

**THE RESIDENCES AT HOTEL VIRIDIAN  
RESERVATION DEPOSIT ESCROW AGREEMENT**

**THIS RESERVATION DEPOSIT ESCROW AGREEMENT (“Agreement”)** is made as of this 10<sup>th</sup> day of March, 2011, by and between DST Development, LLC, a Florida limited liability company, whose address is 3004 Highway 395, Seagrove Beach Florida 32459 (“**Developer**”) and Watson Sewell, PL, 5365 E. County Hgwy 30-A, Suite 105, Seagrove Beach Florida 32459 (“**Escrow Agent**”).

RECITALS:

A. Developer is developing a certain fractional membership plan located in Walton County, Florida, to be known as The Residences at Hotel Viridian (“**Club**”), whereby purchasers will receive an undivided fractional interest in the Club (“**Interest**”). The construction, furnishing, and landscaping of the Club has not been substantially completed in accordance with the plans and specifications.

B. Developer intends to enter into reservation agreements with purchasers for the sales of Interests in the Club (“**Reservation Agreements**”) and to accept payments on account of the purchase price for such Interests (“**Reservation Deposits**”).

C. Escrow Agent is independent from Developer in accordance with §721.03(7), *Florida Statutes*.

D. Escrow Agent is authorized to act as an escrow agent for fractional/timeshare projects, in accordance with Chapter 721, *Florida Statutes*; and

E. Developer desires to establish an escrow account with Escrow Agent in accordance with Section 721.09(3), *Florida Statutes*, and Escrow Agent is willing to serve as escrow agent pursuant to the conditions set forth in this Agreement.

**NOW, THEREFORE**, in consideration of the foregoing premises, and intending to be legally bound by this Agreement, Developer and Escrow Agent agree as follows:

1. **Recitals.** The above recitals are true and correct and are incorporated in this Agreement.

2. **Receipt.** As and when Developer enters into a Reservation Agreement with a purchaser for the sale of an Interest in the Plan (“**Purchaser**”) and accepts a Reservation Deposit on account of the purchase price therefor, Developer will promptly forward such Reservation Agreement and the Reservation Deposit to Escrow Agent and will notify Escrow Agent of the mailing address of the Purchaser who made such Reservation Deposit. On receipt of the Reservation Deposit, the Reservation Agreement, and the mailing address of the Purchaser, Escrow Agent will deliver to the Purchaser a receipt for the Reservation Deposit.

3. **Refund.** Each Purchaser has the right to an immediate unqualified refund of the Reservation Deposit upon written request by a Purchaser either directly to the Escrow Agent or

to the Developer. Developer promptly will notify Escrow Agent upon receipt of such written request.

4. **Deposit/Investment/Release Funds by Escrow Agent.** Escrow Agent will hold all Reservation Deposits received by it in escrow in a non-interest-bearing escrow account located in Walton County, Florida. Escrow Agent may invest all, or any portion, of the escrowed Reservation Deposits in securities of the United States, or any agency thereof, or in accounts in institutions the deposits of which are insured by an agency of the United States; provided, however, that the funds will be available at all reasonable times for withdrawal in full by the Escrow Agent. Escrow Agent will refund the Purchaser the Reservation Deposit on receipt of Purchaser's written request either directly to the Escrow Agent or to the Developer, and the Developer will immediately notify the Escrow Agent in writing if such a request is made to Developer. Escrow Agent will be responsible for seeing that the Reservation Deposit moneys will not be released directly to Developer except as a down payment on the purchase price at or subsequent to the time the purchase contract is signed by the Purchaser, if so provided in the purchase contract. In the event that the Reservation Deposit is used as a down payment on the purchase price, the Developer will notify the Escrow Agent and will direct the Escrow Agent in writing as to the disposition thereof.

5. **Escrow Agent's Records.** Escrow Agent will maintain separate records for each plan or proposed plan for which reservation deposits are being accepted and shall maintain such books and records in accordance with good accounting practices.

6. **Reliance on Counsel and Indemnification.** In acting under this Agreement, the Escrow Agent may employ any counsel with respect to any question relating to its respective duties or responsibilities and will not be liable for any act done or omitted to be done by it in good faith on advice of counsel. The Escrow Agent will otherwise not be liable for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by its intentional misconduct or gross negligence, and the Developer agrees to indemnify and hold the Escrow Agent harmless from any claims, demands, causes of action, liability, damages, judgments, including the cost of defending any action against it together with any reasonable attorneys' fees incurred in connection with the Escrow Agent's undertaking pursuant to this Agreement, unless such act or omission is a result of the intentional misconduct or gross negligence of the Escrow Agent.

