

# The Promenade Towers Mutual Housing Corporation

**Dear Applicant,**

In response to your inquiry regarding the sale/purchase of stock in **THE PROMENADE TOWERS MUTUAL HOUSING CORPORATION** (hereinafter "PTMHC") which will grant the sole and exclusive Lease on an apartment at The Promenade Towers for your use as a residence.

The documentation required to approve your Application is as follows:

**1. APPLICATION TO PURCHASE:** Attached is a copy of *The Promenade Towers Mutual Housing Corporation's Application to Purchase*. This form must be completed by all prospective purchaser(s). Applications must be filled out completely

**2. APPLICATION FEE:** A non-refundable **Application Fee** of **\$125.00** must be included with the application from the Purchaser(s). This "all inclusive" fee includes *the cost of* all documents, credit reports, processing the Application, etc. Additional information may be required depending on the Purchaser(s)' financial profile.

**3. VERIFICATION OF INCOME:** Two written forms of income verification must be submitted. These may be in the form of, a letter from the Purchaser(s) employer on company letterhead, a signed copy of last years tax return, a W-2's, pay stubs, or a signed letter from the Purchaser(s) Accountant on said Accountant's letterhead. If you are self-employed then the last two years tax returns, including Schedule C.

**4. RATIFIED CONTRACT:** A copy of the *Ratified Contract*, and any *applicable* addendum(s) and any corresponding document(s) must be included with the submittal of the Application. *Any amendments or written changes to the Contract must be* provided to the Administrative Office no *less than* one week prior to Settlement.

## **5 SOURCE OF FUNDS:**

(a) If a **lender** is involved the **name of the lending company** and Loan Officer **must** be provided. Loan information is needed in advance of submission to the Board of Directors for approval.

(b) If the sale is all cash, copies of Bank Statements verifying that the cash is on deposit. If "gift letters" are being used copies must be provided.

**6. LIABILITY INSURANCE:** The PTMHC's *By-Laws* and *House Rules* provide that in order to settle the Purchaser(s) must provide Management with a paid *Certificate of Liability Insurance* written by a insurance company approved by the PTMHC. **YOU MAY NOT COMPLETE YOUR STOCK PURCHASE UNLESS AND UNTIL MANAGEMENT RECEIVES THE REQUIRED PROOF OF INSURANCE!**

**7. APARTMENT INSPECTION:** In accordance with the aforementioned *By-Laws* and *House Rules*, an inspection of the Apartment must be completed. The fee for this inspection is \$65.00, paid by the Seller(s) when the inspection is scheduled. This inspection is for the sole benefit of PTMHC and the Purchaser(s) may not rely on the same with respect to the condition of the Apartment. The Purchaser(s) must conduct their own inspection! If Purchaser(s) desire to hire an Inspector to

accomplish this they may do so provided that PTMHC is notified at least five (5) business days in advance to coordinate said inspection.

**8. REVIEW OF APPLICATION:** Once the completed application and all related documents have been received by the Administrative Office Management will review the Application and Credit Report and will present a synopsis to the **BOARD OF DIRECTORS** for approval. The **BOARD OF DIRECTORS** has Thirty (30) days in which to approve or disapprove the Application. When a decision has been made by the **BOARD OF DIRECTORS**, Management will notify all parties of the decision. If approved, a Settlement date can be scheduled by the parties.

**9. ASSOCIATION DOCUMENTS:** At the time of the submittal of the Application with the above documentation, copy of *The By-Laws, The Occupancy Agreement and The House Rules* will be provided by the Administrative Office to Applicant or his/her Agent(s).

**10. STOCK TRANSFER FEE:** A stock transfer fee of **\$250.00** Payable to **PTMHC** is due at settlement and is paid by the purchaser(s). Settlement scheduling must be coordinated with Management.

