

# WESTGATE LAKES III

## CONTRACT FOR PURCHASE AND SALE

1. **Description of Time Sharing Plan:** Purchaser acknowledges receipt of the Time Sharing Plan, which describes the nature and duration of the time share period being sold. The time share period being sold includes the conveyance of an interest in real property in perpetuity. The Developer has recorded or will record amongst the Public Records of Orange County, Florida, a Declaration of Covenants, Conditions and Restrictions (the Time sharing Plan) setting forth the rights, obligations, benefits and burdens of each Owner with respect to the Time Share Accommodations and Facilities (Common Amenities). The Time Sharing Plan contains various definitions, which definitions are incorporated herein by reference.

The Time Sharing Plan consists of the conveyance by the Developer to each Purchaser of the ownership in fee simple of an undivided interest in the real property described in the Plan as a tenant in common with other Owners, which interest shall constitute said Owner's time share interest. One time share interest shall be equal to a percentage undivided interest in the entire property. Each Time Share Interest initially equals an undivided interest in the property described in the Plan. A Bi-Annual Time Share Interest initially equals an undivided interest as set forth in the Plan. The undivided interest may change in accordance with the Plan. An Owner can be the Owner of more than one (1) Time Share Interest. The conveyance by the Developer of a Time Share Interest to an Owner shall designate to such Owner the use of an Assigned Unit and an Assigned Unit Week. The Owner shall be entitled to the possession of the Assigned Unit only during the Assigned Unit Week.

There shall be certain Facilities available for use by Owners in connection with ownership in the Time Share Accommodations. The Developer may, however is not obligated to, add additional properties and improvements to the Facilities in its sole discretion, without the consent of the Association or any Owner.

2. **Completion of Construction of Accommodations and Facilities:** All common Amenities are proposed, and Developer is under no obligation to construct any improvements on the Common Amenities. The time share accommodations (the "Resort Facility") is presently under construction and the latest estimated date for completion thereof is December 31, 1997. It is specifically acknowledged and agreed that the time for completion, as set forth herein, may be extended by reason of factors influencing the date of completion, including, but not limited to: acts of god, strikes, war or the availability of materials, etc. If the Unit is not complete at this time, then Purchaser acknowledges that the interior layout of the Unit and the price of the Unit are subject to change. Purchaser acknowledges that a change in the interior layout which does not alter the number of bedrooms or bathrooms and a change in the size of the Unit up to ten (10%) percent of the proposed size shall not be considered a material change to this Public Offering Statement.

3. **Total Financial Obligation of Purchaser:** Each Purchaser shall be obligated to pay the purchase price indicated on the face of the Contract for Purchase and Sale and the finance charge as indicated thereon (in the event the purchase price is financed in whole or in part) and, in addition thereto, shall be obligated to pay maintenance fees as set forth in paragraph "6" of this Agreement, closing cost as described in paragraph "7" of this Agreement, exchange membership dues set forth on the face of this Agreement, in the event the Purchaser elects to become a member of the exchange program in the event Purchaser desires to purchase same. The Purchaser shall not be obligated to pay any other charges except recurring maintenance expenses as set forth in the Time Sharing Plan and property tax assessments as assessed by appropriate local governmental authorities.

4. **Cancellation of Contract:** In the event the Purchaser cancels the Contract during a ten (10) day cancellation period, the Developer will refund to the Purchaser the total amount of all payments made by the Purchaser under the Contract, reduced by the proportion of any Contract Benefits the Purchaser has actually received under the Contract prior to the effective date of the cancellation. CONTRACT BENEFITS SHALL INCLUDE, BUT NOT BE LIMITED TO, THE VIDEOTAPE AND EXCHANGE DIRECTORY DELIVERED TO PURCHASER AT POINT OF SALE. IF THESE ITEMS ARE NOT RETURNED UPON CANCELLATION, \$50.00 SHALL BE DEDUCTED FROM THE REFUND. IN ADDITION, THE OCCUPANCY PRIOR TO CLOSING IN PARAGRAPH "8" BELOW IS A CONTRACT BENEFIT. The refund shall be made within twenty (20) days of demand therefor by Purchaser, or within five (5) days after receipt of funds from the Purchaser's cleared check, whichever is later.