7. **Disagreement and Indemnification.** In the event of a disagreement about the interpretation of this Agreement, or about the rights and obligations, or the propriety, of any action contemplated by the Escrow Agent under this Agreement, the Escrow Agent may in its sole discretion file an action in interpleader to resolve the disagreement. The Escrow Agent will be indemnified by the Developer for all costs, including reasonable attorney's fees, incurred in connection with such interpleader action.

8. **Reliance by Escrow Agent.** The Escrow Agent may act in reliance on any writing or instrument or signature which it in good faith believes to be genuine; may assume the validity of any statement or assertion contained in such writing or instrument; and may assume that any person purporting to give any writing, notice, advice, or instruction in connection with this Agreement has been duly authorized to do so. The Escrow Agent will not be liable in any

manner for the sufficiency or correctness as to form, manner of execution, or validity of any written instructions delivered to it, nor as to the identity, authority, or rights of any person executing the same.

9. **Duties of Escrow Agent.** The duties of the Escrow Agent will be limited to the safekeeping of Reservation Deposits and for disbursements of the same in accordance with the terms of this Agreement. The Escrow Agent undertakes to perform only such duties as are expressly set forth in this Agreement, and no implied duties or obligations will be read into this Agreement against the Escrow Agent. On the Escrow Agent's disbursing Purchaser's Reservation Deposit in accordance with this Agreement, the escrow will terminate with respect to that Purchaser's Reservation Deposit, and the Escrow Agent will thereafter be released of all liability under this Agreement in connection therewith.

10. **Compensation.** Any compensation that Developer agrees to pay Escrow Agent for the performance of services under this Agreement or any other agreement will not be paid from principal escrowed. Any such compensation will not be automatically deducted from escrowed funds.

11. **Non-Exclusive Agreement.** The parties acknowledge and agree that nothing in this Agreement will prohibit Escrow Agent from serving in a similar capacity on behalf of others; provided, however, that other escrow accounts will be separately maintained.

12. **Resignation.** The Escrow Agent may resign at any time on the giving of thirty (30) days' written notice to the Developer. If a successor Escrow Agent is not appointed within thirty (30) days after notice of resignation, the Escrow Agent may petition any court of competent jurisdiction to name a successor Escrow Agent; the Escrow Agent herein will be fully relieved of all liability under this Agreement to any and all parties on the transfer of the escrow deposit to the successor Escrow Agent designated by the Developer or appointed by the court. The Escrow Agent will be indemnified by the Developer for all costs, including attorneys' fees, incurred as a result of filing the petition.

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

A. If to Developer, to: 3004 Highway 395  
Seagrove Beach Florida 32459  
Attn: \_\_\_\_\_  
Fax: (305) 351-0993

B. If to Escrow Agent, to: Watson Sewell, PL  
5365 E. County Hgwy 30-A  
Suite 105, Seagrove Beach FL 32459  
Attn: Frank Watson

14. **Choice of Law, Jurisdiction, and Venue.** This Agreement will be construed and enforced in accordance with the laws of the State of Florida. The exclusive venue for any legal proceeding relating to this Agreement will be in the state courts for Walton County, Florida.

15. **Binding Effect.** This Agreement will be binding on and will inure to the benefit of the parties, their successors, and/or assigns.

16. **Modification.** No modification, amendment, or alteration of any provision of this Agreement will be effective unless contained in a written agreement signed by the parties. Such modification, amendment, or alteration will be effective only in the specific instances and for the specific purposes for which given.

17. **Entire Understanding.** This Agreement contains the entire understanding between the parties and any prior understandings, whether oral or written, with respect to this Agreement are expressly superseded.

18. **Severability.** If any provision of this Agreement will be invalid and unenforceable under applicable law, the same will be deemed stricken from this Agreement. This Agreement will be construed in all respects as if such invalid or unenforceable provision were omitted.

19. **Counterparts and Facsimile.** This Agreement may be executed in one or more duplicate counterparts, each of which shall upon execution by all parties be deemed to be an original. Executed counterparts of this Agreement delivered by facsimile shall be deemed original documents for all purposes.

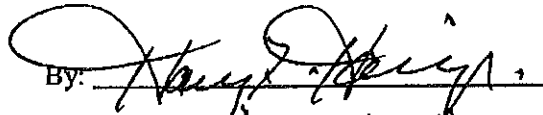
*{Signature Page Follows}*

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the day and year first above written.

Signed, sealed, and delivered  
in the presence of:

**Developer:**

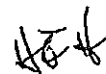
DST Development, LLC, a Florida limited liability company

By: 

Printed Name: Harry F. Horning, Jr.

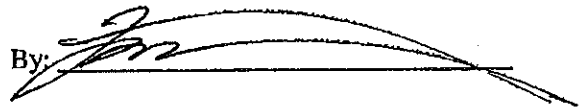
As its: Authorized Agent

*{Escrow Agent Signature Page Follows}*



**Escrow Agent:**

Watson Sewell, PL

By: 

Printed Name: Franklin Watson

As its: Manager

NEH