Should you have any questions regarding this process please feel free to call the undersigned at **301.493.4700** during regular business hours at

Sincerely,

**LINDA SHERBURN**  
ASSISTANT SECRETARY

**Receipt of this Application form is hereby acknowledged.**

**APPLICANT(S)**

\_\_\_\_\_

\_\_\_\_\_

**Date:** \_\_\_\_\_

**Date:** \_\_\_\_\_

PTMHC Application Form – rev 03.01.2006

**The Promenade Towers Mutual Housing Corporation**  
**5225 Pooks Hill Road, Bethesda, Maryland 20814**

# The Promenade Towers Mutual Housing Corporation

Dear Shareholder,

Now that your Shares of Stock in **THE PROMENADE TOWERS MUTUAL HOUSING CORPORATION** (hereinafter the "PTMHC") has been offered for sale there are several things you must do in order to complete the process and schedule Settlement. These items are as follows:

**1. INTENT TO SELL FORM:** An *Intent to Sell Form* must be completed and filed with Management with a copy of the *Listing Agreement*.

**2. APARTMENT INSPECTION:** In accordance with PTMHC's *By-Laws* and *House Rules*, an inspection of the Apartment must be completed. The fee for this inspection is \$65.00, paid by you as Seller(s) when the inspection is scheduled. This inspection is for the sole benefit of PTMHC and the Purchaser(s) may not rely on the same with respect to the condition of the Apartment. **This inspection must be completed and paid for or Settlement may be delayed (Payment may be paid as part of the Settlement process if arrangements are made in advance)**

**NOTE:** It is to your advantage, as well as ours, for us to inspect the Apartment when it is empty. If you are still occupying your Apartment at the time your Shares are offered for sale, you may schedule an appointment to have your unit inspected, or advise us of your move-out date so the inspection may be done at that time.

**3. APPROVAL OF PURCHASER:** All prospective Purchaser(s) must complete a *Promenade Application To Purchase Form* which must be approved by the **BOARD OF DIRECTORS**. The Board's approval may be delayed if the Purchaser(s) have not completed all of the requirements of the application!

**4. RESALE CONTRACT FORM:** All Stock sales must be made utilizing the PTMHC's *Resale Contract* form and the *Promenade Application* which forms are Available in the Administrative Office from 8:00 am 5:00 pm. or at the Front Desk in the lobby 24 hours a day. If you and/or your Purchaser(s) require assistance in completing these forms, you may contact the undersigned at 493-4700 between the hours of 8:00 am and 4:00 pm Monday through Friday.

**5. PROMENADE DOCUMENTS:** All documents referenced in the *Resale Contract* and *Application Forms consisting of the By-Laws, the Home Rules and the Occupancy Agreement*, are provided when the Ratified Resale Contract and Application with accompanying forms are provided to the **ASSISTANT SECRETARY**.

**6. TIME FOR REVIEW OF APPLICATION:** Upon all of the required forms having been received by the **ASSISTANT SECRETARY** the *By-Laws* allow thirty (30) days for the review of the materials and to approve/disapprove the sale. All parties to the contact including any **MORTGAGE LENDER** (if applicable) will be notified of the Boards decision.

**Note:** Incomplete or inadequate information and/or documentation will cause a delay in the approval process. Therefore, it is imperative that all of the information and documents be provided at the time the request for approval is submitted to the **BOARD OF DIRECTORS**.

For your convenience a 3 x 5 index card, advertising your Stock and Apartment for sale, can be posted **on the bulletin** board on the Arcade Level. To take advantage of this service, please fill out a card and leave it at the Administrative Office.

Should you have any questions regarding this process please feel free to call the undersigned at 301.493.4700 during regular business hours.

