

**ESCROW AGREEMENT
(Reservation)**

THIS AGREEMENT dated this _____ day of _____, 2006, by and between EMERALD SHORES WEST, LLC, a Florida limited liability company (the "Developer"), and BURKE, BLUE, HUTCHISON & WALTERS, P.A., P. O. Box 70, Panama City, Florida 32402 (the "Escrow Agent").

WHEREAS, Developer is in the process of developing a condominium project known as "EMERALD SHORES WEST, A CONDOMINIUM" ("Emerald Shores West") and desires to establish an Escrow Account as required by Chapter 718 of Florida Statutes with Escrow Agent in which to deposit funds to be received from various potential purchasers of units in Emerald Shores West. Escrow Agent is authorized by Chapter 718 of Florida Statutes to function as an Escrow Agent to hold funds received from various potential purchasers of units in Emerald Shores West; and

WHEREAS, Escrow Agent has agreed to make no disbursement of such escrowed funds except in accordance with this Agreement; and

WHEREAS, the parties hereto desire to define their mutual rights and obligations in writing.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the premises and other good and valuable consideration, the receipt of which is hereby acknowledged by each of the parties, it is agreed as follows:

1. ESCROW AGENT. The escrow account required by Chapter 718 of Florida Statutes to be established by Developer is hereby so established with Escrow Agent and Developer agrees that Developer, or its agents, shall cause all sums deposited by potential purchasers of condominium units in Emerald Shores West to be forwarded to the Escrow Agent. Escrow Agent agrees to deposit funds forwarded to it in an escrow account to be designated "BURKE, BLUE, HUTCHISON & WALTERS, P.A., ESCROW AGENT FOR EMERALD SHORES WEST."

2. RECEIPT. All receipts forwarded to the Escrow Agent shall be deposited by the Escrow Agent in the account referred to above. The transmittal of all receipts to the Escrow Agent shall be accompanied by a copy of the Reservation Deposit Agreement, (the "Reservation Agreement"), signed by the potential purchaser. It is expressly understood that the Escrow Agent shall not be under any duty to enforce the collection of any such

receipts. Escrow Agent shall give a receipt for deposit to any potential purchaser depositing funds.

3. ACCOUNTING. The Escrow Agent shall account for the receipt and disbursement of all funds forwarded to it pursuant to this Agreement and such obligation to account shall be deemed fully satisfied upon the forwarding, upon a monthly basis, to the Developer, and such sales agent as the Developer may specify in writing to the Escrow Agent, of a complete summary of all money received from potential purchasers of units at Emerald Shores West and disbursements made from the account referred to above. Said monthly reports shall include specific itemization of the names, dates and amounts of each potential purchaser's deposit or deposits including the unit number being reserved.

4. INVESTMENT. All funds deposited pursuant to this Agreement 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.

5. DISTRIBUTION OF FUNDS. The Escrow Agent shall distribute escrow funds pursuant to the requirements as follows:

A. The Escrow Agent will grant any potential purchaser an immediate, unqualified refund of the reservation deposit monies upon written request either directly to the Escrow Agent or to the Developer as required by Florida Statutes §718.502(2)(b)1.

B. The Escrow Agent shall be responsible that no monies are released directly to the Developer except as a down payment on the purchase price at the time a Subscription and Purchase Agreement is signed by a potential purchaser if provided in the Subscription and Purchase Agreement. Any potential purchaser who executes a Subscription and Purchase Agreement shall have his deposit transferred to the Escrow Agent required by Florida Statutes §718.202(1)-(5).

6. FEES. Escrow Agent shall receive a fee of \$150.00 for each Reservation Deposit Agreement received. Escrow Agent shall periodically bill Developer for said fee. Escrow Agent shall also be entitled to receive its reasonable attorneys fees and court costs arising out of litigation or threatened litigation relative to this Agreement. If such litigation or threatened litigation results in a judgment or settlement in which the Escrow Agent is not determined to be in violation of the terms of this Agreement, then such

reasonable attorney's fees and court costs as shall have been incurred in connection therewith shall be reasonable expenses of the escrow and payable to the Escrow Agent.

7. INDEPENDENCE OF ESCROW AGENT. The Escrow Agent is independent of the Developer and neither the Developer nor any officer, director, affiliate, subsidiary or employee of the Developer may serve as Escrow Agent.

8. GENERAL CONDITIONS. The Escrow Agent acts hereunder merely as depository and is not responsible for the sufficiency, correctness, genuineness, or validity of any instrument deposited hereunder or upon which it either does act, or the identity or authority of any person executing or depositing the same. The Escrow Agent shall not be responsible for any act or omission in connection herewith in the absence of negligence or willful misconduct on their part.

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

As to Escrow Agent:

"ESCROW AGENT"

Witnesses:

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

Printed Name of Witness

By: _____
Edward A. Hutchison, Jr.
Its Vice President/Treasurer

Printed Name of Witness

As to Developer:

"DEVELOPER"

Witnesses:

EMERALD SHORES WEST, LLC, a
Florida limited liability company; By: Ken-
tucky Properties, LLC, its Managing Mem-
ber

Printed Name of Witness

By: _____
STEPHEN BRANSCUM, Manager

Printed Name of Witness