

Purchaser Deposit Escrow Contract

This Purchaser Deposit Escrow Contract (“Contract”) is made this ____ day of _____, 20____ by and between FLPRD, LLC, a Florida limited liability company, whose address is 1701 Porter SW, Suite 6, Wyoming, MI 49519, and whose fax number is (616) 534-9190 (“Developer”), and Southern Title Agency, Inc. (“Escrow Agent”), whose address is 2295 Hiawassee Rd., Suite 406, Orlando, Florida 32835, and whose fax number is 407-296-6320 (“Escrow Agent”).

Recitals:

- A. Developer is the developer of the platted unit development located in Osceola County, Florida, known as Heritage Key Villas (“Development”), according to the Declaration of Covenants, Conditions, and Restrictions of Heritage Key Villas to be recorded in the Public Records of Osceola County, Florida, and all amendments thereto.
- B. Developer intends to sell units in the Development (“Units”).
- C. Escrow Agent is a title insurance company authorized to insure title to real property in the State of Florida.
- D. Escrow Agent is independent from Developer.
- E. Developer desires to engage Escrow Agent to receive and hold certain funds as described in this Contract, in compliance with §501.1375, Florida Statutes.
- F. Subject to and in accordance with this Contract, Escrow Agent agrees to act in such capacity in connection with the sale of Units in the Development.

Now, therefore, in consideration of ten dollars and the mutual covenants in this Contract, the adequacy of which are acknowledged, the parties agree as follows:

1. Execution of Purchase Contract. In connection with the offering and sale of Units in the Development, Developer will require a prospective purchaser to execute a purchase contract (“Purchase Contract”). The terms and conditions of each such Purchase Contract will require, among other things, the purchaser to make certain deposit payments toward the purchase price of the Unit(s) before closing occurs.
2. Payments to be Made to Escrow Agent. In accordance with §501.1375, Florida Statutes, all funds or other property which are received from or on behalf of purchasers prior to substantial completion of the construction, furnishing, and landscaping of the Development (“Escrowed Funds”) will be deposited with Escrow Agent into an interest bearing escrow account. The funds or property deposited with Escrow Agent may be released from escrow only as provided in Paragraph 6. Escrow Agent will have no responsibility or liability with respect to any purchaser’s payments which are not delivered to Escrow Agent by Developer or said purchaser for deposit in the escrow account described in this Contract.
3. Copy of Purchase Contract. Developer agrees to provide Escrow Agent with a copy of each Purchase Contract with respect to which funds are being delivered to Escrow Agent, as provided in Paragraph 2. Developer further agrees to notify Escrow Agent of any change in the mailing address of any purchaser.
4. Receipt of Funds. Escrow Agent agrees to receive the funds described in Paragraph 2 and copies of Purchase Contracts as described in Paragraph 3, and to hold the monies which were transmitted to Escrow Agent under this Contract. Escrow Agent will provide to Developer a written receipt for all funds received and will provide a copy of such receipt to purchasers on written request for same.
5. Deposit of Funds into the Escrow Account. Escrow Agent promptly will deposit all payments made pursuant to each Purchase Contract into the escrow account(s) created pursuant to this Contract.
6. Disbursement of Escrowed Funds. All disbursement of Escrowed Funds by Escrow Agent will be governed by the following provisions:

A. Deposits up to 10% of purchase price. Escrow Agent shall hold in escrow all Escrowed Funds received from purchasers up to ten percent (10%) of the purchase price of their respective Unit(s) (“Deposits”). Prior to closing, Escrow Agent will not disburse any of the Deposits unless the same is expressly authorized under this Contract, or otherwise permitted under an alternate assurances escrow arrangement or other method permitted by §501.1375, Florida Statutes. Any interest earned on a purchaser’s Deposit will be disbursed to the ultimate recipient of the Deposit. Escrow Agent shall release the Deposits from escrow as follows:

(i) A purchaser is entitled to a refund of purchaser’s Deposits, and Escrow Agent will pay such Deposits to such purchaser, if the purchaser requests in writing a refund of purchaser’s Deposits within any refund period provided in the Purchase Contract, and purchaser is not otherwise in default.