**Sincerely,**

**LINDA SHERBURN  
ASSISTANT SECRETARY**

**Receipt of this *Intent to Sell* form is hereby acknowledged.**

**SHAREHOLDER(S)**

\_\_\_\_\_

**Date:** \_\_\_\_\_

\_\_\_\_\_

**Date:** \_\_\_\_\_

# The Promenade Towers Mutual Housing Corporation

**Dear Applicant,**

*Attached is the **Application** to purchase shares of **THE PROMENADE TOWERS MUTUAL HOUSING CORPORATION** which will grant you the sole and exclusive right to occupy the subject Apartment as your personal residence. This application, when fully completed and with all required documentations noted therein must be provide to Management in the Administrative Office at least thirty (30) days prior to the anticipated settlement date. Failure to do so may result in your settlement being delayed.*

# The Promenade Towers Mutual Housing Corporation Shareholders(s) intent to Sell

**TO:** MANAGEMENT  
THE PROMENADE TOWERS MUTUAL HOUSING CORPORATION  
("PTMHC")

**Date:** \_\_\_\_\_ **Apartment No.** \_\_\_\_\_

**I/We** \_\_\_\_\_  
(names of all Shareholders)

I/We hereby serve notice of My/Our intent to sell My/Our Shares of stock for the above referenced Apartment

Original Stock Purchase date: \_\_\_\_\_.

**Current Address:** \_\_\_\_\_

**Phone Numbers: Home:** \_\_\_\_\_ **Office:** \_\_\_\_\_ **Cell:** \_\_\_\_\_

**Emergency Contact:** \_\_\_\_\_

**Selling Price:** \$ \_\_\_\_\_

**Realtor Information: (Please provide copy of listing),**

**Company:** \_\_\_\_\_

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

**Company:** \_\_\_\_\_

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

**Comments:**

**SHAREHOLDER(S)**

\_\_\_\_\_

**Date:** \_\_\_\_\_

\_\_\_\_\_

**Date:** \_\_\_\_\_

# PROMENADE TOWERS MUTUAL HOUSING CORPORATION

## PURCHASER'S CHECK LIST

This Check List is provided to assist you with the various requirements which you must submit in order to complete the approval process as outlined in the *Application to Purchase*.

**APPLICATION TO PURCHASE:** You must fully complete the application *The Promenade Towers Mutual Housing Corporation's Application to Purchase* and return it to the Office.

**APPLICATION FEE:** Your non-refundable Application Fee of **\$125.00** must be included with the above application.

**RATIFIED CONTRACT:** A copy of the *Ratified Contract*, and any applicable addendum(s) and any corresponding document(s) must be included with the submittal of the Application.

**VERIFICATION OF INCOME:** Two written forms of income verification must be submitted. Refer to the Application form for details.

**SOURCE OF FUNDS:**

- a If a lender is involved, the name of *the* lending company and Loan Officer must be provided.
- b If the sale is all cash, copies of Bank Statements verifying that the cash is on deposit. If "gift letters" are being used copies must be provided.

**APARTMENT INSPECTION:** If you wish to conduct your own inspection check with your Realtors. They may be able to assist you in this regard. If you do, then **PTMHC** be must notified at least five (5) business days in advance to coordinate said inspection.

**LIABILITY INSURANCE:** In order to settle you must provide Management with a paid *Certificate of Liability Insurance* written by an insurance company licensed in the **STATE OF MARYLAND**. **YOU MAY NOT COMPLETE YOUR STOCK PURCHASE UNLESS AND UNTIL MANAGEMENT RECEIVES THE REQUIRED PROOF OF INSURANCE!**

We trust that this will enable you to keep tract of the requirements and will give you a guide for your approval process. Please refer to the Application for the details of these requirements!

cc: **Listing Agent:** \_\_\_\_\_ **Phone #** \_\_\_\_\_  
**Selling Agent:** \_\_\_\_\_ **Phone #** \_\_\_\_\_  
**Mortgage Broker:** \_\_\_\_\_ **Phone #** \_\_\_\_\_

# PROMENADE TOWERS MUTUAL HOUSING CORPORATION APPLICATION TO PURCHASE

This Application is legally binding. If not understood, seek competent advice before signing.

