

PURCHASER: _____

LOT: _____

Courts of Woodside Sales Agreement

THIS AGREEMENT, dated _____, 20____, between Noyes 3, LLC, a Maryland limited liability Company (“Seller”), with an address of 7735 Old Georgetown Road, Suite 700, Bethesda, Maryland 20814 and _____ and _____ of _____ (pre sent address); (home) _____ (_____) / (work) _____ (_____) _____ (telephone) (collectively, “Purchaser”).

WITNESSETH:

WHEREAS, Seller is the Owner of certain land (the “Land”) and the owner of the improvements located, or to be located, thereon in Montgomery County, Maryland, and more particularly described herein (the Land and improvements together being sometimes herein called the “Property”);

WHEREAS, Purchaser wishes to purchase a single-family attached dwelling unit (Check here) or a single-family detached dwelling unit (Check here) located within Courts of Woodside on Lot Number _____, Block _____ as shown on a Plat recorded in Plat Nos. _____ through _____, inclusive, among the Land Records of Montgomery County, Maryland, also known as _____ [insert address] (unless otherwise designated, the Lot and Dwelling Unit hereinafter collectively referred to as the “Lot”). If the Purchaser is more than one person, the Purchaser hereby designates that the Lot shall be titled as follows: _____ . By virtue of their purchase of the Lot, Purchaser will become a member of Woodside Community Association, Inc. (“Association”).`

NOW THEREFORE, in consideration of the payment of the Deposit to Seller, it is mutually agreed as follows:

1. Basic Terms.

(a) Defined Terms. Capitalized terms used herein without definition shall have the meanings specified for such terms in the Declaration of Covenants, Conditions, and Restrictions.

(b) Terms of Purchase. Seller shall sell to Purchaser, and Purchaser shall purchase from Seller:

Lot and Dwelling Unit Purchase Price: \$ _____

Options/Upgrades, if any \$ _____

Total Purchase Price (exclusive of settlement costs and prorated amounts of prepaid items): \$ _____

Such Total Purchase Price being payable as follows:

Deposit: \$ _____

Advance for Options/Upgrades
(which Purchaser understands shall be non-refundable unless otherwise provided herein): \$ _____

Mortgage Proceeds (if any): \$ _____

Balance Due at Settlement (exclusive of settlement costs and prorated amounts of prepaid items): \$ _____

(c) Homeowners Association Fees. In addition to any other costs incident to the settlement hereunder which Purchaser has agreed to pay, Purchaser will also deposit with Seller at settlement for transmittal to the Association:

(i) a portion of the expenses of maintaining and operating the common areas and community facilities of the Association, prorated to the date of settlement, in accordance with the provisions of the Declaration for the Association, recorded or to be recorded among the Land Records of Montgomery County, Maryland as supplemented and amended from time to time and the Articles of Incorporation, Bylaws and rules of the Association, as supplemented and amended from time to time;

(ii) an initial contribution equal to three (3) times the monthly installment of the then current common expense assessment(s) attributable to the Lot, such amount being in addition to and not in lieu of common expense assessments levied by the Association as they thereafter regularly or specially accrue. Such payments by the Purchaser are non-refundable. In the event that the Seller has pre-paid all or any portion of the initial contribution attributable to the Lot, the Purchaser's payments required under this Section 1(c)(ii) shall be used to reimburse the Seller for such pre-payment.

(d) Plat Designation of Unit. The description, location, and area of the Lot is shown on the Plats recorded among the Land Records of Montgomery County, Maryland. Purchaser has no right of approval of said Plats. Purchaser acknowledges that the Plats have been prepared by a licensed professional surveyor and/or engineer and have been recorded among the Land Records of Montgomery County, Maryland, and Seller does not warrant or guarantee in any manner the accuracy of the Plats or their compliance with any applicable law.

2. Deposit. Simultaneously with the execution of this Agreement by Purchaser, Purchaser shall deliver the Deposit in the amount set forth in Section 1 above. The Deposit shall be held in accordance with applicable Maryland law and shall bear interest for the benefit of the Purchaser. At settlement the Deposit shall be paid to the person conducting the settlement hereunder for delivery to Seller. Upon default hereunder or upon any termination of this Agreement, the Deposit shall be paid to the person lawfully entitled thereto pursuant to the terms of this Agreement. Purchaser acknowledges having received a fully completed New Home Disclosure Form relating to the Deposit.

3. **Payment.** Purchaser hereby elects the following method of payment, pursuant to the terms of this Agreement (Purchaser to designate the method of payment by initialing the method selected):

- No financing arrangement (all cash).
- Financing arranged through a lender designated by Seller (a “Designated Lender”).
- Financing arranged through a lender of Purchaser’s choice [Purchaser shall provide Seller with the name, address and phone number of such lender no later than the date Purchaser is required to make its mortgage application pursuant to Section 3(b)(ii).]

(a) **Cash or Financing.** Regardless of whether Purchaser elects to pay the Purchase Price all in cash, or whether Purchaser elects to place a mortgage or deed of trust on the Lot with a lender of Purchaser’s choice or a Designated Lender, this Agreement shall be in no way contingent upon Purchaser obtaining financing, and Purchaser assumes full responsibility to initiate and pursue all steps necessary to obtain the funds required for settlement. If requested by the Seller, Purchaser shall provide Seller, within ten (10) days after the date of this Agreement, proof of Purchaser’s financial ability to pay the Balance Due at settlement. If Purchaser fails to provide proof satisfactory to Seller, Seller, at its sole option, may pursue any of the remedies provided in Section 15 of this Agreement. If Purchaser fails to pay the Purchase Price due at settlement, then Seller may, at its sole option, pursue any of the remedies provided in Section 15 of this Agreement. **The Purchaser acknowledges that the purchase of the Lot is in no way contingent on Purchaser’s ability to obtain financing for its proposed purchase of the Lot, whether from a lender of Purchaser’s choice, or a Designated Lender.**

(b) **Financing—Through Designated Lender.**

(i) If Purchaser elects to obtain financing from a Designated Lender, then Purchaser shall apply to the Designated Lender within ten (10) days after notice from the Seller, and shall promptly furnish to the Designated Lender such information or other materials as may be required in connection with Purchaser’s application for a mortgage loan in the principal amount recited in Section 1(b) of this Agreement, unless otherwise modified by the Designated Lender. Purchaser shall complete all mortgage credit applications and other similar forms provided by the Designated Lender promptly after receipt, and if such forms are not returned to the Designated Lender properly and fully executed within ten (10) days after Designated Lender’s request for the same, then Seller may, at its sole option, pursue the remedies provided in Section 15 of this Agreement.

(ii) If Purchaser’s loan application is approved by a Designated Lender, then Purchaser shall place with such Designated Lender a mortgage on the Lot in the amount set forth in Section 1(b) of this Agreement (unless otherwise modified by the Designated Lender) paying interest at the prevailing market rate for such term and on the repayment schedule established by the Designated Lender’s written commitment to Purchaser.

(iii) If the Designated Lender refuses to make the loan due to the failure of Purchaser to comply with any requirements of the Designated Lender, Seller may, at its sole option, pursue any of the remedies provided in Section 15 of this Agreement. Upon receipt of a written commitment or approval from the Designated Lender, Seller shall have no further obligation or liability to Purchaser on the account of the failure or refusal of the Designated Lender to make such loan for any reason whatsoever and Purchaser assumes full responsibility to initiate and pursue all steps necessary to obtain the funds required for settlement.

(c) **Financing—Through Purchaser’s Lender.** If Purchaser elects to obtain financing from a lender other than the Designated Lender, Purchaser shall promptly notify Seller in writing of the identity of such lender and shall provide reasonable proof that Purchaser has filed application for such financing within ten (10) days after the date of this Agreement, and at that time Purchaser shall provide Seller proof of Purchaser’s financial ability to pay the Balance Due at settlement. If Purchaser fails to provide such proof satisfactory to Seller or if Purchaser fails to pay the Balance Due at settlement, then Seller may, at its sole option, pursue any of the remedies provided in

Section 15 of this Agreement. If Purchaser elects to obtain financing from a lender other than a Designated Lender, then this Agreement shall in no way be contingent upon financing and Purchaser assumes full responsibility to initiate and pursue all steps necessary to obtain the funds required for settlement.

(d) General Provisions Regarding Lender Financing.

(i) In no event shall Seller have any obligation or liability to Purchaser on account of the failure or refusal of any lender to make such loan for any reason whatsoever. PURCHASER HEREBY ACKNOWLEDGES THAT THIS AGREEMENT SHALL IN NO WAY BE CONTINGENT UPON FINANCING, AND IRRESPECTIVE OF WHETHER A DESIGNATED LENDER OR A LENDER OF PURCHASER'S CHOOSING IS UTILIZED, PURCHASER ASSUMES FULL RESPONSIBILITY TO INITIATE AND PURSUE ALL STEPS NECESSARY TO OBTAIN THE FUNDS REQUIRED FOR SETTLEMENT. PURCHASER HEREBY ACKNOWLEDGES THAT ANY CONTINGENCY A LENDER MAY SET FORTH IN A PREAPPROVAL LETTER IS A CONTINGENCY SOLELY PLACED ON PURCHASER.

(ii) If a commitment for the mortgage loan is issued, then Purchaser shall comply with the terms of such commitment. Purchaser agrees, when requested, to execute such note, deed of trust, and other instruments required by the lender to properly document and secure the loan. Upon receipt of a loan commitment and acceptance thereof by Purchaser, Purchaser shall immediately furnish Seller with a complete copy of the commitment and Purchaser's acceptance thereof. After issuance, the commitment shall not be modified or allowed to lapse without Seller's written consent. If the lender refuses to make the loan due to Purchaser's failure to comply with the terms of any commitment, Seller may, at its sole option, pursue the remedies provided in Section 15 of this Agreement.

(iii) If Purchaser elects to obtain financing from a Designated Lender, Purchaser may also seek financing from any other source. However, if a Designated Lender to which Purchaser has applied issues a commitment to Purchaser, Purchaser shall, within five (5) days of the date of such commitment, either accept the commitment so offered or deliver to Seller a copy of a commitment letter satisfactory to Seller issued by the lender of Purchaser's choice. If Purchaser fails to accept the offered commitment or deliver a satisfactory commitment from another lender, then Seller, at its sole option, may pursue the remedies provided in Section 15 of this Agreement.

(iv) Purchaser agrees to pay all points and fees imposed by the lender and except as otherwise specifically agreed, Seller is not obligated to pay any fees or points charged by a lender

(v) If required by the lender, Purchaser agrees to pay at settlement an initial mortgage insurance premium and further agrees to pay annual mortgage insurance premiums that accrue thereafter.

(vi) UNLESS OTHERWISE SPECIFIED IN A WRITTEN AMENDMENT HERETO, IT IS UNDERSTOOD THAT THIS AGREEMENT IS NOT CONTINGENT UPON THE SALE OF PURCHASER'S PRESENT HOME, IF ANY, OR ANY OTHER PROPERTY. Therefore, should any lender place a condition in the loan commitment that the loan is contingent upon the sale of Purchaser's present home, or any other property, such condition shall not in any manner relieve Purchaser of his obligation to close under this Agreement.

(vii) Purchaser hereby authorizes Seller to release to any lender any credit application or other information provided to Seller by Purchaser, solely for purposes of obtaining a mortgage commitment hereunder.