(ii) If the purchaser defaults under the Purchase Contract, Developer will have the right to demand the Deposits from Escrow Agent as liquidated damages in accordance with the Purchase Contract. Escrow Agent will deliver the Deposits received from the applicable purchaser to Developer if, (x) at least seventy-two (72) hours prior to withdrawal of the Deposits, Developer provides purchaser via certified mail with written notice of Developer’s intent to withdraw purchaser’s Deposits as a result of purchaser’s default under the Purchase Contract; (y) Developer provides Escrow Agent with an affidavit from Developer stating that the purchaser is in default under the Purchase Contract and that Developer is not; and (z) Escrow Agent receives no objection from the purchaser.

(iii) On closing, Escrow Agent will disburse the Deposits for that particular purchaser to Developer at the address set forth above in this Contract, unless prior to the disbursement, Escrow Agent receives from the purchaser written notice of a dispute between the purchaser and Developer, in which case such Deposits may not be released to Developer until such time as Escrow Agent is provided with the written authorization of the purchaser or the matter is otherwise resolved in accordance with Paragraph 7. In the alternative, Developer may deliver an affidavit to Escrow Agent stating that closing will take place at a given place and time, and instructing Escrow Agent to deliver, at closing, the Deposits to the closing agent to be credited to the purchaser.

B. Deposits in excess of 10% of purchase price. All Escrowed Funds received from purchasers in excess of ten percent (10%) of the purchase price of their respective Unit(s) (“Additional Deposits”) shall be held by Escrow Agent. Once the construction of improvements has begun, and subject to the Purchase Contract, Developer may withdraw these Additional Deposits from the escrow account and use them for the construction and development of the Development, for sales and marketing, or for such other purposes as determined by Developer in Developer’s sole discretion. Any interest earned on Additional Deposits that remains in the special escrow account for more than three months shall be paid in the same manner as interest is disbursed pursuant to Paragraph 6.A.

7. Conflicting Claims for Escrowed Funds. Should Escrow Agent receive conflicting notices or demands for the Escrowed Funds or property of any purchaser which Escrow Agent is unable to resolve after good faith effort, Escrow Agent immediately will seek an adjudication of the matter by interpleader or otherwise. Escrow Agent will be indemnified for all costs, including reasonable attorneys’ fees, in connection with the such interpleader action, and will be fully protected in suspending all or a part of its activities under this Contract until a final judgment in the interpleader action is received. Escrow Agent will continue to hold the Escrowed Funds in dispute until any such conflict is resolved or until Escrow Agent receives the final order of the appropriate court before which the interpleader action was pending as to the disposition of such funds.

8. Records to be Maintained by Escrow Agent. Escrow Agent will maintain all books and records kept in connection with Escrowed Funds for the Development separate from those kept in connection with any other funds held in escrow by Escrow Agent, and will maintain such books and records in accordance with good accounting practices. Escrow Agent will maintain the escrow accounts and the books and records regarding same in such a manner as to be under Escrow Agent’s direct supervision and control and in a manner consistent with a fiduciary relationship between Escrow Agent and the purchasers.

9. Duties of Escrow Agent are Administrative. The duties of Escrow Agent under this Contract will be entirely administrative in nature and not discretionary. Escrow Agent is obligated to act only in accordance with written instructions received by it as provided in this Contract, and is authorized by this to comply with any orders, judgments, or decrees of any court, with or without jurisdiction, and will not be liable as a result of its compliance with the same. Escrow Agent has no duty or obligation to assure itself that the marketing and sale of Units by

Developer is in full compliance with any applicable laws prior to the disbursement to Developer of any Escrowed Funds. Further, Escrow Agent has no responsibility or liability with respect to purchasers' funds received by Developer which are not properly delivered to Escrow Agent in accordance with this Contract.

10. Reliance on Documents. Escrow Agent may rely absolutely on the apparent genuineness and authorization of the signature and purported signature of any party on any affidavit, instruction, notice, release, request, or other document delivered to it pursuant to this Contract, except when contradicted by actual knowledge of Escrow Agent. Escrow Agent has no duty, responsibility, or obligation to determine the validity, authenticity, or propriety of any of the documents delivered to it as a prerequisite to any of its actions required pursuant to this Contract, except when contradicted by actual knowledge of Escrow Agent.

