

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLUMBIA**

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| |) | |
| In re: |) | |
| |) | |
| 315 FRANKLIN, LLC, |) | Case No. 17-00512-SMT |
| |) | |
| Debtor in possession. |) | (Chapter 11) |
| |) | |

**DEBTOR’S MOTION FOR ORDER APPROVING SALE OF DEBTOR’S
REAL PROPERTY FREE AND CLEAR OF LIENS AND INTERESTS**

315 Franklin, LLC, the debtor-in-possession (the “Debtor”), by counsel, respectfully moves for an order, pursuant to sections 363(b)(1) and 363(f) of the Bankruptcy Code¹, Federal Rule of Bankruptcy Procedure 6004, and Local Bankruptcy Rule 6004-1, authorizing the sale to NOVO Development Corporation (“NOVO”), a District of Columbia Corporation, free and clear of liens and interests (other than existing tenant leases), of the real property located at 315-325 Franklin Street, N.E., Washington, D.C. 20002, which is improved by a 76-unit residential apartment project known as East and West Panorama Court (together with certain related personal and intangible property, the “Property”).

Two consensual liens encumber the Property: (a) a first-priority deed of trust securing a promissory note dated June 22, 2012, in the original principal amount of \$4,227,000, assigned to Federal National Mortgage Association (“Fannie Mae”), and (b) a second-priority deed of trust securing a promissory note dated December 30, 2013, in the original principal amount of \$1,200,000, also assigned to Fannie Mae.² In addition, the District of Columbia recorded Litter

¹ Unless otherwise indicated, all statutory references in this Motion are to the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.*

² Payoff statements provided by Fannie Mae and dated as of September 14, 2017, show payoff amounts for the notes of \$4,382,072.05 and \$1,405,511.44, respectively.

Control Administration Act liens against the Property on November 13, 2015 in the amount of \$600, and on December 19, 2016 in the amount of \$4,500.

The proposed sale is for a gross purchase price of \$9,000,000, which will enable the Debtor to pay all of its creditors in full. The sale will also, as a practical consequence, transfer from the Debtor to NOVO the risk of loss, the burdens of administering the Project, and any liabilities for housing code violations that might exist at the Project, thus effectively guaranteeing a successful chapter 11 case.

JURISDICTION

1. The Court has subject matter jurisdiction over this Motion pursuant to 28 U.S.C. § 1334. The Motion is a core proceeding under 28 U.S.C. § 157(b). Venue is proper in this Court under 28 U.S.C. §§ 1408 and 1409.

2. The statutory and other predicates for the relief sought by this Motion are sections 363(b)(1) and 363(f) of the Bankruptcy Code, Federal Rule of Bankruptcy Procedure 6004, and Local Bankruptcy Rule 6004-1.

I.

BACKGROUND³

A. The Property to be Sold

3. On September 13, 2017 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code, initiating this chapter 11 case (the “Chapter 11 Case”). The Debtor continues to operate its business as a debtor in possession under

³ The factual assertions in this Motion are supported by the Declaration of A. Carter Nowell, the manager of the Debtor, which is attached hereto as Exhibit “A.” The Debtor anticipates that Mr. Nowell will be available as a witness at any hearing on the Motion.

sections 1107(a) and 1108 of the Bankruptcy Code. No request has been made for the appointment of a trustee or examiner, and no official committee of creditors has been appointed.

4. The Debtor owns, and through a related management company, manages and operates, the East and West Panorama apartment project on the Property.⁴

5. The Debtor purchased the Property from Shirley M. Singletary and Cornelius C. and Emma I. Dudley on April 25, 2012.

B. The Claims Against the Debtor

6. The Debtor re-financed the Property through a June 22, 2012 loan from Centerline Mortgage Capital Inc. (“Centerline”) under the terms of a MultiFamily Loan and Security Agreement (the “First Loan Agreement”). The First Loan Agreement is memorialized by a certain MultiFamily Note (“First Note”), dated as of June 22, 2012, in the original principal amount of \$4,227,000.

7. On or about December 30, 2013, Centerline loaned the Debtor \$1,200,000, under the terms of a MultiFamily Loan and Security Agreement (the “Second Loan Agreement, and together with the First Loan Agreement, the “Loan Agreements”). The Second Loan Agreement is memorialized by a certain MultiFamily Note (the “Second Note” and together with the First Note, the “Notes”), dated as of December 30, 2013, in the original principal amount of \$1,200,000.

8. The loans evidenced by the Notes and the Loan Agreements are secured by first and second priority liens and security interests in the Debtor’s assets, including the Property, the improvements thereon, the rents generated by the Property, and other assets.

⁴ A copy of the legal description of the Property is attached hereto as Exhibit “B”.

9. Centerline has endorsed the Notes and assigned the Loan Agreements and related security instruments to Fannie Mae, which holds perfected first and second priority liens and security interests against the Property and other assets of the Debtor.

10. Fannie Mae has (a) declared the Notes in default, (b) accelerated all amounts due thereunder, (c) filed suit against the Debtor under the Notes and Loan Agreements, (d) sought to conduct a foreclosure sale of the Property, and (e) sought the appointment of a receiver to take control of the Property. Fannie Mae asserted in a July 31, 2017 Complaint against the Debtor in the Superior Court of the District of Columbia that the aggregate amounts due under the Notes exceeded \$5.7 million.

11. The Debtor's schedules, as filed with the Court on October 11, 2017 [Docket No. 41], reflect that as of the Petition Date there were unsecured priority claims against the Debtor's estate of approximately \$39,043, and unsecured, non-priority, non-insider claims against the Debtor's estate of approximately \$93,704, for total non-insider unsecured claims of approximately \$132,747. While it is possible that additional prepetition, non-insider unsecured claims against the Debtor may hereafter be identified or asserted, the Debtor is unaware of significant non-insider prepetition claims other than those subsumed within the foregoing aggregate figures.⁵

12. Since acquiring the Property, the Debtor has used its revenues to pay for quality services to its residents and to maintain and improve the Property's physical condition and

⁵ The Debtor is currently reconciling its books and records regarding prepetition transactions between the Debtor and certain insider and affiliated entities. Debtor's management anticipates that any net insider claims against the Debtor's estate will have no effect on the Debtor's ability to satisfy all non-insider claims, including, but not limited to, the secured claims of Fannie Mae and the District of Columbia. The Debtor anticipates amending its schedules of assets and liabilities to reflect any insider transactions.

systems. Nonetheless, the Property has not generated sufficient cash flow to permit the Debtor to satisfy all of its loan and operational obligations as they have come due.

13. In light of the Debtor's limited financial success and Fannie Mae's efforts to take control, and conduct a foreclosure sale of, the Property, the Debtor determined that it was in its best interests, and that of its residents and creditors, to sell the Property to an independent third party at a price that would allow the Debtor to satisfy the Notes and the Debtor's other financial obligations.

E. Purchase Agreement with NOVO

14. In 2016, the Debtor formally listed the Property for sale with Greysteel, a national transactional commercial property advisor for private, middle-market and institutional investors. Greysteel maintains a website at www.greysteel.com. During the time the Property was listed with Greysteel, the Debtor did not receive any satisfactory purchase offers.

15. In 2017, the Debtor contacted purchasers who had previously expressed an interest in the Property. Through this process, the Debtor received several letters of intent. The Debtor determined, in the exercise of its business judgment, that the letter of intent submitted by NOVO represented the highest and best offer to purchase the Property. Thereafter, the Debtor and NOVO engaged in arm's length negotiations which resulted in the Purchase and Sale Agreement (the "Purchase Agreement"), dated as of September 12, 2017, for the sale of the Property to NOVO for the cash price of \$9,000,000. The Purchase Agreement is attached hereto as Exhibit "C".

16. NOVO's website at www.livenovo.com, reflects that NOVO was founded in 2003, and is a multi-family owner, developer, asset and property management organization headquartered on Capitol Hill in Washington, DC. NOVO currently manages a portfolio of

approximately 2,000 apartment units throughout Washington, DC, Chicago, Philadelphia, Charleston, South Carolina, and Cambridge, Maryland. NOVO currently owns or manages over 20 apartment projects in Washington, DC.

17. Neither the Debtor nor any of its members has any prior relationship with NOVO, and there is no agreement or understanding between the Debtor and NOVO other than as set forth in the Purchase Agreement. Accordingly, it is the Debtor's belief that NOVO is a disinterested third party with respect to the Motion and NOVO's proposed purchase of the Property.

18. Pursuant to the section 2.2 of the Purchase Agreement, NOVO has lodged an earnest money deposit of \$200,000 with Premium Title & Escrow, which will be applied against the purchase price at closing. Under Section 2.5 of the Purchase Agreement, closing on the sale of the Property to NOVO is to occur 30 days following Court approval of the sale.

F. Consequences of the Sale and the Absence of Need for Additional Marketing

19. Secured and non-insider unsecured claims against the Debtor are approximately \$5,920,330, while the gross sale proceeds under the Purchase Agreement will be \$9,000,000. Accordingly, the sale will permit the Debtor to pay all of its secured and non-insider unsecured creditors in full and in cash. The sale will also transfer risk of loss as to the Property to NOVO and will relieve the Debtor of any management responsibilities, so that post-sale, the Debtor's primary focus will be the determination and payment of creditor claims.

20. The members of the Debtor and their respective membership percentages are identified on the List of Equity Security Holders attached as Exhibit "D" hereto. Once creditors are paid in full, the members of the Debtor will be entitled to the remaining sale proceeds. Because the members will receive the proceeds of sale, net of creditor claims, the members alone

have an interest in the adequacy of the sale price under the Purchase Agreement. Members of the Debtor support the Purchase Agreement. Accordingly, because creditors will be paid in full and the members are satisfied with the sale price, the Debtor submits that no further marketing of the Property is necessary.

II.

THE SALE SATISFIES THE SOUND BUSINESS PURPOSE TEST AND SHOULD BE AUTHORIZED PURSUANT TO SECTION 363(b) OF THE BANKRUPTCY CODE

21. Pursuant to section 363(b) of the Bankruptcy Code, the Debtor may, after notice and hearing, sell property of the estate other than in the ordinary course of business. Courts generally authorize pre-confirmation sales of assets outside the ordinary course of business upon the articulation of a valid business justification. *See, e.g., In re MCSGlobal Incorporated*, 562 B.R. 648, 654 (Bankr. E.D. Va. 2017) (requiring a “sound business purpose”); *In re Flour City Bagels, LLC*, 557 B.R. 53, 77 (Bankr. W.D.N.Y. 2016) (“good business reason”); *Fulton State Bank v. Schipper (In re Schipper)*, 933 F.2d 513, 515 (7th Cir. 1991) (“articulated business justification”); *Committee of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1071 (2d Cir. 1983) (“good business reason”); *In re Lady H Coal Co., Inc.*, 193 B.R. 233, 243 (Bankr. S.D. W. Va. 1996) (“sound business purpose”); *WBQ P’ship v. Commonwealth of Va. Dep’t of Med. Assistance Serv. (In re WBQ P’ship)*, 189 B.R. 97, 102 (Bankr. E.D. Va. 1995) (adopting “sound business purpose” test).

22. A debtor has the burden of demonstrating by a preponderance of the evidence that a sale outside the ordinary course of business is justified, but an objecting party also must produce evidence with respect to its objections. *See In re Flour City Bagels*, 557 B.R. 77 (citing *Lionel*, 722 F.2d at 1071).

23. In applying the sound business purpose test, courts consider four elements: (a) a sound business reason or emergency justifying a pre-confirmation sale; (2) that the sale has been proposed in good faith; (3) adequate and reasonable notice to interested parties; and (4) a fair and reasonable purchase price. In re MCSGlobal Incorporated, 562 B.R. at 654; see also In re William Maxwell Gregg, II, 2014 WL 793126 at *3 (Bankr. D.S.C. Feb. 26, 2014); In re Lady H Coal Co., 193 B.R. at 243. Each of these elements is satisfied in the present case.

A. A Sound Business Reason Exists for the Sale

24. The soundest of business reasons exists for the proposed sale: the transaction will allow the Debtor to pay Fannie Mae and all other creditors in full and in cash, and the members of the Debtor, who are entitled to receive all sale proceeds, net of creditor claims, support the Purchase Agreement and the purchase price. If the bankruptcy process is primarily about protecting creditor rights and satisfying debtor obligations, the Debtor's entry into the Purchase Agreement is a clear exercise of sound business judgment.

25. Courts typically look to a trustee's or debtor in possession's business judgment in analyzing an asset sale under section 363(b). MCSGlobal Incorporated, id.; see also In re Alpha Nat. Res. Inc., 546 B.R. 348, 356 (Bankr. E.D. Va. 2016). In Lionel, the Second Circuit laid out a number of factors for bankruptcy courts to consider in evaluating whether a debtor has exercised sound business judgment in seeking a pre-confirmation sale of all or key assets. 722 F.2d at 1071. Those factors include, *inter alia*, the proportionate value of the asset being sold to the estate as a whole, the effect of the proposed sale on a future plan of reorganization, and "most importantly perhaps, whether the asset is increasing or decreasing in value."

26. Embedded in the foregoing business judgment factors is the implicit assumption that the proceeds of the proposed sale will be insufficient to pay all creditors in full. That

assumption does not apply here – creditors will be paid in full, rendering the typical business judgment analysis moot. Indeed, sound business judgment demands that the Debtor accept an offer that will pay its creditors in full and that is supported by the Debtor’s members. It would be the reverse of sound business judgment for the Debtor to reject the NOVO offer and leave its creditors and members at risk of ultimate loss.

27. The public interest may also be taken into account in considering whether a sound business reason exists for the sale. See In re Lady H Coal Co., 193 B.R. at 243, 245 (court approved sale of coal mine over piecemeal liquidation in part because purchaser expected to operate the mine, employ people in the community, retain some unionized workers, and make substantial capital expenditures to improve productivity). Fannie Mae has expressed concern to the Court about the Debtor’s management and ability to maintain the Property and protect the interests of its residents.⁶ Here, the sale will transfer the Property to NOVO, an enterprise with many years of local real estate management and development experience, who can reasonably be expected to manage the Property in a highly professional way.

⁶ The Debtor does not accept Fannie Mae’s concerns and contends to the contrary that it has managed well, and made improvements to, the Property during the course of its ownership.

B. The Sale Has Been Proposed In Good Faith

28. In connection with a proposed sale, “[g]ood faith encompasses fair value, and further speaks to the integrity of the transaction. Typical bad faith or misconduct, would include collusion between the seller and buyer, or any attempt to take unfair advantage of other potential purchasers.” 240 North Brand Partners, Ltd., 200 B.R. 653, 659 (9th Cir. B.A.P. 1996) (quoting In re Wilde Horses, Inc., 136 B.R. 830, 842 (Bankr. C.D. Cal. 1991)). “Although ‘good faith’ is not defined in the Bankruptcy Code, courts generally look to the purchaser’s conduct during the course of the sale proceedings.” In re Flour City Bagels, 557 B.R. at 80-81.

29. The Purchase Agreement is the product of arm’s length negotiations between two unrelated parties, the purchase price is sufficient to pay all creditor claims, and NOVO has committed to the transaction by making a \$200,000 earnest money deposit. Further, NOVO has a long history of managing and investing in real properties and is not an insider as to the Debtor or any of its members. See Id. at 78 (“The consideration of the good faith of the buyer is particularly relevant in a sale to an insider.”). Accordingly, the Debtor submits that the sale has been proposed in good faith.

C. Creditors and Parties in Interest Have Received Adequate and Reasonable Notice

30. In the context of a section 363(b) sale, “notice is sufficient if it includes the terms and conditions of the sale, if it states the time for filing objections, and if the estate is selling real estate, it generally describes the property.” In re WBQ P’ship, 189 B.R. at 103 (quoting In re Karpe, 84 B.R. 926, 930 (Bankr. M.D. Pa. 1988)).

31. The Debtor is serving this Motion (to which the Purchase Agreement is attached as an exhibit) and the accompanying Notice of Opportunity to Object on the entire service list for this case, including all known creditors, contract counterparties, residents of the Property,

owners, holders of equity interests in the Debtor, and parties that have filed a notice of appearance in this case. This notice satisfies the reasonable and adequate notice requirement, because the documents being served describe the Property, include the terms and conditions of the sale, and state the time for filing any objections or opposition thereto.

32. Some courts have indicated that adequate notice for a section 363(b) sale requires the same level of information contained in a section 1125 disclosure statement supporting a plan: “[B]ecause the proposed sale of substantially all of the Debtor’s assets is the functional equivalent of a plan, the creditors and parties in interest [are] entitled to the functional equivalent of a disclosure statement.” In re Flour City Bagels, 557 B.R. at 82 (quoting In re Tempnology LLC, 542 B.R. 50, 52 (Bankr. D.N.H. 2015)). In this case, however, the proposed sale will allow the Debtor to pay creditors in full and in cash either through a structured dismissal of the case or upon the effective date of a plan. Thus, under section 1124 of the Code, all classes of creditors under a plan would be unimpaired, and under section 1129(a) of the Code, such classes would not be entitled to vote on a plan. Under these circumstances, there is no need for the equivalent of a disclosure statement – the key relevant data are the terms of the sale and the fact that the sale will generate sufficient cash proceeds to pay all claims in full.

D. The Purchase Price Is Fair and Reasonable

33. Because the purchase price under the Purchase Agreement will generate sufficient proceeds to allow the Debtor to pay all claims in full and in cash, it is inherently fair and reasonable, and no further marketing is necessary or appropriate.

III.

THE COURT SHOULD AUTHORIZE THE SALE OF THE PROPERTY FREE AND CLEAR OF ALL LIENS AND INTERESTS

34. Section 363(f) allows for sales of property of the estate under section 363(b) “free and clear of any interest” if any one of the following five conditions is met:

- (1) applicable nonbankruptcy law permits sale of such property free and clear of such interest;
- (2) such entity consents;
- (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- (4) such interest is in bona fide dispute; or
- (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

35. Section 363(f)(3) is satisfied as to Fannie Mae’s liens (and any statutory liens) against the Property because the sale price under the Purchase Agreement is greater than the aggregate value of all liens against the Property.⁷

36. Section 363(f)(2) will be satisfied should Fannie Mae consent to the sale under the Purchase Agreement.

37. The Debtor is unaware of any other voluntary liens against the Property or any interests relating to the Property which are not subject to one or more provisions of section

⁷ As of the filing of this Motion, the Debtor and Fannie Mae have not agreed upon the full amount of Fannie Mae’s claim. If the parties have not reached agreement on Fannie Mae’s claim prior to closing under the Purchase Agreement, the Debtor proposes paying Fannie Mae all of the principal amount of its claim and all undisputed amounts of interest and other charges, pending an agreement or ruling by this Court as to the amounts due Fannie Mae. The Debtor will place into an appropriate escrow account an amount sufficient to pay Fannie Mae all disputed amounts plus interest and other charges accruing on such amounts, with Fannie Mae’s liens attaching to the escrowed funds.

