

DISCLOSURE GUIDE TO CONTINENTAL VACATION EXCHANGE, INC. VACATION EXCHANGE PROGRAM

THIS DISCLOSURE STATEMENT CONTAINS IMPORTANT INFORMATION REGARDING THE VACATION EXCHANGE PROGRAM OWNED AND OPERATED BY CONTINENTAL VACATION EXCHANGE, INC., IN ACCORDANCE WITH STATE LAW.

THIS DOES NOT CONSTITUTE AN OFFER TO SELL NOR A SOLICITATION OF AN OFFER TO BUY SECURITIES OR ANY INTEREST IN REAL ESTATE. FOR FURTHER INFORMATION, PLEASE CONTACT:
CONTINENTAL VACATION EXCHANGE, INC. ("CVE") 16701 COLLINS AVE., SUITE 100,
SUNNY ISLES BEACH, FLORIDA 33160 1-305-940-9933

DEFINITIONS

The following are definitions of terms used in this guide:

1. Commencement Date. The date at which either an Offered Vacation Week or an Exchange Vacation Week begins.
2. Exchange Confirmation. The written acknowledgement sent by CVE confirming that the CVE Participant has been an assigned Exchange Vacation Week at the Resort.
3. Exchange Application. The application submitted to CVE by a prospective Participant.
4. Exchange Request. The form submitted by the Participant entering the Offered Vacation Week into the CVE Exchange Program and requesting an Exchange Vacation Week that the Participant wants to use.
5. Exchange Vacation Week. Timeshare period(s) that are requested or assigned from CVE.
6. CVE Exchange Program or Exchange Program. CVE's program of conducting exchanges of possessory rights in timeshare periods as that program is further described in this Disclosure Guide.
7. CVE Participant or Participant. A person who, after purchasing an Offered Vacation Week at the Resort and executing an Exchange Application, is enrolled in the CVE Exchange Program.
8. Offered Vacation Week. Timeshare period(s) owned at the Resort by a CVE Participant that are transferred to CVE in return for an Exchange Vacation Week.
9. Resort. Newport Miami Beach
10. Timeshare Period. That period of time when a CVE Participant is entitled to the possession and use of the accommodations or facilities at the Resort.

This guide is provided to explain the exchange program made available by CONTINENTAL VACATION EXCHANGE, INC. This information should be reviewed to ensure that the purchaser fully understands the terms, conditions, use and operation of the CVE Exchange Program.

CVE is an exchange company offering a vacation exchange program and related travel and recreational benefits to its participants. CVE's offices are located at 16701 Collins Avenue, Suite 100, Sunny Isles Beach, FL, 33160. Participation is available to those individuals who purchase a timeshare period at the Resort.

The sole shareholder of CVE is NOCC Management LLC. The sole officer and director of CVE is Susanne Hurowitz.

CVE is not affiliated with Atlantic Resort Development Ltd., a Florida limited partnership, the developer of the Resort. However, CVE is affiliated with other entities owning units in the Resort that might be construed to be additional developers. The Resort is located at 16701 Collins Avenue, Miami Beach, Florida 33160. There are 254 timeshare units at the Resort which are available for occupancy and which qualify for participation in the CVE Exchange Program. There are 82 Participants currently participating in the CVE Exchange Program at the Resort.

The terms and conditions of participation in the CVE Exchange Program shall be construed under the laws of the State of Florida. By participation in the CVE Exchange Program, CVE Participants consent to the personal jurisdiction of the Courts in Dade County, Florida. In the event of litigation between the parties, the prevailing party shall be entitled to recover reasonable attorneys' fees and legal costs.

The Terms and Conditions in this Disclosure Guide may be changed from time to time by CVE in its sole discretion. CVE will provide written notice to all CVE Participants of such changes.

An Offered Vacation Week that is approved and available for occupancy, as determined by CVE, may be exchanged by transferring that week to CVE. In order to effectuate an exchange, a CVE Participant offers the Offered Vacation Week to CVE by submitting the offered week to CVE.

Offered Vacation Weeks may be transferred to CVE up to twenty-four (24) months prior to the Commencement Date of the Offered Week. Offered Vacation Weeks will not be accepted fewer than fourteen (14) days before the week begins. An Offered Vacation Week may be offered either by completing and submitting an Exchange Request form to CVE or by contacting CVE directly by telephone. All acceptance of Offered Vacation Weeks will be acknowledged by CVE in writing.

