

## THE VERNON STREET CONDOMINIUMS

### CONDOMINIUM UNIT PURCHASE AGREEMENT

THIS UNIT PURCHASE AGREEMENT ("Agreement") is made effective as of the date appearing on the last page, by and between \_\_\_\_\_, having the current mailing address of \_\_\_\_\_, Phone: \_\_\_\_\_ ("Purchaser"), and Kalorama Partnership, LLC, a District of Columbia limited liability company ("Seller"). \_\_\_\_\_ ("Agent") is acting as the agent of Seller in this transaction.

WITNESSETH:

WHEREAS, Seller is the Declarant of The Vernon Street Condominiums ("Condominium") located at 1840-1846 Vernon Street, N.W., Washington, DC 20009, which has been registered pursuant to the provisions of the District of Columbia Condominium Act of 1976 Technical and Clarifying Amendment Act of 1992, codified at Title 42, Chapter 19 of the District of Columbia Code (2001 ed., as amended) (the "Act"); and

WHEREAS, Purchaser wishes to purchase, and Seller wishes to sell, the Condominium Unit(s) and the options described herein,

NOW, THEREFORE, in consideration of a deposit delivered by Purchaser to Seller in the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) by check subject to collection (the "Deposit," defined hereinbelow) and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser, intending to be legally bound, hereby agree as follows:

1. Defined Terms. Capitalized terms used herein without definition shall have the meanings specified for such terms in the Condominium Instruments and/or D.C. Code §42-1901.02 (2001 ed., as amended). All references to section numbers mean the sections of this Agreement unless otherwise specified.

2. Property. Seller shall sell to Purchaser, and Purchaser shall purchase from Seller, the following Condominium Unit(s) (the "Unit(s)," also sometimes referred to herein collectively as the "Property"), together with the following undivided Percentage Interest in the Common Elements, as set forth in Exhibit B to the Condominium Declaration:

Residential Unit No. _____	Percentage Interest: _____
Parking Unit No. _____	Percentage Interest: _____

The Property shall be conveyed unfurnished and as described in the Declaration. Any furnishings or personal property items displayed in any model Unit are for exhibition purposes only and are not included. Any dimensions of any Unit or portion thereof quoted to Purchaser by Seller or Agent are estimates only.

3. Basic Terms of Purchase.

(a) Purchase Price. The purchase price for the Property ("Purchase Price") is as follows:

(i)	Base sales price of Residential Unit No. _____		\$ _____
(ii)	Base sales price of Parking Unit No. _____		\$ _____
(iii)	Options	+	\$ _____
(iv)	Purchase Price (exclusive of settlement costs and adjustments, Condominium Fees, and prepaid items)	=	\$ _____

(b) Payment of Purchase Price. The Purchase Price shall be payable by Purchaser as follows:

(i)	Earnest Money Deposit ("Deposit")		\$ _____
(ii)	Deposit for non-standard optional extras ("Extras Deposit")		\$ _____
(iii)	Mortgage proceeds (if any)		\$ _____
(iv)	Balance Due at Settlement (exclusive of settlement costs and adjustments, Condominium Fees, and prepaid items)		\$ _____

4. Deposit Monies.

(a) Payment by Purchaser; Escrow. The Deposit shall be paid by Purchaser at the signing of this Agreement, and Seller hereby acknowledges receipt thereof. The Extras Deposit, if any, shall be paid by Purchaser upon the preparation of an addendum to this Agreement, signed by Purchaser and Seller, unless the parties shall agree otherwise in writing. The Deposit and the Extras Deposit, if any (sometimes collectively referred to herein as the "Deposit Monies") shall each be held in an interest-bearing escrow account, in accordance with D.C. Code §42-1904.09 (2001 ed., as amended); as used hereinafter, the terms "Deposit," "Extras Deposit," and "Deposit Monies" shall be construed to include any such interest accrued thereon.

(b) Rights in Deposit Monies. The Extras Deposit, if any, shall be non-refundable upon Seller's commencement of any work on an option addendum items, unless (i) this Agreement is terminated pursuant to Section 15, Section 20(b), or Section 26, and Purchaser is not then in default; or (ii) Purchaser exercises its rights of rescission under Section 28. At settlement, the Deposit Monies shall be applied toward payment of the Purchase Price, and Purchaser shall cause the remainder of the Purchase Price (together with settlement charges and adjustments and other monies to be paid at settlement as set forth herein) to be paid in accordance with Section 29. If this Agreement is terminated for any reason, the Deposit shall be paid to the person lawfully entitled to the Deposit under the terms of this Agreement.

(c) Deposits for Condominium Association. In addition to the Deposit Monies payable before settlement as aforesaid, Purchaser shall be required to deposit with Seller at settlement, for transmittal to the Unit Owner's Association ("Association"), the following two nonrefundable payments: (i) the monthly Condominium Fee (defined in Section 13) for the Property, or, if applicable under Section 13(b), the monthly reimbursement payment to Seller, prorated to the date of settlement; and (ii) an initial capital contribution to the Condominium's working capital, being the amount equal to twice the amount of the monthly Condominium Fee. This initial capital contribution is in addition to, and not in lieu of, regular monthly Condominium Fees to be paid by Purchaser as a Unit Owner. The two payments described in this Section 4(c) are in addition to other settlement costs and adjustments described in Sections 11 and 12.

5. Financing. Purchaser hereby elects the following method of financing, pursuant to the terms of this Agreement (and by so doing, elects which of the following Sections 5(a) or 5(b) shall apply):

- No financing arrangement (all cash) – see Section 5(a).
- Financing arranged through Lender – see Section 5(b).

(a) Cash. If Purchaser elects to pay the Purchase Price all in cash, then this Agreement shall be in no way contingent upon Purchaser obtaining any financing. In such event, Purchaser shall assume and hereby assumes full responsibility for initiating and diligently pursuing all steps necessary to obtain the funds required for settlement. Purchaser shall notify Seller of such election within ten (10) days after the effective date of this Agreement. Purchaser shall further provide seller, within fifteen (15) days after Seller's request therefore, proof satisfactory to Seller of Purchaser's financial ability to perform at settlement. If Purchaser fails to provide such proof, Seller at its sole option may (but shall not be obligated to) terminate this Agreement and cause the Deposit to be returned to Purchaser, relieving both parties of any further obligations hereunder. Seller shall exercise the foregoing termination option, if at all, by delivering to Purchaser a written notice of termination, which will become effective at 9:00 p.m. on the third (3rd) day following such delivery, unless prior to that time Purchaser provides proof, accepted by Seller, of Purchaser's financial ability to perform at settlement. If Seller elects not to exercise the foregoing termination option, then Purchaser shall remain obligated to perform this Agreement in full at settlement, and if Purchaser fails to do so, this Agreement, at Seller's sole option, shall be terminated and Seller shall be entitled to the Deposit Monies, together with any other pre-settlement amounts paid by Purchaser, and/or to exercise any other remedies for Purchaser's default described in Section 20(a).

(b) Loan Application. If Purchaser elects to finance the Purchase Price, Purchaser shall diligently pursue the steps necessary to obtain a firm loan commitment in writing ("Loan Commitment") from such Lender (including, without limitation, promptly providing to Seller, Agent, or such Lender any credit history or related information required to evaluate Purchaser's loan application, and promptly completing and returning any and all forms and materials required by the Lender), and shall promptly furnish Seller with satisfactory evidence of Purchaser's acceptance of such Loan Commitment. Purchaser's failure to submit any forms or materials to the Lender within fifteen (15) days after the effective date of this Agreement, it shall be deemed an event of default hereunder, and in such event this Agreement, at Seller's sole option, shall be terminated and Seller shall be entitled to the Deposit Monies, together with any other pre-settlement amounts paid by Purchaser, and/or to exercise any other remedies for Purchaser's default described in Section 20(a).

