

ESCROW AGREEMENT SALES DEPOSITS

THIS ESCROW AGREEMENT (the "Escrow Agreement") is made and entered into this 15th day of October, 2019, by and between **MAGNOLIA PARK DPI, LLC**, a Florida limited liability company, whose address is 9227 Lincoln Ave 400-225 Lone Tree CO 80124 (the "Developer") and **INVERSO LAW GROUP, LLC**, a Florida limited liability company, whose address is 1800 Second Street, Suite 884, Sarasota, Florida 34236 (the "Escrow Agent").

WITNESSETH:

WHEREAS, Developer is developing a condominium known as Magnolia Park (the "Condominium"), located in Sarasota County, Florida; and

WHEREAS, Developer intends to enter into purchase agreements (the "Purchase Agreements") with buyers (collectively the "Buyers" and individually a "Buyer") for the sale of units ("Units") in the Condominium: and

WHEREAS, Developer desires to make arrangements with Escrow Agent to escrow all or a portion of each deposit for each Purchase Agreement (collectively, the "Deposits", and individually a "Deposit") in accordance with the provisions of the Chapter 718, Florida Statutes (the "Condominium Act") and in particular, Section 718.202, Florida Statutes: and

WHEREAS, Escrow Agent is a law firm, the members of which are each admitted to practice law in the State of Florida and has agreed to hold and disburse the Deposits it receives pursuant to the terms and provisions hereof.

NOW THEREFORE, in consideration of \$10.00 and other good and valuable consideration, Escrow Agent and Developer agree as follows:

1. Recitals. The recitals contained hereinabove are true and correct and are hereby incorporated herein by reference.

2. Establishment of Escrow. The parties hereto establish an escrow for the purposes of receiving, holding and disbursing funds as required under the Condominium Act. There shall be an escrow account (the "Account") for the Ten Percent Deposits (hereinafter defined) and a special escrow account (the "Special Account") for any Excess Deposits (hereinafter defined), as required by Section 718.202 of the Condominium Act. Funds deposited in this escrow may, at the election of Escrow Agent, be deposited in separate accounts, or in a common escrow, or commingled with the other escrow monies received by or handled by Escrow Agent, so long as such funds are separately accounted for.

3. Deposit of Funds. So long as required by the Condominium Act, Developer shall promptly deliver Deposits received from Buyers to Escrow Agent in such amount or amounts as are required under the Condominium Act and under the Purchase Agreements. Developer will deliver the Deposits in the form of checks payable or endorsed to Escrow Agent. Developer shall, at the time of each deposit, furnish Escrow Agent a copy of the Purchase Agreement applicable to the Buyer (and all amendments thereto), the full legal name, mailing address and social security number of the Buyer, and such other information as Escrow Agent shall reasonably require. In addition, any transmittal of a Deposit from Developer to Escrow Agent shall detail what part of the Deposit represents up to the first ten (10%) percent of the sales price contained in the Purchase Agreement for which the Deposit is being transmitted (the "Ten Percent Deposit"), and identify any portion of a Deposit that is in excess of (10%) percent of such sales price (the "Excess Deposit"). The sole responsibility for determining whether or not the amount of the funds deposited in escrow complies with the Condominium Act shall be that of Developer, and Escrow Agent shall only be responsible for funds actually received. All checks or drafts received are received subject to collection. Any bank charges assessed against the account in general will be reimbursed by Developer upon notification by Escrow Agent.

4. Receipt and Acknowledgment. Upon request, Escrow Agent shall deliver to a Buyer a receipt for a Deposit on the form provided by Developer with all information completed for Escrow Agent to acknowledge such receipt. Such receipt shall identify the Condominium, state the date and amount of Deposit received, the name and address of the Buyer, and the Unit number of the Unit being purchased.

5. Special Account. Excess Deposits shall be held in the Special Account. Funds disbursed from the Special Account pursuant to Section 6 (a) below shall be used only for the actual construction and development of the Condominium and may not be used, in whole or in part, for salaries, commissions, expenses of sales persons, or for advertising purposes. To the extent any Excess Deposit is not disbursed from the Special Account to the Developer in accordance with Section 6(a) below, same shall be released and disbursed as otherwise provided in Section 6 below for disbursement of Ten Percent Deposits from the Account.