5. **Ownership of Accommodations and Facilities:** The Developer is the Owner in fee simple absolute of the Accommodations and Facilities of the Time Sharing Plan, which Accommodations and Facilities will not be subject to any liens or encumbrances, except those set forth in the owner's policy of title insurance to be delivered to each Purchaser.

6. **Maintenance Fees and Guarantee of Assessments:** Purchaser acknowledges that, in addition to the purchase price and closing charges, Purchaser will be responsible, in accordance with the Time Sharing Plan, for the payment of a pro rata share of the Common Expenses, assessments, maintenance fees and other expenses incurred in the operation of the Time Share Accommodations and Common Facilities. The initial maintenance assessment for each time share interest purchased shall be as set forth on the first page of this Agreement exclusive of real estate taxes which are to be separately assessed. Developer's guarantee of the assessments is as set forth in the Estimated Operating Budget attached to the Public Offering Statement.

7. **Closing Costs and Expenses of Sale:** Purchaser acknowledges that in addition to the purchase price of each time share interest, Purchaser must pay certain other "closing costs" when (t)he(y) accept ownership at closing of title. Purchaser shall be obligated to pay to Seller, in addition to the purchase price, all expenses of closing in the amount set forth on the face of this Agreement, which closing charges include, but are not limited to, the payment of documentary stamps on the Warranty Deed, title insurance fees, recording charges, intangible and documentary stamps on any Note and Mortgage executed in connection with this transaction, credit investigation report and document preparation fee. Purchaser acknowledges that such closing charges are not to be considered part of the purchase price.

8. **Estimated Date of Closing: Occupancy Prior to Closing:** The term "closing" shall have that meaning as set forth in Florida Statutes, Chapter 721.05(4). The estimated date of closing of this transaction shall be substituted to the payment by Purchaser of the total down-payment in the amount set forth on the face of this Agreement, and clearance of all funds. The exact date of closing shall be as determined by Developer but shall be no later than twenty-four (24) months from the date of execution of this Agreement. If prior to closing, Purchaser is making payments on a Purchase Money Mortgage into Escrow, then closing may in the Developer's sole discretion be conditioned upon Purchaser having made prior to the date of closing twelve (12) monthly mortgage payments and being current in all mortgage payments prior to the date of closing. Upon execution of this Contract for Purchase and Sale, Seller and Purchaser intend to execute all documents necessary for closing, including a Warranty Deed, Promissory Note, Mortgage and other loan closing documents in the event this transaction is to be financed in whole or in part. Such closing documents are to be held in escrow by Seller or an escrow agent designated by Seller, pending closing. The Developer may, at its sole option, allow the Purchaser to occupy a Time Share Unit prior to closing. In such event, the Developer may require the Purchaser to pay the then current maintenance fee for the Time Share Unit occupied by Purchaser, in lieu of rent, which shall be deemed a contract benefit under Section 721.10, Florida Statutes. Accordingly, any fees paid hereunder will not be refunded in the event of cancellation by Purchaser.

9. **Condition of Title:** Seller shall convey title to Purchaser by Warranty Deed and shall record same in the Public Records of Orange County, Florida. The Warranty Deed shall designate a Unit which the Purchaser shall occupy and a Unit Week during which the Purchaser shall occupy his Unit. Seller shall provide Purchaser with insurable title, and Seller agrees to provide Purchaser, at Seller's expense, within one hundred eighty (180) days after closing, with an owner's policy of title insurance issued by a title insurance company licensed in Florida. This policy will contain details of any limitations on Purchaser's title. Permitted limitations are liability for all taxes starting the year Purchaser acquires title; any restrictions, covenants, limitations, reservations or easements of record; any restrictions, covenants, terms and other provisions of the Time Sharing Plan, and all Exhibits thereto, as may be amended; any Mortgage or other loan documents executed by Purchaser; and the general exceptions contained in the standard A.L.T.A. owner's policy of title insurance. Further, the title policy issued to Purchaser shall specifically exclude coverage for any event whatsoever occurring with respect to the Time Sharing Plan, or any interest therein, caused by virtue of any preemption of State law, including, but not limited to, any of the provisions of Florida Statutes, Chapters 721, or any of the terms and provisions of Chapter 11, United States Code. In the event Seller is unable to provide title as provided for herein, Purchaser shall have the option of accepting title in its existing condition and of payment of the full purchase price whereupon no further claims may be made upon Seller, or, Purchaser may cancel this Contract for Purchase and Sale and receive a full refund of all deposits paid in complete satisfaction of claims against Seller.