(e) If unconditional mortgage approval has been obtained and Purchaser subsequently intentionally alters Purchaser's financial condition in a way that disqualifies Purchaser's mortgage loan approval (e.g., quits or changes jobs, makes large purchases, alter credit scores, etc.), Purchaser shall be in default under this Agreement and Seller, at its sole option, may pursue the remedies provided in Section 15 of this Agreement. If requested by Seller, Purchaser shall, within five (5) days after such request, provide Seller with written confirmation that Purchaser's mortgage commitment is still valid or that Purchaser is otherwise financially able to pay the Balance Due at settlement. If Purchaser fails to provide such confirmatory documentation, Seller may, at its sole option, pursue the remedies provided in Section 15 of this Agreement.

(f) Purchaser agrees to promptly advise Seller in writing of any material adverse change in Purchaser's financial condition.

4. Representation of Owner Occupancy. CHECK THE APPROPRIATE ANSWER.

Purchaser hereby represents and declares that Purchaser intends to occupy the Lot as a primary residence. Yes No

Purchaser hereby represents and declares that Purchaser intends to occupy the Lot as a second home. Yes No

Purchaser hereby represents and declares that Purchaser intends to use the Lot as an investment property. Yes No

SIGNATURE

SIGNATURE

5. Delivery; Modification.

(a) At settlement, Seller shall deliver the Lot and the appurtenances thereto substantially in accordance with the plans and specifications for the Dwelling Unit type specified above on file with Seller, as the same may be modified and amended from time to time, with all fixtures, appliances, and equipment to be provided by Seller installed as set forth on Schedule A hereto (collectively the "Plans"). Purchaser acknowledges that Purchaser has reviewed and approved the Plans prior to signing this Agreement, that the measurements shown on the Plans are approximate, and that the actual dimensions of the Lot and improvements therein may not be exactly as shown. The Lot and the improvements therein are being sold unfurnished and will contain only the fixtures and appliances actually installed at the time of inspection pursuant to Section 6, or as may otherwise be agreed in writing by Seller. Seller shall have the right to change the dimensions of any portion of the Lot or Dwelling Unit, so long as such changes do not materially alter the size of the Lot or Dwelling Unit, and to substitute in place of any materials, fixtures, appliances, and equipment set forth in the Plans, any materials, fixtures, appliances, and equipment of substantially equal or better quality. Seller makes no representation or warranty as to the final location of any utilities to be installed within the Lot or the Property. Seller shall also have the right to make any and all such modifications or substitutions as may be required by any governmental authorities asserting jurisdiction over the Property, or any construction or permanent lender, or as may be reasonably necessary in Seller's discretion. If Seller changes the design, type, location, standard finishes, Options/Upgrades, or price for other Lots, Seller shall have no obligation to make corresponding changes to the Lot sold to Purchaser.

(b) Promotional Materials. Seller has provided Purchaser with no written description of the Lot except for the Disclosure Statement, or except as specifically provided for in this Section 5. Any "model" Dwelling Unit maintained by Seller is not part of the basis of the bargain between Seller and Purchaser. All dimensions and illustrations exhibited to Purchaser on any promotional or other materials provided to Purchaser by Seller, are for display or illustrative purposes only and may not be exactly duplicated. Grades, open areas, elevations, dimensions, and the location of walks, stairs, plantings, and other landscape features, and other interior and exterior features of the Property may not precisely conform to those displayed in any "model" Dwelling Unit maintained by Seller (including without limitation any video or computer simulations or presentations) or in any promotional material supplied by Seller. Certain furniture, furnishings, wall and floor coverings, light fixtures, bookcases and other built-ins, and other decorative features and the like, as displayed in any "model" Dwelling Unit, are for display purposes only and are not considered a part of the dwelling unit for the purposes of this Agreement. The location of wall switches, thermostats, chases, plumbing, electrical outlets, and similar items may vary from Dwelling Unit to Dwelling Unit and may not be as shown in any "model" Dwelling Unit. PURCHASER ACKNOWLEDGES ITS UNDERSTANDING THAT ANY MODEL DWELLING UNIT AND ALL ITEMS THEREIN AND ANY PROMOTIONAL MATERIALS PROVIDED BY SELLER TO PURCHASER ARE SOLELY FOR DISPLAY AND MARKETING PURPOSES AND DO NOT

CONSTITUTE A WARRANTY OR REPRESENTATION FROM SELLER THAT PURCHASER'S DWELLING UNIT WILL CONTAIN THOSE SAME ITEMS OR THAT THE DIMENSIONS OF ROOMS IN THE DWELLING UNIT WILL BE THE SAME AS IN THE MODEL DWELLING UNIT OR PROMOTIONAL MATERIALS.

(c) Variations in Materials. Purchaser acknowledges Purchaser's awareness that certain materials utilized in the construction of the Dwelling Unit (including, but not limited to, brick, stone, roofing, ceramic tile, carpeting, wood panels, paint, etc.) are manufactured in lots or batches and that variances in color, texture and size may occur from lot to lot or from batch to batch. As a result, should materials used in the construction of the Dwelling Unit supplied to Seller by the manufacturer be from different lots or batches, such materials may likewise vary in color, size or texture. Purchaser acknowledges that variances may also occur between materials used in the construction of the Dwelling Unit and materials used in the construction of any "model" Dwelling Unit and/or the samples of materials displayed in Seller's sales office. Purchaser specifically agrees that any variances in the color, textures or size of such materials installed in the Dwelling Unit, or any variances from similar materials or furniture, fixtures or appliances shown by sample or as installed in any "model" unit, shall not constitute a defect in the materials or in workmanship or be a failure of Seller to build in substantial conformance with the Plats and Plans.

(d) Purchaser Selections. Purchaser agrees to deliver to Seller all permitted standard selections within thirty (30) days following notice from Seller. Only those colors, materials and/or appliances approved by Seller will be available for selection by Purchaser. In the event Purchaser shall fail to timely deliver to Seller such selections, any selections made by Seller shall conclusively be considered acceptable by Purchaser. To the extent Seller has already made selections for the Dwelling Unit, such selections have been disclosed to Purchaser, are included as part of this Agreement by Addendum, and are accepted by Purchaser. In the event finishing materials selected by Purchaser are not available from Seller's ordinary and usual sources of supply, then Purchaser shall make substitute selections within thirty (30) days following Seller's request. PURCHASER IS RESPONSIBLE FOR THE PROMPT AND TIMELY DELIVERY OF INFORMATION AND SELECTIONS NECESSARY FOR UNINTERRUPTED CONSTRUCTION OF THE RESIDENTIAL DWELLING UNIT. IF PURCHASER DOES NOT PROVIDE INFORMATION OR SELECTIONS IN A PROMPT AND TIMELY MANNER, SELLER SHALL HAVE THE RIGHT TO MAKE ANY DECISIONS, SELECTIONS OR COMMITMENTS NECESSARY TO ALLOW CONSTRUCTION TO CONTINUE.

(e) Options/Upgrades. Purchaser acknowledges that any options/upgrades, modifications, additions and selections (collectively "Options/Upgrades") are limited to those set forth in any optional order form subsequently executed by Purchaser and an authorized representative of Seller and no other Options/Upgrades shall be performed by or shall in any way be the responsibility of Seller. Seller shall have the absolute authority to determine the Options/Upgrades it will offer and shall have no obligation to accept any non-standard Options/Upgrades. If Purchaser desires to amend this Agreement by changing any selections or adding any Options/Upgrades after the date final selections are required, Purchaser shall pay a non-refundable processing fee of Two Hundred Dollars (\$200.00) for each such change request. Seller is under no obligation to accept any amendment to this Agreement. All Options/Upgrades ordered by Purchaser shall be paid for in full in advance unless otherwise agreed to by the parties at the time such Options/Upgrades are ordered and such payments shall be non-refundable unless otherwise provided in this Agreement. Interest shall not be paid or credited to Purchaser on the amount of any advances for Options/Upgrades hereunder.

(f) Removal of Landscape Features. Seller has the unqualified right to remove such trees and other landscaping features from Property as it shall consider necessary or appropriate under the circumstances.

6. Inspection. Seller shall notify Purchaser of the date and time that the Lot and Dwelling Unit will be ready for inspection. Such date and time for inspection must be at least twenty-four (24) hours but not more than seventy-two (72) hours prior to the date and time established for settlement under Section 7 of this Agreement, unless Purchaser agrees otherwise. Seller will allow a reasonable amount of time for the inspection. Purchaser shall attend such inspection and may be accompanied by an agent of Purchaser. Seller's agent may also attend the inspection. After such inspection, a Lot and Dwelling Unit Inspection Form shall be completed and executed by Purchaser and by a representative of Seller. Thereafter, Seller shall not be liable for any patently incomplete work or defects not specifically noted in said Lot and Dwelling Unit Inspection Form. The Lot and Dwelling Unit Inspection Form is Purchaser's

warranty by Seller that any incomplete work will be performed as promptly as weather and workloads permit. SELLER HEREBY NOTIFIES PURCHASER THAT POST-SETTLEMENT WORK MAY BE REQUIRED AND THE FAILURE TO COMPLETE ANY WORK NOTED IN THE LOT AND DWELLING UNIT INSPECTION FORM PRIOR TO SETTLEMENT SHALL IN NO WAY BE A BAR TO SETTLEMENT. IN SUCH CASE, SETTLEMENT SHALL PROCEED AS SCHEDULED WITHOUT ANY REDUCTION OF THE PURCHASE PRICE AND WITHOUT ANY ESCROW OF MONIES FOR THE INCOMPLETE POST-SETTLEMENT WORK. Purchaser agrees to cooperate and provide reasonable access by Seller or its agents or employees to the Lot and Dwelling Unit for completing any construction work and/or for the performance of warranty work during normal working hours. Purchaser agrees to provide such access to Seller, or its agents and employees. Failure of Purchaser to make the inspection at the date and time specified by Seller shall constitute full acceptance of the Lot and Dwelling Unit by Purchaser.

7. Settlement.

(a) Notice. Settlement on the purchase and sale of the Lot and Dwelling Unit (the "Settlement") shall occur on a date specified by a written notice from Seller to Purchaser stating that the Lot and Dwelling Unit will be ready for conveyance by Seller (subject to completion of punch list items as set forth herein), which date shall not be less than thirty (30) or more than sixty (60) days following the giving of such notice, on which settlement shall take place. Settlements may, at Seller's option, be conducted individually or in groups, and shall take place on the date and at the time and place specified in the notice or such other date, time, and place as the parties may agree upon in writing. Time is of the essence with respect to the Purchaser's obligation to complete the Settlement on the date specified by the Seller. The failure of the Purchaser to complete the Settlement on such date due to reasons within Purchaser's control shall be deemed a default by Purchaser which shall entitle Seller, at its sole option, to pursue the remedies provided in Section 15 of this Agreement.

(b) Delay: Purchaser's Option. If completion of construction of the Dwelling Unit shall not have occurred within twenty-four (24) months after the execution of this Agreement by Purchaser, due to reasons within Seller's control, Purchaser shall have the option of either:

(i) terminating this Agreement by written notice to Seller, delivered at any time prior to Seller's establishment of a settlement date as provided in Section 7(a) of this Agreement, in which event Seller shall, if Purchaser shall not then be in default, cause the Deposit and all other payments made by Purchaser to Seller hereunder, if any, to be returned to Purchaser, and neither party shall have any further liability or obligation hereunder; or

(ii) electing to proceed with the purchase of the Lot and Dwelling Unit when the Dwelling Unit is completed.