Following receipt of an Exchange Request, information concerning the Offered Vacation Week is entered into the CVE system, at which time the Offered Vacation Week may then be assigned as an Exchange Vacation Week. Submission or fulfillment of an

exchange request for Exchange Vacation Week is not a prerequisite for assignment of a Participant's Offered Vacation Week. An Offered Vacation Week that has been accepted by CVE may not be withdrawn if it has been assigned as an Exchange Vacation Week or if the Participant has received an Exchange Confirmation as to a different Exchange Vacation Week.

Once an Offered Vacation Week has been assigned as an Exchange Vacation Week, the Participant's exchange request will receive a higher priority than the exchange requests of Participant whose Offered Vacation Weeks have not yet been assigned as Exchange Vacation Weeks.

An Offered Vacation Week offered fewer than 60 days prior to the commencement of that week is given a lower exchange priority than an Offered Vacation Week offered at least 60 days in advance of commencement. A Participant may request an Exchange Vacation Week as soon as the Offered Vacation Week has been transferred into the CVE program or as late as 12 months after the Commencement Date of the Offered Vacation Week.

An exchange fee of **\$159.00 is required for all exchanges**. The Exchange fee is not refundable once an exchange is confirmed. CVE may alter the exchange fee in its sole discretion.

A Participant's offer of an Offered Vacation Week permits that Participant to submit an exchange request for an Exchange Vacation Week of an equal amount of time, subject to availability.

There are no guarantees for specific requests made by any Participant of CVE. All exchange requests are processed and confirmed on an "as available" basis.

All time limits described herein are measured from the Commencement Date of the Vacation Week in question.

An exchange request may be made either in writing or by telephone; however, all Exchange Confirmations will be by written notification unless given within 14 days prior to the commencement of the Exchange Vacation Week.

Exchange requests may be made at any time prior to the Exchange Vacation Week requested; however, since these requests are handled on an availability basis, it is advisable to submit an exchange request as early as possible.

PARTICIPATION IN THE CONTINENTAL VACATION EXCHANGE, INC. EXCHANGE PROGRAM

The application for participation in the CVE Exchange Program is a separate and distinct contract from the purchase contract entered into with the Resort developer or seller for the purchase of a timeshare period. Participation in the CVE Exchange Company is voluntary. A purchaser of a timeshare period at the Resort is entitled to participate in the CVE Exchange Program in accordance with the following conditions:

1. Purchaser enters into a Purchase Agreement with the developer of the Resort and executes an Exchange Application with CVE, wherein he agrees to be bound and act in accordance with the Terms and Conditions of participation as set forth in this Disclosure Guide.
2. CVE receives and accepts the completed Exchange Application and other purchaser information concerning the timeshare period purchase.
3. Purchaser has not currently entered his Offered Vacation Week into any rental or listing agreement, and Purchaser has not submitted his Offered Vacation Week into any exchange program or vacation club other than CVE.
4. Purchaser has paid all currently due maintenance fees and ad valorem taxes on his Offered Vacation Week. If a Participant submits an Exchange Request for an Exchange Vacation Week with a Commencement Date a year or more prior to the Commencement Date of the Offered Vacation Week, CVE reserves the right to collect and deposit into an escrow account estimated maintenance fees and ad valorem taxes for the year of the Commencement Date of the Offered Vacation Week.

By entering into the CVE Exchange Program, CVE Participants acknowledge that:

1. Resort accommodations vary at the Resort.
2. The exchange privilege is designed for occasional use and should not be the primary reason for purchase of a timeshare period at the Resort.
3. CVE is not liable for any claim or loss incurred in connection with participation in the CVE Exchange Program or with respect to ownership of a timeshare period.

EXCHANGE PROCEDURES AND PRIORITIES

All exchange requests are entered into the CVE system and searched against available Vacation Weeks. Prior to making an Exchange Request, a Participant must reserve the use of the Offered Vacation Week at the Resort. **CVE'S ABILITY TO**

CONFIRM AN EXCHANGE REQUEST IS BASED UPON AVAILABILITY, AND NEITHER CVE NOR THE RESORT CAN GUARANTEE THAT SPECIFIC EXCHANGE REQUESTS WILL BE FULFILLED. To increase the likelihood that an exchange request will be fulfilled, CVE encourages Participants to submit exchange requests as far in advance of the requested Exchange Vacation Week as possible and to provide more than one Exchange Vacation Week Commencement Date. The only circumstances under which a CVE Participant may lose the use or occupancy of the Participant's timeshare period in any properly applied for exchange without being provided substitute accommodations are if Exchange Vacation Week(s) are not accepted within two years after the commencement of the Offered Vacation Week or the Participant cancels his request within 14 days of the Commencement Date of the Exchange Vacation Week.