10. **Loan Financing:** Purchaser acknowledges that Seller may provide mortgage financing upon such terms, conditions and limitations as may be determined in Seller's sole discretion. If Purchaser desires financing, a loan application will be completed and submitted in connection with this Contract for Purchase and Sale, together with the execution of all mortgage loan closing documents, and said loan application shall be subject and conditioned upon Seller's approval for credit worthiness.

11. **Construction and Furnishing Specifications:** Materials, equipment, fixtures, furniture and furnishings to be used in a Unit will be substantially similar to those described in Seller's plans and specifications maintained by Developer and to the Model Unit(s) made available by Seller for viewing by Purchaser. In this regard, Purchaser acknowledges that such Model(s) are for display purposes only and that Purchaser's Assigned Unit shall have the furniture, appliances, equipment substantially similar to, or of equal quality to, those shown or used in the Model(s). To this extent, Seller warrants and represents that Purchaser's Unit will contain furnishings and furniture substantially similar to that contained in any Model Unit exhibited to Purchaser.

12. **Seller's Use of the Property:** For such period of time as Seller owns any time share interest, Seller and its agents may keep offices and Model Units in the property. Seller's salesmen, agents and representatives may exhibit these Units, erect advertising signs and do whatever else that may be necessary and helpful for sales or rentals. Seller may sell time share interests or lease or rent Units or Unit Weeks on a temporary or transient basis.

13. **Purchaser's Default:** In the event that Purchaser fails to comply with any of the terms, conditions and provisions of this Contract for Purchase and Sale, including the failure to execute all closing documents as may be reasonably required of Purchaser or to pay the balance of the purchase price due, Purchaser shall be in default, and Seller shall have the right to declare this Contract for Purchase and Sale cancelled, retain any deposits made by Purchaser and enforce the Promissory Note executed by Purchaser in connection with any additional deposits due hereunder as full and complete liquidated damages. Seller may then resell the time share interest without any accounting to Purchaser. Upon default of a Purchaser, Escrow Agent shall be authorized to release to Seller any and all documents previously executed by Purchaser and delivered by Seller and all monies held in escrow.

14. **Seller's Default:** In the event Seller defaults in any of its promises or fails to perform any of its duties under this Contract for Purchase and Sale, then Purchaser shall give Seller written notice of such default, and, if within TEN (10) DAYS from receipt of such notice, Seller fails to commence action that would cure the default within a reasonable period of time, Purchaser shall have all remedies permitted by law, including, but not limited to, the right of specific performance.

15. **Litigation:** In the event of any litigation arising out of this Contract, the prevailing party will be entitled to recover its reasonable attorney's fees, including paralegal fees, and all costs and fees on appeal.

16. **Notices:** Any time Purchaser and Seller are required to notify each other, the notice must be in writing. All notices, other than a notice of cancellation, must be sent registered or certified mail, postage prepaid, with a return receipt requested. All notices will be sent to the addresses listed on the face of this Contract for Purchase and Sale. Either party may change their addresses for notices by notifying the other in writing. A change of address notice is effective when received. All other notices are effective on the date mailed.

17. **Transfer or Assignment:** Purchaser shall not assign, sell or transfer its interest in this Contract for Purchase and Sale without receiving Seller's prior written consent. Following closing of title and the recording of a Warranty Deed in favor of Purchaser, Purchaser's right to transfer a Unit Week shall be made pursuant to the Declaration of Covenants, Conditions and Restrictions. Seller can assign or transfer its interest in the Contract for Purchase and Sale and Purchaser's consent will not be required.

18. **Purchaser's Acknowledgments:** Purchaser acknowledges that Purchaser has received a copy of the Public Offering Statement, together with all Exhibits attached thereto. Seller reserves the right to make changes in any of such documents as described in the Public Offering Statement, as Seller, governmental authorities having jurisdiction over the Time Share Accommodations, or mortgage lenders require or deem necessary, provided such changes do not materially and adversely affect Purchaser's right to the use and enjoyment of the Time Share Accommodations. Seller hereby declares that no representations have been made to the purchaser as to the potential future profit, rental potential, tax advantages, depreciation or other investment potential or other monetary or financial advantage.