363(f). The Debtor intends to pay any and all unpaid real estate taxes and charges for utilities relating to the Property from the proceeds of sale at closing.

38. The sale will be subject to all existing tenant leases for apartment units at the Property.

WAIVER OF MEMORANDUM OF LAW

39. The Debtor respectfully requests that this Court treat this Motion as a written memorandum of points and authorities in accordance with Local Bankruptcy Rule 9013-1(b)(2).

CONCLUSION

WHEREFORE, for all of the foregoing reasons, the Debtor respectfully requests that the Court exercise its power under sections 363(b) and (f) of the Bankruptcy Code to authorize the sale of the Property to NOVO free and clear of liens and interests on the terms and conditions specified in the Purchase Agreement, and that the Court grant the Debtor such other and further relief as is just and proper.

Dated: October 27, 2017

Respectfully submitted,

/s/ Stephen E. Leach

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Counsel to the Debtor-in-Possession

CERTIFICATE OF SERVICE

I hereby certify that on October 27, 2017, a correct copy of the foregoing Debtor's Motion for an Order Approving Sale of Debtor's Real Property Free and Clear of Liens and Interests and proposed Order was served by first-class mail, postage prepaid, upon the parties on the attached service list.

/s/ Stephen E. Leach _____
Stephen E. Leach

SERVICE LIST

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Washington, DC 20002

Ronald Kennedy
325 Franklin Street, NE, #7
Washington, DC 20002

Rose Boone
325 Franklin Street, NE, #203
Washington, DC 20002

Stephan Curry
315 Franklin Street, NE, #7
Washington, DC 20002

Steve Pharr
325 Franklin Street, NE, #4
Washington, DC 20002

Sylvester Pressley-Bey
325 Franklin Street, NE, #103
Washington, DC 20002

Tanesha Goggins
315 Franklin Street, NE, #102
Washington, DC 20002

Teunga Watson
315 Franklin Street, NE, #B2
Washington, DC 20002

MEMBERS OF THE DEBTOR

Brooke Thorner
2910 E. Madison, #209
Seattle, WA 98112

David Walker
3718 Falling Green Way
Mount Airy, MD 21771

Deborah Grove
5936 Elmer Derr Road
Frederick, MD 21703

Eugene Prokopyschyn Sr.
Michelle Prokopyschyn
3800 Meyer Lane
Hatboro, PA 19040

Joseph Swiderski
15401 Duckling Place
Woodbridge, VA 22191

Kenneth Tighe
626C Admiral Drive, #231
Annapolis, MD 21401

**Millenium Trust Company
f/b/o Thomas Trevino Family Trust
2001 Spring Road, Suite 700
Oak Brook, IL 60523**

**Millenium Trust Company
f/b/o C. Taylor & S. Barnes Revocable Trust
2001 Spring Road, Suite 700
Oak Brook, IL 60523**

**Millenium Trust Company
f/b/o Terrence Fitzpatrick IRA
2001 Spring Road, Suite 700
Oak Brook, IL 60523**

**Millenium Trust Company
f/b/o John Barrer IRA
2001 Spring Road, Suite 700
Oak Brook, IOL 60523**

**Millenium Trust Company
f/b/o Dale Lee Nelson IRA
2001 Spring Road, Suite 700
Oak Brook, IOL 60523**

**Millenium Trust Company
f/b/o Doug Mays IRA
2001 Spring Road, Suite 700
Oak Brook, IOL 60523**

**Sanford Capital III LLC
7605 Arlington Road, Suite 250
Bethesda, MD 20814**

**Steve Ruben
19420 Pyrite Lane
Brookeville, MD 20833**

9195358.1 042789.00001

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLUMBIA**

| | | |
|---------------------------|----------------|---|
| <hr/> | |) |
| In re: | |) |
| | |) |
| 315 FRANKLIN, LLC, | |) |
| | |) |
| | Debtor. |) |
| <hr/> | |) |

**Case No. 17-00512-SMT
(Chapter 11)**

**DECLARATION OF A. CARTER NOWELL UNDER 28 U.S.C. § 1746 IN SUPPORT
OF DEBTOR’S MOTION FOR ORDER APPROVING SALE OF DEBTOR’S
REAL PROPERTY FREE AND CLEAR OF LIENS AND INTERESTS**

1. I am over the age of 18 and not laboring under any disabilities. I have personal knowledge of the matters set forth in this declaration except where I have expressly indicated otherwise.

2. I serve as the manager of 315 Franklin, LLC, the debtor in possession (the “Debtor”) in the above-captioned bankruptcy case. I am authorized by the Debtor to make this declaration in support of the “Debtor’s Motion For Order Approving Sale of Debtor’s Real Property Free and Clear of Liens and Interests” (the “Motion”), whereby the Debtor is seeking authority to sell its real property to NOVO Development Corporation.

3. On September 13, 2017 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code, initiating this chapter 11 case (the “Chapter 11 Case”). The Debtor continues to operate its business as a debtor in possession under sections 1107(a) and 1108 of the Bankruptcy Code. Upon information and belief, no request has been made for the appointment of a trustee or examiner, and no official committee of creditors has been appointed.

4. The Debtor owns, and through a related management company, manages and operates a 76-unit residential apartment project on the Property, known as the East and West Panorama Apartments.

5. The Debtor purchased the Property from Shirley M. Singletary and Cornelius C. and Emma I. Dudley on April 25, 2012.

6. The Debtor re-financed the Property through a June 22, 2012 loan from Centerline Mortgage Capital Inc. (“Centerline”), under the terms of a MultiFamily Loan and Security Agreement (the “First Loan Agreement”). The First Loan Agreement is memorialized by a certain MultiFamily Note (“First Note”), dated as of June 22, 2012, in the original principal amount of \$4,227,000.

7. On or about December 30, 2013, Centerline loaned the Debtor \$1,200,000, under the terms of a MultiFamily Loan and Security Agreement (the “Second Loan Agreement, and together with the First Loan Agreement, the “Loan Agreements”). The Second Loan Agreement is memorialized by a certain MultiFamily Note (the “Second Note” and together with the First Note, the “Notes”), dated as of December 30, 2013, in the original principal amount of \$1,200,000.

8. The loans evidenced by the Notes and the Loan Agreements are secured by first and second priority liens and security interests in the Debtor’s assets, including the Property, the improvements thereon, the rents generated by the Property, and other assets.

9. Upon information and belief, Centerline has endorsed the Notes and assigned the Loan Agreements and related security instruments to Fannie Mae, which consequently holds first and second priority liens and security interests against the Property and other assets of the Debtor.

10. Fannie Mae has (a) declared the Notes in default, (b) accelerated all amounts due thereunder, (c) filed suit against the Debtor under the Notes and Loan Agreements, (d) sought to

conduct a foreclosure sale of the Property, and (e) sought the appointment of a receiver to take control of the Property. Fannie Mae asserted in a July 31, 2017 Complaint against the Debtor in the Superior Court of the District of Columbia that the aggregate amounts due under the Notes exceeded \$5.7 million.

11. The Debtor's schedules, as filed with the Court on October 11, 2017 [Docket No. 41] reflect that as of the Petition Date there were unsecured priority claims against the Debtor's estate of approximately \$39,043, and unsecured non-priority, non-insider claims against the Debtor's estate of approximately \$93,704, for total non-insider unsecured claims of approximately \$132,747. While it is possible that additional prepetition, non-insider unsecured claims against the Debtor may hereafter be identified or asserted, the Debtor is unaware of significant non-insider prepetition claims other than those subsumed within the foregoing aggregate figures.¹

12. Since acquiring the Property, the Debtor has used its revenues to pay for quality services to its residents and to maintain and improve the Property's physical condition and systems. Nonetheless, the Property has not generated sufficient cash flow to permit the Debtor to satisfy all of its loan and operational obligations as they have come due.

13. In light of the Debtor's limited financial success and Fannie Mae's efforts to take control, and conduct a foreclosure sale of, the Property, the Debtor determined that it was in its best interests, and that of its residents and creditors, to sell the Property to an independent third party at a price that would allow the Debtor to satisfy the Notes and the Debtor's other financial obligations.

¹ The Debtor is currently reconciling its books and records regarding prepetition transactions between the Debtor and certain insider and affiliated entities. Debtor's management anticipates that any net insider claims against the Debtor's estate will have no effect on the Debtor's ability to satisfy all non-insider claims, including, but not limited to, the secured claims of Fannie Mae and the District of Columbia. The Debtor anticipates amending its schedules of assets and liabilities to reflect any insider transactions

14. In 2016, the Debtor formally listed the Property for sale with Greysteel, a national transactional commercial property advisor for private, middle-market and institutional investors. Greysteel maintains a website at www.greysteel.com. During the time the Property was listed with Greysteel, the Debtor did not receive any satisfactory purchase offers.

15. In 2017, the Debtor contacted purchasers who had previously expressed an interest in the Property. Through this process, the Debtor received several letters of intent. The Debtor determined, in the exercise of its business judgment, that the letter of intent submitted by NOVO represented the highest and best offer to purchase the Property. Thereafter, the Debtor and NOVO engaged in arm's length negotiations which resulted in the Purchase and Sale Agreement (the "Purchase Agreement"), dated as of September 12, 2017, for the sale of the Property to NOVO for the cash price of \$9,000,000. The Purchase Agreement is attached to the Motion as Exhibit "C".

16. NOVO's website at www.livenovo.com, reflects that NOVO was founded in 2003, and is a multi-family owner, developer, asset and property management organization headquartered on Capitol Hill in Washington, DC. NOVO currently manages a portfolio of approximately 2,000 apartment units throughout Washington, DC, Chicago, Philadelphia, Charleston, South Carolina, and Cambridge, Maryland. NOVO has advised the Debtor that it currently owns or manages over 20 apartment projects in Washington, DC.

17. To the best of my knowledge, neither the Debtor nor any of its members has any prior relationship with NOVO, and there is no agreement or understanding between the Debtor and NOVO other than as set forth in the Purchase Agreement. Accordingly, it is the Debtor's belief that NOVO is a disinterested third party with respect to the Motion and NOVO's proposed purchase of the Property.

18. Pursuant to the section 2.2 of the Purchase Agreement, NOVO has lodged an earnest money deposit of \$200,000 with Premium Title & Escrow, which will be applied against the purchase price at closing. Under Section 2.5 of the Purchase Agreement, closing on the sale of the Property to NOVO is to occur 30 days following Court approval of the sale.

19. Secured and non-insider unsecured claims against the Debtor are approximately \$5,920,330, while the gross sale proceeds under the Purchase Agreement will be \$9,000,000. Accordingly, the sale will permit the Debtor to pay all of its secured and non-insider unsecured creditors in full and in cash. The sale will also transfer risk of loss as to the Property to NOVO and will relieve the Debtor of management responsibilities, so that post-sale, the Debtor's sole focus will be the determination and payment of creditor claims.

20. The members of the Debtor and their respective membership percentages are identified on the List of Equity Security Holders attached as Exhibit "D" to the Motion. Once creditors are paid in full, the members of the Debtor will be entitled to the remaining sale proceeds. Because the members will receive the proceeds of sale, net of creditor claims, the members alone have an interest in the adequacy of the sale price under the Purchase Agreement. Members of the Debtor support the Purchase Agreement. Accordingly, because creditors will be paid in full and the members are satisfied with the sale price, the Debtor submits that no further marketing of the Property is necessary.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: October 27, 2017

/s/ A. Carter Nowell
A. Carter Nowell

EXHIBIT A

[DESCRIPTION OF THE LAND]

All that certain lot or parcel of land situate in the District of Columbia and being more particularly described as follows:

Parcel 1:

Lots numbered Twenty-two (22) through Twenty-five (25) in Square numbered Thirty-five Hundred Fifty (3550) in a subdivision made by Edwin R. Morden of "Metropolis View", now known as "Central Addition", as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 49 at folio 15.

NOTE: At the date hereof the above described property is now known for assessment and taxation purposes as Lot numbered Eight Hundred Six (806) in Square numbered Thirty-five Hundred Fifty (3550).

Property Address: 325 Franklin Street NE, Washington DC 20002

Parcel 2:

Lots numbered Eighteen (18), Nineteen (19), Twenty (20) and Twenty-one (21) in Square numbered Thirty-five Hundred Fifty (3550) in a subdivision made by Edwin R. Morden of "Metropolis View", and now known as "Central Addition", as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 49 at folio 15.

NOTE: At the date hereof the above described property is now known for assessment and taxation purposes as Lot numbered Eight Hundred Seven (807) in Square numbered Thirty-five Hundred Fifty (3550).

Property Address: 315 Franklin Street NE, Washington DC 20002

EXHIBIT C

PURCHASE AND SALE AGREEMENT

BY AND BETWEEN

315 Franklin, LLC

(Seller)

And

NOVO Development Corporation

(Purchaser)

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") dated as of the 12th day of September, 2017 (the "Effective Date"), is made by and between **315 Franklin, LLC**, a Delaware limited liability company ("Seller"), and **NOVO Development Corporation**, a District of Columbia corporation ("Purchaser").

RECITALS:

WHEREAS, Seller desires to sell certain real property located at 315-325 Franklin Street, N.E., Washington D.C. 20011, along with certain related personal and intangible property, and Purchaser desires to purchase such real, personal and intangible property from Seller; and

WHEREAS, Seller and Purchaser, intending to be bound by this Agreement, desire to set forth herein the terms, conditions and agreements under and by which Seller shall sell and Purchaser shall purchase the foregoing real, personal and intangible property.

1. **AGREEMENT TO SELL; DEFINITION OF PROPERTY.**

1.1 Description. Subject to the terms and conditions of this Agreement and through a sale under 11 U.S.C., and for the consideration set forth herein, Seller hereby agrees to sell, assign and convey, and Purchaser hereby agrees to purchase and acquire, all of Seller's right, title and interest in and to the following (collectively, the "Property"):

1.1.1 A certain parcel of land located in the District of Columbia (the "Land", more specifically described on Schedule 1.1.1, attached hereto), and having a street address of 315-325 Franklin Street, N.E., Washington D.C. 20011;

1.1.2 All buildings, improvements, fixtures and parking facilities located on the Land, or any portion thereof, consisting of a residential apartment building (collectively, the "Building"), together with all other improvements, facilities and fixtures located on the Land, including without limitation surface (structured) parking, if any, and any and all other improvements located on the Land are hereinafter referred to collectively as the "Improvements";

1.1.3 All furniture, tangible and intangible personal property, machinery, apparatus and equipment currently used in the operation, repair and maintenance of the Land and the Improvements (excluding, however, any tangible personal property or fixtures which are owned by tenants or which may be removed by tenants under the terms of their leases and the excluded Personal Property), including without limitation the personal property identified in Schedule 1.1.3 attached hereto, except for the Personal Property identified as excluded Personal Property (the "Excluded Personal Property") in Schedule 1.1.3 (collectively, the "Personal Property");

1.1.4 All easements, hereditament and appurtenances, if any, pertaining or affecting the Land (collectively, the "Easements");

1.1.5 Any street or road abutting the Land, to the center line thereof, if any;

1.1.6 All of the leases or occupancy agreements, as amended, identified on the Schedule of Leases and Security Deposits attached hereto as Schedule 1.1.6 (collectively, the "Existing Leases") and any New Leases (defined in Section 4.6, below) (the Existing Leases and any New Leases are referred to herein collectively as the "Leases"), and all of the security deposits, including interest, if any, due thereon with respect to the Leases (the "Security Deposits"), including the Security Deposits

held by Seller in connection with the Existing Leases, all of which are identified in Schedule 1.1.6, attached to this Agreement;

1.1.7 All of the Assumed Contracts (defined in Section 3.10, below);

1.1.8 All warranties and guaranties issued in connection with the Improvements or the Personal Property, which remain in effect as of Closing (defined in Section 2.5, below) (the “**Warranties**”);

1.1.9 All consents, authorizations, variances or waivers, licenses, certificates of occupancy, permits and approvals from any governmental or quasi-governmental agency, department, board, commission, bureau or other entity or instrumentality with respect to the Property, to the extent transferable, which remain valid or in effect as of Closing (collectively, the “**Approvals**”); and

1.1.10 Seller’s rights, if any, in and to the name by which the Property is known or identified (including the building address).

1.2 Purchaser’s Acknowledgment. Purchaser acknowledges and agrees that, except as expressly provided in this Agreement and the documents delivered by Seller at Closing pursuant to this Agreement, and further subject to Section 14, below, Seller has not made, does not make and specifically disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Property.

2. PURCHASE PRICE AND PAYMENT.

2.1 Purchase Price. The purchase price for the Property (the “**Purchase Price**”) is Nine Million and No/100 Dollars (\$9,000,000.00).

2.2 Deposit. No later than 5:00 p.m., Washington, D.C. time, three (3) business days after the Effective Date, Purchaser shall by check or federal wire transfer, deposit the sum of Two Hundred Thousand and No/100 Dollars (\$200,000.00) (the “**Deposit**”) into an escrow account established by Premium Title & Escrow LLC (the “**Title Agent**”) or into an account of Seller. In the event that Purchaser terminates (or is deemed to have terminated) this Agreement in accordance with Section 3.12, below, on or before 5:00 p.m., Washington, D.C. time, on the Approval Date (defined in Section 3.1, below) or in the event Purchaser fails to deliver a Going Forward Notice (defined in Section 3.12, below) in accordance with Section 3.12 on or before 5:00 p.m., Washington, D.C. time, Seller expressly agrees that the Deposit shall be refundable to Purchaser immediately upon Purchaser’s satisfaction of the Deposit Release Conditions set forth in Section 3.12, below. However, the Deposit shall become non-refundable if Purchaser delivers a Going Forward Notice at the expiration of the Due Diligence Period (defined in Section 3.1, below).

