

ESCROW AGREEMENT

This Escrow Agreement (this "Agreement") is entered into by and between **LANTANA LAND HOLDINGS LLC**, a Delaware limited liability company, its successors or assigns (collectively, "Seller"), and **HILL COUNTRY TITLES** ("Escrow Agent").

The parties hereto agree that the terms and conditions of this Agreement shall be governed by the provisions set forth in The Villas at The Lantana Condominium Purchase and Sale Agreement and The Estates at The Lantana Condominium Purchase and Sale Agreement (collectively, the "Purchase Contract"), forms of which are attached hereto as Exhibit A-1 and Exhibit A-2. Unless otherwise defined herein, any capitalized term referenced herein shall have the meanings given such terms in the Purchase Contract.

Escrow Agent acknowledges that Seller shall enter into Purchase Contracts with purchasers (each, a "Purchaser") of condominium units within the Condominium.

By way of example and not limitation, the parties agree as follows:

I. Purchase Contracts

- A. The Earnest Money under each Purchase Contract shall be delivered directly to Escrow Agent by each Purchaser at specified times as provided in the Purchase Contract.
- B. Escrow Agent shall execute and deliver to Seller and each Purchaser a receipt in the form attached to the Purchase Contract upon receipt of the Earnest Money or any portion thereof.
- C. At the Closing, the Earnest Money shall be applied to the Purchase Price.
- D. If the Closing does not occur, Escrow Agent, with appropriate signatures and authorization, shall disburse the Earnest Money in the manner provided for in the Purchase Contract.

II. General

- A. Escrow Agent shall be authorized to invest the Earnest Money in a segregated interest bearing account; provided, however, that Escrow Agent shall invest the Earnest Money only in such manner as will allow Escrow Agent to disburse the Earnest Money upon not more than 24 hours' notice.
- B. All interest or other earnings on the Earnest Money shall be disbursed as provided in the Purchase Contract.
- C. If a default occurs under the terms and conditions of the Purchase Contract, Escrow Agent shall disburse the Earnest Money only at the time and in the manner provided in the Purchase Contract.
- D. Escrow Agent is not a party to, or bound by any agreement which may be deposited under, evidenced by, or which arises out of the foregoing instructions.
- E. Escrow Agent acts hereunder as a depository only and is not responsible or liable in any manner whatever for the sufficiency, correctness, genuineness, or validity of any instrument deposited with it hereunder, or with respect to the form or execution of the same, or the identity, authority, or rights of any person executing or depositing the same.
- F. Escrow Agent shall not be required to take or be bound by notice of any default of any person, or to take any action with respect to such default involving any expense or liability, unless notice in writing is given to an officer of Escrow Agent of such default and unless it is indemnified in a manner satisfactory to it against any such expense or

liability. This Agreement shall not be subject to rescission or modification except upon receipt by Escrow Agent of written instructions of Seller, and no such modification shall be effective unless and until consented to in writing by Escrow Agent.

- G. Escrow Agent shall be protected in acting upon any notice, request, waiver, consent, receipt, or other paper or document believed by Escrow Agent to be genuine and to be signed by the proper party or parties.
- H. Escrow Agent shall not be liable for any error of judgment or for any act done or step taken or omitted by it in good faith, or for any mistake of fact or law, or for anything which it may do or refrain from doing in connection herewith, except its own willful misconduct, and Escrow Agent shall have no duties to anyone except to Seller.
- I. Escrow Agent may consult with legal counsel in the event of any dispute or questions as to the construction of the foregoing instructions, or Escrow Agent's duties hereunder, and Escrow Agent shall incur no liability and shall be fully protected in acting in accordance with the opinion and instructions of such counsel.
- J. Escrow Agent assumes no liability and Seller hereby acknowledges and agrees that Escrow Agent shall have no liability for any defalcation, insolvency, receivership or conservatorship of the depository institution.
- K. Escrow Agent shall have no liability due to any of the parties other than Escrow Agent filing for bankruptcy or the consequences or effect of such a bankruptcy on the funds and/or documents deposited hereunder.
- L. For its ordinary services hereunder, Escrow Agent shall be entitled to a fee of \$1,000.00 (\$500.00 for each side of the transaction) payable at each Closing.

Seller hereby acknowledges and agrees that Escrow Agent assumes no liability for and is expressly released from any claim or claims whatsoever in connection with the receiving, retaining and delivering of the above papers and funds except to account for payment and/or delivery made thereon. Deposit by Escrow Agent of the instruments and funds (less its charges and expenses incurred herein) comprising this escrow in court, shall relieve Escrow Agent of all further responsibility and liability, and Escrow Agent is hereby expressly authorized to regard and to comply with and obey any and all orders, judgments or decrees entered or issued by any court with or without jurisdiction, and in case Escrow Agent obeys or complies with any such order, judgment or decree of any court it shall not be liable to Seller or to any other person, firm or corporation by reason of such compliance, notwithstanding any such order, judgment or decree be entered without jurisdiction or be subsequently reversed, modified, annulled, set aside or vacated. In case of any suit or proceeding regarding this escrow to which Escrow Agent is or may be at any time a party, it shall have a lien on the contents hereof for any and all actual cost, reasonable attorneys' fees, whether such attorneys shall be regularly retained or specially employed and other expenses which it may have incurred or become liable for on account thereof, and it shall be entitled to reimburse itself therefor out of said deposit, and Seller hereby agrees to indemnify and hold harmless Escrow Agent from all loss, costs or damages actually incurred, including but not limited to reasonable attorneys' fees, by reason of this Agreement or the subject matter hereof or any cause of action which may be filed in connection therewith and to pay Escrow Agent, upon demand all such actual costs, fees and expenses so incurred.

In the event that Escrow Agent performs any service not specifically provided hereinabove, or that there is any assignment or attachment of any interest in the subject matter of this Agreement or any modification thereof, or that any controversy arises hereunder, or that Escrow Agent is made a party to, or intervenes in, any litigation pertaining to this Agreement or the subject matter hereof, Escrow Agent shall be reasonably compensated therefor and reimbursed for all actual costs and expenses occasioned thereby; and Seller hereby agrees to pay the same and to indemnify Escrow Agent against any loss, liability, or

expense incurred in any act or thing done by it hereunder, it being understood and agreed that Escrow Agent may interplead the subject matter of this Agreement into any court of competent jurisdiction in Travis County, Texas, and the act of such interpleader shall immediately relieve Escrow Agent of its duties, liabilities, and responsibilities hereunder.

[SIGNATURE PAGE TO FOLLOW]

SELLER:

LANTANA LAND HOLDINGS LLC,
a Delaware limited liability company

By: LANTANA DEVELOPER, LLC,
a Texas limited liability company,
its Manager

By: _____
Name: _____
Title: _____

ESCROW AGENT:

HILL COUNTRY TITLES

By: _____
Name: _____
Title: _____

EXHIBIT A-1

PURCHASE CONTRACT FOR THE VILLAS

[Follows this page.]

EXHIBIT A-2

PURCHASE CONTRACT FOR THE ESTATES