19. **Notice Regarding Title Insurance:** The Developer shall provide each Purchaser with a title insurance policy issued by a title insurance company licensed in the State of Florida. In the event a Purchaser wishes to receive a title insurance policy from a company other than as specified by Developer, Purchaser may do so upon providing Developer with notice of Purchaser's election within Fifteen (15) Days of the date hereof. Upon making such election, Purchaser will be reimbursed for the cost of such title policy in the amount of the minimum promulgated rate adopted pursuant to the rules of the Insurance Commissioner of the State of Florida. In the event no such election is made by Purchaser, such failure to elect shall be deemed an absolute waiver thereof.

20. **Broker Participation:** Seller hereby advises Purchaser that CFI SALES & MARKETING, LTD. ("Broker") is acting as exclusive sales agent for Developer, and all commissions payable to said agent shall be paid for by Developer.

21. **Entire Agreement:** This Contract for Purchase and Sale contains the entire agreement and contract for the sale and purchase of the Time Share Interest as described herein and, following execution, it can only be amended by another agreement in writing.

22. **Warranties:** TO THE EXTENT LAWFUL, ALL IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURCHASE, MERCHANTABILITY AND HABITABILITY, AND ALL WARRANTIES IMPOSED BY FEDERAL OR STATE STATUTES, ARE SPECIFICALLY DISCLAIMED.

23. **Governing Law:** This Contract for Purchase and Sale shall be governed by and interpreted in accordance with the laws of the State of Florida. If any part of this Contract violates a provision of Florida law, the law will control in that case, however, the rest of the Contract (not in violation) will remain in full force and effect.

24. **Exchange Membership:** Purchaser is hereby advised that Seller has entered into an Agreement with INTERVAL INTERNATIONAL, such Agreement allowing for a reciprocal exchange program for Member/Owners at WESTGATE LAKES, a Time Share Resort. Seller makes no representations, direct, or indirect, relative to INTERVAL INTERNATIONAL, and all representations set forth within the brochures and literature of INTERVAL INTERNATIONAL are solely the representations of INTERVAL INTERNATIONAL, and not Seller. All membership or exchange dues assessed by INTERVAL INTERNATIONAL shall be the sole responsibility of Purchaser. The participation by Purchaser in the exchange program is voluntary on the part of Purchaser.

25. **Escrow Agreement:** Developer has entered into Escrow Agreement with GREENSPOON, MARDER, HIRSCHFIELD, RAFKIN, P.A., 100 West Cypress Creek Road, Trade Center South, Suite 700, Fort Lauderdale, Florida 33309 (Escrow Agent). Escrow Agent shall hold all deposits made by Purchasers, in escrow, in accordance with said Escrow Agreement. Florida statutes provide that the Escrow Agent shall provide every Purchaser with a receipt for all funds paid to the Seller.

Notwithstanding anything contained herein to the contrary, all funds received from Purchaser and held in escrow pursuant to the provisions of Florida Statutes, Chapter 721.08 shall be disbursed to Seller only in accordance with Florida Statutes, Chapter 721.08 and the Escrow Agreement entered into between Seller and Escrow Agent. A copy of the Escrow Agreement is attached as an Exhibit to the Public Offering Statement delivered to Purchaser. Any interest earned on any deposits made by Purchaser, and held in escrow, shall inure to the exclusive benefit of Seller.

Notwithstanding the foregoing escrow provisions, Purchaser does hereby agree that in lieu of any escrows required by this Contract, the Escrow Agreement or Florida Statutes, Chapter 721.08(1), Developer may establish alternative assurances acceptable to the Director of the Division of Florida Land Sales and Condominiums in accordance with Florida Statutes Chapter 721.08(2).

26. **Radon Gas:** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

27. **Changes in Documents:** Purchaser agrees that Seller shall have the right to make changes in the Public Offering Statement, including, but not limited to, changing the location of buildings, the number of Units in the buildings, the Unit numbers, the building numbers and undivided interest, none of which shall be deemed material or adverse. Purchaser hereby appoints Seller as his agent and power of attorney specifically granting the authority to correct any documents executed by Purchaser or Seller as may be necessary to carry out the provisions of any amendments made by the Developer.

28. **RESALES:** ANY RESALE OF THIS TIMESHARE INTEREST MUST BE ACCOMPANIED BY CERTAIN DISCLOSURES IN ACCORDANCE WITH SECTION 721.065, FLORIDA STATUTES.