This APPLICATION is hereby made to purchase Unit # \_\_\_\_\_ together with Parking Space # \_\_\_\_\_ purchase Unit

in premises known as 5225 Pooks Hill Road, Bethesda, Maryland 20814.

Purchaser(s) names:

<i>LAST</i>	<i>FIRST</i>	<i>M.I.</i>	<i>SOC.SEC.#</i>	<i>BIRTH DATE</i>
1				
2				
3				
4				

Other Occupants:

NAME	RELATIONSHIP	AGE
1		
2		
3		
4		

PURCHASER #1 (see above): U.S. Citizen  Yes  No    Legal Permanent Resident  Yes  No

Other, please specify: \_\_\_\_\_

PURCHASER #2 (see above): U.S. Citizen  Yes  No    Legal Permanent Resident  Yes  No

Other, please specify: \_\_\_\_\_

PURCHASER #3 (see above): U.S. Citizen  Yes  No    Legal Permanent Resident  Yes  No

Other, please specify: \_\_\_\_\_

PURCHASER #4 (see above): U.S. Citizen  Yes  No    Legal Permanent Resident  Yes  No

Other, please specify: \_\_\_\_\_

**PRESENT ADDRESS:** \_\_\_\_\_  

Street Name & #
City
State Zip
Phone #

How Long? \_\_\_\_\_ Rent? \_\_\_ Own? \_\_\_ Mo. Payment \_\_\_\_\_ Lease Ends \_\_\_\_\_

Name of Landlord/Mortgage Company \_\_\_\_\_ Phone # \_\_\_\_\_

Why Moving? \_\_\_\_\_

**PREVIOUS ADDRESS:** \_\_\_\_\_



Street Name & #

City

State Zip Phone #

How Long? \_\_\_\_\_ Rent? \_\_\_ Own? \_\_\_ Mo. Payment \_\_\_\_\_ Lease Ends \_\_\_\_\_

Name of Landlord/Mortgage Company \_\_\_\_\_ Phone # \_\_\_\_\_

*EMPLOYMENT:* (Please attach two forms written verification)

\_\_\_\_\_  
Name Where Employed How Long?

\_\_\_\_\_  
Business Address Phone #

\_\_\_\_\_  
Position Salary

Annual Overtime/Bonuses/Commissions: \$ \_\_\_\_\_

*IF CURRENT EMPLOYMENT IS LESS THAN 2 YEARS, ALSO COMPLETE BELOW:*

\_\_\_\_\_  
Name Where Employed How Long?

\_\_\_\_\_  
Business Address Phone #

\_\_\_\_\_  
Position Salary

Annual Overtime/Bonuses/Commissions: \$ \_\_\_\_\_

*ADDITIONAL INCOME:*

Amount \$ \_\_\_\_\_ per \_\_\_\_\_ Source \_\_\_\_\_

Amount \$ \_\_\_\_\_ per \_\_\_\_\_ Source \_\_\_\_\_

Income in the form of alimony, child support or separate maintenance need not be revealed if you choose not to have it considered with this application,

*IF SELF EMPLOYED, ATTACH COPY (LAST YEAR FILED) OF U. S. TAX FORM 1040, PAGE 1 & 2 AND SCHEDULE C.*  
Depending on financial circumstances, other schedules of tax return may be required.

*WHERE ARE YOU GETTING THE FUNDS FOR DOWN PAYMENT AND CLOSING COSTS?*

Checking \_\_\_\_\_ Savings \_\_\_\_\_ Other \_\_\_\_\_

Name of Bank \_\_\_\_\_ Acc# \_\_\_\_\_ Amount \_\_\_\_\_

Name of Bank \_\_\_\_\_ Acc# \_\_\_\_\_ Amount \_\_\_\_\_

*ARE YOU OBTAINING A LOAN OR PAYING ALL CASH?* \_\_\_\_\_

If obtaining a loan to purchase, please provide name and telephone number of loan company and loan officer, \_\_\_\_\_

*RESERVES:* (Amount of money left after settlement) \$ \_\_\_\_\_

INSTALLMENT DEBTS (including revolving charge accounts, car loans etc.)