2.3 Definition and Maintenance of Deposit. For purposes of this Agreement, the term “**Deposit**” shall mean and include the Deposit and all interest earned thereon while held in escrow by the Title Agent or Seller, and, to the extent the same is tendered by Purchaser pursuant hereto. The Deposit shall be held by the Title Agent or Seller in an interest-bearing account established by the Title Agent or Seller and otherwise pursuant to the terms hereof and in accordance with the provisions of the Escrow Agreement attached hereto as Exhibit 2.3. All interest earned on any portion of the Deposit held in escrow by the Title Agent or Seller shall (a) be added to the principal of the Deposit then held in escrow, (b) constitute a part of the Deposit, and (c) be included within the meaning and definition of the term

"Deposit" used herein. Interest earned on the Deposit shall, for income tax purposes, be deemed earned by Purchaser.

2.4 Payment. On the Date of Closing (defined in Section 2.5, below), and provided all conditions precedent to Purchaser's obligation to close have been satisfied or waived, Purchaser shall deposit or cause to be deposited with the Title Agent sums sufficient to pay the Purchase Price (net of all prorations, adjustments and credits to be made hereunder), which Purchase Price to be paid to Seller as follows:

2.4.1 Purchaser shall cause the Title Agent to pay Seller the remaining balance of the Purchase Price, after crediting the Deposit held by the Title Agent or Seller and subject to the prorations, adjustments and credits to be made hereunder, by federal wire transfer in immediately available funds to such bank account(s) as Seller may designate.

2.5 Closing. Recordation of the Deed (defined in Section 8.1.1, below), payment of the Purchase Price and the closing hereunder (the "**Closing**") will take place pursuant to an escrow closing on the date (the "**Date of Closing**") which shall be thirty (30) days after the approval by the U.S. Bankruptcy Court of the Seller's 11 U.S.C. plan including this Property. Closing shall commence at 1:00 p.m., Washington, D.C. time, on the Date of Closing and shall be conducted by Title Agent in its capacity as an agent for Chicago Title Insurance Company being hereafter referred to as the "**Title Company**") at the offices of Purchaser's attorneys, or at such other time and place as may be agreed to in writing by Seller and Purchaser. Notwithstanding the foregoing, Purchaser and Seller shall each have the right, on or prior to the Date of Closing, to deposit into escrow with the Title Agent all closing documents and other items required to fully and completely consummate Closing pursuant to this Agreement, in which event either party exercising such right shall not be required to attend Closing in person, and such failure to attend Closing shall not constitute a default hereunder. Purchaser and Seller shall endeavor in good faith to compile and calculate all required prorations and adjustments, and to prepare (or cause the Title Agent to prepare) a settlement statement acceptable to both Purchaser and Seller detailing all items and costs of Closing, no later than two (2) business days prior to the Date of Closing.

3. **INSPECTIONS AND APPROVALS.**

3.1 Inspections and Approvals. Purchaser shall have a period of time (the "**Due Diligence Period**"), commencing on the Effective Date, and expiring at 5:00 p.m., Washington, D.C., on the date which is thirty (30) days after the Effective Date (the "**Approval Date**"), in which to conduct the inspections and studies described in this Section 3. Purchaser and Seller hereby acknowledge agree that if Seller fails to provide any material Property Documents which Seller has in its possession or control within five (5) business days after the Effective Date as set forth in Section 3.8 below, then the Due Diligence Period and Approval Date shall be extended by the number of days that it takes Seller to deliver such material Property Documents to Purchaser.

3.2 Access to the Property and Indemnification by Purchaser. Seller agrees that, during the Due Diligence Period, Seller shall permit Purchaser and Purchaser's agents and representatives access to the Property for purposes of conducting such physical and environmental inspections of the Property as Purchaser shall deem necessary to properly inspect the Property in order to determine the feasibility of the Property for Purchaser's intended use thereof, provided that Seller shall not be obligated to incur any liability or expense in connection therewith.

3.3 Notice Before Entry. Purchaser shall give Seller at least two (2) business day's prior written notice (which may be by email) of any entry onto the Property by Purchaser and Purchaser's agents and contractors so that Seller may have the opportunity to have a representative of Seller

accompany Purchaser or Purchaser's contractors during any such entry upon the Land and the Improvements.

3.4 Avoid Disruption. Purchaser agrees, while conducting any tests or inspections pursuant to the terms of Section 3.2, to use reasonable efforts to avoid any material disruption to the tenants in the Buildings. Such access shall be during normal business hours after the giving of reasonable advance notice to Seller as provided in Section 3.3, and subject to the rights of tenants.

3.5 Inspection Covenants. In conducting any inspections, investigations or tests of the Property, in addition to compliance with all other terms and conditions of this Agreement that apply to Purchaser, Purchaser and its agents and contractors shall: (i) not interfere in any material manner with the operation and maintenance of the Property; (ii) not conduct any invasive testing, sampling or drilling or otherwise damage in any material manner any part of the Property or any personal property owned or held by any third party; (iii) not injure or otherwise cause bodily harm to Seller or its agents, guests, invitees, tenants, contractors and employees or other third parties; (iv) comply with all applicable laws; (v) promptly pay when due the costs of all tests, investigations, and examinations; (vi) not permit any liens to attach to the Property by reason of the exercise of its rights hereunder; (vii) repair any damage to the Property to the condition that existed on the condition which existed prior to any inspections or tests resulting directly or indirectly from any such inspection or tests; (viii) not reveal or disclose prior to Closing any information obtained during the Due Diligence Period concerning the Property; (ix) satisfy the insurance requirements set forth in Section 3.7; and (x) and satisfy the restoration and indemnification requirements of Section 3.6.

3.6 Restoration and Indemnification. If and to the extent that any inspection or test performed by Purchaser requires or results in any material damage to or alteration of the Property, Purchaser shall, at its own expense, restore such portion of the Property so damaged or altered; provided, however, that Purchaser shall have no obligation to remediate, repair or restore any physical or environmental condition existing or affecting the Property prior to Purchaser's inspection and/or discovery thereof except that in the event of any exacerbation of any such condition which was exacerbated by Purchaser, its agents, employees, or contractors (and shall not apply to any liability associated with the portion of such condition that existed prior to such exacerbation. Except as specifically set forth in this Section 3.6, Purchaser shall indemnify and hold Seller harmless from any loss, injury, liability, damage or expense, including reasonable attorneys' fees and costs, directly caused by Purchaser or its agents, employees, contractors, representatives as a result and arising out of (a) any negligent act or omission of Purchaser or its agents or representatives or contractors or employees during the performance of any tests or inspections conducted pursuant to this Section 3, or (b) the failure of Purchaser to restore the Property in accordance with this Section 3; provided, however, that Purchaser shall not be required to indemnify Seller if and to the extent that any such loss, injury, liability, damage or expense was caused by the negligence or misconduct of Seller, its employees or its agents.

3.7 Insurance; No Mechanics Liens; Indemnity. Prior to entry upon the Property, Purchaser shall deliver to Seller evidence reasonably satisfactory to Seller that Purchaser its agents, contractors or representatives has obtained commercial general liability insurance in an amount of not less than One Million and 00/100 Dollars (\$1,000,000.00) and written on such forms as are reasonably acceptable to Seller, naming Seller as an additional insured party, with respect to the Property and any entry onto or activities on or about the Property by Purchaser and all of Purchaser's agents, employees and contractors (and any others entering onto the Property for or at the request of Purchaser). In addition, Purchaser agrees to keep the Property free and clear of mechanics' liens and to indemnify, defend and hold Seller harmless from and against any and all claims, liens, liabilities, materialmen's liens, other liens, damages, losses and costs (including reasonable attorneys' fees) arising from the exercise by Purchaser of its right of entry under this Section 3. Purchaser shall, at Purchaser's sole cost and expense, restore the Property

to substantially the same condition which existed prior to any inspections or other activities of Purchaser, its agents and contractors thereon and promptly repair any damage to the Property caused by Purchaser's exercise of such right of entry. The Purchaser's obligations under this Section 3.7 shall survive in perpetuity the Closing or earlier termination of this Agreement.

3.8 Inspection of Documents. Within five (5) business days after the Effective Date, Seller shall deliver or cause to be delivered to Purchaser true, correct and complete hard or electronic copies of any of the following documents and materials relating to the Property requested by Purchaser to the extent in Seller's (or Seller's property manager's, in which case the documents will be made available for review and copying at the office of Seller's property manager) possession or control (the "**Property Documents**"):

3.8.1 Seller's most recent title insurance policy for the Property;

3.8.2 Seller's most recent survey of the Property;

3.8.3 all engineering, soils, seismic, geologic reports, surveys, plans and specifications for the Property and all operating systems in the Improvements, and all architectural reports, engineering reports, life safety system reports, reports regarding compliance with the Americans with Disabilities Act, and any other such reports or studies of or relating to the Property;

3.8.4 the schedule attached hereto as schedule 5.2.16 environmental reports pertaining to any use, treatment, disposal or presence of Hazardous Materials (defined in Section 5.2.16, below) in, on, under or about the Property or pertaining to any other environmental matter with respect to conditions in, on, under or about the Property, or operations and businesses conducted thereon;

3.8.5 all of the Leases, if any, together with all amendments, modifications or supplements thereto, and all lease files maintained by Seller or its agents or representatives in connection therewith, including without limitation all correspondence to and from any tenants or prospective tenants;

3.8.6 all of the Contracts (defined in Section 3.10, below), together with all amendments, modifications or supplements thereto;

3.8.7 all management and leasing agreements relating to the Property, including without limitation all documents pertaining to Seller's obligation, if any, to pay future leasing commissions upon the renewal of, or expansion under, any of the Leases;

3.8.8 all Approvals in Seller's possession or control with the ownership, operation and maintenance of the Property, including without limitation certificates of occupancy, together with copies of any currently pending applications for any renewals of existing, or for any new, Approvals;

3.8.9 all Warranties relating to and in effect with respect to the Property, the Personal Property or any other items or materials comprising the Property, together with copies of any currently pending applications for the renewal of, or claims made against, any Warranties;

3.8.10 all books and records compiled for the Property by or on behalf of Seller, including without limitation income and expense statements, setting forth all items of income and expense received or incurred in respect to the operation of the Property, on both an annual and monthly basis, for the past two (2) calendar years and the current calendar year, to-date;

3.8.11 all bills and invoices for utilities, materials and services provided to or at the Property during the previous twenty-four (24) month period, and a list (containing the names and addresses and contact information) of each of all utility companies, vendors and contractors providing such utilities, materials and services;

3.8.12 all bills and invoices for real property taxes, personal property taxes and special assessments imposed or levied against or on account of the Property for and during the previous three (3) tax years;

3.8.13 all proffers or other agreements with any governmental authority or other third party, including any building owner or similar associations, which create any obligation with respect to the Property and will survive Closing, including without limitation any obligation to construct or maintain any improvements which are not, or will not be, located on the Property, or which require the owner of the Property to participate, or contribute money, in connection with any such obligation;

3.8.14 with the exception of appraisals and other privileged or confidential and proprietary information, all other documents, agreements and instruments relating to the Property which are reasonably requested in writing by Purchaser; and

3.8.15 copies of all items set forth on Schedule 3.8.15 attached hereto and incorporated herein by this reference, to the extent such items are not already covered in this Section 3.8.

3.8.16 copies of any and all notices any federal, state, county or municipal agency or authority claiming a material violation or breach of any laws, ordinances, orders, regulations or guidelines affecting the Property.

3.9 Title and Survey.

3.9.1 Purchaser shall, as it deems necessary, obtain (a) a commitment (the "**Title Commitment**") from the Title Company, to issue an owner's policy of title insurance covering the Property, together with copies of all items shown as exceptions to title therein, and (b) a survey covering the Property (the "**Survey**").

3.9.2 Purchaser shall have until 5:00 p.m., Washington, D.C. time, on the date which is fifteen (15) after the Effective Date (the "**Objection Deadline**") in which to provide written notice to Seller ("**Title/Survey Notice**") of any matters affecting or relating to title to the Property, including those disclosed by the Title Commitment (collectively, the "**Title Objections**"), or shown on the Survey (collectively, the "**Survey Objections**"), which are not satisfactory to Purchaser. Nevertheless Seller shall have no obligation whatsoever to expend or agree to expend any funds to undertake or agree to undertake any obligations or otherwise to cure or agree to attempt to cure any Title Objections or Survey Objections, other than Must-Cure Objections (defined in Section 3.9.4, below) and Title Objections or Survey Objections that Seller has expressly agreed to attempt to cure in a written notice given to Purchaser on or before the expiration of the Title/Survey Objection Response Period (hereinafter defined). The failure of Seller to provide written notice to Purchaser prior to expiration of the Title/Survey Objection Response Period of Seller's intent to cure a Title Objection or Survey Objection shall be deemed to be and constitute Seller's election not to cure such Title Objections or Survey Objections; provided, however that the foregoing shall not alleviate Seller's obligation to cure any Must-Cure Objections. As used herein, the term "**Title/Survey Objection Response Period**" shall mean the period beginning on the date on which Seller receives a Title/Survey Notice and ending on the date that is five (5) business days after Seller's receipt of such Title/Survey Notice.

3.9.3 In the event that Purchaser is dissatisfied in its sole and absolute discretion with Seller's response (or deemed response) to the Title/Survey Notice, Purchaser shall have the right to terminate this Agreement by delivering a termination notice to Seller (a "**Title Related Termination Notice**") no later than the Approval Date, in which event neither party shall thereafter have any further rights, obligations or liability subject to any obligations which expressly survive the termination of this Agreement. In connection with the delivery of the Title Related Termination Notice, Purchaser shall have the right to demand and receive the Deposit upon satisfaction of the requirements set forth in Section 3.12. In the event Purchaser does not deliver a Title Related Termination Notice, Purchaser will be deemed to have waived any Title Objection(s) and/or Survey Objection(s) (other than those which are also Must-Cure Objections) which Seller did not agree to cure.

3.9.4 Notwithstanding anything contained in this Agreement to the contrary, Seller agrees at or prior to Closing to satisfy and cause to be released of record the following ("**Must-Cure Objections**"): (i) any mortgage, deed of trust or other security interest granted by Seller to secure a loan or other monetary obligation, (ii) any loan pre-payment penalties, and (iii) any mechanic's, materialmen's, tax, judgment or other lien entered against Seller that would survive Closing and thereafter be enforceable against the Property or Purchaser, as owner of the Property.

3.9.5 Seller shall use commercially reasonable efforts to cure any Title Objections or Survey Objections which it has expressly agreed to cure in, on or prior to the Date of Closing; provided, that Seller shall not be obligated to expend more than Twenty-Five Thousand and 00/100 Dollars (\$25,000.00) inclusive of attorney and other professional fees, to cure any such Title Objections and Survey Objections, to which Seller has agreed to cure. In the event that, having used its commercially reasonable efforts to cure the Title Objections and/or Survey Objections Seller has agreed to cure, Seller is unable to do so by the Date of Closing, Purchaser shall have ten (10) days in which to elect, in its sole and absolute discretion to: (a) either extend the Date of Closing for up to thirty (30) days in order to allow Seller additional time in which to effect such cure, in which event the term "**Date of Closing**" as used herein shall mean the date to which Closing is so extended; or (b) terminate this Agreement and demand and receive the Deposit upon satisfaction of the requirement in Section 3.12 and subject to any obligations which expressly survive the termination of this Agreement, without any right by Seller to object or delay such refund, in which event neither party shall thereafter have any further rights, obligations or liability; or (c) waive such Title Objection(s) and/or Survey Objection(s) and proceed to Closing with such matter or matters added to, and made a part of, the Permitted Exceptions. In the event that Purchaser elects to exercise its rights under 3.9.5(a), and Seller is unable to effect the cure within said thirty (30) day period, then at Purchaser's election, either (x) Purchaser may thereupon terminate this Agreement, in which event the Deposit shall be refunded to Purchaser and neither party shall thereafter have any further rights, obligations, or liability under this Agreement, or (y) the Closing shall occur without any further adjustment to the Purchase Price, or (z) the Closing shall occur without any requirement that Seller attempt to cure any Title Objections and/or Survey Objections, which Seller agreed to cure, and Purchaser shall be entitled to a credit against the Purchase Price in an amount reasonably determined by Purchaser to be the expected cost to cure any Title Objection and/or Survey Objection, which Seller agreed to cure, provided that the maximum amount of such credit to the Purchase Price shall not exceed Five Thousand and 00/100 Dollars (\$5,000.00).

3.10 Contracts. On or before the Approval Date, Purchaser shall notify Seller in writing as to which of the Contracts, if any, Purchaser elects to assume at Closing (such Contracts being herein referred to as the "**Assumed Contracts**"), except to the extent that such Contracts cannot be terminated before Closing; such as a laundry lease in which case Purchaser shall assume such Contract.. As used herein, the term "**Contracts**" shall mean all service, maintenance, supply, management, leasing, or other contracts relating to the operation of the Property, and all other such contracts or agreements in effect as of the Effective Date, all of which are listed on Schedule 3.10 attached hereto. Purchaser shall have no liability

under any Contract which Purchaser has not expressly agreed to assume prior to or on the Approval Date, and Seller hereby agrees to indemnify and hold Purchaser harmless from and against any and all claims, damages, liabilities, obligations, costs or expenses (including reasonable attorneys' fees) incurred by Purchaser and arising out of any Contract which has not been assumed by Purchaser at Closing. The foregoing indemnification obligation of Seller shall survive recordation of the Deed and the Closing hereunder.

