

ATTACHMENT 5 TO OFFERING CIRCULAR

ELITE RESORTS AT CITRUS VALLEY, A CONDOMINIUM

ESCROW AGREEMENT

THIS AGREEMENT is made effective as of this \_\_\_ day of March, 2008, by and between

CITRUS VALLEY INVESTORS, LLC,  
a Florida limited liability company

P.O. Box 5489  
14100 North SR 19, Suite A  
Salt Springs, Florida 32134

hereinafter called "Developer" and

Affiliated Title of Marion County Limited  
2701 S.E. Maricamp Road  
Ocala, Florida 34471

hereinafter called "Escrow Agent".

RECITALS:

1. Developer intends to construct and develop, in accordance with the Florida Condominium Act, a condominium project to be known as ELITE RESORTS AT CITRUS VALLEY, A CONDOMINIUM (the "Condominium"), on lands owned by Developer in Lake County, Florida;
2. Developer intends to enter into Purchase and Sale Agreements, with prospective purchasers of units in the Condominium with deposits on account of the purchase price to be made to Escrow Agent to be held and disbursed according to the provision of this Agreement and Florida law; and
3. Escrow Agent has consented to so act; and
4. Escrow Agent and Developer are completely unrelated entities.

NOW, THEREFORE, in consideration of these premises, it is mutually agreed as follows:

1. Payment of Funds to Escrow Agent. When Developer enters into a Purchase and Sale Agreement, Developer shall require deposits due thereunder to be made payable to the Escrow Agent, and shall deliver said deposit with copies of the Purchase and Sale Agreement to the Escrow Agent. The Escrow Agent shall deliver a receipt for the deposit to the Developer and the individual unit purchasers.
2. Receipt of Funds by Escrow Agent. Escrow Agent shall receive and hold said funds in one or more accounts pursuant to the requirements of Florida Statutes, Section 718.202. Funds shall not be deemed received by Escrow Agent until final payment to the Escrow Agent as defined in Florida Statutes, Section 674.215 of any check or any other negotiable instrument.
3. Release of Escrow Funds From Account. All deposits on Purchase and Sale Agreements shall be released to the Developer only as follows:
  - A. Upon closing of title to the unit to which such deposit relates, escrow funds shall be paid to

Developer upon receipt from the Developer of a closing statement or other verification signed by the purchaser or authorized agent reflecting that the transaction for the sale and purchase of the subject condominium unit has been closed and consummated together with a copy of the deed to the purchaser (the foregoing shall not apply in the event Escrow Agent also acts as the closing agent); provided, however, that no disbursements shall be made under this paragraph if, prior to the disbursement, the Escrow Agent received from purchaser written notice of a dispute between the purchaser and the Developer; and Escrow Agent may then proceed in accordance with the other provisions of this Agreement.

B. A default by purchaser under the terms of the Purchase and Sale Agreement may entitle the Developer to any funds deposited in accordance with the Purchase and Sale Agreement, if all of the following events occur:

- i. Developer certifies in writing that the purchaser whose funds are being held hereunder has defaulted under the terms of his Purchase and Sale Agreement;
- ii. Developer specifies and describes the nature of the default;
- iii. Developer certifies that the purchaser is not legally entitled to rescind his Purchase and Sale Agreement under the Florida Condominium Act;
- iv. Developer notifies the purchaser of purchaser's default by certified mail, return receipt requested;
- v. Developer furnishes Escrow Agent with evidence of such notices; and
- vi. Escrow Agent does not receive notification (either from Developer or purchaser) that purchaser has objected to the disbursement of the escrowed funds, within ten (10) days after the notice specified in (iv) above.

The Escrow Agent shall thereafter treat all funds of the purchaser then held by Escrow Agent under the terms of the Purchase and Sale Agreement in default as funds of Developer and shall forthwith pay funds to Developer.