Owed to	Account #	Balance Due	Monthly Payment

OTHER DEBT (including student loans, alimony/child support etc.)

Type	Owed to:	Monthly Payment

Have you ever declared bankruptcy? \_\_\_\_\_

Are there any outstanding judgments, lawsuits or tax liens current? \_\_\_\_\_ Amount? \_\_\_\_\_ If you answered yes to either of these questions, please explain on a separate sheet of paper.

*AUTOMOBILES:* Number & Description of other vehicles to be registered on the property. # \_\_\_\_\_

Make	Year	Tag #	Color

Drivers Lic. # \_\_\_\_\_ State \_\_\_\_\_

Drivers Lic. # \_\_\_\_\_ State \_\_\_\_\_

*DESCRIPTION OF PETS* (if any) NO DOGS ALLOWED: \_\_\_\_\_

*DO YOU HAVE A WATERBED?* \_\_\_\_\_

**EMERGENCY CONTACT:**

Name: \_\_\_\_\_ Relationship \_\_\_\_\_

Address: \_\_\_\_\_ Phone # \_\_\_\_\_

*CONTRACT CONTIGENCIES:* \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I/We the undersigned hereby make application for occupancy of an apartment in the PROMENADE TOWERS MUTUAL HOUSING CORPORATION. I/We have read the House Rules, Occupancy Agreement and By-Laws and agree to abide by

them, I/We certify that the information provided in this application is true and correct as of the date set forth opposite my/our signatures on this application, I/We acknowledge my/our understanding that any intentional or negligent misrepresentation(s) of the information contained in this application may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 101, et. sec. and liability for monetary damages to the corporation, its agents, successors and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation which I/We have made in this application. Any intentional or negligent misrepresentations made herein that are discovered after approval or purchase may result in revocation of the purchase contract, the shares issued or any right to occupy a unit at the Promenade, PROMENADE TOWERS MUTUAL HOUSING CORPORATION, Its employees and agents shall have the right to confirm any and all information furnished, ***I/We understand the processing fee is non-refundable.***

Applicant Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Applicant

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Applicant Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Applicant Signature: \_\_\_\_\_ Date: \_\_\_\_\_

***NO DOGS ALLOWED***

PROMENADE TOWERS MUTUAL HOUSING CORPORATION  
RESALE CONTRACT

THIS CONTRACT OF SALE made this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_ by and between the undersigned Seller and \_\_\_\_\_ (hereinafter referred to as Purchaser). Deposit has been received from the Purchaser in the form of \_\_\_\_\_, in the amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_). THE ENTIRE DEPOSIT, RECEIPT OF WHICH IS ACKNOWLEDGED BY AGENT, SHALL BE HELD BY THE AGENT AND DEPOSITED IN AN ESCROW ACCOUNT IN ACCORDANCE WITH MARYLAND LAW UPON RATIFICATION OF THIS CONTRACT BY BOTH PURCHASER AND SELLER.

WITNESSETH, that for and in consideration of the mutual covenants herein, Seller agrees to sell, transfer and assign and Purchaser agrees to purchase the Seller's ownership, right of occupancy and any and all interests in and for the use of Unit No. \_\_\_\_\_ and Parking Space No. \_\_\_\_\_ in the cooperative housing complex known as The Promenade Towers Mutual Housing Corporation (hereinafter referred to as the "Cooperative"), the corporation owning said community, ownership thereof being represented by \_\_\_\_\_ shares of stock and an occupancy agreement (hereinafter referred to as Corporate Documents). Purchase price shall include all of Seller's title, right and interest in and to built-in heating plant and air conditioning system, all plumbing and lighting fixtures, kitchen equipment including range, refrigerator, built-in dishwasher and disposal, kitchen cabinets, all wall to wall carpeting, cornices, curtain rods and drapery rods, screens, storm doors, and windows, vertical and venetian blinds, shades and indoor shutters as now installed in the above referenced unit and owned by the Seller upon the following terms of sale:

1. TOTAL PRICE OF PROPERTY IS \_\_\_\_\_ Dollars (\$ \_\_\_\_\_).

2. FINANCING. CONVENTIONAL FINANCING. The purchaser is to place a conventional loan with an institutional Lender (hereinafter referred to as ("Lender")) in Lender's usual form secured by an assignment of the Corporate Documents to be issued to the Purchaser in the amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) for a term and interest rate as negotiated with Lender, payable as amortized each month plus one-twelfth (1/12) the annual mortgage insurance, if required by the Lender. All loan fees, application fees, document preparation fees, appraisal fees, underwriting fees and the like shall be paid by the Purchaser. This contract is contingent on the ability of the Purchaser to secure or receive a firm written commitment for the herein described conventional financing, and furnish evidence of commitment or approval to the listing and selling Agents within \_\_\_\_\_ (\_\_\_\_) calendar days from the date of final ratification of this contract, which commitment or approval the Purchaser agrees to pursue diligently (see Paragraph 6 entitled "FINANCING APPLICATION"). The Purchaser reserves the right to increase the cash down payment and/or accept a modified commitment for financing and shall so notify the Seller and Agent (s) in writing within the term of this contingency. In the event the Purchaser does not obtain the specified financing or increases the cash down payment and/or accepts a modified commitment for financing within the specified time period, then this contract is voidable, at the option of the Seller, and the Purchaser's deposit shall be refunded in full. By accepting a loan commitment which bears an interest rate other than the rate(s) designated above, the financing contingency contained herein shall be deemed satisfied and the Purchaser hereby waives any right which Purchaser may have to declare this contract null and void for failure to obtain acceptable financing.

3. CORPORATE UNDERLYING MORTGAGE AND UNIT'S SHARE OF COOPERATIVE OBLIGATIONS. There currently exists a deed of trust with modifications, which encumbers the Promenade securing an indebtedness owed to Metropolitan Life Insurance Company. This deed of trust is referred to in the corporate documents and this Contract as the underlying mortgage. The interest and principal to pay this mortgage are obtained as part of the monthly carrying charges paid by each shareholder as the occupant of each unit. The approximate principal balance of the corporate underlying mortgage attributable to the unit as of the first day of \_\_\_\_\_, 200\_\_, is \_\_\_\_\_ Dollars (\$\_\_\_\_\_).

THE PURCHASER HAS NO PERSONAL LIABILITY TO THE MORTGAGEE OR ITS SUCCESSOR FOR THE INDEBTEDNESS SECURED BY THE UNDERLYING MORTGAGE. THE PRO RATA SHARE ATTRIBUTABLE TO THIS UNIT CANNOT BE RETIRED OR PREPAID BY THE PURCHASER. The Purchaser acknowledges that in determining the amount of cash required to purchase the unit, the proportionate share of the Underlying Mortgage attributable to the unit, if any, must be subtracted from the Total Price of the Property. Conversely, the Seller acknowledges that the proportionate share of the Underlying Mortgage attributable to the unit, if any, will be deducted from the proceeds of sale due to the Seller.

4. THE PURCHASER AGREES TO PAY the balance of the purchase price, or \_\_\_\_\_ Dollars (\$\_\_\_\_\_ ) together with all other costs enumerated in this contract at settlement by certified, treasurer's or cashier's check, OF WHICH SUM THE DEPOSIT SHALL BE PART. If the deposit exceeds the down payment, any excess of the deposit shall apply first to settlement costs and the balance shall be refunded to the Purchaser at settlement.

5. MONTHLY CARRYING CHARGES. Purchaser acknowledges that he has been advised that the present monthly assessment of carrying charges for the subject unit is approximately \_\_\_\_\_ Dollars (\$\_\_\_\_\_ ), which includes the allocated share of operating and maintenance charges, property tax assessment and the corporate underlying mortgage indebtedness specified in paragraph 3 above.