Processing of a written exchange request is determined by the priority of that exchange request. EXCHANGE REQUESTS ARE PRIORITIZED, FROM HIGHEST TO LOWEST, IN THE FOLLOWING ORDER:

1. REQUESTS FROM CVE PARTICIPANTS WHOSE OFFERED VACATION WEEK HAS BEEN ASSIGNED AS AN EXCHANGE VACATION WEEK;
2. REQUESTS FROM CVE PARTICIPANTS WHO SEEK A DIFFERENT WEEK OR UNIT AT THE RESORT;
3. REQUESTS FROM CVE PARTICIPANTS WHOSE OFFERED VACATION WEEK HAS NOT YET BEEN ASSIGNED;
4. REQUESTS FROM CVE PARTICIPANTS WHOSE OFFERED VACATION WEEK WAS OFFERED FEWER THAN 60 DAYS IN ADVANCE OF ITS COMMENCEMENT DATE, REGARDLESS OF WHETHER OR NOT THEIR OFFERED VACATION WEEK HAS BEEN ASSIGNED AS AN EXCHANGE VACATION WEEK.

Exchange Confirmations. Exchange requests received from CVE Participants are entered and searched against availability in the CVE system. A match is found if any of the combinations of Exchange Vacation Weeks requested are available. When a match is found, the requested Exchange Vacation Week is automatically reserved and the exchange is confirmed. A Participant may receive an Exchange Confirmation even if the Offered Vacation Week is not assigned. All Exchange Confirmations are sent to Participants in writing unless simply confirmed by telephone if time constraints require. If the Exchange Vacation Week requested is not available, CVE will contact the Participant, either in writing or by telephone, to offer an alternative Exchange Vacation Week. Such alternative Exchange Vacation Week may be accepted or rejected. If an alternative Exchange Vacation Week is accepted, an Exchange Confirmation will be forwarded to the Participant.

Once a Participant enters the Offered Vacation Week into the CVE Exchange system, all rights to use the Offered Vacation Week are relinquished by the Participant. Offered Vacation Weeks deposited by a CVE Participant may be used by CVE for exchanges, promotions or other purposes at CVE's discretion.

Canceling and Exchange Confirmation. An Exchange Confirmation may be cancelled by notifying CVE; however, exchange fees are not refundable. If an Exchange Confirmation is cancelled at least 14 days prior to the commencement of the confirmed Exchange Vacation Week, another exchange may be requested without the loss of the initial Offered Vacation Week; however, an additional Exchange Fee must be submitted. If an Exchange Confirmation is cancelled fewer than 14 days prior to the commencement of the confirmed Exchange Vacation Week, the CVE Participant will lose the use of the Offered Vacation Week.

TERMS AND CONDITIONS OF CVE PARTICIPANT

Your completed Exchange Application (the "Agreement"), when accepted by CONTINENTAL VACATION EXCHANGE, INC., will form a legally binding contract and render you a CVE Participant. Participants are entitled to participate in CVE's program of conducting exchanges of timeshare periods on the following terms and conditions:

1. The obligations of CVE under the Agreement may be performed by CVE, its authorized representative, or its designated licensee.
2. A prospective Participant's initial Exchange Application is submitted to CVE by the developer of the Resort. Participant in the Exchange Program commences upon receipt and acceptance by CVE of the Exchange Application.
3. The Agreement, together with CVE Participant status, may be suspended or terminated by CVE, without further obligation, if the CVE participant fails to comply with the Terms and Conditions of the Agreement or the CVE Exchange Program.
4. Not only must a Participant be in good standing with CVE as evidenced by payment of any required participation and exchange fees, but a Participant must also be in good standing with the Resort. Exchange privileges may be denied if the Participant is not current in the payment of all maintenance fee and ad valorem tax assessments plus other charges at the Resort.
5. CVE's ability to confirm an exchange request is dependent upon the availability of Exchange Vacation Weeks; therefore, CVE does not guarantee that it can fulfill a specific exchange request. If the Exchange Vacation Week(s) requested by a CVE Participant are not available, CVE will offer alternative Exchange Vacation Weeks. The Percentage of confirmed exchanges was 100% of the exchange requests entered with the Exchange Program in the period reported and does not indicate the probability of purchasers being confirmed to any specific choice or range of choices.