3.11 Permitted Exceptions. Purchaser shall accept title to the Property, subject only to the following exceptions (the "**Permitted Exceptions**"):

3.11.1 Those matters affecting or relating to the title to, or the survey of, the Property: (a) to the extent shown in the Title Commitment or on the Survey, and which were not included in a Title/Survey Notice given by Purchaser prior to the Approval Date; (b) which were included in a Title/Survey Notice, but for which (i) Seller has completed the cure thereof, or (ii) Purchaser has, at Purchaser's sole option waived the cure thereof; or (c) which Purchaser has otherwise approved in writing;

3.11.2 All of the Assumed Contracts and the Leases; and

3.11.3 The lien of non-delinquent real and personal property taxes and assessments.

3.12 Purchaser's Right to Terminate. Purchaser shall have the right, at any time before 5:00 p.m., Washington, D.C. time, on the Approval Date and in its sole and absolute discretion, to terminate this Agreement for any or no reason whatsoever; provided, however, that Purchaser may waive the foregoing right of termination by delivering written notice to Seller (a "**Going Forward Notice**") at or prior to 5:00 p.m., Washington, D.C. time, on the Approval Date stating that Purchaser, subject to the terms of this Agreement, intends to proceed to Closing pursuant to Sections 2.4 and 2.5, above. In the event that Purchaser fails to deliver a Going Forward Notice, Purchaser shall be deemed to have elected to terminate this Agreement pursuant to this Section 3.12, in which event Purchaser shall repair any damage to the Property caused by Purchaser's investigation hereunder in accordance with this Section 3, and Purchaser shall promptly return the Property Documents to Seller and deliver to Seller without recourse copies of all of the following (collectively, the "**Deposit Release Conditions**"): (i) surveys; (ii) drawings; (iii) title information; (iv) engineering studies; (v) environmental studies; and (vi) other non-privileged documents obtained by or prepared on behalf of Purchaser or furnished to Purchaser in connection with its investigations of the Property that are not of a proprietary nature (collectively, the "**Purchaser Due Diligence Materials**"). Upon Purchaser's completion of any necessary repairs to the Property necessitated by Purchaser's investigation hereunder and its return of the Property Documents and Purchaser Due Diligence Materials to Seller, Title Agent shall deliver the Deposit to Purchaser, and the parties shall thereafter have no further rights, obligation or liability, subject to any obligations which expressly survive the termination of this Agreement.

4. **SELLER'S OBLIGATIONS PRIOR TO CLOSING**. Until Closing, Seller and/or Seller's agents or representatives shall:

4.1 Insurance. Maintain Seller's existing casualty and liability insurance with respect to the Property.

4.2 Operation. Operate, maintain and repair the Property substantially in accordance with Seller's past practices, and deliver the Property to Purchaser at Closing in the "**as is**" condition existing as of the Effective Date, normal wear and tear excepted.

4.3 Notices. Provide to Purchaser, within three (3) business days following the receipt thereof, any and all notices in any manner relating to the Property received by Seller or its agents or representatives from any governmental or quasi-governmental instrumentality or insurance company, default notices from any tenant under any of the Leases, or default notices from any vendor or other party under any of the Contracts.

4.4 Compliance. Keep in force all permits, licenses, certificates or other Approvals which are currently in place with respect to the Property (collectively the “Permits”), including, if required by the law, the renewal of any such Permits which will expire on or before the Date of Closing.

4.5 Rent Roll. Upon Purchaser’s request, provide Purchaser with an updated rent roll. A true, complete and current copy of the rent roll is attached hereto as Schedule 4.5.

4.6 New Leases.

4.6.1 Each New Lease (defined below) entered by Seller after the Effective Date shall be on terms and at rental rates that are consistent with Seller’s leasing practices at the Property, subject to the provisions of this Section.

4.6.2 Promptly upon Seller’s execution of a New Lease during the Due Diligence Period, but in no event later than five (5) business days prior to the Approval Date, Seller agrees to provide to Purchaser a copy of any new lease or of any amendment or modification to any Existing Lease listed on Schedule 1.1.6 attached hereto (in either case, a “New Lease”), entered into by Seller during the Due Diligence Period.

4.6.3 Between the Approval Date and the Date of Closing Seller shall provide Purchaser a copy of each New Lease four (4) business days before Seller plans to execute and deliver such New Lease to the applicant named in such New Lease.

(a) Purchaser may comment on any such New Lease and Seller shall, in good faith, take into account any Purchaser comments delivered to Seller within such two (2) business days after delivery of the New Lease to Purchaser by Seller.

(b) If Purchaser does not comment on any such New Lease within said two (2) business days, it shall be deemed that Purchaser has no comment on such New Lease and Seller may then sign and deliver the New Lease.

(c) If Seller rejects Purchaser’s comments on any such New Lease and advises Purchaser on or before the expiration of such third (3rd) business day that Seller intends to sign and deliver the New Lease, Purchaser may elect by written notice to Seller on or before 12:00 p.m., Washington, D.C. time of the fourth (4th) business day that Purchaser elects to lease the space that is subject to the applicable New Lease on the terms of such New Lease for the entire lease term of such New Lease and, in that event (i) Purchaser shall execute and deliver such New Lease to Seller, (ii) deliver to Seller the security deposit, if any, provided under such New Lease, (iii) pay to Seller all amounts due and payable to Seller in accordance with such New Lease, and (iv) Seller shall not execute and deliver such New Lease to the applicant initially named in the New Lease.

4.7 Removal of Personal Property. Not, without the prior written consent of Purchaser, which such consent shall not be unreasonably withheld or delayed, remove any article of the included Personal Property, except as may be necessary for repairs or the discarding of worn out or useless items; provided, however, that any such included Personal Property so removed shall be promptly returned to

the Property upon its repair and/or replaced by new included Personal Property of similar quality and utility prior to Closing, except for all Excluded Personal Property which shall be removed from the Property prior to the Closing.

4.8 Security Deposits. Seller may apply any of the Security Deposits in accordance with the terms of the Leases or as otherwise allowed by law.

4.9 Marketing of the Property. Subject to Section 11 (TOPA), not, without the prior written consent of Purchaser, solicit, negotiate, or accept offers for the purchase of the Property from any other party.

4.10 Seller Confidentiality. Seller shall not, without the prior written consent of Purchaser, disclose or provide a copy of this Agreement, or any part hereof, or any of the agreements, covenants or transactions contained herein, or delivered in connection herewith, to any third party, except (i) in connection with performance of Seller's obligations under Section 11 (TOPA), or (ii) disclosures made to lenders, investors, advisors or as required by law.

5. REPRESENTATIONS AND WARRANTIES.

5.1 Acknowledgment by Purchaser. Purchaser hereby acknowledges that Seller has not made nor does Seller make any warranty or representation regarding the Property, except as expressly set forth herein.

5.2 By Seller. Seller represents and warrants to Purchaser, as of the Effective Date, or as otherwise provided herein, that:

5.2.1 Title. Seller owns a fee simple interest in the Property.

5.2.2 Organization. Seller is a limited liability company duly organized and validly existing and in good standing under and by virtue of the laws of the business and in good standing in the State of Delaware and is duly authorized to transact business in the District of Columbia. Seller has the power, right and authority to enter into and perform all of the obligations required of Seller under this Agreement and the instruments and documents referenced herein, and to consummate the transaction contemplated hereby.

5.2.3 Requisite Action. All requisite action necessary to authorize Seller to enter into this Agreement and to carry out Seller's obligations hereunder has been obtained.

5.2.4 Authorization. This Agreement is, and all agreements, instruments and documents to be executed and delivered by Seller pursuant to this Agreement shall be, duly authorized, executed and delivered by Seller. This Agreement is, and all agreements, instruments and documents to be executed and delivered by Seller pursuant to this Agreement are and shall be, valid and legally binding upon Seller and enforceable in accordance with their respective terms.

5.2.5 No Violation of Agreements. The execution, delivery and performance of this Agreement does not, and the consummation of the transactions contemplated hereby will not, violate any provision of the Articles of Organization, Operating Agreement of Seller, or any provision of any agreement, instrument, order, judgment or decree to which either Seller is a party or by which it or any of its assets is bound.

5.2.6 Bankruptcy. Seller, (i) is not in receivership or dissolution, (ii) has not made an assignment for the benefit of creditors or admitted in writing its inability to pay its debts as they mature, (iii) has not been adjudicated a bankrupt or filed a petition in voluntary bankruptcy or a petition or answer seeking reorganization or an arrangement with creditors under the Federal bankruptcy law or any other similar law or statute of the United States or any jurisdiction and no such petition has been filed against Seller, or (iv) to the best of its knowledge, none of the foregoing are pending or threatened. Notwithstanding any of the foregoing, upon execution of this Agreement, Seller shall promptly file a Chapter 11 bankruptcy case which shall include the filing of this Agreement as part of the case for approval under 11 U.S.C. of the United States Bankruptcy Code. This Agreement is wholly contingent upon the court's approval of Seller's bankruptcy case. In the event Seller's bankruptcy case is not approved for any reason by the court, Purchaser shall be entitled to the return of all Deposit funds, and Purchaser shall have no further obligation to Seller, subject to any obligations that expressly survive the termination of this Agreement

5.2.7 Liens. There is no claim, action, litigation, arbitration or other proceeding pending or, to the best of Seller's knowledge, threatened against Seller which relates to the Property or the transactions contemplated hereby or which could result in the imposition of a lien against the Property or an action against Purchaser. If Seller receives notice of any such claim, litigation or proceeding prior to the Closing, Seller shall promptly notify Purchaser of the same in writing. Seller further agrees to indemnify Purchaser and hold Purchaser harmless and defend Purchaser from and against any and all loss, cost, claims, liabilities, damages and expenses, including without limitation, reasonable attorneys' fees and expenses arising out of any such lien.

5.2.8 Binding Commitments. After the Effective Date, Seller will not make any commitments or representations to the applicable governmental authorities, any adjoining or surrounding property owners, any civic association, any utility, or any other person or entity that would in any manner be binding upon Purchaser or the Property.

5.2.9 Condemnation. There are no existing, pending, or, to the best of Seller's knowledge, threatened condemnation, incorporation, annexation or moratorium proceedings affecting the Property (or any portion thereof).

5.2.10 Notice of Violation. Seller has not received any written notices from the local Board of Fire Underwriters or from any federal, state, county or municipal agency or authority claiming a violation or breach of any laws, ordinances, orders, regulations or guidelines affecting the Property, which breach or violation, to best of Seller's knowledge, has not been cured by Seller, or if such violation has not been cured, the cure of any such violation shall be a condition precedent to Purchaser's obligation to close hereunder.

5.2.11 Insurance. Seller has not received any written notices from any insurance company claiming any violation of the terms of any insurance policy, or requiring any changes or alterations to the Property as a condition to continuing coverage under any insurance policy or denying insurance coverage for any reason.

5.2.12 Construction of Improvements. Seller has not received any written notices from any governmental officials to the effect that the Property was not constructed, or is not now, in conformity with the plans and specifications therefor or with any applicable code, law, ordinance, order or regulation, including without limitation the Americans with Disabilities Act, and all amendments thereto, or regulations promulgated thereunder.

5.2.13 Payment of Taxes and Utilities. To the best of Seller's knowledge, Seller is not delinquent in the payment of any tax (real estate or otherwise) bills, utility bills or bills or invoices actually received from any vendor or contractor providing goods or services to the Property, or otherwise arising out of the ownership, operation and/or maintenance of the Property.

5.2.14 Payment for Work. Prior to Closing, Seller shall have paid for any labor or materials supplied at or on the Property, or in connection with the construction, maintenance, rehabilitation or alteration of the Property or any of the improvements.

5.2.15 FIRPTA. Seller is not a "foreign person" as that term is used in Section 1445(f)(3) of the United States Internal Revenue Code of 1986, as amended.

5.2.16 Hazardous Materials. The Schedule of Environmental Reports attached hereto as Schedule 5.2.16, is a true, accurate and complete list of all studies, reports, surveys and assessments of the environmental condition of or affecting the Property (the "Environmental Reports") in the possession or control of Seller. Seller has heretofore delivered to Purchaser true and complete copies of each of the Environmental Reports, including all amendments and modifications thereto. Seller has not received any notice from any governmental authority inquiring about, seeking to investigate, or claiming the existence of, any Hazardous Materials (hereinafter defined) on, under or about the Property. As of the date hereof, to the best of Seller's knowledge, Seller has made all filings of an environmental nature required for this transaction with all federal, state and local regulatory agencies. The term "Hazardous Materials" as used herein shall mean any product, substance, chemical, material or waste whose presence, nature, quantity and/or intensity of existence, use, manufacture, processing, treatment, storage, disposal, transportation, spill, release or effect, either by itself or in combination with other materials on or expected to be on the Property, is either (a) potentially injurious to public health, safety, welfare, or the environment, or to the Property; (b) regulated, monitored, or subject to reporting by any governmental authority; or (c) a basis for potential liability to any governmental agency or a third party under any applicable Environmental Laws. Without limiting the foregoing, the term "Hazardous Materials" includes, but is not limited to, hydrocarbons, petroleum, gasoline, asbestos containing materials, crude oil or any products or byproducts thereof. The term "Environmental Laws" as used herein shall mean all federal, state and local laws, ordinances, rules, regulations, codes or orders, including, without limitation, any requirement imposed under any permits, licenses, judgments, decrees, agreements or recorded covenants, conditions, restrictions or easements, the purpose of which is to protect the environment, human health, public safety or welfare, or which pertain to Hazardous Materials.

5.2.17 True and Complete Copies. To the best of Seller's knowledge, (a) unless expressly stated otherwise, all documents delivered by Seller or its agents to the Purchaser pursuant to or in connection with this Agreement are true, complete and correct copies or originals; and (b) none of the information contained therein is materially inaccurate.

5.3 Change in Representation/Waiver. Notwithstanding anything to the contrary contained herein, Purchaser agrees that if Purchaser determines prior to Closing that there is a breach of any of the representations and warranties made by Seller above or learns of condition or circumstance that would enable Purchaser to terminate this Agreement in accordance with its terms, then Purchaser may, at its option, notify the Seller of such matter ("Purchaser's Change Notice"). Seller shall have a period of five (5) business days after receipt of Purchaser's Change Notice in which to deliver written notice to Purchaser ("Seller's Change Notice") of Seller's election to either (i) agree to correct the objectionable items prior to the Closing in a manner reasonably satisfactory to Purchaser, or (ii) decline to address such items. If Seller does not timely issue Seller's Change Notice, Seller shall be deemed to have elected to decline to address such items. If Seller notifies Purchaser of its election to correct the objectionable items prior to Closing in a manner reasonably satisfactory to Purchaser, but nevertheless fails to do so, then

Purchaser shall have the right to either (x) agree to accept the Property subject to the objectionable items, in which event Purchaser shall receive a credit at Closing against the Purchase Price for the anticipated correction costs, and if the parties cannot agree upon said correction costs, the amount in dispute will be escrowed with the Title Agent at Closing pending resolution of said dispute, or (y) terminate this Agreement whereupon, the Deposit shall be delivered to Purchaser and, subject to any obligations which expressly survive termination of this Agreement, this Agreement shall terminate, and thereupon neither party shall have any further rights or obligations to the other hereunder. If Seller notifies, or is deemed to have notified, Purchaser of its election to decline to address the objectionable items, Purchaser shall have the right, by written notice delivered to Seller within five (5) days after Purchaser's receipt of Seller's Change Notice (or five (5) days after the date Seller was required to deliver Seller's Change Notice in the event Seller fails to do so), to either (x) agree to accept the Property subject to the objectionable items, in which event Purchaser shall waive such breach and/or conditions and proceed to Closing with no adjustment in the Purchase Price, and Seller shall have no further liability as to such matter thereafter or (y) terminate this Agreement, whereupon, the Deposit shall be delivered to Purchaser and, subject to any obligations which expressly survive termination of this Agreement, this Agreement shall terminate, and thereupon neither party shall have any further rights or obligations to the other hereunder. In the event the Purchaser fails to timely respond to Seller's Change Notice, Purchaser shall be deemed to have elected to proceed under clause (x) of the preceding sentence. In the event Purchaser terminates this Agreement for the reasons set forth above, the Deposit shall be immediately refunded to Purchaser and neither Purchaser nor Seller shall thereafter have any other rights or remedies hereunder other than as to those matters which expressly survive closing or termination of this Agreement. In furtherance of the foregoing, Seller shall have no liability with respect to any of the foregoing representations and warranties or any representations and warranties made in any other document executed and delivered by Seller to Purchaser, to the extent that, prior to the Closing, Purchaser obtains knowledge (from whatever source, as a result of Purchaser's due diligence tests, investigations and inspections of the Property, or disclosure by Seller or Seller's agents and employees) that contradicts any such representations and warranties, or renders any such representations and warranties untrue or incorrect, and Purchaser nevertheless consummates the transaction contemplated by this Agreement.

5.4 By Purchaser. Purchaser represents and warrants to Seller as of the Effective Date that:

5.4.1 Organization. Purchaser is a corporation validly existing, organized and in good standing under and by virtue of the laws of the District of Columbia. Purchaser has the power, right and authority to enter into and perform all of the obligations required of Purchaser under this Agreement and the instruments and documents referenced herein, and to consummate the transaction contemplated hereby.

5.4.2 Requisite Action. Purchaser has taken all requisite action and obtained all requisite consents, releases and permissions in connection with entering into this Agreement and the instruments and documents referenced herein or required under any covenant, agreement, encumbrance, law or regulation with respect to the obligations required hereunder, and no consent of any other party is required for the performance by Purchaser of its obligations hereunder.

5.4.3 Authorization. This Agreement is, and all agreements, instruments and documents to be executed and delivered by Purchaser pursuant to this Agreement shall be, duly authorized, executed and delivered by Purchaser. This Agreement is, and all agreements, instruments and documents to be executed and delivered by Purchaser pursuant to this Agreement shall be, valid and legally binding upon Purchaser and enforceable in accordance with their respective terms.

5.4.4 No Violation of Agreements. The execution, delivery and performance of this Agreement does not, and the consummation of the transactions contemplated hereby will not, violate any

provision of the Bylaws or Articles of Incorporation, of Purchaser, or any provision of any agreement, instrument, order, judgment or decree to which either Purchaser is a party or by which it or any of its assets is bound.

5.4.5 Bankruptcy. Purchaser (i) is not in receivership or dissolution, (ii) has not made an assignment for the benefit of creditors or admitted in writing its inability to pay its debts as they mature, (iii) has not been adjudicated a bankrupt or filed a petition in voluntary bankruptcy or a petition or answer seeking reorganization or an arrangement with creditors under the Federal bankruptcy law or any other similar law or statute of the United States or any jurisdiction and no such petition has been filed against Purchaser, and (iv) to the best of its knowledge, none of the foregoing are pending or threatened.