11. Indemnification. Developer agrees to indemnify Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits, or proceedings at law or in equity, or any other expenses, fees, or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Escrow Agent under this Contract. In connection with such indemnification, Developer agrees to indemnify Escrow Agent against any and all expenses, including attorneys' fees and the cost of defending any action, suit, or proceeding or of resisting any claim. In addition, Developer agrees to indemnify Escrow Agent and hold it harmless from any liability of Escrow Agent which arises as a result of the breach or violation by Developer of any of the provisions any rules, regulations, or laws affecting the Development. Developer agrees that it will, at all times, comply with all of the provisions of all federal, state, and local regulations affecting the Development and the sale of Units in the Development. Similarly, Escrow Agent agrees to indemnify the Developer and hold it harmless from any and all claims, liabilities, losses, actions, suits, or proceedings at law or in equity, and any other expenses, fees, or charges of any character or nature, which it may incur or with which it may be threatened by reason of any act committed by Escrow Agent or anyone acting under Escrow Agent's control or direction that is outside of the scope of its duties and obligations in this Contract.

12. Escrow Agent's Right to Counsel and Liability. Escrow Agent may consult with counsel of its own choice and will have full and complete authorization and protection for any action taken or suffered by it under this Contract in good faith and in accordance with the opinion of such counsel.

13. Termination. Either Developer or Escrow Agent may terminate this Contract on thirty (30) days' written notice to the other. On receipt of such written notice by Developer, Developer immediately will take all steps necessary to secure a successor escrow agent. If a successor escrow agent is not engaged by Developer within the thirty (30) day period, Escrow Agent may petition a court of competent jurisdiction to name a successor escrow agent. When a successor escrow agent has been designated, Escrow Agent will transfer all Escrowed Funds and related documents, without covenant or warranty, express or implied, to the successor escrow agent within ten (10) days, at which time Escrow Agent will fully be discharged of all of its duties and obligations under this Contract.

14. Notices. Each notice or other communication permitted or required to be given under this Contract by one party to the other shall be in writing and shall be: (i) hand delivered; (ii) delivered by overnight, next day delivery service; or (iii) faxed, with copy sent by United States Mail on the same day, to the addressees at the addresses specified above. All notices given and received pursuant to this Paragraph shall be deemed to have been given and received if properly addressed and (i) if delivered by hand, on the date of delivery or on the date delivery was refused by the addressee, (ii) if delivered by overnight courier, on the date of delivery or on the date delivery was refused by the addressee, as established by the courier service confirmation, or (iii) if faxed, when sent, provided that a copy also is mailed on the same day by United States Mail, as established by a facsimile confirmation sheet from the sender's fax machine. Each party may designate another address or change in address in the United States up to four (4) times by written notice to the other in the manner prescribed in this Contract.

15. Term of Contract. This Contract will continue in force and effect for one (1) year after the date as of which it is executed by both Developer and Escrow Agent, and will automatically renew on the anniversary of such date each following year, unless terminated by written agreement between Developer and Escrow Agent pursuant to Paragraph 13.

16. Non-Exclusive Contract. The parties acknowledge and agree that nothing in this Contract will prohibit Escrow Agent from serving in a similar capacity on behalf of other entities, provided that any other escrow accounts maintained by Escrow Agent is maintained separately, with separate books and records.

17. Choice of State Law. This Contract will be governed and construed in accordance with the laws of the State of Florida.

18. No Compensation. Escrow Agent agrees that it shall be entitled to no compensation for the performance of services provided under this Contract.

19. Representations of Developer. Developer acknowledges that the status of Escrow Agent with respect to the offering of Units in the Development is only for the limited purposes set forth in this Contract, and Developer agrees that it will not represent or imply that Escrow Agent, by serving as the escrow agent under this Contract or otherwise, has investigated the desirability or advisability of an investment in the Units, or has approved, endorsed, or passed on the merits of such an investment.

In witness whereof, the parties have executed this Contract as of the day and year first above written.

Signed, sealed, and delivered
in the presence of:

Signature

Print Name

Signature

Print Name

Signature

Print Name

Signature

Print Name

Developer:

FLPRD, LLC,
a Florida limited liability company

By: _____

Print Name: _____

As its: _____

Escrow Agent:

Southern Title Agency, Inc.

By: _____

Print Name: _____

As its: _____