Purchaser's creditworthiness as borrower of the amount of the Mortgage Proceeds will be subject to the exclusive determination of the Lender. Purchaser shall notify Seller immediately of any denial of financing from the Lender. If Purchaser has complied with the requirements of this Agreement but for any reason whatsoever is unable to obtain a Loan Commitment from the Lender, satisfactory to Seller, within thirty (30) days after the effective date of this Agreement (or upon such earlier date, if any, as the Lender shall have denied financing as aforesaid), Seller, at its sole option, shall either: (i) notify Purchaser of the extension of this Agreement and allow Purchaser to apply to another Lender for loan financing, on rates and terms substantially similar to those contained in the original rejected application; or (ii) return the Deposit to Purchaser and terminate this Agreement, relieving both parties of any further obligations hereunder. If Seller exercises the foregoing extension option, Seller shall further have the option, but not the obligation, to attempt on Purchaser's behalf to obtain a Loan Commitment with any other lender (who shall thereby be a Lender hereunder), and should Seller succeed in obtaining such Loan Commitment, Purchaser shall accept it and the parties shall proceed to settlement. If Purchaser cannot obtain a Loan Commitment from any Lender after two applications made in good faith (whether the second such loan application is made by Purchaser or by Seller on Purchaser's behalf), Seller shall exercise the foregoing termination option. The foregoing termination option shall be exercised, if at all, by Seller's delivery to Purchaser a written notice thereof, which will become effective at 9:00 p.m. on the third (3rd) day following such delivery, unless prior to that time Purchaser provides proof, accepted by Seller, of Purchaser's financial ability to perform at settlement. In no event shall Seller have

any obligation or liability to Purchaser due to or arising out of any Lender's refusal to issue any such Loan Commitment or to disburse the loan proceeds thereunder for any reason whatsoever, except that Seller shall cause the Deposit to be returned to Purchaser if Purchaser is the party lawfully entitled thereto under this Agreement.

(c) Loan Fees and Costs. Purchaser shall be solely responsible for paying, at or before settlement on the Property, any and all fees in connection with obtaining any loan financing under this Section 5, including without limitation loan origination fees, loan broker commissions, appraisal fees, inspection fees, credit report fees, and lender's counsel fees.

(d) Credit Information. Purchaser hereby authorizes Seller, Agent, and/or any lender to do any of the following: (i) to order a credit report or history on Purchaser from a recognized credit reporting agency; (ii) to share amongst themselves any credit information contained in such report, or provided by Purchaser on any loan or credit application; (iii) to disclose any such credit information to any lender, for the sole purposes of attempting to obtain and/or performing the terms of a Loan Commitment hereunder; and (iv) to forward all or any portion of such information, as needed, to any creditor or other party directly affected by or essentially involved with this transaction, to the extent required to allow settlement hereunder to occur. Purchaser hereby specifically waives any notice or consent requirement in connection with any of the foregoing. Except for the specific circumstances and purposes recited herein, any credit report and the information contained therein or submitted in connection therewith is confidential, and shall not be knowingly released to others without the written consent of Purchaser. The cost of obtaining any credit report under this Section 5(d) will be charged to Purchaser as a settlement cost, if not paid sooner, and if settlement fails to occur hereunder, Purchaser shall nevertheless be responsible therefore.

(e) Financing-Related Default by Purchaser. Purchaser's failure to act promptly, diligently, truthfully, and in good faith to comply with any requirement of this Section 5 (including without limitation the requirement to make timely application for financing and to comply with the terms of and satisfy the conditions of any Loan Commitment), resulting in Purchaser's financial inability to perform at settlement, shall constitute a breach by Purchaser of this Agreement and an event of default hereunder, and in such event this Agreement, at Seller's sole option, shall be terminated and Seller shall be entitled to the Deposit Monies, together with any other pre-settlement amounts paid by Purchaser, and/or to exercise any other remedies for Purchaser's default described in Section 20(a).

(f) Married Purchasers. If Purchaser is married but intends to purchase the Property individually and not jointly with such spouse as tenants by the entirety, Purchaser shall use best efforts to cause Purchaser's spouse to execute any loan documents and to take any and all such other actions as may be required by any lender making a loan pursuant to this Section 5, as a condition of issuance of any written loan commitment or disbursement of any loan proceeds. Notwithstanding the foregoing, the failure or refusal of Purchaser's spouse to execute any such document or to take any such action shall not relieve Purchaser of Purchaser's obligations under this Agreement.

(e) Limitations. This Agreement is not contingent upon the sale or rental of any other property, whether real, personal, or mixed, currently owned by Purchaser, or the retirement of any existing debt of Purchaser. In the event that any lender place a condition in any pre-qualification letter or Loan Commitment that the loan is contingent upon any such occurrence, such condition shall not in any manner relieve Purchaser of the obligation to complete settlement under this Agreement, unless Purchaser and Seller specifically provide for such contingency in a signed addendum to this Agreement. Seller shall have no liability to Purchaser for damages or interest rate changes caused by delays in the completion of the Property or delays and extensions in going to settlement, and this Agreement shall remain enforceable notwithstanding any of the foregoing.

## 6. Condominium Instruments.

(a) Incorporation. The Unit(s) shall be conveyed subject to the Condominium Instruments (including the Declaration, Bylaws, and the Plat and Plans), and the Condominium Instruments are incorporated in and made a part of this Agreement.

(b) Receipt of Current Public Offering Statement. Purchaser hereby acknowledges receipt of a copy of the current Public Offering Statement for the Condominium, including all Condominium Instruments and all other attached exhibits and schedules. Purchaser hereby ratifies and agrees to be bound by the provisions of said documents, as any or all of the same may be duly amended from time to time. Purchaser agrees to return the copy of the Public Offering Statement promptly to Seller or Agent, should this Agreement be terminated for any reason.

(c) Amendment of Condominium Instruments. Seller reserves the right, upon notice to Purchaser and prior to settlement, to make such modifications, additions, or deletions in or to any of the Condominium Instruments as may be approved or required by any permanent lender, secondary mortgage market agency, public authorities, or the title company insuring title, provided that none of the same shall: (i) change the Par Value and Percentage Interest of the Unit as fixed in the Declaration (other than as permitted by the Declaration and the Act) or increase the proportion of the common expenses to be borne by the Property being sold hereunder; (ii) increase the Purchase Price hereunder; (iii) require a material physical modification of the layout or location of the Property; or (iv) decrease the financial obligations of Seller hereunder.

## 7. Delivery of the Property.

(a) Substantial Completion. At settlement, Seller shall deliver the Property and the appurtenances thereto substantially in accordance with the Condominium Plat and Plans, as may be modified and amended from time to time, with all standard fixtures, appliances, and equipment listed on an Addendum, as well as all Purchaser's Options listed on an Option Addendum. Purchaser acknowledges that any measurements shown on the Plats and Plans or otherwise quoted by Seller or Agent are approximations and that actual dimensions may not be exactly as shown. Seller shall not be required to install or provide any

fixtures or appliances not actually installed in the Property at the time of Pre-Settlement Inspection pursuant to Section 9, unless otherwise agreed in writing to be installed by Seller. Seller shall have the absolute right to make minor changes in the dimensions of any portion of the Condominium and to substitute materials, fixtures, equipment, and appliances that Seller determines to be of substantially equal quality or performance as those specified in the Plat and Plans, Addendum, any of the Condominium Instruments, or any sales or marketing documents. Seller further reserves the right, but shall not be obligated, to make changes in construction as may be necessitated from time to time due to the particular requirements of Purchaser's or Seller's mortgage lenders, the Veteran's Administration, or any other governmental authority having jurisdiction over the Property or the Condominium; or as may be otherwise required by material shortages, work stoppages, emergencies, or necessary changes to the Plat and Plans discovered in construction for reasons of impossibility, structural soundness, or aesthetics; or as may result from acts of God, labor disputes, fire or other casualty, Seller's inability to obtain materials and/or labor for any options, decorator selections, or other extra work requested by Purchaser and approved by Seller, zoning requirements and laws, governmental approvals of any kind, inclement weather, or any other similar or dissimilar causes or reasons beyond the reasonable or practical control of Seller. Any dispute involving delivery of the Property in accordance with the Plat and Plans and Addendums hereto shall be submitted to the Architect for the project, whose decision shall be binding.