5.5 Broker. Seller and Purchaser each represents to the other that it has had no dealings, negotiations, or consultations with any broker, representative, employee, agent or other intermediary in connection with the sale of the Property, except that Seller has retained the services of Jeremy Taylor (the “**Broker**”) and Seller shall be solely responsible for paying the fees and commissions of the Broker pursuant to terms and provisions of a separate written agreement. No fees or commissions owed or alleged to be owed to the Broker shall in no way be the responsibility of Purchaser. Seller and Purchaser agree that each will indemnify, defend and hold the other free and harmless from the claims of any other broker(s), representative(s), employee(s), agent(s) or other intermediary(ies) claiming to have represented Seller or Purchaser, respectively, or otherwise to be entitled to compensation in connection with this Agreement or in connection with the sale of the Property. This mutual indemnity shall survive Closing and any termination of this Agreement.

5.6 Survivability. All of the representations of Seller and Purchaser made in this Agreement and in any other instrument or agreement entered into in connection herewith, and the indemnity obligations of Seller contained in Section 5.7 below, shall survive recordation of the Deed and Closing hereunder for a period of six (6) months, unless such representation is waived by the benefited party; provided, however, that no claim may be asserted based on any breach of any representation unless the breach has a Material Adverse Effect on the Seller or Purchaser, as the case may be. “**Material Adverse Effect**” as used herein shall mean the damage directly caused by the breach exceeds Twenty Five Thousand and 00/100 Dollars (\$25,000.00), and Seller or Purchaser, as the case may be, shall not have any liability whatsoever for claims in excess of One Hundred Thousand and 00/100 Dollars (\$100,000.00).

5.7 Indemnity. Seller agrees to indemnify Purchaser and hold Purchaser harmless and defend Purchaser from and against any and all loss, cost, claims, liabilities, damages and expenses, including without limitation, reasonable attorneys’ fees and expenses (whether or not suit is actually filed) arising as the result of any fraudulent conduct by Seller with respect to any of the representations made by Seller under this Agreement. Purchaser agrees to indemnify Seller and hold Seller harmless and defend Seller from and against any and all loss, cost liabilities, damages and expenses, including without limitation, reasonable attorney’s fees and expenses (whether or not suit is actually filed) arising as a result of any fraudulent conduct by Purchaser with respect to any representations made by Purchaser under this Agreement.

5.8 Purchaser Confidentiality. Purchaser shall not, without the prior written consent of Seller, disclose or provide a copy of this Agreement, or any part hereof, or any of the agreements, covenants or transactions contained herein, or delivered in connection herewith, to any third party, except (i) in connection with matters arising as a result of TOPA, or (ii) disclosures made to lenders, investors, advisors or as required by law.

6. CONDITIONS PRECEDENT TO CLOSING.

6.1 Conditions. The obligation of Purchaser to consummate the conveyance of the Property hereunder is subject to the full and complete satisfaction of each of the following conditions precedent:

6.1.1 The representations and warranties of Seller contained in this Agreement shall be true, complete and accurate in all material respects, on and as of the date hereof and the Date of Closing as if the same were made on and as of such date.

6.1.2 Intentionally Omitted.

6.1.3 Title to the Property shall be in the condition described in Section 3.9 above.

6.1.4 Seller shall have performed in all material respects each and every obligation and covenant of Seller to be performed hereunder, including without limitation those set forth in Section 4, above.

6.1.5 Seller shall have cured any violation or breach of any laws, ordinances, orders, regulations or guidelines affecting the Property.

6.2 Waiver of Conditions. Purchaser shall have the right to waive some or all of the foregoing conditions in its sole and absolute discretion; provided, however, that no such waiver shall be effective or binding on Purchaser unless it is in writing and executed by an authorized officer of Purchaser.

7. CLOSING COSTS AND PRORATIONS.

7.1 Purchaser's Costs. Purchaser will pay the following costs of closing this transaction:

7.1.1 One-half (½) of all real estate recordation and transfer taxes due in connection with the recordation of each Deed;

7.1.2 All premiums, fees and costs associated with the issuance of Purchaser's owner's policy of title insurance (the "**Title Policy**"), and the settlement fees and other charges of the Title Company due in connection with the closing of this transaction;

7.1.3 The fees and disbursements of Purchaser's counsel and any other expense(s) incurred by Purchaser or its representative(s) in inspecting or evaluating the Property; including, but not limited to the inspections and investigations under Section 3, or closing this transaction;

7.1.4 Any and all costs and expenses in connection with obtaining financing for the purchase of the Property, including without limitation any recordation or transfer taxes required to be paid upon the recordation of any deed of trust, mortgage or other security agreement executed and recorded in connection with such financing; and

7.1.5 The cost of the Survey.

7.2 Seller's Costs. Seller will pay the following costs of closing this transaction:

7.2.1 One-half (½) of all real estate recordation and transfer taxes due in connection with the recordation of each Deed;

7.2.2 The fees and disbursements of Seller's counsel;

7.2.3 The fees referred to in Section 5.5 above; and

7.2.4 All release fees and other charges required to be paid in order to release from the Property the lien of any mortgage or other security interest which Seller is obligated to remove pursuant to the terms of this Agreement.

7.3 Prorations. All revenues and expenses, including, but not limited to rents and any other amounts paid by tenants, personal property taxes, installment payments of special assessment liens, vault charges, sewer charges, utility charges and normally prorated operating expenses billed or paid as of the Date of Closing shall be prorated as of 11:59 p.m., Washington, D.C. time, on the day before the Date of Closing and shall be adjusted against the Purchase Price due at Closing, provided that within sixty (60) days after Closing, Purchaser and Seller will make a further adjustment for such rents, taxes or charges which may have accrued or been incurred prior to the Date of Closing, but not received or paid at that date.

7.4 Security Deposits. At Closing, Seller shall either (a) deliver to Purchaser the unapplied balance of all security deposits paid by any of the tenants to secure their respective obligations under the Leases, together with all interest earned or required thereon, if any (collectively, the "**Cash Security Deposit Balance**"), or (b) at Purchaser's election, credit against the Purchase Price an amount equal to the Cash Security Deposit Balance.

7.5 Taxes. General real estate taxes and special assessments relating to the Property payable during the year in which Closing occurs shall be prorated with respect to the Property as of the Date of Closing. If Closing shall occur before the actual taxes and special assessments payable during such year are known, the apportionment of taxes shall be upon the basis of taxes for the Property payable during the immediately preceding year; provided that, if the taxes and special assessments payable during the year in which Closing occurs are thereafter determined to be more or less than the taxes payable during the preceding year (after any appeal of the assessed valuation thereof is concluded), Seller and Purchaser promptly shall adjust the proration of such taxes and special assessments, and Seller or Purchaser, as the case may be, shall pay to the other any amount required as a result of such adjustment and this covenant shall not merge with the Deed but shall survive the Closing. The obligations of the parties to adjust taxes payable during the year in which Closing occurs post Closing shall expire three (3) months following Closing.

7.6 In General. Any other costs or charges of closing this transaction not specifically mentioned in this Agreement shall be paid and adjusted in accordance with local custom in the area in which the Property is located.

7.7 Purpose and Intent. Except as expressly provided herein, the purpose and intent as to the provisions of prorations and apportionments set forth in this Section 7 and elsewhere in this Agreement is that Seller shall bear all expenses of ownership and operation of the Property and shall receive all income therefrom accruing through midnight of the day preceding the Closing and Purchaser shall bear all such expenses and receive all such income accruing thereafter.

7.8 Post-Closing Collections. All rents or other amounts received by Purchaser from any tenant which owes rent under its Lease for any period occurring prior to Closing which are received by Purchaser ("**Overdue Rents**") after Closing, shall be applied by Purchaser first to the account of Purchaser for amounts then currently or past due and owing to Purchaser by the tenant from whom the rent in question was received, and the balance of any such funds, to the extent designated in writing by

such tenant as payments on account of amounts due for any period prior to Closing, shall be remitted by Purchaser to Seller in payment of such Overdue Rents. Purchaser shall have no obligation to collect, or to attempt to collect any Overdue Rents from any of the tenants under the Leases or from any other party owing any amounts in respect to their use of the Property during any period prior to Closing. Purchaser's obligations under this Section 7.8 to remit Overdue Rent to Seller shall terminate and shall be of no further effect from and after the date which is three (3) months after the Date of Closing.

8. CLOSING AND ESCROW.

8.1 Seller's Deliveries. Seller shall deliver either at the Closing or by making available at the Property, as appropriate, the following original documents, each executed and, if required, acknowledged:

8.1.1 A special warranty deed, in the form attached hereto as Exhibit 8.1.1 (the "Deed"), conveying title to Purchaser of the Property, subject only to the Permitted Exceptions.

8.1.2 A special warranty bill of sale, in the form attached hereto as Exhibit 8.1.2 (the "Special Warranty Bill of Sale"), conveying to Purchaser the Personal Property and Approvals with respect to the Property.

8.1.3 To the extent in Seller's possession or control, (a) originals of the Existing Leases described in Schedule 1.1.6 hereof which are still in effect as of Closing and any New Leases entered into pursuant to Section 4.6 hereof; (b) a current listing of any tenant security deposits and prepaid rents held by Seller with respect to the Property, certified by an officer of Seller to the satisfaction of Purchaser; and (c) an assignment of the Leases, security deposits, and prepaid rents by way of an assignment and assumption agreement, in the form attached hereto as Exhibit 8.1.3 (the "Assignment of Leases"), assigning to Purchaser Seller's rights, title and interest in and to the Leases and Security Deposits affecting the Property.

8.1.4 To the extent in Seller's possession or control, (a) originals of all of the Assumed Contracts relating to the Property which Purchaser has elected to assume pursuant to the terms hereof; and (b) an assignment of such Contracts to Purchaser by way of an assignment and assumption agreement, in the form attached hereto as Exhibit 8.1.4 (the "Assignment of Contracts"), conveying to Purchaser Seller's rights, title and interest in and to the Assumed Contracts attributable to the Property.

8.1.5 To the extent in Seller's possession or control, (a) originals of all Approvals and Warranties then in effect, if any, with respect to the Property or to the Improvements or any repairs or renovations to such Improvements and Personal Property; and (b) an assignment of all such Approvals and Warranties being conveyed hereunder, in the form attached hereto as Exhibit 8.1.5, conveying to Purchaser Seller's rights, title and interests in and to the Warranties attributable to the Property.

8.1.6 A hard or electronic copy of all books and accounting records for the twelve (12) months prior to Closing relating to the Property held by or for the account of Seller.

8.1.7 An affidavit pursuant to the Foreign Investment and Real Property Tax Act, in the form attached hereto as Exhibit 8.1.7.

8.1.8 Evidence of Seller's authority, and the authority of the person executing the Deed and the other documents at Closing on behalf of Seller, acceptable to Purchaser and the Title Company, to enter into the transactions contemplated by this Agreement.

8.1.9 An “owner’s affidavit”, in form provided by the Title Company in the form of Exhibit 8.1.9.

8.1.10 A settlement statement (the “Settlement Statement”), prepared by the Title Company.

8.1.11 A certification by Seller in the form of Exhibit 8.1.11, certifying for the benefit of Purchaser that in all material respects the representations and warranties made in Section 5.1 and 5.2 hereof are true and accurate on the Date of Closing as if then made.

8.1.12 Transfer and recordation tax declarations, or other similar documents required to be executed in connection with the recordation of the Deed.

8.1.13 Tenant notification letters, in the form attached hereto as Exhibit 8.1.13, to each of the tenants under the Leases, notifying each such tenant that the Property has been conveyed to Purchaser and directing each tenant to make all payments of rent and to send any notices or other correspondence regarding their respective Leases to the persons and addresses to be determined by Purchaser and specified in each such letter, on and after the Date of Closing.

8.1.14 Letters to contractors, to the extent Purchaser is assuming their Contracts, and utility companies serving the Property, in the form attached hereto as Exhibit 8.1.14, advising them of the sale of the Property to Purchaser and directing to Purchaser all bills for the services provided to the Property on and after the Date of Closing.

8.1.15 An updated Rent Roll for the Buildings, certified by Seller as true, accurate and complete as of a date no earlier than one (1) day prior to the Date of Closing.

8.1.16 All of Seller’s property files located at the Property and relating to the operation of the Property, including, without limitation, the originals of all tenant files and correspondence.

8.2 Purchaser’s Deliveries. At the Closing, Purchaser shall (a) pay Seller the Purchase Price as required by, and in the manner described in, Section 2 hereof, and (b) execute and deliver the following documents:

8.2.1 The Assignment of Leases.

8.2.2 The Assignment of Assumed Contracts.

8.2.3 Evidence of Purchaser’s authority, and the authority of the person executing any documents at Closing on behalf of Purchaser, acceptable to Seller and the Title Company, to enter into the transactions contemplated by this Agreement.

8.2.4 The Settlement Statement.

8.2.5 A certification in the form of Exhibit 8.2.5, certifying for the benefit of Seller that in all material respects the representations and warranties made in Section 5.4 hereof are true and accurate on the Date of Closing, as if then made.

8.2.6 Transfer and recordation tax declarations or other similar documents required to be executed in connection with the recordation of the Deed.

8.3 Possession. Purchaser shall be entitled to possession of the Property at the conclusion of the Closing, subject to the rights of tenants in possession.

8.4 Escrow Closing. Purchaser and Seller (or their respective counsel on behalf of Purchaser and Seller) and the Title Company shall execute a joint letter of escrow closing instructions (the "**Closing Instructions**") which will provide that, on the Date of Closing: (a) Seller and Purchaser shall each deposit with the Title Company all of the documents and instruments described in Sections 8.1 and 8.2, above (the "**Closing Documents**"); and (b) Purchaser shall deposit with the Title Company the balance of the Purchase Price required to be paid after application of the Deposit thereto and all prorations, adjustments and credits required to be made under this Agreement, including without limitation, the credit referred to in Section 7.4 hereof with respect to the Cash Security Deposit Balance (the "**Adjusted Purchase Price**"), all of which shall be set forth on, and mutually agreeable pursuant to, the Settlement Statement executed by both Purchaser and Seller at Closing. Upon receipt of the Adjusted Purchase Price, and the satisfaction of all other conditions set forth in the Closing Instructions, the Title Company shall be authorized and directed to record the Deed among the land records of the District of Columbia, and immediately upon such recordation of the Deed, the Title Company shall be authorized and directed to disburse the Adjusted Purchase Price to Seller or its designee(s), and to disburse the Closing Documents to the appropriate parties, all in strict accordance with the Closing Instructions.

9. **DAMAGE, DESTRUCTION AND CONDEMNATION.**

9.1 Casualty. Except as provided herein, Seller assumes all risk of loss or damage to the Property by fire or other casualty until the Deed is properly recorded among the appropriate public records. If at any time on or prior to the Date of Closing any portion of the Property is destroyed or damaged as a result of fire or any other cause whatsoever, Seller shall promptly give written notice thereof to Purchaser. In the event that (a) the total cost to repair or restore such destruction or damage, as determined by Seller's insurance claim adjuster, exceeds Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00), and/or (b) the estimated time to restore or repair such destruction or damage, as determined by Seller's insurance claim adjuster, exceeds ninety (90) days, Purchaser shall have the right to terminate this Agreement by written notice to Seller within twenty (20) days following the date upon which Purchaser receives Seller's written notice of the destruction or damage. If (i) such destruction or damage can be repaired or restored for Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00) or less, and can be repaired in less than ninety (90) days, or (ii) the cost of such repair or restoration shall exceed Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00), and/or the time to complete the repair and restoration of the Property shall exceed ninety (90) days, but Purchaser does not elect to so terminate this Agreement within said twenty (20) day period, this Agreement shall remain in full force and effect and the parties shall proceed to Closing without any reduction or adjustment in the Purchase Price, except that all insurance proceeds will be assigned to Purchaser and Seller will pay to Purchaser any deductible under Seller's insurance policy.

9.2 Condemnation. In the event, at any time on or prior to the Date of Closing, any action or proceeding is filed, under which the Property, or any portion thereof, may be taken pursuant to any law, ordinance or regulation or by condemnation or the right of eminent domain, Seller shall promptly give written notice thereof (which notice shall describe the type of action being taken against the Property, and which portions of the Property will be affected thereby) to Purchaser. Purchaser shall have the right to terminate this Agreement by written notice to Seller within twenty (20) days following the date upon which Purchaser receives Seller's written notice of such action or proceeding. If Purchaser does not elect to so terminate this Agreement within said twenty (20) day period, this Agreement shall remain in full force and effect and the parties shall proceed to closing without any reduction or adjustment in the Purchase Price, except that all condemnation proceeds will be assigned to Purchaser.

10. **DEFAULT AND REMEDIES.**

10.1 Purchaser Default. If, after the Approval Date, Purchaser shall fail or refuse to purchase the Property in violation of Purchaser's obligations hereunder for any reason other than Seller being unable to deliver good, clear, record, marketable and insurable title to the Property or a failure of a condition precedent to Closing pursuant to Section 6, above, and provided that Seller is then ready, willing and able to proceed to Closing, has performed all of its obligations hereunder and all conditions precedent to Seller's obligation with respect to Closing hereunder have been satisfied, Seller shall have as its sole remedy the right to terminate this Agreement and retain or immediately be paid by the Title Agent the full amount of the Deposit and all interest earned thereon. Seller and Purchaser acknowledge and agree that (a) it would be extremely difficult to accurately determine the amount of damages suffered by Seller as a result of Purchaser's default hereunder; (b) the Deposit constitutes a fair and reasonable amount to be received by Seller as agreed and liquidated damages for Purchaser's default under this Agreement, as well as a fair, reasonable and customary amount to be paid as liquidated damages to a seller in an arm's length transaction of the type contemplated by this Agreement upon a default by the purchaser thereunder; and (c) receipt by Seller of the Deposit upon Purchaser's default hereunder shall not constitute a penalty or a forfeiture.

10.2 Seller Default. In the event Seller shall: (a) fail to sell, transfer and assign the Property to Purchaser due to Seller's inability to deliver good, clear, record, marketable and insurable title to the Property, and/or (b) fail to perform any other obligation of Seller hereunder, and/or (c) breach any warranty made or granted by Seller under this Agreement or any document or instrument given in connection herewith, and/or (d) subject to Section 5.3, have misrepresented any fact, or any of the representations of Seller contained herein are not true, accurate or complete, Purchaser shall be entitled to: (i) seek specific performance of this Agreement, or (ii) declare this Agreement to be null and void and demand and receive the return of the Deposit and/or institute an action at law to seek reimbursement for the costs and expenses incurred by Purchaser in connection with the negotiation and implementation of the terms of this Agreement (including, but not limited to, due diligence costs), but under no circumstances may Purchaser recover any other compensatory or consequential damages incurred by Purchaser as a result of such breach and, in no event may Purchaser recover any damages in excess of Fifty Thousand and 00/100 Dollars (\$50,000.00).