The date of completion of construction of the Dwelling Unit shall be evidenced by the issuance of a certificate of occupancy for the Dwelling Unit by the local governmental agency with responsibility therefor. Notwithstanding the foregoing, Purchaser shall not be precluded from pursuing any remedies available under applicable law for Seller's wrongful breach or cancellation of this Agreement, including any rights to specific performance as required by the Interstate Land Sales Full Disclosure Act.

(c) Force Majeure. Seller shall use reasonable efforts to complete construction of the Dwelling Unit within twenty-four (24) months after execution of this Agreement by Purchaser, and Settlement on such Dwelling Unit shall occur when Seller is legally permitted to convey the Unit; provided, however, that if Seller is delayed in the performance of the aforesaid obligation for reasons beyond the control of Seller, then the time for performance of Seller's obligation shall be extended for a reasonable period of time, and such delay shall not be considered a breach of this Agreement, provided that in no event shall settlement be extended to a date more than an additional twelve (12) months after the initial construction period set forth herein. Reasons beyond the control of Seller shall include, without limitation, force majeure, impossibility of performance, acts of God, fire, earthquake, flood, explosion, acts of terrorism, condemnation, or acts of governmental agencies asserting jurisdiction over the Property, and any other legally supportable justification under the laws of the State of Maryland or Montgomery County, Maryland, which would excuse Seller from completing the Lot within such twenty-four (24)-month period.

Notwithstanding anything to the contrary in this Agreement, if the Settlement does not occur because of impossibility of performance due to reasons set forth in this Section, then Seller's sole obligation to Purchaser shall be to cause the Deposit to be returned to Purchaser.

(d) Special Warranty Deed. Purchaser shall pay to Seller the Balance Due at settlement (in addition to causing the lender, if any, to pay the Mortgage Proceeds to the order of Seller or as Seller may direct). Seller thereupon will deliver possession of the Lot to Purchaser, together with a good and sufficient special warranty deed at settlement conveying the Lot.

(e) Tender of Performance. Deposit with the title company or title attorney of the Purchase Price, the deed of conveyance, and such other papers as are required by the terms of this Agreement shall be deemed to be a good and sufficient tender of performance of the terms hereof. Purchaser acknowledges and agrees that down payment and all closing costs required to be paid by Purchaser at settlement shall be paid in the form of a certified check, cashier's check, or treasurer's check, and that a personal check, an assignment of funds, or its equivalent, shall not be accepted at settlement.

(f) Delivery Dates. Purchaser hereby acknowledges that any information given to Purchaser by any representative, employee, or agent of Seller with respect to anticipated dates for the delivery of title and possession of the Lot is not to be considered a material part of this Agreement or a material representation or warranty by Seller.

(g) Purchaser's Right to Select Settlement Agent. Notwithstanding any provision of this Agreement to the contrary, pursuant to the provisions and requirements of § 17-524 of the Business Occupations Article of the Annotated Code of Maryland, as amended, and as a material part of this Agreement, notice is hereby given as follows:

NOTWITHSTANDING ANY PROVISION OF THIS AGREEMENT TO THE CONTRARY, PURCHASER MAY, AT PURCHASER'S SOLE COST AND EXPENSE, SELECT PURCHASER'S OWN TITLE INSURANCE COMPANY, SETTLEMENT COMPANY, ESCROW COMPANY, MORTGAGE LENDER OR FINANCIAL INSTITUTION (AS DEFINED IN THE FINANCIAL INSTITUTIONS ARTICLE OF THE ANNOTATED CODE OF MARYLAND) OR TITLE LAWYER. SELLER SHALL NOT BE PROHIBITED FROM OFFERING BUYER FINANCING AS A CONDITION OF SETTLEMENT.

In the event Purchaser decides to make such a selection, then he shall do so by notice in writing to Seller within fifteen (15) days following the date of this Agreement, and any such notice shall contain the full name and current mailing address of the title company or attorney so selected. If no such notice is given by Purchaser, then Seller may designate the title attorney or title company to conduct settlement. Purchaser exercises the foregoing right by directing that the following title attorney or title company will conduct settlement (Purchaser to designate by initialing choice):

[_____|_____] Avenue Commercial Title Co.
2401 Pennsylvania Avenue, N.W., Suite 320
Washington, D.C. 20037

[If Purchaser designates Avenue Title Commercial Co. to conduct settlement, Seller agrees to pay \$500.00 towards Purchaser's closing costs. In the event that Purchaser qualifies as a first-time Maryland home buyer pursuant to Section 14-404(c) of the Real Property Article of the Annotated Code of Maryland, the amount of \$500 paid by Seller towards Purchaser's closing costs shall include and not be in addition to any State transfer tax paid by Seller. Additionally, if Purchaser qualifies as a first-time Maryland home buyer pursuant to Section 14-404(c) of the Real Property Article of the Annotated Code of Maryland, Seller shall pay the entire amount of State transfer tax even if Purchaser does not select the above listed title attorney or title company.]

[] Purchaser designates the following to conduct settlement:

Name: _____
Address: _____
Phone: _____

(h) Purchaser's Attorney. PURCHASER IS INVITED AND ENCOURAGED TO HAVE COUNSEL OF HIS OWN CHOICE ATTEND SETTLEMENT AT PURCHASER'S OWN EXPENSE.

8. Title.

(a) Quality. Title to the Lot shall be conveyed at settlement free from encumbrances except as provided for herein. Title shall be good and marketable, and insurable at regular rates, subject, however, to covenants, conditions, easements, and restrictions of record or to be recorded prior to settlement hereunder (including without limitation all such covenants, conditions, easements, and restrictions appropriate to the development of the Property and establishment of the Association), as well as zoning and other applicable laws and regulations, and to liens or other matters over which the title company agrees to insure. The Lot is also sold subject to covenants, conditions, easements, and restrictions, if any, created or to be created prior to or after settlement in favor of Seller (or its designees) or utility companies or municipal authorities, for the installation, maintenance, and repair of street lights, storm drains, slopes, sewers, water lines, and other utilities and related facilities, and/or additional covenants, restrictions, or easements that may be placed on record by Seller after execution hereof for the benefit of the Property and/or the community of which it is a part. Purchaser shall, upon request, execute any instruments creating or consenting to such covenants, conditions, easements, or restrictions.

(b) Defects. If Seller is unable, because of any defect in title, to convey title as provided herein at settlement, Seller may either: (i) correct the defect if the same can be done within a reasonable time, or (ii) terminate this Agreement and cause the Deposit and any advance for Options/Upgrades to be returned to Purchaser. In such case, Seller is expressly released from all other liability for damages arising from such event, and in no event shall Seller be liable for any damages for defects in title. If Seller chooses to terminate this Agreement and return Purchaser's Deposit and any advance for Options/Upgrades pursuant to this paragraph, then all rights and liabilities of the parties under this Agreement shall forthwith terminate. If Seller determines that legal action is necessary to remedy defects in title, such action shall be taken promptly by Seller at its own expense, whereupon the time specified herein for full settlement by Purchaser will be extended for the period necessary for such prompt action.

9. Expenses of Closing.

(a) Settlement Costs and Expenses. All closing expenses and costs of any nature, except for any closing expenses and costs payable by the Seller under Section 7(g) above shall be paid by Purchaser, including without limitation, recording costs, recordation taxes, State and local transfer taxes, owner's and mortgagee's title insurance premiums, mortgage insurance premiums, if applicable, prepaid interest, loan origination fees, the cost of examination of title, notary fees, and settlement attorney/agent fees.

SECTION 14-104 OF THE REAL PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND PROVIDES THAT, UNLESS OTHERWISE NEGOTIATED IN THE CONTRACT OR PROVIDED BY LOCAL LAW, THE COST OF ANY RECORDATION TAX OR ANY STATE OR LOCAL TRANSFER TAX SHALL BE SHARED EQUALLY BETWEEN THE PURCHASER AND SELLER. The Seller and Purchaser hereby agree that, except as expressly provided in Section 7(g) above to the contrary, Purchaser shall pay the entire amount of all applicable recordation taxes and State and local transfer taxes.

(b) Prepayments and Escrows. Notwithstanding anything contained herein to the contrary, Purchaser shall reimburse Seller at settlement for prepaid real estate taxes, insurance premiums, Association dues and assessments, governmental assessments, utility charges, and other prepaid items, if any, on the Lot, all of which

shall be prorated as of the date of settlement and thereafter assumed by Purchaser. If required by the lender, Purchaser shall prepay at settlement any mortgage insurance premiums and a reasonable percentage of the estimated annual real estate taxes. Taxes, general and special, shall be adjusted according to the certificate issued by the Division of Revenue for Montgomery County, Maryland, to the date of settlement and thereafter assumed by Purchaser, except that assessments for public improvements completed prior to the date of this Agreement, if any, whether assessment therefor has been levied or not, shall be paid by Seller or allowance made therefor at settlement. If a separate real estate tax bill has not been issued for the Lot prior to settlement, Purchaser shall comply with such arrangements as may be established by Seller to assure payment of such taxes. At closing, Purchaser also agrees to deposit Association fees as provided in Section I(c).

10. Risk of Loss. Purchaser does not acquire any equitable ownership of or title to the Lot under this Agreement. The risk of loss or damage by fire or other casualty is assumed by Seller until the deed of conveyance is delivered to Purchaser at settlement. If such loss or damage occurs, Seller may terminate this Agreement and refund Purchaser's Deposit and any advance for Options/Upgrades hereunder without further liability or obligation to Purchaser. Purchaser shall have no right or claim to fire or other casualty insurance proceeds.

11. Subordination. Prior to the date of closing hereunder, the rights and interests of Purchaser shall be subordinate in all respects to the lien of any mortgage or deed of trust heretofore or hereafter made in connection with the acquisition, construction, or development of the Property and to any and all advances made on account of the same. Purchaser agrees to execute such further assurances of this covenant as may from time to time be required by Seller.

12. Seller's Rights.

(a) Use of Property. Until such time as all of the Lots are sold and conveyed, Seller reserves the right to make such use of unsold Lots, the Common Areas, and the main entrance of the Property, as are necessary for its sales, leasing, and/or construction program. Purchaser agrees not to interfere with the construction of improvements on the site.

(b) Leasing of Unsold Lots. Seller shall retain or acquire title to each Lot not sold to any other person. Seller retains the right to enter into leases with any third parties for the occupancy of any Lot so retained or acquired by Seller and not sold to any other person.

13. Warranties.

(a) Statutory Warranties. EACH LOT AND DWELLING UNIT WILL BE WARRANTED AS REQUIRED BY CHAPTER 31C OF THE MONTGOMERY COUNTY CODE AND MARYLAND LAW. No person acting on behalf of Seller is authorized to make, and by Purchaser's execution hereof, Purchaser acknowledges that no such person has made, any representation, warranty, guarantee, statement or promise, except as set forth herein, and no representation, warranty, guarantee, statement or promise made by any such person which is not contained herein shall be valid or binding on Seller. No other express warranty as defined in Section 10-202 of the Real Property Article of the Annotated Code of Maryland or implied warranty under Section 10-203 of the Real Property Article of the Annotated Code of Maryland has been made by Seller or otherwise forms any basis of the bargain between Seller and Purchaser. Purchaser agrees to sign at settlement a written instrument confirming Purchaser's consent to exclude and modify the express warranties relating to the Property in the manner stated in this Agreement, as well as the implied warranties provided under Section 10-203 of the Real Property Article of the Annotated Code of Maryland. Neither Seller nor any of its officers, managers, employees, agents and contractors shall be liable for, and each of such parties is hereby released from, any liability with respect to, any personal injury or other consequential or secondary damages and/or losses which may arise from or out of any defects, except to the extent this disclaimer and release is expressly limited by applicable law.

