legal proceedings which may be instituted against Escrow Agent in respect to the subject matter of these instructions unless requested so to do by Developer and Purchaser and indemnified to the satisfaction of Escrow Agent against the cost and expense, including a reasonable attorney's fee, of such defense including appellate proceedings. Escrow Agent shall not be required to institute legal proceedings of any kind. Escrow Agent shall have no responsibility for the genuineness or validity of any document or other item deposited with Escrow Agent, and shall be fully protected in acting in accordance with any written instructions given to Escrow Agent

hereunder and believed by Escrow Agent to have been signed by the proper parties.

9. Escrow Agent assumes no liability under this Agreement except that of stakeholder. If there is any dispute as to whether Escrow Agent is obligated to deliver the escrowed monies, or as to whom that sum is to be delivered, Escrow Agent will not be obligated to make any delivery of the sum but in such event may hold the sum until receipt by Escrow Agent of an authorization in writing signed by all the persons having interest in such dispute, directing the disposition of the sum, or in the absence of such authorization, Escrow Agent by holding the sum until the final determination of the rights of the parties in an appropriate proceeding without any liability. If such written authorization is not given, or proceedings for such determination are not begun and diligently continued, Escrow Agent is not required to bring an appropriate action or proceeding for leave to deposit the sum in court, pending such determination. In making delivery of the monies in the manner provided for in this Agreement, Escrow Agent shall have no further liability in the matter. At any time, Escrow Agent may resign from its obligation hereunder and assign its obligations hereunder to a successor Escrow Agent, without the approval of the Developer, or any Purchaser or place all deposit monies into the registry of the Court, at which time Escrow Agent shall have no further liability hereunder.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

WITNESS:

\_\_\_\_\_  
Witness:\_\_\_\_\_

\_\_\_\_\_

DEVELOPER:

STEINHATCHEE SHORES, LLC, a Florida limited liability company

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

By:\_\_\_\_\_ Steven J. Bracci, Manager of Steinhatchee Management, LLC

Witness: \_\_\_\_\_

ESCROW AGENT:

WITNESS:

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

\_\_\_\_\_  
Witness: \_\_\_\_\_

By: \_\_\_\_\_  
James F. Caudill, Partner

\_\_\_\_\_  
Witness: \_\_\_\_\_