(b) Options. Unless previously selected by Seller or a previous potential purchaser, Purchaser shall have the right to select optional items from Seller's list of available features to be provided by Seller in accordance with the pricing policy applicable thereto prescribed by Seller. Options, if any, shall be listed on an Addendum, if any, and must be selected by Purchaser on or before thirty (30) days following written request by Seller. In the event that Purchaser shall fail to notify Seller of Purchaser's selected options within the applicable time period, then Seller shall have the right to select all finishes for the Property and Purchaser shall be obligated to proceed to settlement on the Property with such finishes as Seller shall have selected, and the incremental cost of such finishes, if any, shall be Purchaser's responsibility and added to the Purchase Price. If Seller determines, in its sole discretion, that any options previously offered to Purchaser become unavailable, or that the inclusion of such options is not feasible for any reason, then Seller shall have the right to withdraw such option, with notice to Purchaser of same, and either to allow Purchaser to select another option or to delete such option and adjust the Purchase Price accordingly.

(c) Location. The location, area, and ground elevation of the Condominium, the Property, and any other Units or Common Elements, and the revision of the Plat and Plans, if necessary, as required by any governing body or governmental authority to conform to the existing site contours and conditions, are to be determined by Seller in its sole and absolute discretion.

#### 8. Title.

(a) Allowed Encumbrances. The Property shall be conveyed to Purchaser free of encumbrances, except as otherwise provided herein. Title at settlement shall be good of record, marketable, and fully insurable by a title insurance company at regular rates, subject, however to the terms and conditions of the Act; the Condominium Instruments; covenants, easements, rights-of-way, conditions, and restrictions of record or to be recorded prior to settlement (including without limitation any of the foregoing that may be set forth in the Condominium Instruments); such other restrictions as may be specifically set forth herein; ordinances and regulations of competent municipal or other governmental authorities; any other matters or easements that may be observed by an inspection of the Property; Purchaser's deed(s) of trust; and any liens or other matters over which the title company agrees to insure. Notwithstanding anything to the contrary herein stated, Seller shall have the right to use funds arising out of this transaction at settlement to pay off any existing encumbrances with respect to the Property, including interest, as may be required by any lender.

(b) Defects in Title. If title to the Property cannot be conveyed to Purchaser at settlement for any reason whatsoever, including without limitation the filing by any third party of any impediment to title, Seller and Agent shall be and hereby are expressly released from all liability for damages by reason of such defect, and Seller, at Seller's sole option, shall either: (i) correct said defect by legal action or otherwise, if the same can be done within a reasonable time; or (ii) terminate this Agreement and cause the Deposit to be returned to Purchaser. In the event that legal steps are necessary to perfect the title, such action, if Seller elects to undertake it, shall be taken promptly by Seller at its own expense, whereupon the time specified herein for full settlement by Purchaser and Seller shall be extended for the period necessary for such action, but not to exceed twelve (12) additional months.

(c) Subordination. The Property shall be sold subject to easements, if any, created or to be created, prior to or after settlement, in favor of utility companies, municipal authorities, or quasi-governmental authorities, for the installation of utilities, streetlights or roads, and/or additional easements, rights-of-way, covenants, conditions, or restrictions that may be placed of record by Seller after the effective date of this Agreement for the benefit of the Property and/or the Condominium of which it is a part. This Agreement shall be subordinate to any such easements, rights-of-way, covenants, conditions, and restrictions of record. If such easements, rights-of-way, covenants, conditions, or restrictions are placed of record after settlement and recordation of the deed of conveyance, Purchaser hereby covenants and agrees that Purchaser shall subject the Property to all such easements, rights-of-way, covenants, conditions, or restrictions and shall subordinate Purchaser's fee interest therein to all of same. The provisions of this Section 8(c) shall survive settlement and shall not be merged in the deed of conveyance.

9. Condition / Pre-Settlement Inspection. Seller shall notify Purchaser not less than five (5) days prior to settlement of the date and time that the Property will be ready for inspection. Upon receipt of such notice, Purchaser shall promptly contact Seller (or Agent) and confirm the appointment for the pre-settlement inspection. Seller will deliver the Unit substantially in accordance with the Plats and Plans, as the same may be modified and amended from time to time. SELLER SHALL HAVE THE ABSOLUTE RIGHT TO SUBSTITUTE MATERIALS, FIXTURES, EQUIPMENT AND APPLIANCES WHICH SELLER DETERMINES TO BE SUBSTANTIALLY EQUAL QUALITY OR PERFORMANCE AS THOSE SPECIFIED IN THE PLANS OR INDICATED ON AN ADDENDUM, if any. Purchaser shall attend such inspection and may also, at Purchaser's sole election and expense, hire a private home inspector to assist with the inspection. Purchaser shall participate in developing with Seller (or its representative) a final and complete "punch list" on the Pre-Settlement Inspection Form attached hereto, the terms of which are incorporated herein by reference. The Pre-Settlement Inspection Form shall be executed by both Purchaser and Seller (or its representative) on the date of inspection. Seller shall correct or

complete all items identified on the Pre-Settlement Inspection Form in a workmanlike manner, as soon as reasonably practicable, but in no event shall the fact that any such work remains to be completed cause any postponement of settlement or permit Purchaser to refuse to complete settlement, provided that a certificate of occupancy shall have been issued for the Condominium, including the Unit(s), by the District of Columbia government. At settlement, no funds shall be withheld from Seller or escrows established on account of any punch list items on the Pre-Settlement Inspection Form, or for any other reason or circumstance whatsoever. Failure of Purchaser to arrange a pre-settlement inspection appointment as provided herein, or to make the inspection on the appointed day and time, shall constitute full acceptance of the Property by Purchaser. Any item not listed on the Pre-Settlement Inspection Form shall be conclusively deemed fully accepted by Purchaser. Upon acceptance of the deed by Purchaser, Purchaser agrees to hold Seller harmless from liability for any visible defects not specifically noted on the Pre-Settlement Inspection Form.

10. Settlement.

(a) Settlement Notice. Settlement on the purchase and sale of the Property shall occur on such date or choice of dates as shall be designated by Seller in a written notice ("Settlement Notice") delivered to Purchaser not less than ten (10) days in advance of such date, stating that Seller is prepared to tender title and possession of the Property to Purchaser. Upon receipt of such notice, Purchaser shall promptly contact Seller (or Agent) and confirm the time, date, and place of settlement. Seller agrees that the Settlement Notice shall not be delivered prior to the time that the rescission period under Section 28 expires. Purchaser shall be obligated to attend the settlement in person at the appointed date, time, and place, and there to perform in full Purchaser's obligations as described in this Agreement. Purchaser's failure to confirm the settlement appointment following receipt of the Settlement Notice or to complete settlement at the appointed date, time, and place shall constitute an event of default hereunder, time being of the essence with respect thereto, in which event this Agreement, at Seller's sole option, shall be terminated and Seller shall be entitled to the Deposit Monies, together with any other pre-settlement amounts paid by Purchaser, and/or to exercise any other remedies for Purchaser's default described in Section 20(a). In the event that Purchaser requests, and Seller consents to, the postponement of settlement to a date subsequent to the appointed date, then Purchaser shall pay and hereby agrees to pay Seller, at settlement, a late charge in an amount equal to Two Hundred Dollars (\$200.00) per day for each additional day or portion thereof (beginning at 12:00 a.m. local time) following the initially appointed date until the date on which settlement actually occurs, inclusive of such date.

(b) Choice of Settlement Agent. The settlement shall be conducted by a professional settlement agent, whose role shall include the coordination of numerous administrative and clerical functions relating to the collection of documents and the collection and disbursement of funds required to carry out the terms of this Agreement. If any part of the Purchase Price is financed, the settlement agent shall be further required to follow the lender's instructions as to the signing and the recording of loan documents and the disbursement of loan proceeds. Purchaser may appoint any qualified settlement agent of Purchaser's choosing.

(c) Conduct of Settlement. Settlement shall take place in the District of Columbia, either at the offices of the settlement agent or at another office agreed to by the parties. At settlement, Purchaser shall execute and deliver all documents and all funds necessary to perform its obligations at settlement, including without limitation (i) the unpaid balance of the Purchase Price and all other sums due hereunder, including settlement costs and adjustments charged to Purchaser pursuant to Sections 11 and 12 below; (ii) the settlement statement; and (iii) all mortgage and title company documents required by the lender, the title company, and/or the settlement agent. Seller shall execute and deliver all documents and all funds necessary to perform its obligations at settlement, including without limitation (i) a Special Warranty Deed, duly executed by Seller, sufficient to convey fee simple title to the Property to Purchaser; and (ii) the settlement statement. Purchaser's tender of the deed at settlement, which shall be accepted by Purchaser, shall effectuate Seller's delivery of possession of the Property to Purchaser as the legal Unit Owner thereof, and in connection therewith, Seller shall further deliver at settlement any and all keys, pass codes, warranties, and any other items or information pertinent to Purchaser's access to, and use and enjoyment of, the Property. Any funds to be delivered at settlement shall be paid in accordance with Section 29.