The new home warranty disclosures required under Title 10, Subtitle 6 of the Real Property Article of the Annotated Code of Maryland are set forth in Addendum #1 attached hereto and incorporated as part of this Agreement.

(b) Consumer Product Warranties. As to items that are “consumer products” within the meaning of the Magnuson-Moss Warranty Act, such as any air conditioner, water heater, refrigerator, range, dishwasher and other appliances and equipment, Seller agrees to assign to Purchaser the manufacturers’ warranties, without any recourse to Seller, to the extent that such manufactures’ warranties are available, given and assignable. Unless required by law, Seller provides no warranty on such items. Purchaser acknowledges that Purchaser has had the opportunity to review all consumer product warranties prior to the execution of this Agreement, and Purchaser acknowledges that the warranting party, and not the Seller, is responsible therefor, and that the Purchaser shall look solely to such warranting party, and not to the Seller, with respect to the performance under or compliance with the consumer product warranty, both as to scope and duration.

(c) Limitation of Liability. THERE ARE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, FREEDOM FROM FAULTY MATERIALS, CONSTRUCTION ACCORDING TO SOUND ENGINEERING STANDARDS, CONSTRUCTION IN A WORKMANLIKE MANNER, OR FITNESS FOR HABITATION, UNLESS REQUIRED BY LAW OR PROVIDED DIRECTLY TO PURCHASER BY THE MANUFACTURER OF ANY CONSUMER PRODUCTS. UNDER NO CIRCUMSTANCES WILL SELLER BE LIABLE FOR ANY SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION, ANY DAMAGES BASED ON A CLAIMED DECREASE IN THE VALUE OF THE LOT, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, EXCEPT TO THE EXTENT THE FOREGOING DISCLAIMER IS LIMITED BY APPLICABLE LAW.

(d) Environmental Notice, Disclaimer And Waiver. Seller does not warrant any building material used in the Unit to be free from toxicity to occupants or users and therefore disclaims any liability arising therefrom. Seller is not responsible for personal allergic or other health reactions, or injury or property damage arising from building materials at or in the vicinity of the Lot. Seller makes no representation or warranty as to the presence or lack of radon, asbestos, mold, or other hazardous environmental conditions, or as to the effect of radon, asbestos, mold, or any other environmental condition in or on the Property or the Lot. Purchaser agrees that this Agreement is NOT contingent on testing results for any environmental condition or the presence or lack of radon, asbestos, mold, or other environmental conditions, in or on the Property or the Lot. The Purchaser further agrees that he shall not seek to extend the settlement date or withhold payment of any portion of the purchase price from the Seller on the basis of radon, asbestos, mold, or other environmental conditions in or on the Property or the Lot, or on any similar basis. The United States Environmental Protection Agency and state and local environmental authorities are best equipped to render advice regarding any potential risks that may exist in a particular area, the consequences associated with exposure to radon or other hazardous environmental materials, methods available to detect and measure radon levels, and what, if any, remedial measures may be advisable in particular circumstances to reduce the risk of exposure to radon or other hazardous environmental materials.

SELLER EXCLUDES AND PURCHASER HEREBY ACKNOWLEDGES SUCH EXCLUSION AND WAIVES ANY REPRESENTATIONS OF WARRANTIES THAT COULD BE CONSTRUED TO COVER THE PRESENCE OF RADON, ASBESTOS, MOLD, OR OTHER ENVIRONMENTAL CONDITIONS IN OR ON THE PROPERTY OR THE LOT. THE ONLY WARRANTIES IN THIS REGARD THAT SELLER IS PROVIDING TO THE PURCHASER ARE THOSE REQUIRED PURSUANT TO THE REAL PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND, IF ANY.

By closing upon the Lot, Purchaser will be deemed to have released Seller from any and all claims and liabilities relating to or arising from the presence of radon, asbestos, mold or other environmental conditions in or on the Property or the Lot, and from any and all responsibility for mitigation or remediating any radon gas, naturally occurring asbestos, mold or other environmental conditions that may be discovered in or on the Property or the Lot.

(e) Personal Safety and Property Security. After closing on the Lot, it will be Purchaser's obligation to secure the Lot against trespass or criminal acts. Seller has no obligation to protect Purchaser or the Lot from the acts of others or from the conditions existing within public or private streets, parks, lands or other areas not owned by Seller. **SELLER SHALL NOT BE LIABLE FOR INJURIES OR DAMAGE RESULTING FROM**

ANY FAILURE OF DEFECT IN ANY BURGLAR ALARM OR SECURITY SYSTEM INSTALLED BY SELLER. THE ONLY WARRANTIES APPLICABLE TO SECURITY SYSTEMS ARE THOSE ISSUED BY THE MANUFACTURER OR INSTALLER.

14. **Custom Finishing; Access.** Items in the nature of “custom finishing,” decorating, or the like, and/or any deviations from the Dwelling Unit as constructed and/or the Plans, shall be the sole responsibility of Purchaser and shall be performed only after settlement and possession by Purchaser. Purchaser shall not bring any furniture or other property onto the Lot nor, except for the inspection pursuant to Section 6 or consented to by Seller, shall Purchaser have access to the Lot prior to settlement and delivery of possession to Purchaser.

15. **Default**

(a) **Default by Purchaser.** Purchaser acknowledges that this Agreement is the sole inducement for Seller to hold the Lot off the market. If Purchaser shall fail to pay or cause to be paid the Balance Due at settlement, or shall fail to perform any of Purchaser’s other obligations hereunder, then at Seller’s option:

(i) Seller may terminate this Agreement by giving notice to Purchaser and may retain the Deposit, together with all other sums paid to Seller by Purchaser, as liquidated damages, whereupon the parties hereto shall be released from any further liability or obligation hereunder; or

(ii) Seller may retain the Deposit, together with all other sums paid to Seller by Purchaser, as a general fund for the payment of damages, and may pursue such legal and/or equitable remedies as Seller may have on account of Purchaser’s default.

(b) In the event that the Seller elects either alternative (i) or (ii) in Section 15(a) above, Seller shall be free to sell the Lot to others, and Seller shall be under no obligation to account to Purchaser for any part of the proceeds of such sale(s). Notwithstanding the above, at Seller’s option, Purchaser may be permitted to defer settlement not in excess of seven (7) days after the date scheduled for settlement by the payment of Two Hundred Dollars (\$200.00) per day to defray carrying costs, said payment to be payable at settlement. Purchaser hereby waives his vendee’s lien and rights thereto (if any).

(c) In the event that the Purchaser shall, after the execution of this Agreement, communicate to the Seller and/or Seller’s agent, whether orally or in writing, an expression of his intention to refuse to make settlement hereunder in anticipation of the time of performance, and in the further event that the Seller, at the time of such communication, is not in breach of this Agreement, it is expressly agreed by the parties hereto that such action by the Purchaser shall be deemed to be a breach of this Agreement by anticipation, in which event the Seller shall treat this Agreement as breached, renounced and abandoned by the Purchaser notwithstanding the fact that at the time of said refusal the Seller may not have fully performed its undertakings hereunder.

(d) **Default by Seller.** In the event of a breach or default of this Agreement by Seller, Purchaser may recover the Deposit and any other payments made by Purchaser to Seller pursuant to this Agreement, plus simple interest on such amounts at the rate of five percent (5%) per annum from the date such sums were paid to Seller until the date they are paid to Purchaser, and all such amounts shall serve as complete and fixed liquidated damages for Seller’s breach or default. Upon payment of such amounts to Purchaser, Seller and Purchaser shall thereafter be relieved of further liability to one another under this Agreement. **IN NO EVENT WILL SELLER BE LIABLE FOR SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES FOR SELLER’S DEFAULT OR BREACH OF THIS AGREEMENT AND PURCHASER HEREBY RELEASES AND WAIVES ANY CLAIMS FOR SUCH DAMAGES, EXCEPT TO THE EXTENT THIS DISCLAIMER IS EXPRESSLY LIMITED BY APPLICABLE LAW.** Notwithstanding the foregoing, Purchaser shall not be precluded from pursuing any remedies available under applicable law as permitted by Section 7(b) of this Agreement.

(e) **Impossibility of Performance.** Notwithstanding anything to the contrary in this Agreement, if settlement on the Lot cannot occur because of impossibility of performance, then Seller’s sole obligation to Purchaser shall be to cause the Deposit to be returned to Purchaser.

16. Assignment; Recordation.

(a) This Agreement is personal to Purchaser and Purchaser may not assign this Agreement (either voluntarily, by operation of law, or otherwise). Purchaser covenants that it shall not market the Lot that it has contracted to purchase under this Agreement for re-sale until after Purchaser has completed settlement on such Lot. Purchaser acknowledges and agrees that such restriction specifically prohibits Purchaser from advertising the Lot for sale in any newspaper or in any other print or electronic media (including on websites) or from listing the Lot for sale with a realtor or other print or electronic media (including on websites) or until after Purchaser has completed settlement on such Lot. Any purported assignment of this Agreement in violation hereof shall be voidable at the option of Seller and attempted violation of this provision by Purchaser shall constitute a default by Purchaser under this Agreement which shall entitle Seller, at its sole option, to pursue the remedies provided in Section 15 of this Agreement.

(b) Seller may assign its rights hereunder for any purpose and in the sole discretion of the Seller. If such assignment shall be for the purpose of securing a lender to Seller, Purchaser's rights hereunder shall, at the option of such lender, be subject and subordinate to the rights of such lender. Within ninety (90) days after foreclosure or acceptance of a deed in lieu thereof, such lender may terminate this Agreement, whereupon the Deposit shall be returned to Purchaser, and Seller, such lender, and Purchaser shall be released from any further liability or obligation hereunder. If such lender does not terminate this Agreement, Purchaser shall complete the purchase of the Lot, in accordance herewith.

(c) This Agreement shall not be recorded among the Land Records for Montgomery County, Maryland, and in the event Purchaser shall cause this Agreement to be recorded, this Agreement shall be unenforceable against Seller.

17. Notices; Time. Any notice to be given hereunder by one party, unless expressly stated herein to the contrary, shall be in writing and sent by certified mail, return receipt requested, postage prepaid, to the other party at the address given above or at such other address as either party may hereafter specify to the other in writing. The postmark date shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address. Wherever this Agreement requires the computation of time from or after a particular triggering date, the triggering date shall not be included in the computation. If any date upon which action is required under this Agreement shall be a Saturday, Sunday or legal holiday, the date for such action shall be extended to the first regular business day after such date which is not a Saturday, Sunday or legal holiday.

18. Brokerage. Seller and Purchaser acknowledge that this Agreement was procured through the services of Seller's sales representatives, without the intervention of any other cooperating broker, except as expressly recognized elsewhere herein on the date of Purchaser's execution of this Agreement. Seller and Purchaser hereby recognize Long and Foster Real Estate, Inc. as the broker who brought about this transaction, and Seller agrees to pay said broker their agreed-upon sales commission, if this sale is consummated. Purchaser shall indemnify Seller against the claim of any other broker, including any attorney's fees incurred as a result of such claim.