10.3 Attorneys' Fees. Notwithstanding anything to the contrary in this Agreement, in the event that either Seller or Purchaser, as the case may be, shall bring a lawsuit against the other party for breach of such party's obligations under this Agreement, the losing party shall pay the prevailing party's costs and expenses incurred in connection with such litigation, including without limitation reasonable attorneys' fees. The "**prevailing party**" shall be determined by the court hearing such matter.

11. **TOPA**

11.1 Compliance with TOPA. Seller shall comply with all requirements of the Tenant Opportunity to Purchase Act (D.C. Code §42-3404.02 *et. seq.*) as amended ("**TOPA**"), commencing with delivery by Seller or its agents to each tenant at the Property of a notice, in form and substance in compliance with TOPA, advising such tenants of their rights under TOPA, which notice shall be prepared by Seller and which notice shall be reasonably acceptable to Purchaser. Such notice shall be delivered to each tenant at the Property not later than ten (10) days after Effective Date, and Purchaser shall be provided with a copy of such notice. Seller shall thereafter conduct all negotiations, provide all information and documents, and do all things reasonably required to fulfill the requirements of TOPA. Seller shall provide Purchaser copies of all material notices, correspondence and other communications to and from a tenant organization, group of tenants and/or governmental official with respect to TOPA, and

notify Purchaser of, and permit Purchaser to attend, any meeting with a tenant organization, group of tenants and/or governmental official.

11.2 Proceedings. Should any administrative or judicial proceeding be initiated with respect to the rights of any tenant or tenant organization pursuant to TOPA only, but not claims for breach of contract, the date of expiration of all tenants' rights under TOPA shall be the date of expiration of all periods for reconsideration and appeal of a final order by the highest administrative or judicial body having jurisdiction over the matter without any request for reconsideration or any appeal having been filed.

11.3 Offer to Tenants. Seller agrees that it will grant to the tenants of the Property all of the rights that are afforded them under TOPA, if applicable. Seller shall keep Purchaser apprised of all negotiations, correspondence, contracts and other developments with or with respect to the tenants, and shall promptly provide Purchaser with copies of all material correspondence, notices and contracts received from the tenants and copies of all material correspondence, notices and contracts delivered to the tenants with respect to the Property, if applicable.

11.4 Title. For avoidance of doubt, it shall be a condition precedent to closing hereunder that the Title Company has irrevocably agreed to issue the Title Policy without any title exception or qualification for TOPA.

12. **NOTICES**. Any notice required or permitted to be given hereunder must be in writing and shall be deemed to be given when (a) hand delivered, or (b) one (1) business day after pickup by Emery Air Freight, United Parcel Service (Overnight) or Federal Express, or another similar overnight express service, or (c) transmitted by telecopy or facsimile, provided that confirmation of the receipt of same is noted upon transmission of same by the sender's telecopy machine, and a counterpart of such notice is also delivered pursuant to one of the two manners specified in Sections 12(a) or 12(b), above, in any case addressed to the parties at their respective addresses set forth below:

If to Seller:

315 Franklin, LLC
7272 Wisconsin Avenue, Suite 325
Bethesda, Maryland 20814
Attn: A. Carter Nowell
Phone:
Fax:

With a required copy to:

Greenstein DeLorme & Luchs, P.C.
1620 L Street, N.W., Suite 900
Washington, D.C. 20036
Attn: Richard W. Luchs, Esq.
Phone: (202) 452-1400
Fax: (202) 452-1410

If to Purchaser:

NOVO Development Corporation
519 11th Street, SE

Washington, DC 20003
Attn: Greg Selfridge
Phone: 202-390-6178
Fax: 202-315-1110

With a required copy to:

Friedlander Mislner, PLLC
5335 Wisconsin Avenue, N.W., Suite 600
Washington, D.C. 20015
Attn: Roger N. Simon, Esq.
Phone: (202) 521-7751
Fax: (202) 857-8343

or in each case to such other address as either party may from time to time designate by giving notice in writing pursuant to this Section 12 to the other party. Telephone and facsimile numbers are for informational purposes only. Effective notice will be deemed given only as provided above, except as otherwise expressly provided in this Agreement.

13. MISCELLANEOUS.

13.1 Entire Agreement. This Agreement, together with the Schedules and Exhibits attached hereto, all of which are incorporated by reference, is the entire agreement between the parties with respect to the subject matter hereof, and no alteration, modification or interpretation hereof shall be binding unless in writing and signed by both parties.

13.2 Severability. If any provision of this Agreement or its application to any party or circumstances shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Agreement or the application of such provision to such person or circumstances, other than those as to which it is so determined invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law.

13.3 Applicable Law. This Agreement shall be construed and enforced in accordance with the internal laws of the District of Columbia.

13.4 Assignability. Purchaser shall have the right, upon written notice to Seller at least three (3) days prior to Closing, to assign or transfer any of Purchaser's rights, obligations and interests under this Agreement, to any entity of which Purchaser, or any principal in Purchaser is an affiliate a general partner, manager or managing member. In all other cases, any proposed assignment shall be subject to the prior written approval of Seller. Purchaser's designation of assignment or transfer of its right, obligations and interests under this Agreement shall not relieve Purchaser of its obligations under this Agreement.

13.5 Successors Bound. This Agreement shall be binding upon and inure to the benefit of Purchaser and Seller and their respective successors and permitted assigns.

13.6 Captions; Interpretation. The captions in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement or the scope or content of any of its provisions. Whenever the context may require, words used in this Agreement shall include the corresponding feminine, masculine, or neuter forms, and the singular shall

include the plural and vice versa. Unless the context expressly indicates otherwise, all references to “Section” are to sections of this Agreement.

13.7 No Partnership. Nothing contained in this Agreement shall be construed to create a partnership or joint venture between the parties or their successors in interest or permitted assigns.

13.8 Counterparts. This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.

13.9 Recordation. Purchaser and Seller agree not to record this Agreement or any memorandum hereof.

13.10 Waiver. No waiver of any breach of any agreement or provision contained herein shall be deemed a waiver of any preceding or succeeding breach of any other agreement or provision herein contained. No extension of time for the performance of any obligation or act shall be deemed an extension of time for the performance of any other obligation or act.

13.11 Business Days. If any date herein set forth for the performance of any obligations by Seller or Purchaser or for the delivery of any instrument or notice as herein provided should fall on a Saturday, Sunday or Legal Holiday (hereinafter defined), the compliance with such obligations or delivery shall be deemed acceptable on the next business day following such Saturday, Sunday or Legal Holiday. As used herein, the term “**Legal Holiday**” shall mean any local or federal holiday on which post offices are closed in the District of Columbia.

13.12 Section 1031 Exchange. In the event Purchaser’s acquisition of the Property is to be the acquisition of replacement property in a qualifying exchange of like-kind property under Section 1031 of the Internal Revenue Code, as amended (the “**Exchange**”), pursuant to Purchaser’s separate Exchange Agreement with Purchaser’s designated intermediary (the “**Intermediary**”). Seller agrees to cooperate with Purchaser (without liability or cost to Seller) in the completion of the Exchange. Such cooperation shall include, without limitation, (i) the assignment of this Agreement by Purchaser to the Intermediary, and the acknowledgment of and consent to such assignment by Seller, (ii) the acceptance by Seller of the Purchase Price from the Intermediary, (iii) the conveyance of the Property to Purchaser pursuant to a written direction of the Intermediary, and (iv) the reassignment of this Agreement to Purchaser from the Intermediary immediately following the completion of the Exchange to thereby assign to Purchaser all warranties, representations and covenants which survive the Closing, and the acknowledgment and consent by Seller of such reassignment. Upon receipt of title to the Property by Purchaser and payment of the consideration payable to the Seller or for its benefit, under this Agreement, Seller shall not have any further obligations or responsibilities under this paragraph. Purchaser shall in all events be responsible for all costs and expenses related to the Section 1031 exchange and shall fully indemnify, defend the hold Seller harmless for, from and against any and all liability, claims, damages, expenses (including, without limitation, reasonable attorneys’ and paralegal fees other than those incurred prior to Closing to review documents to facilitate the Section 1031 exchange), taxes, fees proceedings and causes of action of any kind or nature whatsoever arising out of, connected with or in any manner related to such Section 1031 exchange that would not have been incurred by Seller if the transaction did not involve a Section 1031 exchange. The provisions of the immediately preceding sentence shall survive Closing and the transfer of the Property to Purchaser. Any Section 1031 exchange shall be consummated on behalf of Purchaser through the use of a facilitator or intermediary, and Seller shall not be required to acquire title to any real property in connection therewith.

14. **DISCLAIMERS, WAIVERS, RELEASE AND DISCHARGE.**

14.1 Purchaser acknowledges, represents and warrants that Purchaser is represented by legal counsel in connection with this transaction and Purchaser has conferred with such legal counsel concerning the acknowledgements, waivers, disclaimers, releases and discharges set forth in this Agreement.

14.2 Purchaser acknowledges, represents and warrants that Purchaser is not in a significantly disparate bargaining position with respect to Seller in connection with the transaction contemplated by this Agreement; that Purchaser freely and fairly agreed to the acknowledgements, waivers, disclaimers, releases and discharges set forth in this Agreement as part of the negotiations for the transaction contemplated by this Agreement.

14.3 Notwithstanding anything contained in this Agreement to the contrary, it is understood and agreed that, **except as expressly set forth in Section 5.2**, Seller has not made and is not now making, and it specifically disclaims, any warranties, representations or guaranties of any kind or character, express or implied, oral or written, past, present or future, with respect to the Property, including, but not limited to, warranties, representations or guaranties as to (i) matters of title (other than Seller's warranty of title set forth in the Deed to be delivered at Closing), (ii) environmental matters relating to the Property or any portion thereof, (iii) geological conditions, including, without limitation, subsidence, subsurface conditions, water table, underground water reservoirs, limitations regarding the withdrawal of water and earthquake faults and the resulting damage of past and/or future earthquakes, (iv) whether, and to the extent to which the Property or any portion thereof is affected by any stream (surface or underground), body of water, flood prone area, flood plain, floodway or special flood hazard, (v) drainage, (vi) soil conditions, including the existence of instability, past soil repairs, soil additions or conditions of soil fill, or susceptibility to landslides, or the sufficiency of any undershoring, (vii) zoning to which the Property or any portion thereof may be subject, (viii) the availability of any utilities to the Property or any portion thereof including, without limitation, water, sewage, gas and electric, (ix) usages of adjoining Property, (x) access to the Property or any portion thereof, (xi) the value, compliance with the plans and specifications, size, location, age, use, design, quality, description, suitability, structural integrity, operation, title to, or physical or financial condition of the Property or any portion thereof, or any income, expenses, charges, liens, encumbrances, rights or claims on or affecting or pertaining to the Property or any part thereof, (xii) the presence of Hazardous Materials in or on, under or in the vicinity of the Property, (xiii) the condition or use of the Property or compliance of the Property with any or all past, present or future federal, state or local ordinances, rules, regulations or laws, building, fire or zoning ordinances, codes or other similar laws, (xiv) the existence or non-existence of underground storage tanks, (xv) any other matter affecting the stability or integrity of the Property, (xvi) the potential for further development of the Property, (xvii) the existence of vested land use, zoning or building entitlements affecting the Property, (xviii) the merchantability of the Property or fitness of the Property for any particular purpose (Purchaser affirming that Purchaser has not relied on Seller's skill or judgment to select or furnish the Property for any particular purpose, and that Seller makes no warranty that the Property is fit for any particular purpose), or (xix) tax consequences, or any other matter with respect to the Property.

14.4 **"As Is" Sale.** Purchaser acknowledges and agrees that except as expressly set forth in this Agreement (including, but not limited to, the representations and warranties in Section 5.2 hereof), Seller has not made, does not make and specifically negates and disclaims any representations, warranties (other than the special warranty of title as set out in the deed or as expressly set forth herein), promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present, or future, of, as to, concerning or with respect to (i) value, nature, quality or condition of the Property, including, without limitation, the water, soil and geology, (ii) the income to be

derived from the Property, (iii) the suitability of the Property for any and all activities and uses which Purchaser may conduct thereon, (iv) the compliance of or by the Property of its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body, (v) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property, (vi) the quality of the construction materials, if any, incorporated in the Property, (vii) the manner, quality, state of repair or lack of repair of the Property, or (viii) any other matter with respect to the Property, and specifically, except as expressly set forth herein, Seller has not made, does not make and specifically disclaims any representations regarding compliance with any environmental protection, pollution or land uses laws, rules, regulations, orders or requirements, including the existence in or on the Property of hazardous materials. Purchaser further acknowledges and agrees that it has been (or will be) given the opportunity to inspect the Property, and that any information provided or to be provided with respect to the Property was obtained from a variety of sources and that Seller has not made any independent investigation or verification of such information and makes no representations as to the accuracy or completeness of such information. Seller is not liable or bound in any manner by any verbal or written statements, representations or information pertaining to the Property, or the operation thereof, furnished by any real estate broker, agent, employee, servant or other person. Purchaser also acknowledges that Seller is not responsible for the engineering, approval or construction of any improvements on the Property including, but not limited to, streets, rights-of-way, storm water management facilities, water lines or sewer lines. Seller makes no representation with respect to the capacity of any utilities to service the Property and Purchaser expressly acknowledges that it will satisfy itself with respect to all utilities during the Due Diligence Period. Purchaser further acknowledges and agrees that to the maximum extent permitted by law, the sale of the Property as provided for herein is made on an "AS IS" basis with all faults. It is understood and agreed that the Purchase Price has been adjusted by prior negotiations to reflect that the Property is sold by Seller and purchased by Purchaser subject to the foregoing.

14.5 Seller is hereby released by Purchaser from all responsibility and liability regarding the condition (including the presence in the soil, air, structures and surface and subsurface waters, of materials or substances that have been or may in the future be determined to be toxic, hazardous, undesirable or subject to regulation and that may need to be specially treated, handled and/or removed from the Property under current or future federal, state and local laws, regulations or guidelines), valuation, salability or utility of the Property, or its suitability for any purpose whatsoever. Purchaser expressly acknowledges that Purchaser has not relied on any warranties, promises, understandings or representations, express or implied, oral or written, of Seller or of any of its agents, relating to the Property which are not contained in this Agreement, and that Purchaser is acquiring the Property in its present condition and state of repair, "as is, where is", with all defects, latent or apparent. Purchaser acknowledges that any statements, ad valorem and personal property tax bills, notices or correspondence from governmental entities with respect to the Real Property, and books, records, files, and related items relating exclusively to the Property (collectively, the "**Due Diligence Documents**"), if any, which may have been delivered to Purchaser or its agents at any time by Seller or its agents, including, without limitation, any environmental reports and surveys, have been furnished without any warranty as to their accuracy or completeness.

14.6 Purchaser agrees that Purchaser will not attempt to assert any liability against Seller, its officers, employees, agent, controlling persons or affiliates ("**Seller Parties**") for furnishing any Due Diligence Documents, and Purchaser agrees to indemnify and hold the Seller Parties free and harmless for, from and against any and all such claims of liability. This indemnity shall survive Closing or the earlier termination of this Agreement.

14.7 Purchaser acknowledges having inspected the Property, having observed its physical characteristics and existing conditions and having had the opportunity to conduct such investigation and study on and of said Property and adjacent areas as it deems necessary and hereby waives any and all

objections to or complaints regarding (including, but not limited to, federal, state or common law based actions and any private right of action under state and federal law to which the Property is or may be subject, including, but not limited to, CERCLA, RCRA), physical characteristics and existing conditions, including, without limitation, structural and geologic conditions, subsurface soil and water conditions and solid and hazardous waste and Hazardous Materials on, under, adjacent to or otherwise affecting the Property. Purchaser further hereby assumes the risk of changes in applicable laws and regulations relating to past, present and future environmental conditions on the Property and the risk that adverse physical characteristics and conditions, including, without limitation, the presence of Hazardous Materials or other contaminants, may not have been revealed by its investigation.

14.8 Purchaser further hereby assumes the risk of changes in applicable laws and regulations relating to past, present and future environmental conditions on the property and the risk that adverse physical characteristics and conditions, including, without limitation, the presence of hazardous substances or other contaminants, may not have been revealed by its investigation. This provision shall survive closing or the earlier termination of this Agreement until any applicable statute of limitations on claims by Purchaser expires.

14.9 Purchaser agrees that Purchaser will not attempt to or assert any liability against Seller, its officers, employees, agent, controlling persons or affiliates for furnishing any Due Diligence Documents, and Purchaser agrees to waive any and all such claims of liability. This waiver shall survive closing or the earlier termination of this Agreement until any applicable statute of limitations on claims by Purchaser expires.

14.10 Purchaser, with Purchaser's counsel, has fully reviewed the disclaimers and waivers set forth in this Agreement, and understands the significance and effect thereof. Purchaser acknowledges and agrees that the disclaimers and other agreements set forth herein are an integral part of this Agreement, and that Seller would not have agreed to sell the Property to Purchaser for the Purchase Price without the disclaimer and other agreements set forth in this Agreement.

14.11 The provisions of this Section 14 shall survive the settlement in perpetuity and upon the request of Seller, Purchaser shall recertify to Seller the provisions of this Section 14 as of the Date of Closing.

15. THE PARTIES HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

16. Underground Storage Tank Disclosure. In accordance with the requirements of the District of Columbia Underground Storage Tank Management Act of 1990 (D.C. Code Section 8-113.01 et. seq.), as amended by the District of Columbia Underground Storage Tank Management Act of 1990 Amendment Act of 1992 (the "Act") and the regulations adopted thereunder by the District of Columbia (the "Regulations"), Seller hereby delivers to Purchaser the Underground Storage Tank Real Estate Transfer Disclosure Form attached hereto as Exhibit 16 (the "UST Disclosure Form").