11. Settlement Costs and Expenses.

(a) Of Seller. At settlement, Seller shall pay the applicable District of Columbia Real Property Transfer Tax on the deed consideration, pursuant to D.C. Code §47-903 (2001 ed., as amended), the sales commission to Agent pursuant to Section 19, and a reasonable fee for settlement services rendered exclusively to Seller, if any.

(b) Of Purchaser. At settlement, Purchaser shall pay the following costs and expenses:

(1) The applicable District of Columbia Recordation Tax on the deed consideration, pursuant to D.C. Code §42-1103 (2001 ed., as amended).

(2) All charges and costs of settlement not required to be paid by Seller pursuant to Section 11(a) above, including without limitation the following: credit report fees, lender's appraisal fees, title examination fees, final survey costs, termite inspection/soil report fees, Purchaser's realtor fees (if any), settlement agent fees, document preparation fees, notary fees, overnight courier and/or local messenger fees, recording fees (including fees for recording a purchase money deed(s) of trust and financial statement(s), if any), owner's and mortgagee's title insurance premiums (including commitment or binder preparation fees), Purchaser's attorney fees, loan fees and costs as described in Section 5(b), and any other charges of any nature assessed by the settlement agent. If Seller shall have prepaid any of the foregoing, Purchaser shall reimburse Seller therefore at settlement.

(3) Any items that Purchaser's lender may require to be prepaid at settlement, such as mortgage insurance premiums, interest for up to one month, and a percentage of the estimated annual real estate taxes.

(4) At settlement, Purchaser shall also deposit with Seller, for transmittal to the Association, the following two nonrefundable payments: (i) the monthly Condominium Fee (or reimbursement payment, as the case may be) for the Unit(s).

prorated to the date of settlement (see Section 13); and (ii) an initial capital contribution to the Condominium's working capital, being the amount equal to twice the amount of the Condominium Fee for the Unit(s). This initial capital contribution is in addition to, and not in lieu of, regular Condominium Fees to be paid by Purchaser as a Unit Owner.

12. Settlement Adjustments. In addition to the foregoing, and not in limitation thereof, Purchaser shall reimburse Seller at settlement for prepaid real estate taxes, assessments and utility charges, if any, on the Property, all of which shall be prorated to the date of settlement and charged to Purchaser as adjustments on the settlement statement. From and after settlement, each of these items shall be assumed and paid, with respect to the Property, solely by Purchaser. If settlement occurs before the District of Columbia shall have issued a separate real estate tax bill for the Unit(s), Purchaser shall comply with such arrangements as may be established by Seller to ensure timely payment of any taxes that may be billed in Seller's name and/or are based on an assessment of the prior existing tax parcel(s) in the Condominium. If, at the time of settlement, any prepaid item to be charged to Purchaser as a settlement adjustment shall not have been allocated among the Condominium Units, such item shall be charged to Purchaser, on an estimated basis if necessary, in accordance with the Percentage Interest allocated to the Property as set forth in Exhibit B to the Declaration, prorated to the date of settlement as aforesaid. In the event that any such item is not charged to Purchaser as an adjustment at settlement, or any further adjustment is needed to rectify the difference between the estimated and the actual allocatable amount of any such item, the Association shall promptly undertake to reimburse Seller in full for any advances and prepaid items paid on the Association's behalf, and Purchaser hereby affirmatively covenants to vote as a Unit Owner to approve such reimbursement in any vote of the Association pertaining thereto. The provisions of this Section 12 shall survive settlement and shall not be merged in the deed of conveyance.

13. Estimated Initial Condominium Fee.

(a) Condominium Fee Defined. Purchaser acknowledges that Purchaser has been fully advised that the Property is part of a Condominium organized under the Act, and that upon taking title to the Property, Purchaser will have a continuing monthly obligation to pay in advance, when assessed by the Association, as a Unit Owner and member thereof, a share of the Common Expenses of operating and maintaining the Condominium, based on the Percentage Interest allocated to the Property, as set forth in Exhibit B to the Declaration. All such assessments shall be based upon the budget adopted and amended from time to time by the Board of Directors of the Association. The projected budget for the first year of operation of the Condominium and a table of estimated initial monthly assessments for each Condominium Unit are included in the Public Offering Statement and Exhibit V-B thereto. Based on the foregoing, Purchaser's estimated initial monthly assessment shall be as follows:

for Residential Unit No. _____:	\$ _____
Parking Unit No. _____:	\$ _____
TOTAL (the monthly "Condominium Fee"):	\$ _____

The projected budget and the foregoing estimated initial Condominium Fee are believed to be reasonably accurate, but no warranty is made, implied, or intended by Seller that the budget will not be amended either before or after the settlement hereunder, resulting in a change in the monthly Condominium Fee. Purchaser acknowledges the foregoing, and that THE INITIAL CONDOMINIUM FEE STATED HEREIN IS AN ESTIMATE ONLY; THE ACTUAL CONDOMINIUM FEE MAY VARY.

(b) Initial Operating Period. The Bylaws define the "Initial Operating Period" as that period of time commencing on the date that the Condominium is created and ending on the earlier to occur of the following:

(i) ninety (90) days following the date on which the Declarant shall have conveyed the Units to which 75% of the Percentage Interests in the Condominium appertain (or such earlier date as the Declarant in its sole discretion may determine); or

(ii) two (2) years from the date of the conveyance of the first Unit.

The Bylaws further provide that, during the Initial Operating Period, the Declarant shall manage the Condominium but not be obligated to fund or otherwise contribute to any capital or other reserve, and each Unit Owner, in lieu of paying an assessment to the Association for Common Expenses, shall pay to the Declarant a fee in an amount equal to 90% of such Unit's estimated Condominium Fee for each month (prorated for any partial month). Based on the foregoing, if settlement on the Property occurs during the Initial Operating Period, then for the remainder of the Initial Operating Period Purchaser shall not pay the above described Condominium Fee, but rather, in lieu thereof, shall pay Seller a monthly amount equal to 90% of such Condominium Fee (prorated for any partial month), such payment expressly constituting a reimbursement of Seller's costs of operating the Condominium.

14. Risk of Loss. Purchaser shall not acquire any equitable ownership or title of or to the Unit under this Agreement. Equitable title shall remain vested in Seller, and Seller shall accordingly bear the risk of loss or damage by fire or other casualty, until delivery of the deed at settlement occurs, as provided in this Agreement.

15. Delay; Cancellation.

(a) Purchaser's Option. If settlement hereunder shall not have occurred within twenty-four (24) months after execution of this Agreement, and if such delay is due to reasons within Seller's control, Purchaser shall thereafter have the option to terminate this Agreement, which shall be exercised, if at all, by Purchaser's delivery to Seller of a written termination notice, which must occur prior to Seller's delivery to Purchaser of a Settlement Notice pursuant to Section 10(a). Unless and until the occurrence of

the foregoing, this Agreement shall remain in force and effect. In the event that Seller's delivery of a Settlement Notice and Purchaser's delivery of a termination notice hereunder shall occur simultaneously, the Settlement Notice shall control. If Purchaser makes effective delivery of a termination notice hereunder, Seller shall, if Purchaser shall not then be in default, cause all Deposit Monies and any other sums theretofore paid by Purchaser to Seller hereunder to be returned to Purchaser, and neither party shall have any further liability or obligation hereunder.

