

MORTGAGE CONTINGENCY ADDENDUM

This Mortgage Contingency Addendum (“**Mortgage Addendum**”) to the Contract for Purchase and Sale of Condo-Hotel Unit # ___ in Everest Place Lot L Condominium, a condominium within a portion of a building or within a multiple parcel building (“**Contract**”) is entered into this ___ day of _____ 20__ by and between **EP ORLANDO CONDO DEVELOPMENT I, LP**, a Florida limited partnership (“**Seller**”) and _____ (“**Purchaser**”). The Contract and this Mortgage Addendum together shall hereinafter be referred to as the “**Contract**.”

All capitalized terms not defined in this Mortgage Addendum shall have the same meaning prescribed to them in the Contract.

Mortgage Provision.

A. Use of Mortgage Loan. Notwithstanding anything in the Contract to the contrary, Seller acknowledges that Purchaser intends to pay for a portion of the Purchase Price for the Condo-Hotel Unit by obtaining a mortgage loan (“**Mortgage Loan**”) from a bona fide lending institution (hereinafter referred to as “**Mortgagee**”). Purchaser may apply for a Mortgage Loan with any lender provided such lender is acceptable to Seller. If Purchaser is married and Purchaser’s spouse has not signed the Contract, Purchaser shall be responsible for Purchaser’s spouse executing the Mortgage Loan documents as required by the Mortgagee, and failure of said spouse to execute the Mortgage Loan documents shall not relieve Purchaser of Purchaser’s obligations set forth in the Contract. Purchaser acknowledges, agrees, and understands that the Contract is contingent upon Purchaser obtaining Preliminary Approval (as defined in Paragraph D of this Mortgage Addendum) (“**Contingency**”) within thirty (30) days of the execution of this Mortgage Addendum (“**Contingency Period**”), subject to the terms and conditions set forth herein.

(i) **Time to Make Application**: Purchaser shall make application for the Mortgage Loan within five (5) days of the execution of the Contract and this Mortgage Addendum (“**Application Period**”). If an application for the Mortgage Loan is not made by Purchaser within the Application Period, pursuant to Paragraphs A(ii) and B of this Mortgage Addendum the purchase of the Condo-Hotel Unit will no longer be conditioned upon Purchaser obtaining a Mortgage Loan.

(ii) **Mortgage Loan Acts**: Purchaser agrees to perform all of the following acts (herein referred to as the “**Mortgage Loan Acts**”): (a) to make the application for the Mortgage Loan within the Application Period; (b) to use his/her/its best efforts to obtain the Mortgage Loan in good faith and not take any actions that would jeopardize obtaining a Mortgage Loan; (c) to promptly execute all necessary documents and disclose all information requested by Mortgagee and/or Seller; (d) to pay all costs in connection with the Mortgage Loan; (e) to promptly and duly comply with all requests of Mortgagee and/or Seller to apply for and close the Mortgage Loan; (f) to take such actions as are reasonably necessary for obtaining the Mortgage Loan; and (g) where deemed necessary by Seller, to make further applications for a Mortgage Loan. Purchaser further

agrees that if the amount, interest rate, or terms of the Mortgage Loan change after obtaining Preliminary Approval, Purchaser agrees to modify the Mortgage Loan as needed to still qualify, including, but not limited to, switching to an alternate lender or program selected by Seller.

Purchaser agrees that a Mortgagee may release to Seller information regarding the status and progress of Purchaser's Mortgage Loan application.

B. Default by Purchaser in Mortgage Loan Acts. Purchaser's failure to perform any of the Mortgage Loan Acts set forth in Paragraph (A)(ii) shall constitute a default and void this Mortgage Addendum.