4. Refunds to purchasers. The Escrow Agent shall refund the purchaser's deposit escrowed hereunder in accordance with the following:

A. A purchaser shall be entitled to a refund, and Escrow Agent shall pay said funds to purchaser in accordance with the terms hereof, upon receipt of a written request from the purchaser for a refund, stating that the purchaser has legally terminated his Purchase and Sale Agreement (a copy of which request must be provided to Developer by certified mail return receipt requested), and the expiration of ten (10) days from the written request in which Escrow Agent does not receive notification from Developer that Developer objects to the disbursement of the escrowed funds; or on receipt of a written request from the Developer to return to purchaser the funds of such purchaser then held hereunder by Escrow Agent; or on receipt of written notice from the Developer that the purchaser has legally rescinded his Purchase and Sale Agreement. If the Developer finds it necessary to alter or amend the information required in Florida Statutes, Sections 718.503 or 718.504, and the prospective purchaser then properly exercises his right to rescission of the Purchase and Sale Agreement, the Escrow Agent shall immediately and without qualification refund in full to the prospective purchaser the earnest money deposit upon written request by the Developer or the prospective purchaser (with confirmation from the Developer that purchaser has properly exercised his right to rescind).

B. If any refund is required under this paragraph 4 with respect to a Purchase and Sale Agreement, but the escrow deposit relating thereto has already been disbursed to the Developer, the Developer shall immediately provide funds to the Escrow Agent in an amount sufficient to make the refund.

5. Interest. The Escrow Agent shall be under no duty to invest said funds in an interest-bearing account. If said funds are so invested, all interest shall be paid to the Developer. Escrowed funds shall only be invested 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, or in such other investment permitted by the Florida Condominium Act. Notwithstanding anything herein to the contrary, Developer agrees that its Purchase and Sale Agreement shall provide that escrowed funds will not be held in an interest-bearing account.

6. Developer's Use of Sales Deposits.

A. Any payments made by a purchaser in excess of ten percent (10%) of the purchase price shall be placed in a separate Special Escrow Account by the Developer or his agent and may not be used by the Developer prior to closing except as provided in Section 3 above, or for refund to purchaser, as provided in Section 4 above, or as provided in 6.B. below.

B. Pursuant to Section 718.202(3), Florida Statutes, if the Purchase and Sale Agreement so provides, the Developer may withdraw escrow funds in excess of 10 percent (10%) of the purchase price from the Special Escrow Account when construction of the condominium improvements has begun and a Purchase and Sale Agreement has been signed by purchaser. The Developer may use the funds in the actual construction and development of the condominium property. No portion of the funds, however, may be used for salaries, commissions, or expenses of salesmen or for advertising purposes.

7. Liability of Escrow Agent. The Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statements or assertions contained in such writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instruction in connection with the provisions hereof has been duly authorized to do so. The Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner of execution or the validity of any written instructions delivered to it; the sufficiency of the title to the property to be conveyed; use or proper application of escrow funds after disbursement; compliance with any escrow withholding disclosure requirements imposed on the Developer or Escrow Agent by Florida law; nor as to the identify, authority or rights of any person executing the same. The duties of the Escrow Agent are limited to the safekeeping of the deposits and to disbursements of same in accordance with the written instructions described above. The Escrow Agent undertakes to perform only such duties as are expressly set forth herein, and no implied duties or obligations shall be read into this Agreement against the Escrow Agent. Upon the Escrow Agent's disbursing the deposit of a purchaser in accordance with the provisions hereof, the escrow shall terminate for such purchaser's deposit, and Escrow Agent shall thereafter be released of all liability in connection therewith. The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The Escrow Agent shall 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 willful misconduct or gross negligence, and Developer agrees to indemnify and does hereby indemnify and hold the Escrow Agent harmless from any claims, demands, causes of action, liability, damages or judgments, including the cost of defending any action against it, together with any reasonable attorney's fees incurred therewith, in connection with Escrow Agent's undertaking pursuant to the terms and conditions of this Escrow Agreement, unless such act or omission is a result of the willful misconduct or gross negligence of the Escrow Agent. The obligation to indemnify shall survive any resignation or termination of the Escrow Agent. The Escrow Agent is not obligated to make a payment until the deposit check received by it has cleared.

8. Disagreements. In the event of disagreement about the interpretation of this Agreement, or about the rights and obligations or the propriety of any action contemplated by the Escrow Agent hereunder, Escrow Agent may,

at its sole discretion, file an action in interpleader to resolve said disagreement. Escrow Agent shall be indemnified by Developer for all costs, including reasonable attorneys' fees, in connection with the aforesaid interpleader action.