(b) Force Majeure. Seller shall be excused from performance hereunder (including specifically, but without limitation, completing settlement even after Settlement Notice shall have been delivered), for so long as such performance is prevented, delayed, retarded, or hindered due to reasons beyond the control of Seller, including any of the following: act of God; fire; earthquake; flood; explosion; action of the elements; war; invasion; insurrection; riot; mob violence; sabotage; inability to procure or general shortage of energy, labor, or equipment; requisitions, laws, or orders (including condemnation orders) of government or civil or military or naval authorities; casualty or damage by accident not caused directly by Seller; or any other cause, including reasonable delays for adjustments of insurance, deemed under the laws of the District of Columbia to constitute impossibility of performance or to provide any other legal basis for excusing Seller from performing hereunder. If delays arising due to events set forth in this Section 15(b) prevent settlement from occurring hereunder within twenty-four (24) months after execution of this Agreement, or if, upon the occurrence of any such event, it is manifest that performance of this Agreement has been rendered impossible thereby, either party may terminate this Agreement by written notice delivered to the other party, whereupon Seller shall, if Purchaser shall not then be in default, cause all Deposit Monies and any other sums theretofore paid by Purchaser to Seller hereunder to be returned to Purchaser, and neither party shall have any further liability or obligation hereunder.

16. Unsold Units.

(a) Seller's Title; Right to Lease. Seller shall retain or acquire title to each Condominium Unit not sold to any other Person. Seller retains the right, at Seller's sole option, to enter into leases with any third parties for the occupancy of any Condominium Unit so retained or acquired by Seller and not sold to any other Person.

(b) Seller's Activities. In addition to the foregoing and not in limitation thereof, until such time as all Condominium Units are sold, Seller reserves the right to make such use of any unsold Units (and Limited Common Elements appurtenant thereto), the General Common Elements, and the streets and main entrance of the Condominium project as is necessary for Seller's sales program, construction activities, equipment storage, or other lawful purposes, provided that such uses by Seller do not deprive the rights of any Unit Owner in and to such Unit Owner's Unit. Purchaser acknowledges and agrees that, in order for Seller to accomplish any of the foregoing purposes, Seller's personnel, agents, contractors, and prospective Unit purchasers, and the equipment, vehicles, and other property of any of them, may be present at the Condominium and that temporary and incidental noises or inconveniences attendant to any of the foregoing may also be expected. Purchaser hereby consents to any and all of the foregoing and agrees not to obstruct or interfere with such activities.

17. Access. Purchaser shall have absolutely no right or permission of access or entry to the Property (except for the Pre-Settlement Inspection pursuant to Section 9, and any other express invitation by Seller or its agent) or any active construction site at the Condominium, and absolutely no right to bring or store any of Purchaser's possessions in, on, or about the Property or any other part of the Condominium, prior to Seller's delivery of possession of the Property to Purchaser at settlement. Any violation by Purchaser or its agents of this Section 17 shall constitute an event of default entitling Seller to exercise the remedies set forth in Section 20(a), and may, in addition to such remedies and not in limitation thereof, constitute a trespass by Purchaser actionable at law. Furthermore, the parties hereby agree that Purchaser shall bear full responsibility and liability, and Seller shall bear no responsibility or liability whatsoever, for any injury or damage to any person or property arising from any violation of the prohibitions contained in this Section 17.

18. Furnishings and Models; Marketing Materials. Furniture, wall coverings, furnishings, non-standard household appliances, non-standard fixtures, non-standard floor coverings, non-standard mirrors, built-ins, wallpaper, window decorating treatments, special landscaping, or other decorator features and items exhibited in or about any model unit are for display purposes only and are not considered a part of any Unit conveyed under this Agreement. Further, the location of wall switches, thermostats, chases, plumbing, electrical outlets, and similar items may vary from unit to unit and may not be as shown in any model unit. Any floor plans, sketches, or sales drawings shown to Purchaser are for display purposes only and may not necessarily be exactly replicated in the built Unit(s). Each Residential Unit in the Condominium is being sold unfurnished and will contain only the appliances and equipment installed at the time of inspection of the Unit by Purchaser. Seller will finish and equip the Property only in accordance with an addendum, if any. Purchaser acknowledges that any brochures, web pages, or other marketing materials furnished to Purchaser, and any photographs, drawings, or models therein contained, are artist's conceptions provided for demonstrative purposes only, are subject to change, and are not binding. Any floor plans, sketches, or sales drawings provided to Purchaser other than those that are a part of the Plat and Plans on file with the local governing authority are the lawful property of Seller and may not be duplicated or distributed to any other person by Purchaser except by written permission of Seller.

19. Agent.

(a) Exclusive Agent. Seller and Purchaser acknowledge that this Agreement was procured through the services of Seller's Agent without the intervention of any other cooperating broker, except as may be expressly recognized in an Addendum hereto executed by the parties. Purchaser shall indemnify Seller against the claim of any person or entity other than Agent for any brokerage commission or fee, including any attorney fees or costs incurred by Seller as a result of such claim. The co-op broker, if any, shall have no authority, apparent or actual, to act on behalf of Seller. Seller recognizes Agent as its exclusive agent responsible for procuring this transaction, and Seller agrees to pay Agent a sales commission upon, and only upon, the completion of settlement and the recordation of the deed of conveyance from Seller to Purchaser hereunder, pursuant to the terms and conditions of

a separate agreement between Seller and Agent. Seller hereby authorizes and directs the settlement agent to pay such sales commission to Agent from Seller's proceeds at settlement.

(b) Agent's Acknowledgment. Agent and any other agent to this transaction acknowledges and agrees that no commission shall be due hereunder unless and until this sale is consummated by settlement and all funds are collected. Should settlement hereunder fail to occur for any reason, Seller shall be relieved of and from any obligation or liability to Agent or to any agent, broker, co-op, or otherwise, for any commission or other amount.

(c) Limitations. Purchaser acknowledges that Agent receives all information as to the Condominium and the Property, including without limitation any projected date of completion, date of settlement, or other information, from Seller, and that Agent is acting merely as a conduit of such information and not as a principal of Seller. Agent shall not be responsible or liable in any manner whatsoever to Purchaser for any failure or inability of Seller to perform its obligations under this Agreement, it being hereby acknowledged and agreed that Purchaser shall look solely to Seller in this regard. Seller shall not be responsible for any material misinformation knowingly given by Agent to Purchaser or any other broker.

## 20. Default.

(a) By Purchaser. Default by Purchaser shall be deemed to have occurred upon Purchaser's failure (1) to make all cash payments on or before the dates specified herein; (2) to provide any required notice or information or take any required action within the time specified; (3) on the appointed date, to tender at settlement the amounts called for herein and accept title; (4) to truthfully represent Purchaser's financial ability to qualify for a mortgage loan or otherwise to perform Purchaser's financial obligations hereunder; (5) to exercise best efforts and due diligence in pursuit of any financing as further described in Section 5; or (6) to comply with any other term, condition, or covenant of this Agreement. In the event of Purchaser's default, Purchaser agrees that Purchaser's rights under this Agreement shall be terminated and all Deposit Monies shall be retained by, and in all events due and owing to, Seller as liquidated damages and not as a penalty, whereupon the parties shall be released from any further liability or obligation hereunder. In furtherance of the foregoing, in the event of Purchaser's default, Purchaser hereby instructs that all Deposit Monies held in escrow under this Agreement (if held by a third-party escrow agent) be delivered to Seller, after which delivery, said escrow agent, if any, shall be released from further obligation to Purchaser and Seller. The parties agree that actual damages at this juncture would be difficult to ascertain and that the aforesaid liquidated damages represent a fair and reasonable estimate of actual damages that Seller would sustain upon any default by Purchaser hereunder. Alternatively, Seller may sue Purchaser in any court of competent jurisdiction for any form of equitable relief available in connection herewith, and/or for money damages, and may retain the Deposit Monies as a prejudgment attachment by consent. Following Purchaser's default, and unless otherwise agreed (after the occurrence of such default) in writing signed by the parties, Seller shall reserve its option to declare all Deposit Monies retained under this Section 20(a) as liquidated damages notwithstanding any resale of the Unit(s) to a third party and/or the filing by Seller of any alternative claim, suit, or action (which, to the extent required by law, would thereby be subject to dismissal in whole or in part). In any claim, suit, or action for money damages by Seller against Purchaser for Purchaser's default, Seller's damages shall include, but will not be limited to, (i) actual interest expense incurred by Seller on any construction costs (whether incurred to perform this Agreement or in mitigation); (ii) an eighteen percent (18%) *per annum* internal rate of interest for any such construction costs incurred from Seller's own funds; (iii) lost profit after any resale; and (iv) eighteen percent (18%) *per annum* interest on lost profit until paid. In the event Seller must engage counsel arising from Purchaser's default under this Agreement, Purchaser shall reimburse Seller for all of Seller's reasonable attorneys' fees and costs, whether suit be brought or not, and any court costs. Any election of remedies by Seller under this Section 20(a) shall be made in writing by Seller, and shall be reserved to Seller in all respects unless a court of competent jurisdiction rules otherwise.