6. Release of Funds from Escrow. Subject to clearance of funds, Escrow Agent shall release and disburse a Buyer's Deposit escrowed hereunder in accordance with the following:

- (a) Excess Deposits.** If the Purchase Agreement of any Buyer so provides, upon written request to Escrow Agent by Developer, accompanied by or including the certification required hereby, Escrow Agent shall pay to Developer such Excess Deposit. Escrow Agent will not be responsible as to the proper application of any funds released to Developer pursuant to this provision. Any request by Developer for disbursement of any funds from the Special Account pursuant hereto shall be accompanied by, or include, a written statement of Developer that: (i) construction has begun on the Condominium in which the Unit is located; and (ii) all funds

released to Developer will be used solely for construction purposes as aforesaid. Such request shall contain a list detailing those Buyer's funds which are being drawn. Developer shall maintain sufficient accounting records to demonstrate that all released funds were used for construction purposes.

- (b) **Buyer Cancellation.** Within ten (10) days after Escrow Agent's receipt of the Developer's written certification that a Buyer has properly terminated his Purchase Agreement pursuant to its terms or under the Condominium Act, Escrow Agent shall pay to the Buyer the Ten Percent Deposit, , and any part of an Excess Deposit not properly disbursed pursuant to Section 6(a) above,

- (c) **Buyer Default.** Escrow Agent shall pay a Deposit, to Developer within ten (10) days after Escrow Agent's receipt of Developer's written certification that the Buyer's Purchase Agreement has been terminated by reason of a Buyer's failure to cure a default in performance of the Buyer's obligations thereunder. Such certification shall include the following:
 - (i) Developer's statement that the Buyer has defaulted, and that the Developer has not;
 - (ii) A statement that, pursuant to the terms of the Purchase Agreement, Developer is entitled to the Deposit held by Escrow Agent;
 - (iii) A statement that Developer has not received from the Buyer any written notice of a dispute between the Buyer and Developer or a claim by the Buyer to the Deposit; and
 - (iv) A statement of the exact amount of the Deposit that is to be disbursed to Developer.

- (d) **Disbursement at Closing.** If and to the extent the Deposit of a Buyer has not been previously disbursed in accordance with the provisions of Subsections 6(a), 6(b) or 6(c) above, Escrow Agent shall pay such Deposit, to Developer or its closing agent at the closing of the transaction, unless prior to such disbursement Escrow Agent receives from a Buyer written notice of a dispute between such Buyer and Developer.

- (e) **Other Disbursements.** Escrow Agent shall, at any time, make distribution of a Buyer's Deposit upon (i) written direction duly executed by Developer and Buyer, or (ii) an appropriate order of a court of competent jurisdiction.

7. **Investment of Funds.** Escrow Agent will invest the escrow funds only 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, and selected by Developer by notice to Escrow Agent from time to time. The escrow accounts shall be in the name of Escrow Agent, and shall be clearly denoted on the records of Escrow Agent as an escrow account. Unless otherwise provided in the

Purchase Agreements, all Deposits may be deposited and held in non-interest bearing accounts. To the extent any Purchase Agreement provides for investment of any Deposit in an interest bearing account, then any interest earned shall be governed by Section 718.202, Florida Statutes. Escrow Agent shall have no liability in the event of a failure or insolvency of the institution in which the funds are invested and is hereby released and exonerated from any and all liability, whether now existing or hereafter arising, by reason of any loss resulting from the failure of any such designated institution to pay upon demand, monies deposited herein or interest accrued thereon.

8. Instructions to Escrow Agent. The following procedure shall be used by the parties concerning instructions to Escrow Agent:

- (a) All instructions to Escrow Agent shall be in writing and signed by the person or persons requesting such instructions. Any instructions which are jointly authorized by all parties shall be signed by all persons.
- (b) Except as may otherwise be set forth herein to the contrary, Escrow Agent shall only take direction by Developer, and shall not take direction from any Buyer(s). The duties of Escrow Agent shall be limited to the safekeeping of the deposits and disbursements of same in accordance with the written instructions described above.
- (c) Developer shall immediately deliver to Escrow Agent copies of any written notice or request from a Buyer relating to a Purchase Agreement and this Escrow Agreement. Developer hereby agrees to indemnify and hold Escrow Agent free and harmless from and against any claims, causes of action, liability or expenses arising from Developer's failure to promptly deliver a copy to Escrow Agent of any written request by Buyer for a refund of a Deposit.

9. Compensation. Developer hereby agrees to pay Escrow Agent compensation for the services to be rendered hereunder as Developer and Escrow Agent may agree from time to time. Any compensation that Developer agrees to pay Escrow Agent for the performance of services provided for in this Escrow Agreement shall not be paid from principal escrowed.

10. Successor to Developer. In the event any mortgagee of Developer, by foreclosure, deed in lieu, or otherwise, succeeds to the rights of Developer with respect to any Purchase Agreement and/or the Deposits held in escrow pursuant to this Escrow Agreement, such mortgagee shall succeed to the rights of Developer under this Escrow Agreement with respect to any Deposits held in escrow with respect to such Purchase Agreement.