19. Status of Purchaser. If this Agreement is signed by an individual who is unmarried at the time of execution hereof and at the time of settlement is married, Purchaser shall indemnify Seller from any loss that may arise by reason of the failure of Purchaser's spouse to execute any applications, mortgages, notes, or other documents required by the lender, if any. If Purchaser is married and Purchaser's spouse is not also a purchaser under this Agreement, then Purchaser shall be responsible for such spouse executing the mortgage loan documents required by the lender, and the failure of such spouse to do so shall not release Purchaser from any obligations under this Agreement, and Purchaser shall hold Seller harmless from any loss as a result of the refusal of such spouse to sign any such document. If Purchaser is not a natural person, Purchaser shall indemnify Seller from any loss that may arise by reason of the failure of any of Purchaser's principal officers, owners, beneficiaries, or their spouses to execute any applications, mortgages, notes, or other documents required by the lender. If Purchaser files for or is adjudicated a bankrupt, makes an assignment or arrangement for the benefit of creditors, dies, or notifies Seller of a desire to be released from this Agreement, Seller may, at Seller's sole option, terminate this Agreement and cause the Deposit hereunder to be returned to Purchaser (not

including any advances for Options/Upgrades) whereupon neither party shall have any further liability under this Agreement.

20. Offer to Purchase. Purchaser acknowledges and agrees that this Agreement as signed by Purchaser alone constitutes only an offer to purchase and that this Agreement shall not be binding upon Seller until executed by an authorized officer of Seller. The sales representative recommending approval is not such an authorized officer.

21. Insulation. In accordance with the requirements of the Federal Trade Commission Trade Regulation on Labeling of Home Insulation, Purchaser is hereby advised that the exterior walls of the Dwelling Unit will be insulated with 6 1/4" batt insulation, which thickness will result in an R-value (typical thermal resistance) of R-19. The roof of the Dwelling Unit will be insulated with 9 1/2" batt insulation, which thickness will result in an R-value of R-30. In addition, 3 1/2" batt insulation will be used in party walls, which thickness will result in an R-value of R-15. The aforesaid disclosures do not relate to doors or windows in any Dwelling Unit. Notwithstanding the foregoing, insulation may be of lesser thickness and R-value than indicated above in certain limited areas where the design of the Dwelling Unit does not permit greater thickness or as a result of settlement of the Dwelling Unit. Examples of locations where thickness and R-value may vary include locations where studs are placed in walls, at columns, corners, fireplaces and windows. The R-values stated above are based on the representations of the manufacturer and/or the installer of the insulation and Seller does not warrant or represent that these R-values are correct. Seller has the right to make substitutions as to the type, thickness and R-value of the insulation installed in the Dwelling Unit without obtaining Purchaser's consent, so long as there are no substantial changes in the R-value of the insulation installed in a substantial portion of the Dwelling Unit.

22. Notice Regarding Maryland Real Estate Guaranty Fund. Any person aggrieved in accordance with § 17-404 of the Business Occupations and Professions Article of the Annotated Code of Maryland, as amended, may be entitled to recover compensation from the Maryland Real Estate Guaranty Fund for his actual loss, as proven before the Maryland Real Estate Commission, in an amount not exceeding \$25,000.00 in consideration of any claim. A purchaser or other aggrieved person is not protected by the Guaranty Fund in an amount in excess of \$25,000.00 for any claim.

23. Mold

(a) **Basic Information About Mold** According to the U.S. Environmental Protection Agency (the "EPA"), "molds are part of the natural environment. Outdoors, molds play a part in nature by breaking down dead organic matter such as fallen leaves and dead trees, but indoors, mold growth should be avoided." U.S. Environmental Protection Agency. *A Brief Guide to Mold, Moisture and Your Home* (EPA Document 402-K-02-003), 2002. Molds reproduce through airborne mold spores. According to the EPA report, mold may begin growing inside of a home "when mold spores land on surfaces that are wet. There are many types of mold, and none of them will grow without water or moisture." The EPA has stated that "moisture control is the key to mold control."

(b) **Health Effects Of Mold** Indoor mold growth has the potential to cause adverse health effects in some individuals. In another recent publication, the EPA has stated that "[m]olds can produce allergens that can trigger allergic reactions or even asthma attacks in people allergic to mold. [Some mold]s are known to produce potent toxins and/or irritants. Potential health concerns are an important reason to prevent mold growth and to remediate/clean up any existing indoor mold growth." U.S. Environmental Protection Agency. *Mold Remediation in Schools and Commercial Buildings* (EPA Document 402-K-01-001), 2001.

(c) **Additional Information On Mold** For more information on mold and the health effects of mold, consider consulting the publications referenced above. Websites for the U.S. Environmental Protection Agency (www.epa.gov) and the Centers for Disease Control and Prevention (www.cdc.gov) contain additional information on this issue. A search of other government agencies' websites may also be helpful.

(d) **Minimizing Mold In Your Home.** According to the EPA, "it is impossible to get rid of all mold and mold spores indoors; some mold spores will be bound floating through the air and in house dust." *Mold Remediation in Schools and Commercial Buildings* (EPA Document 402-K-01-001). Though the presence of mold

inside of the home can never be completely eliminated, positive steps can be taken to reduce the occurrence of mold growth. Some of the steps recommended by the EPA are as follows:

- When water leaks or spills occur indoors, act quickly. If wet or damp materials or areas are dried 24 – 48 hours after a leak or spill happens, in most cases mold will not grow.
- Clean and repair roof gutters regularly.
- Make sure the ground slopes away from the building foundation so that water does not enter or collect around the foundation.
- Keep air conditioning drip pans clean and the drain lines unobstructed and flowing properly.
- Keep indoor humidity low. If possible, keep indoor humidity below 60 percent (ideally between 30 and 50 percent) relative humidity.
- If you see condensation or moisture collecting on windows, walls or pipes, act quickly to dry the wet surface and reduce the moisture/water source. Condensation can be a sign of high humidity.
- Vent appliances that produce moisture, such as clothes dryers, stoves and kerosene heaters to the outside where possible.
- Use air conditioners and/or de-humidifiers when needed.
- Run the bathroom fan or open the window when showering. Use exhaust fans or open windows whenever cooking, running the dishwasher or dishwashing, etc.
- Cover cold surfaces, such as cold water pipes, with insulation.

A Brief Guide to Mold, Moisture and Your Home (EPA Document 402-K-02-003).

(e) **DISCLAIMERS AND WAIVERS. SELLER DOES NOT REPRESENT, WARRANT OR GUARANTEE THAT THE LOT AND DWELLING UNIT IS FREE FROM MOLD, FUNGI OR OTHER NATURALLY OCCURRING BIOLOGICAL AGENTS OR POLLUTANTS (COLLECTIVELY, "MOLD") OR THAT MOLD WILL NOT DEVELOP WITHIN THE DWELLING UNIT IN THE FUTURE. SELLER DISCLAIMS ALL LIABILITY AND RESPONSIBILITY TO PURCHASER OR TO ANY OTHER PERSONS OR ENTITIES FOR ANY DAMAGES RESULTING FROM THE PRESENCE OF MOLD WITHIN THE LOT OR DWELLING UNIT OR THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, PROPERTY DAMAGES, PERSONAL INJURY DAMAGES, LOSS OF INCOME, EMOTIONAL DISTRESS, DEATH, LOSS OF USE, LOSS OF VALUE, ADVERSE HEALTH EFFECTS OR CONSEQUENTIAL DAMAGES OF ANY KIND (COLLECTIVELY, "MOLD DAMAGES") AND PURCHASER SPECIFICALLY WAIVES ALL CLAIMS AND CAUSES OF ACTION AGAINST SELLER, ITS OFFICERS, AGENTS AND EMPLOYEES IN CONNECTION WITH ANY MOLD DAMAGES.**

24. Scope of Authority. This Agreement supersedes any and all prior understandings and agreements between the parties and constitutes the entire agreement between them. No representations, warranties, conditions, or statements, oral or written, not contained herein shall be considered a part hereof. This Agreement may not be changed except by an instrument in writing signed by the party sought to be charged therewith or by the duly authorized agent of such party. Any and all additions, deletions, omissions, and/or deviations from the printed form of this Agreement or any attachments hereto, other than the appropriate completion of the "blanks" which appear herein, are agreed to be in excess of the authority of Seller's sales representatives and shall be of no force or effect. Only an officer or member of Seller has the authority to sign this Agreement on behalf of Seller. If two or more persons are identified as "Purchaser"

under this Agreement, any one of them has the right and authority to bind the other(s) and all such persons shall be jointly and severally liable for the performance of Purchaser's obligations under this Agreement.

25. Miscellaneous. Purchaser represents and acknowledges that a copy of this Agreement, with all blanks completed, was delivered to Purchaser before it was signed, and Purchaser has read this agreement and all addenda. Time is of the essence of each of the provisions of this Agreement. Subject to the provisions hereof, when this Agreement becomes effective, it shall bind and inure to the benefit of the parties hereto and their heirs, personal representatives, successors, and permitted assigns. The invalidity of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. The captions of this Agreement are for the convenience of the parties and shall not be considered a material part hereof. Notwithstanding anything to the contrary herein, acceptance of the deed at settlement shall constitute Purchaser's acknowledgment of full compliance by Seller with the terms of this Agreement. The terms hereof shall be merged into and extinguished by delivery of the deed at settlement except for Sections 3(d) and (e), 4, 5, 6, 8(a), 9, 13, 14, 15, 17, 18, 19, 22, 23, 24, 25, 28, 30 and 31 which shall survive delivery of the deed and shall not be merged therein. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with the laws of the State of Maryland. With respect to the Property and abutting properties, Seller makes no representations, oral or written, concerning future land use and reserves the right to change or discontinue models, sell Lots or any portion of the Property intended to be part of the Association, or alter easement areas at any time without notice. Any checks accepted by Seller shall be subject to collection and payment. Where the context requires, words in the singular shall be substituted for the plural and vice versa, and words in the masculine shall be substituted by any gender. This Agreement may be executed in counterparts, each of which, when so executed, may be considered an original. After consultation with their respective counsel, each of the parties hereto hereby waives the right to a trial by jury in any litigation between the parties to this Agreement in connection with the Agreement or Lot. Purchaser and Seller hereby agree that, in the event of any arbitration or litigation whatsoever between the parties regarding the terms of this Agreement or any matter relating to the Lot and/or the Property, all costs and expenses of such arbitration or litigation, including reasonable attorneys' fees, court costs, and expert fees, incurred by the prevailing party will be paid by the unsuccessful party in the arbitration or litigation provided, however: (i) in the event a verdict or court decision is rendered in favor of Purchaser but no damages are awarded, or the damages awarded are nominal, then Seller shall not be responsible for any of Purchaser's litigation costs and expenses; and (ii) should Purchaser receive an award of damages less than the amount requested by the ad damnum clause of the suit or complaint, then Seller's obligation to pay Purchaser's fees and costs shall be reduced and limited to the product of the total damages claimed multiplied by the percentage of the ad damnum awarded e.g., if Purchaser claims \$100.00 and is awarded \$50.00, or 50% of the claim, Seller shall be liable for only 50% of Purchaser's litigation costs and expenses).

26. Oral Statements or Promises. Oral statements or promises often cause serious disputes between sellers and buyers of new homes. This section of the Agreement attempts to alleviate potential problems. Unless oral statements or promises are included in this Agreement, they may not be enforceable under law. By including the terms below, Purchaser and Seller are making them part of this Agreement. **THIS SECTION SHOULD NOT BE LEFT BLANK IF YOU ARE RELYING ON ANY ORAL STATEMENTS OR PROMISES.**

The following oral statements or promises have been made by Seller, Seller's agent, or Purchaser. Performance of each of these statements or promises is incorporated into each party's obligation to fully perform the terms of this Agreement:

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INITIALS

27. **State Agricultural Land Transfer Tax.** Seller hereby notifies Purchaser that the transfer of the Lot to Purchaser is not subject to the State Agricultural Land Transfer Tax imposed by Title 13, Subtitle 3, of the Tax-Property Article of the Annotated Code of Maryland, as amended.