(b) By Seller. In the event that this Agreement is materially breached by Seller, Purchaser shall have as its sole and exclusive remedy the right to terminate this Agreement by giving prompt written notice thereof to Seller, and Seller, upon receipt of such notice, shall forthwith return to Purchaser all Deposit Monies and any other sums theretofore paid by Purchaser to Seller hereunder as liquidated damages. No other damages, rights, or remedies (whether or not Purchaser shall elect to terminate this Agreement) shall in any case be collectible or enforceable by, sought by, or available to Purchaser, and Purchaser hereby agrees to accept and take the liquidated damages as Purchaser's sole damages and relief hereunder in such event. In consideration of the liquidated damages collectible by Purchaser in such event, the sufficiency of which is hereby acknowledged, Purchaser hereby expressly waives any and all rights Purchaser may have to enforce this Agreement by suit for specific performance or for other equitable relief against Seller, and/or by suit for money damages, or other relief, and hereby covenants not to bring any such suit; provided, however, that the limitations, waivers, and covenants contained in this Section 20(b) shall not be effective in any action at law or in equity against Seller in which Purchaser alleges and substantiates (with the specificity required by law) fraud by Seller.

21. Purchaser's Intended Use of Unit(s). IF A RESIDENTIAL UNIT SHALL BE PURCHASED HEREUNDER, PURCHASER HEREBY REPRESENTS AND WARRANTS THAT PURCHASER INTENDS TO USE SUCH UNIT AS HIS/HER/THEIR PRIMARY, YEAR-ROUND, PERSONAL RESIDENCE, AND FOR NO OTHER PURPOSE, FOR AT LEAST ONE (1) YEAR FOLLOWING SETTLEMENT.

22. Custom Finishing. Items in the nature of "custom finishing," decorating, or the like, and/or any deviations from the Plat and Plans shall be the sole responsibility of Purchaser and shall be performed only after Seller has delivered the Property to Purchaser as the Unit Owner thereof, at settlement.

23. Assignment. This Agreement is personal to Purchaser, and Purchaser may not assign this Agreement without the prior written consent of Seller. Any attempted assignment of this Agreement in violation hereof shall be voidable at the option of Seller, and shall further constitute an event of default entitling Seller to exercise the remedies set forth in Section 20(a). Seller's refusal to consent to an assignment hereof shall not entitle Purchaser to terminate this Agreement or give rise to any claim for damages against Seller.

24. Notices. Any notice required or permitted to be given hereunder by one party shall be in writing and effective as of the date on which such notice is mailed in any United States Post Office, by certified or registered mail, postage prepaid, or is hand-delivered to the other party at the address given above, or to such other address as a party may designate in writing from time to time.

25. Warranties.

(a) "As-Is" Condition. Seller makes no representations or warranties as to the condition of individual Units or of the entire Condominium, except as contained in the Condominium Instruments. Purchaser recognizes and understands that the Property is being sold in "as-is" condition, subject only to the items to be provided in accordance with addendums, if any, or noted on the Pre-Settlement Inspection Form following inspection of the Property as provided in Section 9 hereinabove.

(b) Limited Condominium Warranty. At settlement, Seller shall deliver to Purchaser an executed copy of the Limited Condominium Warranty in the form provided as an exhibit in the Condominium Instruments. Unless specifically stated otherwise herein, all warranties other than those expressly provided in said Limited Condominium Warranty are hereby excluded. Purchaser hereby acknowledges that Purchaser has been afforded the opportunity to review said Limited Condominium Warranty prior to execution of this Agreement, and agrees to accept said Limited Condominium Warranty as the sole warranty being given by Seller to Purchaser. SELLER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, BY STATUTE OR OTHERWISE, TO PURCHASER. After settlement, Purchaser agrees that Seller shall not be liable for any work whether or not patently incomplete, or any defects not specifically noted in the Pre-Settlement Inspection Form, unless otherwise specifically provided in said Limited Condominium Warranty.

(c) Warranty Claims. Purchaser hereby acknowledges that the Limited Condominium Warranty and the applicable provisions of the Act set forth a limited set of covered defects and a limited time within which a warranty claim or action against Seller, if any, may be brought. The limitations under the Limited Condominium Warranty and under the Act shall be strictly construed and enforced against Purchaser. In the event that either (i) Purchaser brings a timely warranty claim against Seller for a structural defect that Purchaser contends, but Seller denies, is a warranted "structural defect" under the Limited Condominium Warranty and the Act; or (ii) Purchaser brings a timely warranty claim against Seller that is admitted by Seller, but the parties cannot agree on how such structural defect shall be repaired or replaced by Seller; and, in the further event that the parties cannot amicably resolve such dispute, the parties hereby agree to refer the matter to a professional structural engineer licensed in the District of Columbia, who shall be selected by Seller but who shall remain strictly impartial, whose decision shall be binding. Notwithstanding the foregoing, either party may appeal the decision of the structural engineer to arbitration, which shall be conducted in the District of Columbia before a single arbitrator (unless either party shall demand in writing a panel of three arbitrators) in strict conformity with the generally accepted rules of arbitration in effect in the District of Columbia (including rules for the selection of qualified and impartial arbitrators). The arbitration award from any such arbitration shall be binding upon the parties and enforceable by any court exercising jurisdiction over the parties. The expenses (including without limitation witness fees and attorneys' fees) incurred by the prevailing party in any arbitration proceeding hereunder, and the costs of initially submitting such warranty dispute to a structural engineer, shall be borne by the non-prevailing party.

(d) Manufacturers' Warranties. At settlement, Seller shall deliver to Purchaser any manufacturers' warranties covering any appliances or fixtures in the Unit(s), except insofar as the same may be Common Elements, in which case such warranties shall be delivered to the Association.

26. Pre-Sale Requirement. Purchaser acknowledges that in connection with financing, loan guarantees, or secondary mortgage market financing approved or which may be approved for the Condominium (such as may be provided by a Lender, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans' Administration, or the Federal Housing Administration), Seller may have to meet certain pre-sale requirements before conveying the Condominium or any portion of the Condominium. If Seller is unable to satisfy the pre-sale requirements specified by any such lender or agency, then Seller may by notice in writing to Purchaser terminate this Agreement, whereupon Seller shall return the Deposit (and Extras Deposit, if any) to Purchaser and terminate this Agreement. Upon such termination, neither of the parties will have any further liability or obligation to the other party hereunder, even if Seller later proceeds with the Condominium.

27. Status of Purchaser. If Purchaser is married (or, if unmarried at the signing of this Agreement, becomes married prior to settlement hereunder) and Purchaser's spouse is not also a purchaser under this Agreement, then Purchaser shall be responsible for such spouse's signing any applications, mortgages, notes, or other documents required by any lender, and the failure of such spouse to do so shall not release Purchaser from any obligation under this Agreement, and Purchaser shall indemnify and hold harmless Seller from any loss that may arise as a result of the refusal of such spouse to sign any such document. If Purchaser is a corporation, partnership, limited liability company, trust, or other entity and not a natural person, Purchaser shall indemnify and hold harmless Seller from any loss that may arise by reason of the failure of any of Purchaser's principals, officers, owners, beneficiaries, or their spouses to sign any applications, mortgages, notes, or other documents required by the lender, or to take any other act without which settlement is prevented or delayed. If Purchaser files for or is adjudicated a bankrupt, makes an assignment or arrangement for the benefit of creditors, files for divorce or legal separation, dies, or notifies Seller in writing for any stated reason or for no stated reason of Purchaser's request to be released from this Agreement, then Seller shall have the option, but no obligation, to terminate this Agreement and cause the Deposit to be returned to Purchaser, whereupon neither party shall have any further obligation to the other. PURCHASER HEREBY REAFFIRMS THE REPRESENTATIONS IN SECTION 21 REGARDING INTENDED USE OF THE UNIT(S) TO BE PURCHASED, AND ACKNOWLEDGES THAT ANY KNOWING MISREPRESENTATION REGARDING SAME SHALL CONSTITUTE AN EVENT OF DEFAULT UNDER THIS AGREEMENT.