11. Compliance. Developer acknowledges that any willful failure to comply with the escrow provisions of Section 718.202, Florida Statutes, constitutes a criminal offense pursuant to Section 718.202(7), Florida Statutes.

12. Conflicting Claims for Escrowed Funds. Should Escrow Agent receive conflicting notices or demands for a Deposit held in escrow on behalf of any Buyer, Escrow Agent shall immediately notify the Florida Division of Condominiums, Timeshares, , and Mobile Homes (the "Division") of the dispute and either promptly submit the matter to arbitration, or seek an adjudication of the matter by interpleader or otherwise. Escrow Agent shall be indemnified by the applicable Buyer and Developer, jointly and severally, for all costs, including reasonable attorneys' and paraprofessional fees, at trial and upon appeal, in connection with the aforesaid arbitration or interpleader action, and shall be fully protected in suspending all or a part of its activities under this Escrow Agreement until a final judgment in the interpleader action, if applicable, is received. Escrow Agent shall continue to hold the disputed Deposit during the resolution of any conflict by arbitration; provided, however, Escrow Agent may interplead any Deposit and not hold the same pursuant to this Escrow Agreement at any time. Escrow Agent and the Developer have a non-employee attorney-client relationship, including representation of Developer in legal matters relating to the Condominium. Such can continue unless and until the obligations as attorney and as Escrow Agent result in a conflict of interest or require a violation of the respective legal duties attendant to such positions, as set out in Rule 61 B-20.003, F.A.C.

13. Duties of Escrow Agent are Administrative. The duties of Escrow Agent hereunder shall be entirely administrative in nature and not discretionary. Escrow Agent shall be obligated to act only in accordance with written instructions received by it as provided in this Escrow Agreement, and is hereby authorized to comply with any orders, judgments, or decrees of any court, with or without jurisdiction, and shall not be liable as a result of its compliance with the same. Escrow Agent shall have no duty or obligation to assure itself that the operation of the Condominium and/or marketing of the Units within the Condominium by Developer is in full compliance with the Condominium Act prior to the disbursement to Developer of any Deposit or interest thereon. Further, Escrow Agent shall have no responsibility or liability with respect to Deposits which are not properly delivered to Escrow Agent in accordance with the provisions hereof.

14. Monthly Statements. The Escrow Agent will send monthly statements on the Escrow Account to Developer at the address set forth above. Escrow Agent agrees that the Division shall have the right to inspect the books and records of Escrow Agent with respect to this Agreement upon the reasonable prior notice of the Division.

15. Indemnification. Developer agrees to indemnify and hold harmless the Escrow Agent against any and all actions, claims, losses, damages, liabilities, costs and expenses, other than those arising out of the gross negligence or intentional misconduct of the Escrow Agent, including reasonable costs of investigation, counsel fees and disbursements that may be imposed on the Escrow Agent or incurred by Escrow Agent in connection with its acceptance of its appointment hereunder or in the performance of its duties hereunder, including an litigation arising from this Agreement or involving the subject matter hereof.

15. Indemnification. Developer agrees to indemnify and hold harmless the Escrow Agent against any and all actions, claims, losses, damages, liabilities, costs and expenses, other

than those arising out of the gross negligence or intentional misconduct of the Escrow Agent, including reasonable costs of investigation, counsel fees and disbursements that may be imposed on the Escrow Agent or incurred by Escrow Agent in connection with its acceptance of its appointment hereunder or in the performance of its duties hereunder, including an litigation arising from this Agreement or involving the subject matter hereof.

16. Limitation of Liability.

- (a) The obligations of Escrow Agent shall be determined solely by the express Provisions of this Escrow Agreement. No representation, warranty, covenant, agreement, obligation or duty of Escrow Agent shall be implied with respect to this Escrow Agreement or Escrow Agent's services hereunder.
- (b) Escrow Agent may act in reliance upon any writing or instrument or signature, whether original or facsimile, which Escrow Agent, in good faith, believes to be genuine, may assume the validity and accuracy of any statement or assertion contained in such a 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. Escrow Agent shall have no liability or obligation with respect to the Deposits except for Escrow Agent's willful misconduct or gross negligence. Escrow Agent's sole responsibility shall be for the safekeeping, investment and disbursement of the Deposits in accordance with the terms of this Escrow Agreement. Escrow Agent shall have no implied duties or obligations and shall not be charged with knowledge or notice of any fact or circumstance not specifically set forth herein. In no event shall Escrow Agent be liable for incidental, indirect, special, consequential or punitive damages. Escrow Agent shall not be obligated to take any legal action or commence any proceeding in connection with the Deposits or to appear in, prosecute or defend any such legal action or proceeding, except with respect to its obligations to interplead or arbitrate as provided herein.
- (c) Escrow Agent may consult legal counsel selected by it in the event of any dispute or question as to the construction of any of the provisions hereof or any other agreement or of its duties hereunder, and shall incur no liability and shall be fully protected from any liability whatsoever in acting in accordance with the opinion or instruction of such counsel. Developer shall promptly pay, upon demand, the reasonable fees and expenses of any such counsel.
- (d) No provision of this Escrow Agreement shall require Escrow Agent to expend or risk its own funds or otherwise incur financial liability in the performance of its duties under this Escrow Agreement if it shall have reasonable grounds for believing that repayment of such funds are adequate indemnity is not reasonably assured to it.