28. **Safety.** Purchaser shall not enter on the Property or the improvements to be constructed thereon prior to settlement except as permitted in Section 6. Prior to settlement Purchaser shall not store items in the Lot or perform or cause to be performed any work on the Lot. If the Purchaser shall enter the Property other than at the permitted inspection, or otherwise violate this paragraph, it shall be at Purchaser's sole risk, and Purchaser shall defend, indemnify and hold Seller harmless against all damages, injury, cost and expense, including, without limitation, any such which may result from delay in construction or settlement or in Seller's ability to obtain a Residential Use/Occupancy Permit, arising from the activities of Purchaser or their employees, agents or independent contractors, or permittees, on the Property. Any breach by Purchaser of any of the provisions contained in this Section shall constitute a default by Purchaser under this Agreement which shall entitle Seller, at its sole option, to pursue the remedies provided in Section 15 of this Agreement.

29. **Pre-Sale Contingency.** If Seller has not satisfied the pre-sale requirements specified by any lender, the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association, on or before the date which is 180 days after the date the first purchaser of a Lot in the phase in which the Lot is located executed such purchaser's contract then Seller may, by notice in writing to Purchaser, terminate this Agreement, whereupon Seller shall cause the Deposit and any advance for Options/Upgrades to be returned to Purchaser, and neither party shall have any further liability or obligation hereunder.

30. **Arbitration.** IN THE EVENT ANY DISPUTE OR DISAGREEMENT SHALL ARISE BETWEEN THE SELLER AND THE PURCHASER INCLUDING, WITHOUT LIMITATION, MATTERS PERTAINING TO THE CONSTRUCTION OF THE IMPROVEMENTS, THE COMPLETION OF THE IMPROVEMENTS, DETERMINATIONS AS TO WHETHER THE IMPROVEMENTS CONSTRUCTED COMPLY WITH THE PLANS AND SPECIFICATIONS WHICH ARE A PART OF THIS AGREEMENT, ADDITIONAL COSTS INCURRED AS A RESULT OF CHANGE ORDERS SIGNED BY THE SELLER AND PURCHASER, THE PAYMENT OF THE PURCHASE PRICE AND THE TERMS OF THIS AGREEMENT, THEN SUCH DISAGREEMENT OR DISPUTE SHALL BE RESOLVED BY BINDING ARBITRATION IN ACCORDANCE WITH THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION AND JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR(S) MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. PURCHASER AND SELLER AGREE THAT SUCH ARBITRATION SHALL BE MANDATORY AND BINDING, SHALL BE IN LIEU OF ANY OTHER LEGAL PROCESS OR REMEDY AND MAY BE REQUESTED BY SELLER OR PURCHASER. THE PARTIES COVENANT THAT THEY WILL PARTICIPATE IN THE ARBITRATION IN GOOD FAITH AND THAT THEY WILL SHARE EQUALLY IN THE FEES AND EXPENSES OF THE ARBITRATOR. THE ARBITRATION SHALL AWARD ATTORNEYS' FEES, EXPERT WITNESS FEES AND REASONABLE COSTS TO THE PARTY WHOSE POSITION IS UPHELD BY THE ARBITRATOR. SHOULD PURCHASER IN VIOLATION OF THIS PARAGRAPH 30, COMMENCE LEGAL ACTION IN A COURT, SELLER SHALL HAVE THE RIGHT TO HAVE SUCH LEGAL ACTION DISMISSED AND TO RECOVER THE COST OF OBTAINING THE DISMISSAL.

THE PROVISIONS OF THIS PARAGRAPH 30 REQUIRING THE ARBITRATION OF ALL DISPUTES OR DISAGREEMENTS BETWEEN THE SELLER AND THE PURCHASER SHALL SURVIVE SETTLEMENT AND REMAIN IN FULL FORCE AND EFFECT AND BE BINDING UPON THE SELLER AND THE PURCHASER, THEIR RESPECTIVE SUCCESSORS, PERSONAL REPRESENTATIVES AND/OR ASSIGNS. PURCHASER COVENANTS AND AGREES TO HAVE ALL DISPUTES BETWEEN THE SELLER AND THE PURCHASER DECIDED BY NEUTRAL

ARBITRATION IN ACCORDANCE WITH THIS PARAGRAPH 30 AND RELINQUISH ANY RIGHTS THAT MAY BE AVAILABLE TO HAVE SUCH MATTERS LITIGATED IN A COURT OR BY JURY TRIAL, INCLUDING JUDICIAL RIGHTS TO DISCOVERY AND APPEAL. THE REFUSAL BY A PARTY TO SUBMIT TO ARBITRATION IN ACCORDANCE WITH THIS PARAGRAPH 30 MAY RESULT IN THE PARTY BEING COMPELLED TO ARBITRATE UNDER FEDERAL OR STATE LAW.

31. **Addenda.** The addenda and schedules checked below and attached hereto are incorporated herein by reference and are an integral part of this Agreement.

- Schedule A—Standard Finishes
- Schedule B—Options/Upgrades
- Addendum #1—New Home Warranty Disclosure
 - Montgomery County Disclosures
 - Notice of Deferred Water and Sewer Charges
- Addendum #2—Maryland Homeowners Association Act Notice
- Addendum #3—Chesapeake and Atlantic Coastal Bays Critical Area
- Addendum #4—General Addendum
- Addendum #5—Survey Approval Form
- Addendum – Homeowners Association Disclosure Statement

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date first written above.

SELLER:

NOYES 3, LLC,
a Maryland limited liability company

By: _____

Name: _____

Title: _____

PURCHASER:

Date: _____

Date: _____

**CO-BROKER (IF ANY) IDENTIFIED ON DATE OF
PURCHASER'S SIGNATURE ABOVE ACTING AS AGENT
FOR PURCHASER:**

_____ Company

_____ Agent or Broker

_____ Maryland Real Estate License Number

_____ Address

_____ City State Zip

_____ Telephone Number

\$_____ Commission due at settlement
(2 ½ % of Purchase Price excluding
Options/Upgrades)

IN WITNESS WHEREOF, the undersigned have executed and delivered this Schedule B as of the date first written above.

SELLER:

NOYES 3, LLC,
a Maryland limited liability company

By: _____

Name: _____

Title: _____

PURCHASER:

Date: _____

Date: _____

ADDENDUM #1 TO SALES AGREEMENT
New Home Warranty Disclosure

THIS ADDENDUM was executed simultaneously with and is an integral part of Courts of Woodside Sales Agreement between Seller and Purchaser.

1. The disclosure under this Paragraph 1 is made pursuant to Section 10-603 of the Real Property Article of the Annotated Code of Maryland:

MARYLAND LAW REQUIRES A BUILDER WHO DOES NOT PARTICIPATE IN A NEW HOME WARRANTY SECURITY PLAN TO MAKE THE FOLLOWING DISCLOSURE AS PART OF THE CONTRACT FOR SALE OR CONSTRUCTION OF A NEW HOME.

BUILDERS OF NEW HOMES, IN THE STATE OF MARYLAND, ARE REQUIRED TO BE REGISTERED WITH THE CONSUMER PROTECTION DIVISION OF THE OFFICE OF THE ATTORNEY GENERAL UNLESS THEY BUILD NEW HOMES EXCLUSIVELY IN MONTGOMERY COUNTY. IN THAT CASE, THEY ARE REQUIRED TO REGISTER WITH THE MONTGOMERY COUNTY OFFICE OF CONSUMER AFFAIRS.

THE SELLER DOES NOT PARTICIPATE IN A NEW HOME WARRANTY SECURITY PLAN. THEREFORE, THE PURCHASER MAY BE AFFORDED ONLY CERTAIN LIMITED IMPLIED WARRANTIES AS ARE PROVIDED BY LAW.

THE PURCHASER HAS THE RIGHT TO CHANGE THE PURCHASER'S MIND AND TO RESCIND THIS PURCHASE AGREEMENT. IF THE PURCHASER DECIDES TO DISCONTINUE THIS PURCHASE AGREEMENT, THE PURCHASER MUST NOTIFY THE SELLER IN WRITING, WITHIN 5 WORKING DAYS FROM THE DATE THE PURCHASER SIGNS THE PURCHASE AGREEMENT. UPON RESCISSION, THE PURCHASER IS ENTITLED TO A REFUND OF ANY MONIES PAID TO THE SELLER FOR THE NEW HOME.

MARYLAND LAW REQUIRES SELLER TO EITHER DISCLOSE ANY ACTUAL KNOWLEDGE THAT SELLER HAS OF ANY HAZARDOUS OR REGULATED MATERIALS WHICH ARE PRESENT ON THE SITE OF THE NEW HOME OR TO STATE THAT SELLER IS MAKING NO REPRESENTATIONS OR WARRANTIES AS TO WHETHER ANY HAZARDOUS OR REGULATED MATERIALS ARE PRESENT ON THE SITE OF THE NEW HOME.

- SELLER HAS ACTUAL KNOWLEDGE THAT THE FOLLOWING HAZARDOUS OR REGULATED MATERIALS ARE PRESENT ON THE SITE OF THE NEW HOME:
- | | | |
|--|--|--------------------------------|
| <input type="checkbox"/> ASBESTOS | <input type="checkbox"/> LEAD-BASED PAINT | <input type="checkbox"/> RADON |
| <input type="checkbox"/> METHANE | <input type="checkbox"/> UNDERGROUND STORAGE TANKS | |
| <input type="checkbox"/> LICENSED LANDFILLS | <input type="checkbox"/> UNLICENSED LANDFILLS | |
| <input type="checkbox"/> LICENSED RUBBLE FILLS | <input type="checkbox"/> UNLICENSED RUBBLE FILLS | |

OTHER HAZARDOUS OR REGULATED MATERIALS AND OTHER ENVIRONMENTAL HAZARDS PRESENT ON THE SITE:

OR

SELLER HAS NO ACTUAL KNOWLEDGE OF ANY HAZARDOUS OR REGULATED MATERIAL PRESENT ON THE SITE OF THE NEW HOME.

OR

SELLER IS MAKING NO REPRESENTATIONS OR WARRANTIES AS TO WHETHER THERE IS ANY HAZARDOUS OR REGULATED MATERIAL ON THE SITE OF THE NEW HOME.

2. SELLER LIMITS ITS OBLIGATIONS UNDER ITS WARRANTY TO REPAIR AND REPLACEMENT. EXCEPT FOR THOSE WARRANTIES EXPRESSLY REQUIRED BY LAW OR PROVIDED DIRECTLY TO YOU BY THE MANUFACTURER OF ANY CONSUMER PRODUCTS, THERE ARE NO OTHER WARRANTIES, EXPRESS OR IMPLIED RELATING TO THE RESIDENTIAL UNIT OR THIS TRANSACTION. UNDER NO CIRCUMSTANCES WILL SELLER BE LIABLE FOR ANY SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES. SOME JURISDICTIONS MAY EXPRESSLY LIMIT THE ABILITY TO WAIVE OR LIMIT CONSEQUENTIAL DAMAGES AND IN SUCH JURISDICTIONS THE FOREGOING PROVISION REGARDING SELLER'S LIABILITY FOR CONSEQUENTIAL DAMAGES SHALL BE LIMITED TO THE EXTENT EXPRESSLY REQUIRED BY LAW.