9. Litigation. If Escrow Agent is joined as a party to a lawsuit because it is holding a purchaser's deposit, Escrow Agent shall, at its option, either tender said deposits to the Registry of the appropriate Court, or disburse same in accordance with the Court's ultimate disposition of the cause and Escrow Agent shall be entitled to its reasonable attorneys' fees and court costs, to be paid by the nonprevailing party in the underlying deposit dispute between the purchaser and the Developer.

10. Termination of Escrow Agent. The Escrow Agent may resign at any time upon the giving of thirty (30) days written notice to the Developer, or may be terminated by Developer on thirty (30) days notice. The Escrow Agent shall not be obligated to accept any new deposits after having received from the Developer or delivered to the Developer a thirty (30) day notice of termination. Within said thirty (30) day period, Developer shall have the sole right to appoint a successor escrow agent upon notice to the Escrow Agent and the purchaser. Thereupon, all funds may be transferred from the Escrow Agent to the successor escrow agent, providing the successor escrow agent executes an Escrow Agreement in substantially the same form and substance as this Agreement and Developer executes a release of liability in favor of Escrow Agent in a form acceptable to Escrow Agent. A successor escrow agent shall be an individual or entity qualified to so act under Florida Statutes, Section 718.202. If a successor escrow agent is not appointed by the Developer 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 Developer shall be responsible to pay the Escrow Agent's reasonable attorney's fees and court costs for having to petition the court to name a successor escrow agent, and the Developer shall be responsible to pay the Escrow Agent's reasonable attorney's fees and court costs for having to petition the Court to name a successor escrow agent; and the Escrow Agent herein shall be fully relieved of all liability under this Agreement to any and all parties, upon the transfer of and due accounting for the escrow deposits to the successor escrow agent either designated by the Developer or appointed by the court.

11. Applicable Law. This Agreement shall be construed and enforced according to the laws of the State of Florida.

12. Incorporation of Agreement. This Agreement shall be expressly incorporated by reference in all Purchase and Sale Agreements between Developer and purchasers.

13. Entire Agreement. This Agreement represents the entire agreement between the parties with respect to the subject matter hereof and shall be binding upon the parties, their respective successors, and assigns.

14. Alternative Assurance. Developer reserves the right to post an alternative assurance in accordance with Section 718.202, Florida Statutes, and Rule 61B-17.009, Florida Administrative Code. The director of the Division of Florida Land Sales, Condominiums and Mobile Homes (the "Division") has the discretion to accept other assurances from Developer in lieu of the escrow of all or any portion of the funds required to be escrowed hereunder. Developer may, but is not obligated to, submit to the Division for approval a letter of credit or other assurance, such as surety bonds or cash, as may be approved by the Division in writing from time to time. If the Division accepts the other assurance as being sufficient under the Florida Condominium Act and this Agreement, such other assurance will serve as security for all or a portion of the Deposits otherwise required to be escrowed hereunder in accordance with the terms and conditions of this Escrow Agreement. Developer shall be obligated to furnish Escrow Agent with a copy of the Division's approval of any other assurance along with the certificate of Developer that such other assurance is adequate in amount to cover all Deposits to be made in connection with the Condominium. Notwithstanding anything contained herein to the contrary, no increase or substitute other assurance arrangements shall be instituted, and Escrow Agent may not rely on any such increased or substitute other assurance, without the prior written approval of the Division.

A. Holding of Funds Secured by Other Assurance. For so long as Developer maintains an acceptable other assurance as contemplated herein, Developer will not be required to escrow the deposits otherwise required to be escrowed hereunder with Escrow Agent; provided, however, that the total amount of deposits retained by Developer is less than or equal to the amount

of the other assurance, including all increases and extensions thereof which may be approved by the Division from time to time. Provided further that in the event that Developer receives deposits which in total exceed the amount of the other assurance, any such excess deposits shall be delivered to Escrow Agent immediately in accordance with the procedures set forth herein. Alternatively, such excess deposits may be redelivered to Developer by Escrow Agent upon the receipt by Escrow Agent of acknowledgement by the Division that the Division is in possession of an acceptable increase in the amount of the other assurance to cover the excess of the deposits.

B. Monthly/Quarterly Accounting. Developer shall provide Escrow Agent with a monthly report and provide the Division with a quarterly report of all deposits which are not escrowed because of the existence of an other assurance. Escrow Agent shall use the monthly report as a means of compiling the status report required by subparagraph (C) below. Escrow Agent and the Division shall be entitled to fully and completely rely upon the accuracy of said reports. Such monthly and quarterly reports shall indicate the amount of monies then held by Developer and a list of the purchasers who have made such deposits.

C. Expiration of Alternative Assurance. Notwithstanding anything contained herein to the contrary:

i. Developer shall supply the Division with a replacement to the other assurance which is acceptable to the Division at least forty-five (45) days prior to the expiration of the other assurance.

ii. If Escrow Agent has not received notification from the Division that Developer has complied with Paragraph (C)(i) above, then thirty (30) days prior to the expiration of the other assurance, Escrow Agent shall provide the Division with a report showing the status of the total funds secured by the other assurance as of the thirtieth (30th) day prior to the expiration of the other assurance based on the monthly reports furnished by Developer.

iii. In addition to (ii) above, Escrow Agent shall then make demand for payment from Developer to Escrow Agent of that amount of total funds secured by the other assurance. In the event such payment is not forthcoming from Developer within five (5) days from mailing of demand by Escrow Agent, then Escrow Agent and/or the Division shall make demand upon the other assurance to the extent of the amount of funds and place such funds with Escrow Agent, which shall then be responsible for maintaining such funds in accordance with this Agreement. In the event Escrow Agent fails to make the necessary demand on the other assurance as set forth above, the Division shall have the right to then make the demand on the other assurance in accordance with the terms of this Agreement and such funds shall be placed in escrow pursuant to this Agreement. It is understood that this procedure shall similarly be followed in the event of any dispute with any purchaser relating to refunds of any funds secured by the other assurance from time to time that is not resolved within fifteen (15) days from the date that Developer receives notice of the dispute.

iv. The original expiration date of any letter of credit or surety bond shall be not less than one (1) year from the date of issuance, and if the letter of credit or surety bond is automatically renewable, the issuer shall give the Escrow Agent and the Division Director not less than thirty (30) days notice of cancellation.

D. **Release of Funds to Developer.** Funds retained by Developer pursuant to Paragraph 14(A) above, which are secured by the other assurance, may only be released from the other assurance upon presentation to Escrow Agent of one of the certifications set forth immediately below in Paragraph 14(E), with the additional provision that funds previously released are no longer required to be secured by the other assurance.

E. **Assurance No Longer Required.** If any outstanding other assurance is no longer required in order to enable Escrow Agent to satisfy the conditions set forth in the Florida Condominium Act and herein, then Developer shall so notify Escrow Agent and the issuer in written form by certified mail at least forty-five (45) days in advance of the expiration date of the other assurance and Escrow Agent shall return the other assurance to the issuer. For purposes of this subparagraph, the expiration date of any other assurance which is automatically renewable shall be extended by the applicable renewal periods unless Escrow Agent receives notice from the issuer that the issuer will not renew the other assurance. Escrow Agent is authorized to rely upon a statement from Developer as to whether other assurance is no longer required to satisfy the conditions set forth in the Florida Condominium Act and herein.

F. All of the foregoing provisions of this paragraph 14 notwithstanding, Developer agrees that it will not pursue its right to post an alternative assurance in accordance with Section 718.202 of the Florida Statutes and the other provisions of Paragraph 14 above without first notifying the Escrow Agent. Escrow Agent reserves the right to terminate this Escrow Agreement upon receipt of Developer's notification that the Developer intends to pursue its right to post an alternative assurance in accordance with Section 718.202 of the Florida Statutes. If Escrow Agent elects to terminate this Escrow Agreement after receipt of the Developer's notice of intent to post alternative assurance in accordance with Section 718.202, Escrow Agent will have no responsibility for any of the Escrow Agent's duties pertaining to Alternative Assurances as set forth under this Paragraph 14.

15. Applicability of the Act. Notwithstanding anything herein to the contrary, in no event shall Escrow Agent be required to take any action or suffer any condition in violation of Chapter 718, Florida Statutes.

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

WITNESSES:

CITRUS VALLEY INVESTORS, LLC,  
a Florida limited liability company

\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*B. Connelly*  
*Bate Jones*

AFFILIATED TITLE OF MARION COUNTY  
LIMITED

By: *[Signature]*  
Print Name: *S. Michelle Price Foley*  
Title: *Closing Agent*