17. Termination. Either Developer or Escrow Agent may terminate this Escrow Agreement for any reason whatsoever upon thirty (30) days' written notice to the other. Upon receipt of such written notice from Escrow Agent by Developer, Developer shall immediately take all steps necessary to secure a successor escrow agent and shall immediately notify the Division. If a successor escrow agent is not engaged by Developer within said 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 or appointed by the Court, Escrow Agent shall, upon receipt of all fees due it hereunder, transfer all Deposits and related documents, without covenant or warranty, express or implied, to the successor escrow agent within ten (10) days, whereupon Escrow Agent shall be fully discharged of all of its duties and obligations hereunder.

18. Notices. All notices, certificates, requests, demands, materials, and other communications hereunder shall be in writing and shall be deemed to have been duly given upon the delivery thereof by hand or by professional courier (e.g., Federal Express) to the appropriate addresses set forth above as evidenced by a signed receipt for same, or shall be considered given by mail on the date postmarked, if mailed by prepaid certified mail with return receipt requested. The mailing addresses herein for the parties and for the Division shall be superseded only by written notice to the Division and each party of any change of address. The address of the Division is 1940 N. Monroe Street, Tallahassee, Florida 32399-1032 (850) 488-1122.

19. Term of Escrow Agreement. This Escrow Agreement shall continue in force and effect for two (2) years from the date it is executed by both Developer and Escrow Agent, and shall be deemed to be renewed automatically on the anniversary of such date each year thereafter, unless terminated by written agreement between Developer and Escrow Agent.

20. Non-Exclusive Escrow Agreement. The parties hereto acknowledge and agree that nothing herein shall prohibit Escrow Agent from serving in a similar capacity on behalf of other developers, provided that any other escrow accounts maintained by Escrow Agent shall be maintained with books and records that separately identify each condominium.

21. Choice of State Law. This Escrow Agreement shall be governed and construed in accordance with the laws of the State of Florida.

22. Assignment. Except as otherwise provided herein, no party to this Escrow Agreement may assign its rights or delegate its obligations under this Escrow Agreement without the express written consent of the other parties, except as otherwise set forth in this Escrow Agreement.

23. Amendment or Waiver. This Escrow Agreement may be changed, waived, discharged or terminated only by a writing signed by Developer and Escrow Agent. No delay or omission by any party in exercising any right with respect hereto shall operate as a waiver. A

waiver on any one occasion shall not be construed as a bar to, or waiver of, any right or remedy on any future occasion.

24. Severability. To the extent any provision of this Escrow Agreement is prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Escrow Agreement.

25. Entire Agreement; Third Party Beneficiaries. This Escrow Agreement constitutes the entire agreement between the parties relating to the escrow of the Deposits and sets forth in their entirety the obligations and duties of Escrow Agent with respect to the Deposits. No third party shall be a beneficiary of this Escrow Agreement, or derive any rights or benefits, or have any causes of action, hereunder.

26. Binding Effect. All of the terms of this Escrow Agreement, as amended from time to time, shall be binding upon, inure to the benefit of and be enforceable by the respective heirs, successors and assigns of Developer, each Buyer and Escrow Agent.

27. Counterparts. For the purpose of facilitating the execution of this Escrow Agreement and for other purposes, this Escrow Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed to be an original, and together shall constitute and be one and the same instrument.

28. Headings. The Section headings are not a part of this Escrow Agreement and shall not be used in its interpretation.

**REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOLLOWS**

IN WITNESS WHEREOF, Developer and Escrow Agent have caused these presents to be signed in their respective names the day and year first above written.

MAGNOLIA PARK DP1, LLC, a Florida limited liability company

By: Pedro Gonzalez
Pedro Gonzalez CEO
(Name) (Title)

INVERSO LAW GROUP, a Florida limited liability company

By: 
Darren R. Inverso, its Member