THE BUYER HAS READ AND UNDERSTANDS THE ABOVE DISCLOSURE.

THE HOMEBUYER HAS READ AND UNDERSTANDS THE ABOVE DISCLOSURE.

SIGNATURE OF BUYER

DATE

SIGNATURE OF BUYER

DATE

Standard Montgomery County Disclosures

1. MASTER PLAN AND LAND USE PLAN.

Prior to signing the Agreement, you have the right to examine the Montgomery County's master plan and any land use plan for the area in which the lot is located and any adopted amendment to either plan, and approved official maps showing planned land uses, roads and highways, parks and other public facilities affecting the lot contained in the plan. By signing this Addendum, you acknowledge the following:

- (a) We have offered you the opportunity to review the master plan and land use plan and any adopted amendments.
- (b) We have informed you that amendments affecting the plans may be pending before the planning board or the county council or a municipal planning body.
- (c) You have reviewed each plan and adopted amendment or do hereby waive the right to do so.
- (d) You understand that to stay informed of future changes in the County and municipal land use plans, you should contact the planning board and the appropriate municipal planning body.

PURCHASERS:

2. DISCLOSURE OF AVAILABILITY OF WATER AND SEWER SERVICE.

Purchaser acknowledges that Seller provided Purchaser the information listed below regarding water and sewer systems for the Lot and/or that Seller has informed Purchaser that Seller does not have the information listed below:

- (a) Whether the Lot is connected to, or has been approved for connection to, a public water and sewer system;
- (b) If the Lot is not connected to a public water and sewer system:
 - (i) the source, if any, of potable water for the Lot; and
 - (ii) whether an individual sewage disposal system has been constructed on the Lot or approved or disapproved for construction
- (c) (i) the water and sewer service area category or categories that currently apply to the Lot, and a brief explanation of how each category affects the availability of water and sewer service; and
 - (ii) any recommendations in the master plan regarding water and sewer service to the Lot; and
 - (iii) the status of any pending water and sewer comprehensive plan amendments or service area category changes that would apply to the Lot.

Purchaser understands that to stay informed of future changes in County and municipal water and sewer plans, Purchaser should consult the Planning Board, the Washington Suburban Sanitary Commission, the County Department of Environmental Protection, or any appropriate municipal or water and sewer body.

PURCHASERS:

3. DISCLOSURE OF HISTORIC DESIGNATION

Purchaser acknowledges by signing this Addendum that Seller provided Purchaser the following information listed below regarding the historic designation of the Property:

(a) The Property is located within the Woodside Historic District, a potential historic resource listed in the "Locational Atlas and Index of Historic Sites in Montgomery County, Maryland," and subject to Section 24A-10 of the Historic Preservation Ordinance as set forth in the Montgomery County Code. An owner may not substantially alter the exterior features of any improvements without review by the Historic Preservation Commission under the Historic Area Work Permit provisions of Section 24A-7, except as provided in Section 24A-10 of the Historic Preservation Ordinance.

(b) Purchaser understands that special restrictions on land uses and physical changes may apply to this Property, and the Purchaser is encouraged to contact the staff of the Historic Preservation Office for more information regarding any specific guidelines or restrictions at 1109 Spring Street, Suite 801, Silver Spring, Maryland 20910, phone number 301.563.3400.

PURCHASERS:

4. SUBDIVISION PLAT.

Purchaser acknowledges that, prior to the execution of the Agreement and this Addendum, Seller delivered to Purchaser a copy of the recorded subdivision plat on which the Property is located or, if the property is not yet subdivided, a copy of the subdivision plat Seller intends to record among the land records.

5. AIRPORT/HELIPORT NOTICE.

Purchaser acknowledges that, prior to its entering into this Agreement, Purchaser had the opportunity to review the applicable county master plan for the area in which the Lot is located. Such master plan should show the location of airports or heliports within a five-mile radius of the Property; however, Seller makes no representation or warranty regarding the accuracy of the information contained in the master plan. Any questions regarding the master plan, including the relative locations of airports and heliports to the Property, should be directed to the Maryland-National Capital Park and Planning Commission ("MNCPPC"), 8787 Georgia Avenue, Silver Spring, Maryland 20910, Phone: 301-495-4594.

6. PRE-SETTLEMENT INSPECTION.

(a) Not less than twenty-four (24) hours, nor more than seventy-two (72) hours prior to the date of settlement, Purchaser or Purchaser's Agent will have the right to inspect the Lot and the Dwelling Unit (the "Inspection"). Seller will make every effort to designate dates and times for the Inspection which are reasonably convenient for Purchaser.

(b) Seller will allow a reasonable time for you or your agent to conduct the inspection.

(c) Purchaser and Purchaser's agent, as well as Seller's representatives, may attend the Inspection.

(d) Purchaser's right to the Inspection is guaranteed by Montgomery County law.

7. NEW HOME WARRANTY SECURITY.

Notice of Deferred Water and Sewer Charges

This Property is subject to annual assessments (the "Water and Sewer Charges") which are related to certain water and sewer systems constructed serving the Property and the Lot in the amount of Four Hundred Sixty Seven Dollars **(\$467.00) per Lot per year**. The Water and Sewer Charges shall be due and payable to Noyes 3, LLC or its assigns (the "Declarant") on the first day of January of every year for a period of Twenty-Three (23) years following the date the Lot is conveyed to Purchaser (the "Commencement Date"); provided, however, that the first year's payment shall be pro rated according to the number of days elapsed from the Commencement Date to December 31 of the same calendar year and the final payment shall be the applicable annual payment less the pro-rated amount paid for the first year. Notwithstanding the foregoing, the Declarant, in its sole and absolute discretion, may allow or may require, (i) Purchaser to pay its annual Water and Sewer Charges in monthly, quarterly or bi-annual installments as determined by the Declarant, and (ii) Purchaser's mortgagee to escrow and pay to the Declarant the Water and Sewer Charges. There is a right of prepayment for the Water and Sewer Charges, and the prepayment figure may be ascertained by contacting the Declarant or by reviewing the Declaration of Deferred Water and Sewer Charges that has been or shall be recorded against the Property (the "**Water and Sewer Declaration**"). The Water and Sewer Charges are a lien on the Property as well as a contractual obligation between the Declarant and each owner of the Lot and are not a fee or assessment by the Washington Suburban Sanitary Commission ("**WSSC**") or the water and sewer service provider. The water and sewer service supplied to and used in connection with the Lot will be furnished and billed for by the water and sewer service provider for the Lot and will not be furnished and billed for by the Declarant. Such billings shall be the responsibility of Purchaser and are separate and apart from the Water and Sewer Charges referred to in this Addendum.

Purchaser acknowledges having received from Seller a copy of the Water and Sewer Declaration.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Notice of Deferred Water and Sewer Charges as of this ____ day of _____, _____.

SELLER:

NOYES 3, LLC,
a Maryland limited liability company

By: _____

Name: _____

Title: _____

PURCHASER:

Date: _____

Date: _____

ADDENDUM #2 TO SALES AGREEMENT
Maryland Homeowners Association Act Notice

1. Purchaser hereby agrees to take title to the Lot, subject to the covenants, conditions and restrictions of the homeowner's association documents applicable thereto, including, without limitation, the declaration, bylaws, articles of incorporation and rules and regulations. In connection therewith Purchaser agrees to be bound by and comply with the provisions thereof including, without limitation, the obligation to pay any assessments or charges levied by the homeowners association against the Purchaser or the Lot.

NOTICE

2. Pursuant to the Maryland Homeowners Association Act, Title 11B of the Real Property Article of the Annotated Code of Maryland (2003) Seller hereby notifies Purchaser as follows:

THIS SALE IS SUBJECT TO THE REQUIREMENTS OF THE MARYLAND HOMEOWNERS ASSOCIATION ACT (THE "ACT"). THE ACT REQUIRES THAT THE SELLER DISCLOSE TO YOU AT OR BEFORE THE TIME THE CONTRACT IS ENTERED INTO, OR WITHIN SEVEN (7) CALENDAR DAYS OF ENTERING INTO THE CONTRACT, CERTAIN INFORMATION CONCERNING THE DEVELOPMENT IN WHICH THE UNIT YOU ARE PURCHASING IS LOCATED. THE CONTENT OF THE INFORMATION TO BE DISCLOSED IS SET FORTH IN § 11B-105(b) OF THE ACT (THE "MHA INFORMATION") AS FOLLOWS:

(1) (i) **THE NAME, PRINCIPAL ADDRESS, AND TELEPHONE NUMBER OF THE VENDOR AND OF THE DECLARANT, IF THE DECLARANT IS NOT THE VENDOR; OR**

(ii) **IF THE VENDOR IS A CORPORATION OR PARTNERSHIP, THE NAMES AND ADDRESSES OF THE PRINCIPAL OFFICERS OF THE CORPORATION, OR GENERAL PARTNERS OF THE PARTNERSHIP;**

(2) (i) **THE NAME, IF ANY, OF THE HOMEOWNERS ASSOCIATION; AND**

(ii) **IF INCORPORATED, THE STATE IN WHICH THE HOMEOWNERS ASSOCIATION IS INCORPORATED AND THE NAME OF THE MARYLAND RESIDENT AGENT;**

(3) **A DESCRIPTION OF:**

(i) **THE LOCATION AND SIZE OF THE DEVELOPMENT, INCLUDING THE MINIMUM AND MAXIMUM NUMBER OF LOTS CURRENTLY PLANNED OR PERMITTED, IF APPLICABLE, WHICH MAY BE CONTAINED WITHIN THE DEVELOPMENT; AND**

(ii) **ANY PROPERTY OWNED BY THE DECLARANT OR THE VENDOR CONTIGUOUS TO THE DEVELOPMENT WHICH IS TO BE DEDICATED TO PUBLIC USE;**

(4) **IF THE DEVELOPMENT IS OR WILL BE WITHIN OR A PART OF ANOTHER DEVELOPMENT, A GENERAL DESCRIPTION OF THE OTHER DEVELOPMENT;**

(5) **IF THE DECLARANT HAS RESERVED IN THE DECLARATION THE RIGHT TO ANNEX ADDITIONAL PROPERTY TO THE DEVELOPMENT, A DESCRIPTION OF THE SIZE AND LOCATION OF THE ADDITIONAL PROPERTY AND THE APPROXIMATE NUMBER OF LOTS**

CURRENTLY PLANNED TO BE CONTAINED IN THE DEVELOPMENT, AS WELL AS ANY TIME LIMITS WITHIN WHICH THE DECLARANT MAY ANNEX SUCH PROPERTY;

(6) A COPY OF:

(i) THE ARTICLES OF INCORPORATION, THE DECLARATION, AND ALL RECORDED COVENANTS AND RESTRICTIONS OF THE PRIMARY DEVELOPMENT AND OF OTHER RELATED DEVELOPMENTS TO THE EXTENT REASONABLY AVAILABLE, TO WHICH THE PURCHASER SHALL BECOME OBLIGATED ON BECOMING AN OWNER OF THE LOT, INCLUDING A STATEMENT THAT THESE OBLIGATIONS ARE ENFORCEABLE AGAINST AN OWNER AND THE OWNER'S TENANTS, IF APPLICABLE; AND

(ii) THE BYLAWS AND RULES OF THE PRIMARY DEVELOPMENT AND OF OTHER RELATED DEVELOPMENTS TO THE EXTENT REASONABLY AVAILABLE, TO WHICH THE PURCHASER SHALL BECOME OBLIGATED ON BECOMING AN OWNER OF THE LOT, INCLUDING A STATEMENT THAT THESE OBLIGATIONS ARE ENFORCEABLE AGAINST AN OWNER AND THE OWNER'S TENANTS, IF APPLICABLE;