17. Soil Characteristics Disclosure. In accordance with the laws of the District of Columbia, Purchaser is hereby advised by Seller that the characteristic of the soil of the Property as described by the Soil Conservation Service of the United States Department of Agriculture in the Soil Survey of the District of Columbia published in 1976, as the same may be amended from time to time, and as shown on the Soil Maps of the District of Columbia at the back of that publication, is "Urban Land". For further information, Purchaser can contact a soil testing laboratory, the District of Columbia Department of Environmental Services, or the Soil Conservation Service of the United States Department of Agriculture.

18. Lead Paint Disclosure.

(a) **Lead Warning Statement.** Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the Purchaser with any information on lead-based paint hazards from risk assessment or inspections in the seller's possession and notify the Purchaser of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended to Purchaser prior to purchase.

(b) **Seller's Disclosure.** Seller discloses that, to the best of Seller's knowledge, there is not lead-based paint present at the Property. If applicable, Seller has provided a copy of such reports to Purchaser or will inform Purchaser in writing that Seller does not have such reports.


(c) **Purchaser's Acknowledgment.** Purchaser acknowledges that it has received (or will receive in connection with delivery of the Property Documents) the reports described above. Purchaser acknowledges receipt of the pamphlet Protect Your Family from Lead in Your Home, which can also be found at <http://www.epa.gov/lead/pubs/leadpdf.pdf>.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Purchaser and Seller have executed this Agreement on the dates set forth below, effective as of the date first set forth above.

SELLER:

315 FRANKLIN, LLC
a Delaware limited liability company

By: 
Name: A. CARTER NOWELL
Title: MANAGER

Date: 9-12-2017

PURCHASER:

NOVO DEVELOPMENT CORPORATION,
a District of Columbia corporation

By: 
Greg Selfridge
Executive Vice President

Date: 9/12/17

TABLE OF SCHEDULES AND EXHIBITS

Schedules

| | |
|--------|--|
| 1.1.1 | Legal Description of Land |
| 1.1.3 | Inventory of Personal Property, and Excluded Personal Property |
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| 3.8.15 | Schedule of Due Diligence Items |
| 3.10 | Schedule of Contracts |
| 4.5 | Rent Roll |
| 5.2.16 | Schedule of Environmental Reports |

Exhibits

| | |
|--------|---|
| 2.3 | Form of Escrow Agreement |
| 8.1.1 | Form of Special Warranty Deed |
| 8.1.2 | Form of Bill of Sale |
| 8.1.3 | Form of Assignment and Assumption of Leases and Security Deposits |
| 8.1.4 | Form of Assignment and Assumption of Assumed Contracts |
| 8.1.5 | Form of Assignment of Warranties, Guaranties and Trade Names |
| 8.1.7 | Form of FIRPTA Certificate |
| 8.1.9 | Form of Owner's Affidavit |
| 8.1.11 | Form of Seller's Certificate |
| 8.1.13 | Form of Tenant Notification Letter |
| 8.1.14 | Form of Contractor/Vendor Notification Letter |
| 8.2.5 | Form of Purchaser's Certificate |

SCHEDULE 1.1.1

LEGAL DESCRIPTION

Lots numbered Eighteen (18), Nineteen (19), Twenty (20), and Twenty-One (21) in Square numbered Thirty-Five Hundred Fifty (3550) in a subdivision made by Edwin R. Morden of "Metropolis View", and now known as "Central Addition", as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 49 at folio 15.

NOTE: At the date hereof the above described property is now known for assessment and taxation purposes as Lot numbered Eight Hundred Seven (807) in Square numbered Thirty-Five Hundred Fifty (3550).

Property Address: 315 Franklin Street NE, Washington, DC 20002

Lots numbered Twenty-two (22) through Twenty-five (25) in Square numbered Thirty-Five Hundred Fifty (3550) in a subdivision made by Edwin R. Morden of "Metropolis View", and now known as "Central Addition", as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 49 at folio 15.

NOTE: At the date hereof the above described property is now known for assessment and taxation purposes as Lot numbered Eight Hundred Seven (806) in Square numbered Thirty-Five Hundred Fifty (3550).

Property Address: 325 Franklin Street NE, Washington, DC 20002

SCHEDULE 1.1.3

INVENTORY OF PERSONAL PROPERTY; AND EXCLUDED PERSONAL PROPERTY

SCHEDULE 1.1.6

SCHEDULE OF LEASES AND SECURITY DEPOSITS

[Attach]

SCHEDULE 3.8.15

DUE DILIGENCE ITEMS

East & West Panorama Court Apartments AKA Franklin Street Apartments
2017

April

1. Certified rent roll for the most recent month which includes: apartment number, unit type, unit status, tenant names, square footage, commencement and termination dates, market rent, lease rent, defaults, deposits and details of any concessions or specials.
2. A complete set of all current reports from the Seller's system.
3. Detailed operating, income, expense, maintenance and capital expenditure records or statements for the years ending 2015, 2016 and all months of operation of 2017.
4. Copies of the last three years tax bills and all current tax bills; including, but not limited to, property, personal, special assessments and special matters (such as front foot benefit charges).
5. Copies of all service, management and other contracts currently affecting the Property, or that were terminated within the last 24 months.
6. Current title policy, with all exception documents.
7. Copies of the last 24 months of utility bills (gas, electric, water and sewer).
8. Copies of any utility-related third party contracts, specifically with respect to the PV/Solar array roof system.
9. An inventory of all personal property, including any intellectual property rights.
10. Employee roster with annual compensation, years of service, job title, and employee discounts or free apartments listed.
11. Any and all engineer's reports or outside appraisals regarding the Property.
12. Copies of the most recent ALTA as-built survey of the Property.
13. Copies of all drawings, plans and specifications relating to the Property.
14. All certificates of occupancy, licenses and permits pertaining to the Property.
15. Seller's standard form of lease used for the Property.

16. Copies of all zoning ordinances, conditional use permits and correspondence relating thereto, business licenses and CC&Rs.
17. Notices of violations, including, but not limited to, zoning ordinances, building codes, fire codes, CC&Rs or other agreements affecting the Property.
18. Disclosure of any legal matters affecting the Property or the collection of rents or deposits.
19. A schedule of rental rates and occupancy percentages by month covering the calendar years 2015, 2016 and 2017 year-to-date within Seller's possession or control.
20. An aging of accounts receivable.
21. Copies of all insurance policies and premiums for the preceding two (2) calendar years.
22. Any laundry lease, concession or similar agreement affecting the Property ("Laundry Lease").
23. Copies of any and all insurance claims made by Seller with respect to the Property.

SCHEDULE 3.10

SCHEDULE OF CONTRACTS

[Attach]

SCHEDULE 4.5

RENT ROLL

[Attach]

SCHEDULE 5.2.16
ENVIRONMENTAL REPORTS

EXHIBIT 2.3

FORM OF ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the “**Escrow Agreement**”) is made as of the ____ day of _____, 2017, by and among **315 Franklin, LLC**, a Delaware limited liability company, its successors and assigns, having an address of 7272 Wisconsin Avenue, Suite 325, Bethesda, Maryland 20814 (“**Seller**”), **NOVO Development Corporation**, a District of Columbia Corporation, having an address of 519 11th Street, SE, Washington, DC 20003 (“**Purchaser**”), and _____, having an address of _____, Attention: [] (the “**Escrow Agent**”).

WITNESETH:

WHEREAS, Seller and Purchaser are parties to a certain PURCHASE AND SALE AGREEMENT dated of even date herewith (the “**Purchase Agreement**”) for the sale of certain real property and improvements thereon located in Washington, D.C. and more particularly described in the Purchase Agreement (the “**Property**”); and

WHEREAS, in accordance with the terms of the Purchase Agreement, Purchaser is required to deposit with the Escrow Agent federally wired funds in the amount of Two Hundred Thousand and No/100 Dollars (\$200,000.00) as the “**Deposit**” on the Effective Date; and

WHEREAS, the Deposit (as hereinafter defined) is to be placed in an interest-bearing account, under the exclusive supervision of the Escrow Agent, subject to the terms of the Purchase Agreement and this Escrow Agreement, as security for the performance by Purchaser of all of Purchaser’s obligations under the Purchase Agreement; and

WHEREAS, Seller, Purchaser and the Escrow Agent wish to enter into this Escrow Agreement to provide for the terms under which the Deposit will be held and disbursed; and

WHEREAS, Seller and Purchaser wish to appoint the Escrow Agent to act as the escrow agent under the terms of this Escrow Agreement, and the said Escrow Agent has agreed to accept such appointment under the terms of this Escrow Agreement; and

WHEREAS, Purchaser’s Federal Tax Identification Number is _____.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) cash in hand paid and for other good and valuable consideration, the receipt of which is hereby acknowledged by the parties, Seller, Purchaser and the Escrow Agent hereby agree as follows:

1. The recitals set forth above are incorporated herein by this reference as substantive provisions of this Escrow Agreement and not mere recitals. For purposes of this Agreement, the term “**Deposit**” shall mean the Initial Deposit, or the Remaining Deposit, and all interest earned thereon while held in escrow by the Escrow Agent. All capitalized terms used herein and not herein defined shall have the meaning ascribed to them in the Purchase Agreement.

2. Seller and Purchaser hereby appoint and designate the Escrow Agent as the escrow agent for the purposes herein set forth, and the Escrow Agent hereby accepts said appointment. The Escrow Agent acknowledges receipt of a copy of the Purchase Agreement, and to the extent any provisions thereof apply to the Deposit, this Escrow Agreement or the Escrow Agent, the Escrow Agent agrees to

comply with, and be bound by, the terms thereof. All terms and provisions contained in the Purchase Agreement relating to any of the foregoing are hereby incorporated herein by this reference.

3. When and as required by the Purchase Agreement, Purchaser has delivered or will deliver to the Escrow Agent the Deposit. Upon receipt of the Deposit, the Escrow Agent shall provide written notice to both Seller and Purchaser acknowledging such receipt. The Deposit shall promptly be placed in an interest-bearing account and all interest accrued thereon shall belong to Purchaser in all circumstances, except as set forth in the Purchase Agreement. At Closing, the Deposit and any interest thereon shall be returned to Purchaser or applied as directed by Purchaser, which may include being credited against the cash balance of the Purchase Price due on the Date of Closing.

4. The Escrow Agent shall continue to hold or release the Deposit and interest thereon, if any, in accordance with the Purchase Agreement until otherwise directed by joint written instructions signed by Seller and Purchaser or by a final judgment of a court having jurisdiction of the matter; provided, however, to the extent that the Purchase Agreement contains any provisions inconsistent with, or contrary to the provisions of this Escrow Agreement, such Purchase Agreement shall remain as the agreement of the parties thereto, but Escrow Agent shall be guided by the terms of this Escrow Agreement. If the Purchase Agreement requires that the Deposit be returned to Purchaser, and Purchaser gives Seller written notice to that effect, with a copy of such notice being provided to Escrow Agent then, and in that event, Escrow Agent shall immediately return the Deposit to Purchaser as required by the Purchase Agreement, without any right in Seller to delay, impede or prevent such disbursement to Purchaser of the Deposit, and the parties shall have no further rights or obligations under this Agreement, at law or in equity.

5. Seller and Purchaser each agree to deliver to the Escrow Agent, upon request, such further instruments and documents as may be reasonably requested by the Escrow Agent in order to effectuate the terms and conditions of this Escrow Agreement or supervise the investment, maintenance and disbursement of the Deposit.

6. In no event shall the Escrow Agent be liable for any act or failure to act under the provisions of the Purchase Agreement or this Escrow Agreement except where Escrow Agent's acts are the result of its gross negligence or willful misconduct. Accordingly, the Escrow Agent shall not incur any such liability with respect to (a) any action taken or omitted in good faith upon advice of its legal counsel given with respect to any questions relating to the duties and responsibilities of the Escrow Agent under this Escrow Agreement or the Purchase Agreement, or (b) any action taken or omitted in reliance on any instrument, including any written notice or instruction provided for in the Purchase Agreement, not only as to its due execution and the validity and effectiveness of its provisions but also as to the truth and accuracy of any information contained therein, which the Escrow Agent shall in good faith believe to be genuine, to have been signed or presented by a person or persons having authority to sign or present such instrument, and to conform with the provisions of this Escrow Agreement. Seller and Purchaser hereby jointly and severally indemnify the Escrow Agent against any loss, liability, or damage (including costs of litigation and reasonable attorneys' fees) arising from and in connection with the performance of the Escrow Agent's duties under the Escrow Agreement, whether such dispute arises between the parties hereto and others, or merely between themselves, it being understood and agreed that subject to the provisions of Section 5 of this Agreement, the Escrow Agent may interplead such dispute and Seller and Purchaser will hold the Escrow Agent harmless and indemnify it against all consequences and expenses which may be incurred by the Escrow Agent in connection therewith, except those consequences and expenses arising by reason of the Escrow Agent's gross negligence or willful misconduct.

7. The Deposit shall be deposited by the Escrow Agent into a separate interest-bearing escrow account at a federally-insured financial institution with offices in the District of Columbia, and be

If given to Escrow Agent:

Any of the parties may effect a change of address by written notice to the other parties hereto.

9. This Escrow Agreement and the rights and obligations under this Escrow Agreement shall be governed by and construed in accordance with the laws of the District of Columbia, without reference to the choice of law doctrine of such jurisdiction.

10. This Escrow Agreement is irrevocable and may only be amended by a written amendment executed by all the parties hereto.

11. This Escrow Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have set their hands as of the date hereinbefore written.

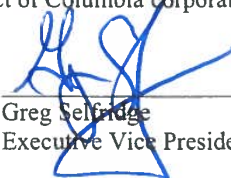
SELLER:

315 FRANKLIN, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

PURCHASER:

NOVO DEVELOPMENT CORPORATION,
a District of Columbia corporation

By:  _____
Greg Selfridge
Executive Vice President

ESCROW AGENT:

By: _____
Name: _____
Title: _____

invested by the Escrow Agent in a money market account, certificates of deposit or other investment(s) selected by both Seller and Purchaser (if Seller and Purchaser cannot agree on the form of investment of the Deposit, Purchaser shall have the right without Seller's consent or approval to select the form of investment). If the financial condition of the financial institution in which the funds are held changes in any adverse way which prohibits the ability of the Escrow Agent to withdraw such funds in accordance with the terms of this Escrow Agreement, then the Escrow Agent may move the Deposit to another financial institution that satisfies the requirements of this Section 7.

8. All notices to be sent hereunder shall be in writing and shall be deemed to have been duly given (a) upon receipt, if delivered by hand or (b) upon the next business day following deposit of the notice with Federal Express or another recognized overnight carrier or (c) by telecopy or facsimile provided confirmation of delivery is received and the party giving notice provides a copy of such notice to the other party(ies) pursuant to one of the methods described in Section 8(a) or 8(b) above:

If to Seller:

315 Franklin, LLC
7272 Wisconsin Avenue, Suite 325
Bethesda, Maryland 20814
Attn: A. Carter Nowell
Phone:
Fax:

With a required copy to:

Greenstein DeLorme & Luchs, P.C.
1620 L Street, N.W., Suite 900
Washington, D.C. 20036
Attn: Richard W. Luchs, Esq.
Phone: (202) 452-1400
Fax: (202) 452-1410

If to Purchaser:

NOVO Development Corporation
519 11th Street, SE
Washington, DC
Attn: Greg Selfridge
Phone: 202-690-3178
Fax: 202-315-1110

With a required copy to:

Friedlander Mislner, PLLC
5335 Wisconsin Avenue, N.W., Suite 600
Washington, D.C. 20015
Attn: Roger N. Simon, Esq.
Phone: (202) 521-7751
Fax: (202) 857-8343

EXHIBIT 8.1.1

FORM OF SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED (this "Deed"), made and entered into this ____ day of _____ 20__, by and between _____, a _____ having an address at _____ ("Grantor"), and _____, a _____ having an address at _____ ("Grantee").

WITNESETH:

That for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, Grantor does hereby grant, bargain, sell, convey, transfer and confirm, with Special Warranty of title, unto Grantee, its successors and assigns, fee simple absolute title to all of those parcels of land situate, lying and being in the District of Columbia, being more particularly described on Exhibit A attached hereto and incorporated herein by reference.

TOGETHER WITH all improvements thereupon and all and singular the tenements, hereditaments, rights-of-way, easements, privileges, and appurtenances to the same belonging or in anywise appertaining; and

TOGETHER WITH all right, title and interest of Grantor in and to the land lying in and above the bed of any public street, alley, road or avenue, opened or closed, within, in front of, abutting or adjoining the above described real property.

This conveyance is made and accepted subject to all easements, conditions and restrictions of record.

TO HAVE AND TO HOLD the said described land and premises unto and to the use of Grantee, its successors and assigns forever, with Grantor's covenant that it will execute such further assurances of the said land as may be requisite.

WITNESS the following signature and seal:

_____,
a _____

WITNESS:

By: _____

Name:

Title:

STATE OF _____,

COUNTY OF _____ to wit:

BEFORE ME, a Notary Public in and for the jurisdiction aforesaid, personally appeared this date _____, personally well known (or satisfactorily proven) to me to be the person whose name is subscribed to the foregoing and annexed Deed bearing date of _____, 20__, who, being by me first duly sworn, did depose and state that he is the _____ of _____, and that s/he, being duly authorized so to do, executed said Deed on behalf of said entity and acknowledged the same as its free act and deed for the uses and purposes therein contained.

WITNESS my hand and official seal this _____ day of _____ 20__.

My Commission Expires

Notary Public
[Notarial Seal]

EXHIBITS:

A – Legal Description

EXHIBIT 8.1.2

FORM OF BILL OF SALE

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, _____, a _____, having an office at _____, hereby conveys to _____, a _____, having an address of _____ (“**Purchaser**”), all of Seller’s right, title and interest in and to all furniture, personal property, machinery, apparatus, and equipment currently used in the operation, repair and maintenance of the Property (excluding, however, tangible personal property and fixtures which are owned by tenants of the Property or which may be removed by tenants under the terms of their leases), all as more generally described on Exhibit A attached hereto and made a part hereof (the “**Personal Property**”) relating to certain real property known as _____ (the “**Property**”).

Seller has not made and does not make any express or implied warranty or representation of any kind whatsoever with respect to the Personal Property and shall convey the Personal Property to Purchaser “AS IS”, “WHERE IS” and free of any and all liens.

EXECUTED as of the _____ day of _____, 20__.