28. Purchaser's Right to Cancel. Purchaser shall have a period of fifteen (15) days within which to review the Condominium documents made available to Purchaser pursuant to the Condominium Act and applicable regulations. Notwithstanding

any other provisions of this Agreement, Purchaser may elect, by written notice to Seller sent by registered mail (or personal delivery to Seller's office during business hours) at any time prior to midnight local time of the fifteenth (15th) day following the date of this Agreement or receipt by Purchaser of a current Public Offering Statement, whichever is later, to terminate this Agreement, whereupon the Deposit shall be refunded and the parties hereto shall have no further rights or liabilities under this Agreement.

[Spanish Equivalent of Section 28]

El Derecho del Comprador de rescindir el Acuerdo. El Comprador tendra un periodo de quince (15) dias para revisar los documentos Condominio que le seran proporcionado en cumplimiento de Ley de Condominios y de todo reglamento complementario. No obstante otra provision cualquiera de este Acuerdo, el Comprador puede elegir, por notificacion escrita al Vendedor enviada por correo registrado (o entregada personalmente a la oficina del Vendedor durante las horas de negocio) en cualquier momento antes de la medianoche, hora local, del decimoquinto (15º) dia despues de la fecha de este Acuerdo o de haber recibido la declaracion corriente de oferta publica, segun cual sea la fecha mas tarde, deshacer este Acuerdo en cuyo caso el Deposito entero del Comprador le sera devuelto y los contratantes no tendran mas derechos ni obligaciones bajo este Acuerdo.

29. Delivery of Funds.

(a) Readily Available Funds. The Deposit Monies, the Purchase Price, and all other funds to be delivered by Purchaser under this Agreement shall be in the form of good, immediately available funds. If for any reason any check is returned for insufficient funds or otherwise not honored by the institution upon which it is drawn, then Purchaser shall be in default hereunder, and Seller shall have the right to exercise any and all rights and remedies set forth in Section 20(a), including but not limited to terminating this Agreement and retaining all funds received, unless Purchaser shall cause the replacement of such dishonored check, in full, by immediately available funds in the form of an electronic wire transfer, certified check, or cashier's check delivered to Seller during business hours within two (2) business days after Purchaser is notified of the dishonor of such check. In such event, Purchaser shall further pay Seller a Fifty Dollar (\$50.00) Returned Check Charge, which shall be paid in immediately available funds to Seller not later than the replacement funds for the dishonored check. Purchaser's failure or refusal to pay such Returned Check Charge shall be an event of default hereunder.

(b) Notes. If for any reason Seller agrees to accept from Purchaser one or more promissory notes in lieu of readily available funds for any Deposit Monies or portion thereof, or any other financial obligation of Purchaser hereunder, then such promissory note(s) shall contain standard, commercial, arms-length terms and conditions fully enforceable against Purchaser (including any confession of judgment provisions enforceable to the maximum extent permitted by applicable law), and any default by any obligor in the performance of such promissory note(s) shall be an event of default hereunder, and vice versa, and Seller shall have the right to exercise any and all rights and remedies set forth in Section 20(a), together with the right to exercise any and all remedies set forth in such promissory note(s).

(c) Corrections. All monetary amounts contained in this Agreement, any exhibit hereto, or any other document hereto relating are subject to final verification and audit, and should any erroneous figure or computation be discovered by either party upon such verification (including without limitation an error in tabulating and calculating the aggregate amount of options selected pursuant to an addendum, if any, and/or in calculating the balance to be paid at settlement), the party who discovers such error affirmatively covenants to provide prompt notice thereof to the other party (whether such error, if left uncorrected, would have benefited or disadvantaged the discovering party), and Purchaser and Seller shall immediately thereafter execute an Addendum to this Agreement correcting such error. If as a result of the foregoing any additional sums are required to be paid by Purchaser hereunder, Purchaser shall pay such amount at settlement, or sooner if such error pertained to the Deposit Monies or any other pre-settlement amount, or if a refund is due to Purchaser, Seller shall promptly cause such refund to be promptly paid to Purchaser.

30. Acknowledgment of Performance. Notwithstanding anything to the contrary stated herein, the delivery to and the acceptance by Purchaser of the deed of conveyance of the Property at settlement shall constitute the full performance and compliance by Seller of all of the terms, conditions, and covenants of this Agreement, and the full release by Purchaser of any and all rights, obligations, claims, or causes of action against Seller arising from this Agreement; provided, however, that this Section 30 shall not be construed to limit Purchaser's rights to bring a timely warranty claim as set forth in the Limited Condominium Warranty, subject to the applicable exclusions and warranty periods set forth therein and provided under the Act, as described in Section 25.

31. Sound Standards and Noise. Purchaser hereby acknowledges and agrees that (i) it is the nature of the Condominium, as with any multiple unit dwelling, that Residential Units are built in close proximity to one another and may share one or more common walls, floors, and ceilings, and therefore noises may be audible between any Residential Unit and any adjacent Unit or Common Elements; (ii) it is not possible to provide or attain sound insulation levels within any Residential Unit that are comparable to those of a detached single-family house, and some level of awareness (auditory and otherwise) of one's neighbors and their invitees is an expected condition of Condominium living; (iii) the Condominium is located in an urban setting, and noises originating from nearby residential and/or commercial buildings, from business and construction activities, from motor vehicles, from passing airplanes/trains/mass transit, from police/fire/emergency activities, and other street and neighborhood noises may also be expected to be audible from time to time within the Condominium and within any Unit therein contained; and (iv) the Condominium building may have been constructed prior to the adoption of current-day building code standards for sound insulation applicable to new construction, and thus may not be required (even as renovated) to meet, and may or may not in fact meet, such standards. By signing this Agreement, Purchaser hereby accepts all of the foregoing as existing attributes and characteristics of the Property governed in all respects by Section 25(a), and further agrees that increasing sound insulation shall not be a permissible or legitimate punch-list item for inclusion on the Pre-Settlement Inspection Form, nor shall Seller be under any obligation, whether in connection with the Pre-Settlement Inspection or by any other reason, standard, or authority, to take any measures whatsoever to increase or improve the existing sound insulation of the Property.

32. District of Columbia Soil Disclosure Requirement. Purchaser confirms that Seller has advised Purchaser, pursuant to D.C. Code §42-608 (2001 ed., as amended), that the soil on the subject lands is noted in the Soil Survey of the District of Columbia published in 1976, and as shown on the Soil Maps of the District of Columbia at the back of that publication, as Urban Land, with the characteristics defined therein. Purchaser is further advised that Purchaser may obtain additional information concerning the character of the soil by engaging a soil testing laboratory, or by contacting the District of Columbia Department of Environmental Services or the Soil Conservation Service of the Department of Agriculture. Nothing contained herein shall constitute a representation or warranty by Seller concerning any soil characteristics of the Condominium.

33. Lead-Based Paint Hazard. The Condominium building was constructed prior to 1978, and therefore, by applicable law of the District of Columbia, this Agreement is not complete and not ratified unless it includes, and Seller and Purchaser both execute, the Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards, whereby Purchaser acknowledges receipt of required Lead Paint Information and has either taken the opportunity to incorporate a Lead-Based Paint Inspection contingency or waived such a right. Seller and Agent are required to retain a copy of the completed Lead-Based Paint Disclosure Form for a period of three (3) years following the date of settlement. Seller and Purchaser acknowledge by initialing below that they have read and understood the provisions of this Section 33.

\_\_\_\_\_/\_\_\_\_\_/ Seller's Initials

\_\_\_\_\_/\_\_\_\_\_/ Purchaser's Initials

34. Seller's Disclosure Statement. Purchaser acknowledges by initialing below having received the Seller's Disclosure Statement pursuant to D.C. Code § 42-1904.04 (2001 ed., as amended).