C. Failure to Obtain a Mortgage Loan. In the event Purchaser, having undertaken and performed the Mortgage Loan Acts set forth in Paragraph A(ii) hereinabove, fails to qualify for a Mortgage Loan sufficient in amount to enable Purchaser to close after duly and promptly complying with the terms of this Mortgage Addendum and all requests of the Mortgagee and/or Seller, Purchaser shall notify Seller of this fact, whereupon Seller may (but is not required) request that Purchaser make further applications for a Mortgage Loan with another lender that is acceptable to Seller. In the event Purchaser fails to qualify for a Mortgage Loan with any Mortgagee, after duly and promptly complying with all requests of the Mortgagee and/or Seller, as provided above, then the parties agree that Purchaser shall have the right to terminate the Contract pursuant to the terms hereof and in such event, Seller shall return the Deposit paid to Seller or Seller's agent, less any incurred Mortgage Loan costs or other expenses incurred by Seller in connection therewith, upon Purchaser's execution of a form of cancellation release provided by Seller. Upon Seller refunding the Deposit to Purchaser, the parties hereto shall be relieved of all further rights and obligations under the Contract. In the event Purchaser fails to notify Seller of Purchaser's failure to obtain the Mortgage Loan within the Contingency Period, then it shall be deemed as though Purchaser obtained the Mortgage Loan, and the Contingency set forth herein shall be deemed satisfied, and Purchaser shall no longer have the right to terminate the Contract and the Deposit paid to Seller or Seller's agent shall no longer be refundable.

D. Refundability of Deposit. Purchaser specifically acknowledges and agrees that once Purchaser has obtained a Mortgage Loan approval from a Mortgagee (either conditionally or unconditionally), and although such Mortgage Loan approval may contain conditions or contingencies, which must be met before the Mortgage Loan will be funded and closed (including, for example, but not limited to, selling another property, consolidation of debt or maintaining a job), and notwithstanding the subsequent disapproval of Purchaser for the Mortgage Loan by that Mortgagee or any other Mortgagee or notwithstanding the inability (for any reason whatsoever) of Purchaser to fulfill or meet the conditions or contingencies contained in the Mortgage Loan approval ("**Preliminary Approval**"), shall constitute an acceptable and valid Mortgage Loan approval and the Contingency set forth herein shall be deemed satisfied and Purchaser shall no longer have the right to terminate the Contract and the Deposit paid to Seller or Seller's agent (but not exceeding 24% of the Purchase Price) shall no longer be refundable, unless Seller is in default hereunder (after notice and the expiration of the applicable cure period). Purchaser further acknowledges and agrees that if Purchaser defaults, then Seller will be damaged, and the parties acknowledge and agree that Seller's damages would be difficult to prove with certainty and, therefore, agree that these damages are reasonably estimated at the time of formation of the Contract to be the amount of the Deposit.

Purchaser acknowledges that the terms of this Paragraph D are fair and reasonable and that Purchaser should properly bear the risk that, once approved, the Mortgage Lender may not close the Mortgage Loan due to, but not limited to, a change in Purchaser's financial condition, a change in interest rates or Purchaser's failure to remove a condition or contingency of the Preliminary Approval. Notwithstanding anything contained herein to the contrary, Seller reserves the right (in its sole and absolute discretion) to accept a Preliminary Approval after the Contingency Period without altering or adversely affecting any other provision of this Mortgage Addendum.

E. Title Insurance and Costs. The simultaneous issuance of a mortgagee title insurance commitment and policy is available from Seller's closing agent at Purchaser's expense. The cost of such insurance (together with the settlement fee payable to Seller's closing agent if Seller's closing agent provides settlement services to Purchaser's mortgage lender) will vary but will not exceed \$795.00, provided Seller's closing agent provides the owner's policy. This cost to Purchaser will be in addition to the cost of any title endorsements that may be required by Purchaser's mortgage lender.

THIS MORTGAGE ADDENDUM HAS BEEN EXECUTED BY THE PARTIES SIMULTANEOUSLY WITH THE EXECUTION OF THE CONTRACT.

Purchaser:

Purchaser: _____

Print Name: _____

Date: _____

Purchaser: _____

Print Name: _____

Date: _____

Seller:

EP Orlando Condo Development I, LP, a Florida limited partnership

By: _____
_____ Authorized Signatory

Date: _____