SELLER:

By: _____
Name:
Title:

EXHIBIT 8.1.3

**FORM OF ASSIGNMENT AND ASSUMPTION OF
LEASES AND SECURITY DEPOSITS**

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, _____, a _____, having an address of _____ (“Assignor”), hereby assigns, transfers and delegates to _____, a _____, having an address of _____ (“Assignee”), and Assignee hereby accepts the assignment, transfer and delegation of, all of Assignor’s right, title and interest in and to, the leases described on Exhibit A attached hereto (the “Leases”) and the security deposits held by Assignor under and pursuant to the Leases, all of which are listed on Exhibit A attached hereto (the “Security Deposits”), all of which Leases and Security Deposits relate to the property known as _____ (the “Property”), and Assignee does further hereby agree to assume all of Assignor’s duties, obligations and liabilities under and pursuant to the terms of the Leases from and after the date hereof. Assignee acknowledges that as to the Security Deposits, Assignee has received a credit therefor from Assignor at the closing of Assignee’s acquisition of the Property and is therefore responsible for the proper handling and return of all such Security Deposits to the tenants entitled thereto as provided in the Leases.

Assignee hereby assumes and agrees to perform, on and after the date hereof, all of the terms, covenants, obligations and conditions required to be performed by landlord under the Leases (the “Assignee Obligations”); provided, however, that, Assignor shall remain responsible for the performance of all of the terms, covenants, obligations and conditions required to be performed by landlord under the Leases for the period prior to the date hereof (the “Assignor Obligations”).

Assignee agrees to indemnify, protect, defend and hold Assignor harmless from and against any and all liabilities, losses, costs, damages and expenses (including reasonable attorneys’ fees) incurred by Assignor as a result of Assignee’s failure to perform the Assignee Obligations. Assignor agrees to indemnify, protect, defend and hold Assignee harmless from and against any and all liabilities, losses, costs, damages and expenses (including reasonable attorneys’ fees) incurred by Assignee as a result of Assignor’s failure to perform the Assignor Obligations.

If any litigation between Assignor and Assignee arises out of the obligations of the parties under this Assignment or concerning the meaning or interpretation of any provision contained herein, the losing party shall pay the prevailing party’s costs and expenses of such litigation, including without limitation reasonable attorneys’ fees.

This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.

Nothing in this Assignment and Assumption of Leases is intended to, or shall be construed to, confer upon or give to any person, firm or corporation other than the parties hereto any right, remedy or claim under or by reason of this instrument. All terms and conditions in this instrument shall be for the sole and exclusive benefit of the parties hereto.

EXECUTED as of the _____ day of _____, 20____.

ASSIGNOR:

By: _____
Name:
Title:

ASSIGNEE:

a _____

By: _____
Name:
Title:

EXHIBITS:

A - List of Leases and Security Deposits

EXHIBIT 8.1.4

FORM OF ASSIGNMENT AND ASSUMPTION OF CONTRACTS

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, _____, a _____, having an address of _____ (“Assignor”), hereby assigns, transfers and delegates to _____, a _____, having an address of _____ (“Assignee”), and Assignee hereby accepts the assignment, transfer and delegation of, all of Assignor’s right, title and interest in and to the contracts described on Exhibit A attached hereto (the “Contracts”) relating to certain real property known as _____, and Assignee does further hereby agree to assume all of Assignor’s duties, obligations and liabilities under and pursuant to the terms of the Contracts from and after the date hereof.

Assignee hereby assumes and agrees to perform, on and after the date hereof, all of the terms, covenants, obligations and conditions required to be performed by Assignor under the Contracts (the “Assignee Obligations”), provided, however that Assignor shall remain responsible for all of the terms, covenants, obligations and conditions required to be performed by Assignor under the Contracts prior to the date hereof (the “Assignor Obligations”).

Assignee agrees to indemnify, protect, defend and hold Assignor harmless from and against any and all liabilities, losses, costs, damages and expenses (including reasonable attorneys’ fees) incurred by Assignor as a result of Assignee’s failure to perform the Assignee Obligations. Assignor agrees to indemnify, protect, defend and hold Assignee harmless from and against any and all liabilities, losses, costs, damages and expenses (including reasonable attorneys’ fees) incurred by Assignee as a result of Assignor’s failure to perform the Assignor Obligations.

If any litigation between Assignor and Assignee arises out of the obligations of the parties under this Assignment or concerning the meaning or interpretation of any provision contained herein, the losing party shall pay the prevailing party’s costs and expenses of such litigation including without limitation reasonable attorneys’ fees.

This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.

Nothing in this Assignment and Assumption of Contracts is intended to, or shall be construed to, confer upon or give to any person, firm or corporation other than the parties hereto any right, remedy or claim under or by reason by this instrument. All terms and conditions in this instrument shall be for the sole and exclusive benefit of the parties hereto.

EXECUTED as of the _____ day of _____, 20__.

ASSIGNOR:

By: _____
Name:
Title:

ASSIGNEE:

a _____

By: _____
Name:
Title:

EXHIBITS:

A - List of Contracts

EXHIBIT 8.1.5

FORM OF ASSIGNMENT OF WARRANTIES, GUARANTIES AND TRADE NAMES

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, _____, a _____, having an address of _____ (“Assignor”), hereby assigns and delegates to _____, a _____, having an address of _____ (“Assignee”), all of Assignor’s right, title and interest in and to all transferable warranties, guarantees and trade names (collectively, the “Miscellaneous Personality”), if any, with respect to (a) the improvements located on certain real property known as _____ (the “Property”), (b) any repairs or renovations to such improvements, or (c) any personal property conveyed to Assignee by Assignor in connection with the sale of the Property. Assignor shall assign the Miscellaneous Personality to Assignee “AS IS,” “WHERE IS” and free of any and all liens

If any litigation between Assignor and Assignee arises out of the obligations of the parties under this Assignment or concerning the meaning or interpretation of any provision contained herein, the losing party shall pay the prevailing party’s costs and expenses of such litigation including without limitation reasonable attorneys’ fees.

This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.

Nothing in this Assignment and Assumption of Warranties is intended to, or shall be construed to, confer upon or give to any person, firm or corporation other than the parties hereto any right, remedy or claim under or by reason by this instrument. All terms and conditions in this instrument shall be for the sole and exclusive benefit of the parties hereto.

EXECUTED as of the _____ day of _____, 20__.

ASSIGNOR:

By: _____
Name:
Title

EXHIBIT 8.1.7

FORM OF FIRPTA AFFIDAVIT

The undersigned hereby declares that the name, address and United States taxpayer identification number of the owner of the real property described in Exhibit "A" attached hereto and incorporated herein by reference is as follows:

Name and Address

I.D. Number

The owner is a _____ organized and existing under the laws of the State of _____, and as such, is not a foreign citizen or entity.

The undersigned understands that the purchaser of the property intends to rely on the foregoing representations in connection with the United States Foreign Investment and Real Property Act.

By:

Name:

Title:

Exhibits:

A-Legal Description of Property

EXHIBIT 8.1.9
FORM OF OWNER'S AFFIDAVIT

EXHIBIT 8.1.11

FORM OF SELLER'S CERTIFICATE

THIS SELLER'S CERTIFICATE ("Certificate") is made as of the ____ day of _____, 20____ by _____, a _____ ("Seller") for the benefit of _____, a _____ ("Purchaser").

RECITALS:

- R-1. Reference is hereby made to that certain PURCHASE AND SALE AGREEMENT dated _____, 201_ (the "**Agreement**"), wherein Seller has agreed to sell certain property described therein to Purchaser, which property is known generally as _____.
- R-2. The Agreement contains certain representations and warranties (the "**Representations and Warranties**") made by the Seller to and for the benefit of Purchaser.
- R-3. The Agreement also provides that Seller shall execute and deliver a certificate stating that the Representations and Warranties of Seller set forth in Section 5.1 and Section 5.2 of the Agreement are true and correct in all material respects as of the Date of Closing (as defined in the Agreement) as if then made.

NOW, THEREFORE, in consideration of the foregoing, the mutual agreements and covenants made by Purchaser and Seller to one another in the Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller hereby (a) agrees that the recitals set forth above are incorporated herein as an integral part hereof, and (b) certifies, represents and warrants to and for the benefit of Purchaser that all of the Representations and Warranties made by Seller in the Agreement are true and correct as of the date hereof.

IN WITNESS WHEREOF, Seller has executed and delivered this Certificate as of the day and year first hereinabove written.

SELLER:

By: _____

Name:

Title:

EXHIBIT 8.1.13

FORM OF TENANT NOTIFICATION LETTER

Date: _____ 20__

TO ALL TENANTS OF

Re: _____ (the "Building")

Dear Sir/Madame:

This will advise you that _____ ("Seller") has sold the Building to _____ ("Purchaser") effective as of _____, 20__ (the "Closing Date"). Please make all future rent checks payable to Purchaser and send such checks, and any future notices or other correspondence relating to your lease of space in the Building, to Purchaser, at the following address:

All rent payments which were due, but not paid, prior to the Closing Date should be sent to Seller.

If you have any questions, please call _____ of _____, () - _____.

Sincerely,

By: _____

Name:

Title:

EXHIBIT 8.1.14

FORM OF CONTRACTOR/VENDOR NOTIFICATION LETTER

Date: _____, 20__

TO ALL VENDORS AND CONTRACTORS PROVIDING SERVICES AND MATERIALS TO

Re: _____ (the "Building")

Dear Sir/Madame:

This will advise you that _____ ("Seller") has sold the Building to _____ ("Purchaser") effective as of _____, 20__ (the "Closing Date"). Please send all future bills for services rendered at the Building, and any future notices or other correspondence relating to your contract for services at the Building, to Purchaser, at the following address:

Bills for services rendered prior to the Closing Date should be sent to Seller. For all bills seeking payment for services which were provided both before and after the Closing Date, please be certain that such bills clearly indicate the amount of the charges incurred before the Closing Date and those charges incurred after the Closing Date.

If you have any questions, please call _____ of _____, at (____) ____-____.

Sincerely,

a _____

By: _____
Name:
Title:

EXHIBIT 8.2.5

FORM OF PURCHASER'S CERTIFICATE

THIS PURCHASER'S CERTIFICATE ("Certificate") is made as of the ____ day of _____, 20____, by _____, a _____ ("Purchaser") for the benefit of _____, a _____ ("Seller").

RECITALS:

- R-1. Reference is hereby made to that certain PURCHASE AND SALE AGREEMENT dated _____, 20__ (the "**Agreement**"), wherein Seller has agreed to sell certain property described therein to Purchaser, which property is known generally as _____.
- R-2. The Agreement contains certain representations and warranties (the "**Representations and Warranties**") made by the Purchaser to and for the benefit of Seller.
- R-3. The Agreement also provides that Purchaser shall execute and deliver a certificate stating that the Representations and Warranties of Purchaser set forth in Section 5.4 of the Agreement are true and correct in all material respects as of the Date of Closing (as defined in the Agreement) as if then made.

NOW, THEREFORE, in consideration of the foregoing, the mutual agreements and covenants made by Purchaser and Seller to one another in the Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Purchaser hereby (a) agrees that the recitals set forth above are incorporated herein as an integral part hereof, and (b) certifies, represents and warrants to and for the benefit of Seller that all of the Representations and Warranties made by Purchaser in the Agreement are true and correct as of the date hereof.

IN WITNESS WHEREOF, Purchaser has executed and delivered this Certificate as of the day and year first hereinabove written.

PURCHASER:

_____,
a _____

By: _____
Name:
Title:

**United States Bankruptcy Court
District of District of Columbia**

In re 315 Franklin, LLC

Debtor(s)

Case No. 17-00512-SMT

Chapter 11

LIST OF EQUITY SECURITY HOLDERS

Following is the list of the Debtor's equity security holders which is prepared in accordance with rule 1007(a)(3) for filing in this Chapter 11 Case

| Name and last known address or place of business of holder | Security Class | Number of Securities | Kind of Interest |
|--|----------------|----------------------|-------------------------------|
| Brooke Thorner 2910 East Madison #209 Seattle, WA 98112 | | | 4% Membership Interest |
| David Walker 3718 Falling Green Way Mount Airy, MD 21771 | | | 6% Membership Interest |
| Deborah Grove 5936 Elmer Derr Road Frederick, MD 21703 | | | 2% Membership Interest |
| Eugene and Michelle Prokopyschyn 3800 Meyer Lane Hatboro, PA 19040 | | | 2% Membership Interest |
| Eugene Prokopyschyn Sr. 3800 Meyer Lane Hatboro, PA 19040 | | | 2% Membership Interest |
| Joseph Swiderski 15401 Duckling Place Woodbridge, VA 22191 | | | 2% Membership Interest |
| Kenneth Tighe 626C Admiral Drive #231 Annapolis, MD 21401 | | | 4% Membership Interest |
| Millenium Trust Company fbo Thomas Trevino Family Trust 2001 Spring Road, Suite 700 Oak Brook, IL 60523 | | | 3% Membership Interest |
| Millenium Trust Company fbo C. Taylor & S. Barnes Revcble Trust 2001 Spring Road, Suite 700 Oak Brook, IL 60523 | | | 2% Membership Interest |
| Millenium Trust Company fbo Terrence Fitzpatrick IRA 2001 Spring Road, Suite 700 Oak Brook, IL 60523 | | | 2% Membership Interest |

In re: 315 Franklin, LLC

Case No. 17-00512-SMT

Debtor(s)

LIST OF EQUITY SECURITY HOLDERS
(Continuation Sheet)

| Name and last known address or place of business of holder | Security Class | Number of Securities | Kind of Interest |
|--|----------------|----------------------|-------------------------|
| Millenium Trust Company fbo John Barrer IRA 2001 Spring Road, Suite 700 Oak Brook, IL 60523 | | | 3% Membership Interest |
| Millenium Trust Company fbo Dale Lee Nelson IRA 2001 Spring Road, Suite 700 Oak Brook, IL 60523 | | | 2% Membership Interest |
| Millenium Trust Company fbo Doug Mays IRA 2001 Spring Road, Suite 700 Oak Brook, IL 60523 | | | 2% Membership Interest |
| Sanford Capital III LLC 7605 Arlington Road #250 Bethesda, MD 20814 | | | 60% Membership Interest |
| Steve Ruben 19420 Pyrite Lane Brookeville, MD 20833 | | | 4% Membership Interest |

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

I, the **Manager** of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing List of Equity Security Holders and that it is true and correct to the best of my information and belief.

Date 10/11/2017

Signature /s/ A. Carter Nowell

A. Carter Nowell

*Penalty for making a false statement of concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both.
18 U.S.C. §§ 152 and 3571.*

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLUMBIA**

In re:

315 FRANKLIN, LLC,

Debtor in possession.

Case No. 17-00512-SMT

(Chapter 11)

**ORDER GRANTING DEBTOR’S MOTION FOR ORDER APPROVING SALE OF THE
DEBTOR’S REAL PROPERTY FREE AND CLEAR OF LIENS AND INTERESTS**

Upon consideration of the Motion of 315 Franklin, LLC, the debtor-in-possession (the “Debtor”) for an order, pursuant to 11 U.S.C. §§ 363(b)(1) and 363(f), Federal Rule of Bankruptcy Procedure 6004, and Local Bankruptcy Rule 6004-1, authorizing the sale to NOVO Development Corporation (“NOVO”), free and clear of liens and interests other than existing tenant leases, of the Debtor’s real property located at 315-325 Franklin Street NE, Washington, DC 20011 improved by a 76-unit multi-family, residential apartment project (the “Property”); and it appearing that the Property is subject to a first- and second-priority liens and security agreements, securing loan agreements and promissory notes held by Federal National Mortgage Association (“Fannie Mae”) in an amount exceeding \$5.7 million; and it further appearing that the District of Columbia has filed Litter Control Administration Act liens against the Property in the aggregate amount of \$5,100; and upon consideration of any objections to the Motion; and it

appearing that proper and adequate notice of the Motion has been given to creditors, tenants of the Property, members of the Debtor and other parties in interest, and that no further or other notice is necessary; and for good and sufficient cause shown, it is hereby

ORDERED that the Motion is GRANTED in all respects; and it is further

ORDERED that the Debtor is authorized to sell the Property¹ to NOVO or its assigns (the “Purchaser”), pursuant to the terms and conditions of the Purchase Agreement attached to the Motion as Exhibit C; and it is further

ORDERED that the sale of the Property under the Purchase Agreement shall be free and clear of the liens of Fannie Mae and the District of Columbia, and any liens for real estate taxes, provided, however, Fannie Mae’s liens and security interests shall attach to any proceeds of sale placed into escrow pending resolution of any disputes between Fannie Mae and the Debtor as to the proper amount of Fannie Mae’s claims; and it is further

ORDERED that the sale of the Property shall be subject to the existing tenant leases for apartment units at the Property; and it is further

ORDERED that the Debtor is authorized and directed to pay the secured claims of Fannie Mae and the District of Columbia, and any real estate taxes relating to the Property (pro-rated to the date of closing on the sale), from the proceeds of the sale of the Property at closing; and it is further

ORDERED that the Debtor is authorized to take all necessary and reasonable actions to consummate the sale of the Property; and it is further

¹ A copy of the legal description of the Property is attached to the Motion as Exhibit B.

ORDERED that the Debtor is authorized to pay from the proceeds of the sale customary closing costs pursuant to the Purchase Agreement or as is typical for comparable real estate transactions within the District of Columbia; and it is further

ORDERED that the Court finds that the Purchaser is a good faith purchaser entitled to the protections of 11 U.S.C. § 363(m); and it is further

ORDERED that the Court shall retain jurisdiction over all matters arising from or related to the interpretation or implementation of this Order.

END OF ORDER

Copies to:

Stephen E. Leach
Kristen E. Burgers
HIRSCHLER FLEISCHER
8270 Greensboro Drive, Suite 700
Tysons, Virginia 22102

Bradley D. Jones
Office of the United States Trustee
115 South Union Street, Suite 210
Alexandria, Virginia 22314

John G. McJunkin
J. David Folds
BAKER DONELSON BEARMAN
CALWELL & BERKOWITZ, PC
901 K Street NW, Suite 901
Washington, DC 20001

Roger N. Simon
FRIEDLANDER MISLER PLLC
5335 Wisconsin Avenue NW, Suite 600
Washington DC 20015