(7) A DESCRIPTION OR STATEMENT OF ANY PROPERTY WHICH IS CURRENTLY PLANNED TO BE OWNED, LEASED, OR MAINTAINED BY THE HOMEOWNERS ASSOCIATION;

(8) A COPY OF THE ESTIMATED PROPOSED OR ACTUAL ANNUAL BUDGET FOR THE HOMEOWNERS ASSOCIATION FOR THE CURRENT FISCAL YEAR, INCLUDING A DESCRIPTION OF THE REPLACEMENT RESERVES FOR COMMON AREA IMPROVEMENTS, IF ANY, AND A COPY OF THE CURRENT PROJECTED BUDGET FOR THE HOMEOWNERS ASSOCIATION BASED UPON THE DEVELOPMENT FULLY EXPANDED IN ACCORDANCE WITH EXPANSION RIGHTS CONTAINED IN THE DECLARATION;

(9) A STATEMENT OF CURRENT OR ANTICIPATED MANDATORY FEES OR ASSESSMENTS TO BE PAID BY OWNERS OF LOTS WITHIN THE DEVELOPMENT FOR THE USE, MAINTENANCE, AND OPERATION OF COMMON AREAS AND FOR OTHER PURPOSES RELATED TO THE HOMEOWNERS ASSOCIATION AND WHETHER THE DECLARANT OR VENDOR WILL BE OBLIGATED TO PAY THE FEES IN WHOLE OR IN PART;

(10) (i) A BRIEF DESCRIPTION OF ZONING AND OTHER LAND USE REQUIREMENTS AFFECTING THE DEVELOPMENT; OR

(ii) A WRITTEN DISCLOSURE OF WHERE THE INFORMATION IS AVAILABLE FOR INSPECTION;

(11) A STATEMENT REGARDING:

(i) WHEN MANDATORY HOMEOWNERS ASSOCIATION FEES OR ASSESSMENTS WILL FIRST BE LEVIED AGAINST OWNERS OF LOTS;

(ii) THE PROCEDURE FOR INCREASING OR DECREASING SUCH FEES OR ASSESSMENTS;

(iii) HOW FEES OR ASSESSMENTS AND DELINQUENT CHARGES WILL BE COLLECTED;

(iv) WHETHER UNPAID FEES OR ASSESSMENTS ARE A PERSONAL OBLIGATION OF OWNERS OF LOTS;

(v) WHETHER UNPAID FEES OR ASSESSMENTS BEAR INTEREST AND IF SO, THE RATE OF INTEREST;

(vi) WHETHER UNPAID FEES OR ASSESSMENTS MAY BE ENFORCED BY IMPOSING A LIEN ON A LOT UNDER THE TERMS OF THE MARYLAND CONTRACT LIEN ACT; AND

(vii) WHETHER LOT OWNERS WILL BE ASSESSED LATE CHARGES OR ATTORNEYS' FEES FOR COLLECTING UNPAID FEES OR ASSESSMENTS AND ANY OTHER CONSEQUENCES FOR THE NONPAYMENT OF THE FEES OR ASSESSMENTS;

(12) IF ANY SUMS OF MONEY ARE TO BE COLLECTED AT SETTLEMENT FOR CONTRIBUTION TO THE HOMEOWNERS ASSOCIATION OTHER THAN PRORATED FEES OR ASSESSMENTS, A STATEMENT OF THE AMOUNT TO BE COLLECTED AND THE INTENDED USE OF SUCH FUNDS; AND

(13) A DESCRIPTION OF SPECIAL RIGHTS OR EXEMPTIONS RESERVED BY OR FOR THE BENEFIT OF THE DECLARANT OR THE VENDOR, INCLUDING:

(i) THE RIGHT TO CONDUCT CONSTRUCTION ACTIVITIES WITHIN THE DEVELOPMENT;

(ii) THE RIGHT TO PAY A REDUCED HOMEOWNERS ASSOCIATION FEE OR ASSESSMENT; AND

(iii) EXEMPTIONS FROM USE RESTRICTIONS OR ARCHITECTURAL CONTROL PROVISIONS CONTAINED IN THE DECLARATION OR PROVISIONS BY WHICH THE DECLARANT OR THE VENDOR INTENDS TO MAINTAIN CONTROL OVER THE HOMEOWNERS ASSOCIATION.

IF YOU HAVE NOT RECEIVED ALL OF THE MHAA INFORMATION FIVE (5) CALENDAR DAYS OR MORE BEFORE ENTERING INTO THE CONTRACT, YOU HAVE FIVE (5) CALENDAR DAYS TO CANCEL THIS CONTRACT AFTER RECEIVING ALL OF THE MHAA INFORMATION. YOU MUST CANCEL THE CONTRACT IN WRITING, BUT YOU DO NOT HAVE TO STATE A REASON. THE SELLER MUST ALSO PROVIDE YOU WITH NOTICE OF ANY CHANGES IN MANDATORY FEES EXCEEDING TEN PERCENT (10%) OF THE AMOUNT PREVIOUSLY STATED TO EXIST AND COPIES OF ANY OTHER SUBSTANTIAL AND MATERIAL AMENDMENT TO THE INFORMATION PROVIDED TO YOU. YOU HAVE THREE (3) CALENDAR DAYS TO CANCEL THIS CONTRACT AFTER RECEIVING NOTICE OF ANY CHANGES IN MANDATORY FEES, OR COPIES OF ANY OTHER SUBSTANTIAL AND MATERIAL AMENDMENT TO THE MHAA INFORMATION WHICH ADVERSELY AFFECTS YOU. IF YOU DO CANCEL THE CONTRACT YOU WILL BE ENTITLED TO A REFUND OF ANY DEPOSIT YOU MADE ON ACCOUNT OF THE CONTRACT. HOWEVER, UNLESS YOU RETURN THE MHAA INFORMATION TO THE SELLER WHEN YOU CANCEL THE CONTRACT, THE SELLER MAY KEEP OUT OF YOUR DEPOSIT THE COST OF REPRODUCING THE MHAA INFORMATION, OR \$100.00, WHICHEVER AMOUNT IS LESS.

BY PURCHASING A LOT WITHIN THIS DEVELOPMENT, YOU WILL AUTOMATICALLY BE SUBJECT TO VARIOUS RIGHTS, RESPONSIBILITIES, AND OBLIGATIONS, INCLUDING THE OBLIGATION TO PAY CERTAIN ASSESSMENTS TO THE HOMEOWNERS ASSOCIATION WITHIN THE DEVELOPMENT. THE LOT YOU ARE PURCHASING MAY HAVE RESTRICTIONS ON:

- (1) ARCHITECTURAL CHANGES, DESIGN, COLOR, LANDSCAPING, OR APPEARANCE;
- (2) OCCUPANCY DENSITY;
- (3) KIND, NUMBER, OR USE OF VEHICLES;
- (4) RENTING, LEASING, MORTGAGING, OR CONVEYING PROPERTY;
- (5) COMMERCIAL ACTIVITY; OR
- (6) OTHER MATTERS.

YOU SHOULD REVIEW THE MHAA INFORMATION CAREFULLY TO ASCERTAIN YOUR RIGHTS, RESPONSIBILITIES, AND OBLIGATIONS WITHIN THE DEVELOPMENT.

3. Disclosure Information. Purchaser hereby acknowledges receipt of the Disclosure Statement for The Woodside Community Association, Inc., which contain all of the disclosure information to which Purchaser is entitled under Section 11B-105(b) of the Act as set forth in the above Notice.

[SIGNATURE PAGE FOR ADDENDUM #2 FOLLOWS]

PURCHASER HAS READ AND UNDERSTANDS THE PROVISIONS OF THIS ADDENDUM.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Addendum #2 as of the date first written above.

SELLER:

NOYES 3, LLC,
a Maryland limited liability company

By: _____

Name: _____

Title: _____

PURCHASER:

Date: _____

Date: _____

ADDENDUM #3 TO SALES AGREEMENT
(Chesapeake and Atlantic Coastal Bays Critical Area)

THIS ADDENDUM was executed simultaneously with and is an integral part of the Sales Agreement dated the _____ day of _____, 20____, between Seller and Buyer (the "Agreement").

Effective on October 1, 2004, the Annotated Code of Maryland, Real Property article, §14-117(e) requires Seller to make the following disclosure to Buyer:

“Notice to buyer concerning the Chesapeake and Atlantic Coastal Bays Critical Area. Buyer is advised that all or a portion of the property may be located in the ‘critical area’ of the Chesapeake and Atlantic Coastal Bays, and that additional zoning, land use, and resource protection regulations apply in this area. The ‘critical area’ generally consists of all land and water areas within 1,000 feet beyond the landward boundaries of State or private wetlands, the Chesapeake Bay, the Atlantic Coastal Bays, and all of their tidal tributaries. The ‘critical area’ also includes the waters of and lands under the Chesapeake Bay, the Atlantic Coastal Bays, and all of their tidal tributaries to the head of tide. For information as to whether the property is located within the critical area, buyer may contact the local department of planning and zoning, which maintains maps showing the extent of the critical area in the jurisdiction. Allegany, Carroll, Frederick, Garrett, Howard, Montgomery and Washington counties do not include land located in the critical area.”

BUYER HAS READ AND UNDERSTANDS THE ABOVE DISCLOSURE.

SIGNATURE OF BUYER

DATE

SIGNATURE OF BUYER

DATE

IN WITNESS WHEREOF, the undersigned have executed and delivered this Addendum #4 as of the date first written above.

SELLER:

NOYES 3, LLC,
a Maryland limited liability company

By: _____

Name: _____

Title: _____

PURCHASER:

Date: _____

Date: _____

ADDENDUM #5 TO SALES AGREEMENT
Survey Approval Form

This Addendum was executed simultaneously with and is an integral part of Courts of Woodside Sales Agreement dated the _____ day of _____, 20___, between Seller and Purchaser for Lot _____, within Courts of Woodside.

SAID SALES AGREEMENT is hereby amended as follows:

Survey Approval Form

In connection with the purchase or refinancing of the property located at _____ a licensed Maryland surveyor will be engaged to prepare a location drawing. A location drawing shows the property inspected and the locations of buildings or other visible improvements affecting the property. A LOCATION DRAWING IS NOT A BOUNDARY SURVEY AND CANNOT BE RELIED UPON BY ANYONE TO SHOW WHERE THE PROPERTY'S BOUNDARIES ARE. The only purpose of a location drawing is to provide some assurance that improvements are located on the property. The assurance is for the use of a lender or an insurer only.

If a boundary survey, which could be relied upon for various purposes (for example setting the property markers, erecting a fence, building a garage, or making other improvements on the property), is desired, a surveyor should be contracted independently. The cost of a boundary survey will be greater than the cost of a location drawing. For further information, contact:

Gutschick, Little & Weber, P.A.
3909 National Drive, Suite 250
Burtonsville, MD 20866
301-421-4024

Initial appropriate line:

_____ I/we approve the preparation of a location drawing. I/we have read and understand that, in the absence of any problem revealed by or during the preparation of this drawing, it will be all that is required by the lending institutions and title companies for settlement.

_____ I/we request a boundary survey that will include a location drawing, and will identify property boundary lines and mark property boundary corners. I/we have read and understand that this may not be required for settlement purposes.

[SIGNATURE PAGE FOLLOWS]