6. By offering an Offered Vacation Week to CVE, a CVE Participant represents and warrants to CVE that the CVE Participant has or will have the legal right to use or assign that Offered Vacation Week and all other resort amenities that go with it and that all maintenance fee and ad valorem tax assessments and other similar charges applicable to that Offered Vacation Week have been paid or will be paid when due.

7. By offering an Offered Vacation Week to CVE, a CVE Participant relinquishes all rights to use that Offered Vacation Week unless CVE notifies the Participant in writing that the Offered Vacation Week is being returned. Offered Vacation Weeks transferred to CVE may be used by CVE for exchanges, promotions or other purposes, at CVE's discretion. If an Offered Vacation Week is used for any purpose other than to confirm a Participant exchange, CVE will replace the Offered Vacation Week with inventory acquired from other sources.

8. An exchange service fee ("Exchange Fee") for each week requested is required by CVE to process and confirm an exchange request. The Exchange Fee is refunded if CVE is unable to confirm an exchange.

9. An Exchange Confirmation may be cancelled by a CVE Participant by notifying CVE by telephone or in writing prior to the Commencement Date of the assigned Exchange Vacation Week. The Exchange Fee is not refundable once an exchange is confirmed.

10. The CVE Participant recognizes and acknowledges that:

a. The Agreement is a separate and distinct contract from the CVE Participant's purchase agreement with the developer and seller of timeshare periods at the Resort;

b. CVE does not sell, lease or otherwise convey any interest in real property;

c. The CVE Exchange Program is designed for intermittent use and should not be the sole reason for the purchase of a timeshare period;

d. Participation in the CVE Exchange Program is available to individuals only (if an Offered Vacation Week is owned by a corporation or partnership, the CVE Participation must be in the name of a corporation officer or partner);

e. Exchange Vacation Week accommodations may differ in unit size, design, furnishing or amenities from the Offered Vacation Week accommodations due to variations between units;

f. A CVE Participant is responsible for payment of any personal expenses incurred while occupying a unit received through an Exchange Confirmation, as well as for any damage, theft or loss caused by the CVE Participant or his guests;

g. If the unit for which an Exchange Confirmation is provided becomes unavailable due to natural disaster, an act of God, war or insurrection or any other reason beyond CVE's control, the CVE Participant waives any and all claims against CVE.

h. Participation in the CVE Exchange Program is dependent upon the continued affiliation with the CVE Exchange Program of the Resort.

11. CVE's liability for loss or damage incurred by a CVE Participant through use of the CVE Exchange Program is limited to the Exchange Fee paid by that Participant for the exchange in which such loss or damage occurred.

12. Related programs and services offered to CVE Participants are subject to separate terms and conditions and may be changed or eliminated without prior notice to CVE Participants. CVE accepts no responsibility for the acts of omissions of any persons providing such programs or services directly to CVE Participants.

13. THE TERMS AND CONDITIONS OF THE AGREEMENT AND OF THE CVE EXCHANGE PROGRAM MAY BE CHANGED FROM TIME TO TIME BY CVE, WITHOUT ADVANCE NOTICE, INCLUDING, BUT NOT LIMITED TO, FEES, BENEFITS, AND PRIORITIES AND PROCEDURES FOR REQUESTING AND EFFECTING EXCHANGES. CVE is bound only by representations that it makes concerning the Terms and Conditions of CVE Participation and/or the CVE Exchange Program, and is not responsible for contrary or conflicting representations made by any other person.

14. The Agreement is effective when accepted by CVE in Sunny Isles Beach, Florida, and shall be governed exclusively by the laws of the State of Florida. Any action at law or in equity by a CVE Participant to challenge or enforce these Terms and Conditions of participant or the CVE Exchange Program must be submitted exclusively to the jurisdiction of the courts of Dade County, Florida, and by maintaining participant with CVE, each CVE Participant consents to the personal jurisdiction of those courts. In the event an action at law or in equity is initiated by either a CVE Participant or CVE, the losing party shall pay all costs incurred by the prevailing party in defending such action, including reasonable attorneys' fees.

THE UNDERSIGNED OWNER ACKNOWLEDGES RECEIPT OF THE CONTINENTAL VACATION INTERNATIONAL EXCHANGE PROGRAM DISCLOSURE GUIDE.