6. SETTLEMENT. The Seller and Purchaser are required and agree to make full settlement in accordance with the terms hereof on or before the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_, or as soon thereafter as conveyance papers can be processed if promptly ordered. Corporate Documents are to be conveyed in the name of the Purchaser. THE PURCHASER HAS THE RIGHT TO SELECT THE TITLE, ESCROW OR SETTLEMENT COMPANY/ATTORNEY. The Purchaser hereby authorizes the undersigned Agent(s) to order the preparation of all necessary conveyancing papers through \_\_\_\_\_, and agrees to pay the settlement charges in connection therewith together with credit report fees, notary fees, Lender's fees, recording fees, except those incident to clearing existing encumbrances, move-in fee, or other administration fees charged by the Cooperative. Seller hereby agrees to pay a reasonable settlement fee for services rendered to him, including, without limitation, the costs of terminating recorded financing statements, if any, and the cost of lien and judgment search(s). The Purchaser agrees to pay a reasonable transfer fee to the Cooperative and/or the Managing Agent to defray the administrative costs relative to the transfer of the Property.

7. FINANCING APPLICATION. Purchaser placing financing agrees to make application therefore within seven (7) calendar days after final ratification of this contract and agrees to promptly file any supplemental information or papers later requested by the Lender and agrees that failure to comply with the terms of this provision shall give the Seller the right to declare the deposit forfeited or avail himself of any legal or equitable rights as provided in the Paragraph 14 entitled "FORFEITURE OF DEPOSIT/LEGAL REMEDIES".

8. SELLER'S REPRESENTATIONS. Seller is currently a member of the Cooperative and the owner of the Corporate Documents and has full right and authority to sell, transfer and assign the same, free and clear of liens, security interests and encumbrances, except liens recorded in the First Lien Registry maintained by the Cooperative. Seller is not delinquent, in violation, or in default with respect to the Corporate Documents. No special assessment is charged against the Property as of the date hereof unless the same is set forth in this Contract. Seller does not make or authorize any person to make any representations, statements or warranties with respect to the Property, the Corporate Documents, any fact regarding the Cooperative or its financial condition and operation, maintenance charges, rights to any tax deduction, or any aspect of this transaction, except as herein set forth, and Purchaser acknowledges that in entering into this contract Purchaser has not relied upon any representation, statement or warranty, except those expressly set forth herein.

9. COOPERATIVE APPROVAL. This Contract is expressly conditioned upon Purchaser being approved for membership and occupancy by the Board of Directors of the Cooperative. It is the responsibility of the Purchaser to obtain such approval and Purchaser agrees promptly to prepare and present, within seven (7) calendar days after final ratification of this contract, to the Board of Directors such application for approval, application fee, and such supporting documents and information as may be required, and Purchaser agrees that failure to do so shall give the Seller the right to terminate this Contract in accordance with Paragraph 14 labeled "FORFEITURE OF DEPOSIT/LEGAL REMEDIES". Purchaser understands that approval hereunder is solely the decision of the Board of Directors and Purchaser agrees that neither Seller nor Agent shall be liable for the action or non-action of the Board of Directors in connection therewith. If approval is denied by the Cooperative, the aforesaid deposit shall be returned to Purchaser promptly, without deductions, and this contract shall be null and void. This sale is subject to the terms of Articles of Incorporation, Bylaws, Rules and Regulations, and Guidelines of the Cooperative, the assigned Corporate Documents and this Contract

10. ADJUSTMENTS. All charges arising under the Corporate Documents, including operating assessments, paid rents, taxes and reserves for the payment of taxes held in escrow by the Cooperative shall be adjusted to the date of settlement. If the Cooperative shall levy a special assessment against the owner of the Corporate Documents following the date of this Contract but prior to settlement; paid by the Purchaser if its payable-date shall be after the date of settlement; and adjusted to the date of settlement if payable on a monthly, annual, or other than a single payment basis.