\_\_\_\_\_/\_\_\_\_\_/ Purchaser's Initials

35. Underground Storage Tank Disclosure. In accordance with the requirements of Section 3(g) of the Underground Storage Tank Management Act of 1990 and amendments thereto, codified at D.C. Code §8-113.01, et seq. (2001 ed., as amended), and applicable regulations, Seller hereby informs Purchaser that Seller has no knowledge of the existence or removal, during Seller's ownership of the Condominium property, of any underground storage tank, as that term is defined in the said act or regulations, except as follows: N/A. Information pertaining to underground storage tanks and underground storage tank removals of which the District of Columbia government has received notification is on file with the D.C. Department of Consumer & Regulatory Affairs, Environmental Regulation Administration, Underground Storage Tank Branch, 2100 Martin Luther King, Jr. Avenue, S.E., Washington, DC, telephone (202) 404-1167. Purchaser acknowledges by initialing below that Purchaser has read and understood the disclosure set forth in this Section 35 prior to signing this Agreement.

\_\_\_\_\_/\_\_\_\_\_/ Purchaser's Initials

36. Miscellaneous.

(a) Binding Agreement. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective heirs, legal representatives, successors, and assigns (subject in all respects, however, to Section 23).

(b) Authorization. The seller, Kalorama Partnership, LLC, Shall be authorized to sell and convey the Condominium sold pursuant to this agreement in accordance with the nominee agreement and condominium instrument. Greg Selfridge and Bruce Hurd, as managers, shall execute the Deed upon settlement as authorized by Kalaroma Partnership, LLC.

(c) Merger and Survival. The provisions of Sections 5, 6, 7, 8(c), 9, 12, 13, 16, 18, 19(c), 20, 25, 27, 30, 31, 32, 33, 34, 35, 36, and any other provisions hereunder that are for benefit of Seller, shall expressly survive settlement hereunder and shall not be merged into the deed of conveyance. All other terms and provisions of this Agreement shall not survive settlement and shall be deemed merged into the deed upon Seller's delivery thereof to Purchaser and Purchaser's acceptance thereof, at settlement.

(d) No Recordation. Purchaser is expressly prohibited from recording and hereby covenants not to record, this Agreement, or any memorandum thereof, or any lis pendens, whether or not Seller shall at any time hereafter be in default hereof. Any such recordation or attempted recordation shall be an event of default entitling Seller to exercise the remedies set forth in Section 20(a). In addition to any remedies set forth in Section 20(a), and not in limitation thereof, Seller is expressly empowered hereunder to seek immediate and summary injunctive relief against Purchaser if Purchaser places any impediment to title to the Property or the Condominium among the land records of the District of Columbia, and shall be entitled to reimbursement in full of all court costs and attorneys' fees (whether suit be brought or not) incurred by Seller in connection therewith.

(e) Entire Agreement. This Agreement, together with its addenda, if any, supersedes any and all prior understandings and agreements between the parties and constitutes the entire agreement between them with regard to the subject matter hereof. No representations, warranties, terms, conditions, or statements, oral or written, not contained herein (or in any written amendment or addendum that is signed by the parties and attached hereto) shall be considered a part hereof or otherwise binding upon the parties with regard to the subject matter hereof.

(f) Amendment; Scope of Authority. This Agreement may not be changed except by an instrument in writing signed by each party (or its agent duly authorized to sign such instrument). Any and all additions, deletions, omissions and/or deviations from the printed form of this Agreement or any attachments hereto, other than the appropriate completion of the "blanks" which appear herein, are agreed to be in excess of the authority of Seller's sales representatives and shall be of no force or effect. .

(g) Printed Form. Typewritten or handwritten language added to the printed form of this Agreement (excluding Addenda, if any) is added for clarification only. In no event shall such additional typewritten or handwritten language take precedence over the printed form (excluding addenda). In the event of any ambiguity or inconsistency between the printed form and the typewritten or handwritten additions, the printed form shall take precedence.

(h) Severability. The provisions of this Agreement are not severable except by the express written consent of Seller. If any part of this Agreement is unenforceable or severed for any reason, then at Seller's election this entire Agreement shall be terminated upon written notice to Purchaser, whereupon Seller shall return to Purchaser all Deposit Monies and the parties shall be relieved of any and all further liability or obligation hereunder.

(i) No Implied Waiver. Any inaction or delay by Seller in the exercise of any of Seller's rights hereunder or the enforcement of this Agreement against Purchaser, including without limitation Seller's right to terminate this Agreement upon any default by Purchaser, shall not constitute and shall not be construed as a waiver by Seller of such right. No waiver by Seller hereunder shall be effective unless it is set forth in writing signed by Seller, and any such written waiver by Seller shall not operate as a waiver of any future default by or obligation of Purchaser hereunder.

(j) Acknowledgment. Purchaser hereby acknowledges that Purchaser has read and understands the terms and conditions set forth on this Agreement, and that Purchaser and Seller are legally bound by the terms hereof.

(k) Interpretation. All gender references in this Agreement, whether masculine, feminine, or neuter, shall be interchangeable, and the plural interchangeable with the singular, in any place herein in which the context logically calls for such substitutions. Specifically, if there is more than one Purchaser, the term "Purchaser" shall include all Purchasers jointly and severally. All section titles and paragraph and subparagraph headings contained herein are for convenience only and are not to be interpreted as defining, limiting, or in any way affecting the scope of this Agreement, or the substance or intent of the text to which they apply. The term "mortgage" as used herein shall include deeds of trust and vice versa.

(l) Governing Law. This Agreement shall be governed by, and its terms and conditions construed in accordance with, the laws of the District of Columbia, exclusive of reference to its rules and principles of conflicts of laws.

(m) Waiver of Jury Trial. PURCHASER AND SELLER HEREBY EACH WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING (INCLUDING COUNTERCLAIMS) BROUGHT BY EITHER PARTY AGAINST THE OTHER, WHETHER SOUNDING IN CONTRACT, TORT, NEGLIGENCE, FRAUD, VIOLATION OF ANY APPLICABLE STATUTE, OR OTHERWISE, RELATING IN ANY WAY WHATSOEVER TO THIS AGREEMENT OR THE SUBJECT MATTER HEREOF. PURCHASER AND SELLER FURTHER AGREE THAT, SHOULD EITHER PARTY NAME ANY THIRD PARTY TO ANY SUCH ACTION OR PROCEEDING, THIS WAIVER OF JURY TRIAL IS APPLICABLE TO AND ENFORCEABLE BY OR AGAINST ALL OF THOSE ENTITIES OR INDIVIDUALS. THIS WAIVER OF JURY TRIAL SHALL BE DEEMED TO APPLY TO ANY AND EVERY POSSIBLE ACTION OR PROCEEDING BETWEEN THEM WITH RESPECT TO THIS AGREEMENT OR THE SUBJECT MATTER HEREOF, WHETHER OR NOT SPECIFICALLY DESCRIBED HEREIN.

(n) Time of the Essence. Time shall be of the essence with regard to all dates and times in this Agreement.

(o) Counterparts. This Agreement may be executed simultaneously in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement, effective as of the date entered hereinbelow by the last party to sign.

**PURCHASER:**

DATE: \_\_\_\_\_

\_\_\_\_\_[SEAL]

Print Name:  
Social Security No. \_\_\_\_\_

DATE: \_\_\_\_\_

\_\_\_\_\_[SEAL]

Print Name  
Social Security No. \_\_\_\_\_

**SELLER:**

DATE: \_\_\_\_\_

Address:

**AGENT FOR SELLER:**

N/A

DATE: \_\_\_\_\_

By: \_\_\_\_\_

Name:

Title:

The following cooperating broker is hereby  
recognized as Purchaser's broker:

Firm: \_\_\_\_\_

Address: \_\_\_\_\_

Agent: \_\_\_\_\_

Commission: \$ \_\_\_\_\_ only in the event of settlement; cooperating broker not paid commission on Purchaser's Options.

### RECEIPT OF CONDOMINIUM INSTRUMENTS

The undersigned Purchaser(s) hereby acknowledge(s) that I (we) have received copies of the Public Offering Statement containing the Declaration, Bylaws, Plat and Plans, and other documents for The Vernon Street Condominium, 1840-1846 Vernon Street, N.W., Washington, DC 20009.

DATE: \_\_\_\_\_

By: \_\_\_\_\_

Purchaser Name:

DATE: \_\_\_\_\_

By: \_\_\_\_\_

Purchaser Name: