

EXHIBIT H TO PROSPECTUS

Escrow Agreement

ESCROW AGREEMENT  
(CONTRACT)

THIS ESCROW AGREEMENT dated this 12th day of May, 2006, by and between Beach Place Development, LLC, a Florida limited liability company ("Developer"), and Burke, Blue, Hutchison & Walters, P.A., whose address is 221 McKenzie Avenue, Panama City, Florida, 32401 ("Escrow Agent"), whereby the parties hereto for and in consideration of One Dollar (\$1.00) and other good and valuable consideration, including the mutual covenants and agreements hereinafter set forth, the receipt and sufficiency of which is hereby acknowledged, do agree as follows:

1. PARTIES. The Developer is in the process of developing a condominium in Santa Rosa Beach, Florida, known as "TopSail Village, a Condominium" (the "Condominium"). Developer desires to establish an Escrow Account as required by Chapter 718 of Florida Statutes (the "Condominium Act") with Escrow Agent in which to deposit funds to be received from various purchasers of units at TopSail Village. Escrow Agent is authorized by the Condominium Act to function as an Escrow Agent to hold funds received from various purchasers of units in TopSail Village. Escrow Agent is independent of Developer.

2. ESCROW AGENT. The Escrow Account required by Florida Statutes Section 718.202 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 purchasers of condominium units in TopSail Village, to be forwarded to Escrow Agent. Escrow Agent agrees to deposit all funds forwarded to it in a special escrow account designated as "TopSail Village Escrow Account".

3. EXCESS ESCROW. All payments which are in excess of 10 percent of the sale price of a condominium unit in TopSail Village which are received prior to completion of construction by the Developer from a purchaser of a unit in the Condominium shall be held in the Excess Escrow category of the TopSail Village Escrow Account which is controlled by the Escrow Agent and may not be used by the Developer prior to closing the transaction, except for refund to the purchaser, if the Subscription and Purchase Agreement is voided by the purchaser pursuant to 6(a) below or, after the purchaser's right to void the Subscription and Purchase Agreement has lapsed, as provided hereafter. When construction of the Condominium has begun, the Developer may withdraw escrow funds in excess of 10 percent of the purchase price from the Excess Escrow. The Developer may use the funds in the actual construction and development of the Condominium. However, no part of these funds may be used for salaries, commissions, or expenses of salesmen or for advertising purposes. In order to withdraw funds from the Excess Escrow, the Developer shall provide an affidavit to the Escrow Agent that the

funds will be used only in the actual construction and development of the Condominium and not for salaries, commissions, or expenses of salesmen or for advertising purposes.

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. FUNDS. All funds forwarded to the Escrow Agent shall be accompanied by: (a) either a copy of the Subscription and Purchase Agreement signed by the purchaser; or (b) if a bidder deposit ("Bidder Deposit"), the bidder's contact information including name, address, telephone number and email address where applicable and bidder's return instructions for use in the event that bidder is does not become a purchaser and execute a Subscription and Purchase Agreement. All funds shall be in cash or in check made payable to "Burke, Blue, Hutchison & Walters, P.A." The parties expressly agree that the Escrow Agent shall be under no duty to enforce the collection of any checks delivered to it. Escrow Agent will give a receipt for deposit to any purchaser depositing funds. The terms and provisions of the Subscription and Purchase Agreement provide that deposits shall be deposited in a non-interest bearing account. Bidder Deposits shall be deposited in a non-interest bearing account.

6. DISTRIBUTION OF FUNDS. The Escrow Agent shall distribute funds deposited pursuant to this Agreement as follows:

(a) If a purchaser properly terminates a Subscription and Purchase Agreement pursuant to its terms or pursuant to the Condominium Act, the funds shall be paid to the purchaser.

(b) If a purchaser defaults in the performance of his obligations under the Subscription and Purchase Agreement, the funds shall be paid to the Developer less the fee set forth in paragraph 7 below.

(c) If the Bidder Deposit is not used because the bidder does not become a purchaser and sign a Subscription and Purchase Agreement, then the Bidder Deposit shall be forthwith returned to the bidder according to the return instructions provided by the bidder, and in the absence of such instructions, then according to the Escrow Agent's customary procedures.

(d) If the funds of a purchaser have not been previously disbursed in accordance with the preceding subparagraphs, the funds will be disbursed to the Developer by the Escrow Agent at closing of the transaction (with the Purchaser receiving credit for same, less the fee set forth in paragraph 7 below, against the purchase price), unless prior to the disbursement the Escrow Agent

receives from a purchaser written notice of a dispute between the purchaser and the Developer.

7. FEES. No fees or expenses shall be payable to the Escrow Agent except an agreed upon fee of \$250.00 per unit for which a Subscription and Purchase Agreement and an escrow deposit are delivered to the Escrow Agent, which fee shall be paid by Purchaser either upon proper cancellation of the Agreement or at closing on the purchase. Said fee shall be \$325.00 per unit, if the Purchaser uses a Letter of Credit for part of his deposit due under his Subscription and Purchase Agreement. Said fee shall be due and payable from Purchaser's separate funds, and shall not be deducted from the escrow deposit. In any litigation between Purchaser and the Escrow Agent, the prevailing party shall be entitled to recover from the opposing party reasonable attorney's fees and costs incurred in the action, whether through administrative proceeding, bankruptcy court, alternative dispute resolution, litigation, or appeal.

8. GENERAL CONDITIONS. The Escrow Agent acts hereunder merely as a depository and is not responsible for the sufficiency, correctness, genuineness or validity of any instrument deposited hereunder or under which it does act, or the identity or authority of any person executing or depositing same. In the event of any disagreement between the Developer, the Escrow Agent or any other person, including Purchasers having an interest in or claiming an interest in, the money deposited pursuant hereto, resulting in adverse claims or demands being made with reference to such money, the Escrow Agent may, at its option, continue to hold the same without liability until the rights of all adverse claimants have been adjudicated by a court of competent jurisdiction or until all differences have been adjusted and settled between the parties and the Escrow Agent has been so advised by all such interested parties in writing. The Escrow Agent shall not be responsible for any act or omission in connection herewith in the absence of gross negligence or willful misconduct on its part.

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

"ESCROW AGENT"

WITNESSES:

Burke, Blue, Hutchison & Walters, P.A.

\_\_\_\_\_  
By: Rob Blue, Jr.  
As: Vice President

\_\_\_\_\_  
As to Escrow Agent

"DEVELOPER"  
BEACH PLACE DEVELOPMENT, LLC.,  
a Florida limited liability company

\_\_\_\_\_  
As to Developer

\_\_\_\_\_  
By: Timothy G. Pauls  
ITS: Managing Member

receives from a purchaser written notice of a dispute between the purchaser and the Developer.

7. FEES. No fees or expenses shall be payable to the Escrow Agent except an agreed upon fee of \$250.00 per unit for which a Subscription and Purchase Agreement and an escrow deposit are delivered to the Escrow Agent, which fee shall be paid by Purchaser either upon proper cancellation of the Agreement or at closing on the purchase. Said fee shall be \$325.00 per unit, if the Purchaser uses a Letter of Credit for part of his deposit due under his Subscription and Purchase Agreement. Said fee shall be due and payable from Purchaser's separate funds, and shall not be deducted from the escrow deposit. In any litigation between Purchaser and the Escrow Agent, the prevailing party shall be entitled to recover from the opposing party reasonable attorney's fees and costs incurred in the action, whether through administrative proceeding, bankruptcy court, alternative dispute resolution, litigation, or appeal.

8. GENERAL CONDITIONS. The Escrow Agent acts hereunder merely as a depository and is not responsible for the sufficiency, correctness, genuineness or validity of any instrument deposited hereunder or under which it does act, or the identity or authority of any person executing or depositing same. In the event of any disagreement between the Developer, the Escrow Agent or any other person, including Purchasers having an interest in or claiming an interest in, the money deposited pursuant hereto, resulting in adverse claims or demands being made with reference to such money, the Escrow Agent may, at its option, continue to hold the same without liability until the rights of all adverse claimants have been adjudicated by a court of competent jurisdiction or until all differences have been adjusted and settled between the parties and the Escrow Agent has been so advised by all such interested parties in writing. The Escrow Agent shall not be responsible for any act or omission in connection herewith in the absence of gross negligence or willful misconduct on its part.

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

WITNESSES:

Jofauchain  
Carly Betty  
As to Escrow Agent

"ESCROW AGENT"

Burke, Blue, Hutchison & Walters, P.A.

Rob Blue, Jr.  
By: Rob Blue, Jr.  
As: Vice President

"DEVELOPER"

BEACH PLACE DEVELOPMENT, LLC.,  
a Florida limited liability company

\_\_\_\_\_  
As to Developer

Timothy O. Pauls  
By: Timothy O. Pauls  
ITS: Managing Member

EXHIBIT I TO PROSPECTUS

Regulations