11. CONDITION OF UNIT. At the time of settlement or occupancy by the Purchaser, whichever shall occur first, Seller will leave the Unit free and clear of trash and debris and broom clean and have the electrical, plumbing, heating, air-conditioning and any other mechanical systems and related equipment included in this Contract (and not the responsibility of the Cooperative to maintain) in operating condition, and will deliver the Unit in substantially the same physical condition as the date of final ratification of this Contract. In addition to any other specific inspections provided for in this Contract the Purchaser has the privilege of one (1) final inspection of the Unit prior to settlement or occupancy (whichever occurs first). Except as expressly contained herein, no other warranties have been made by the Seller, nor relied upon by the Purchaser.

12. RISK OF LOSS. The risk of loss or damage to said Unit by fire or other casualty until assignment of the Corporate Documents is assumed by the Seller.

13. PERFORMANCE. Settlement is to be made at the office of the attorney or settlement company preparing settlement documents. Delivery to the attorney or settlement company of the cash payment and settlement costs as herein stated, the executed conveyance papers as are required of either

party by the terms of this Contract shall be considered good and sufficient tender of performance in accordance with the terms hereof. It is agreed that funds arising out of this transaction at settlement may be used to pay off any existing encumbrances, including interest, as required by the Lender.

14. **FORFEITURE OF DEPOSIT/LEGAL REMEDIES.** If the Purchaser shall fail to make full settlement, the deposit herein provided may be retained by the Seller as liquidated damages at the option of the Seller, in which event the Purchaser shall be relieved from further liability hereunder. If the Seller elects not to forfeit the deposit, Seller shall notify the Purchaser and the Agent in writing within 30 days from the date provided for settlement herein of his election to avail himself of any legal or equitable rights which he may have under this contract, other than retaining the deposit as liquidated damages. In the event the Seller elects not to retain the deposit, said deposit shall be returned by the Agent holding the same to the Purchaser, and the Agent shall not be liable to the Seller for any legal or equitable remedies, then and in that event the Seller shall pay the Agent as compensation for his services one-half of the amount of the deposit, said amount not to exceed the full amount of the brokerage fee. If, after breach by the Purchaser the Seller shall release the Purchaser from liability hereunder or authorize refund of the deposit monies, the Seller shall pay the Agent as compensation for his services one-half the amount of the deposit, said amount not to exceed the full amount of the brokerage fee. If after breach by the Purchaser, the Seller obtains an award of damages by a court or enters into a compromise agreement with the Purchaser whereby the Seller receives a sum of money, the Seller shall pay the Agent one-half thereof, said amount not to exceed the full amount of the brokerage fee. If the Agent is required to participate in any legal proceedings, either as Plaintiff, Defendant or Third Party, Seller agrees to pay reasonable attorney's fee for Agent's own attorney. Except with respect to disbursement of the deposit at settlement hereunder, the deposit and accrued interest, if any, shall be given or returned by escrow agent to any of the parties to this transaction only when an "Agreement of Release" has been ratified by all principals or as directed by a court order. If either the Purchaser or Seller refuses to execute a release of the deposit when requested to do so in writing and a court finds that a party should have executed same, that party shall be required to pay the reasonable expenses, including reasonable attorney's fees incurred by the adverse party in that litigation.

15. **TITLE.** The Property, including the aforesaid chattels, is sold free of encumbrances, unless otherwise stated herein. Any encumbrance on the Corporate Documents will be paid and released at the time of settlement.

16. **POSSESSION.** Seller agrees to give possession and occupancy at the time of settlement and in the event he shall fail to do so, he shall become and be thereafter a tenant by sufferance of the purchaser and hereby waives all notice to quit as provided by applicable laws effective in the State of Maryland. All notices of violations of orders or requirements noted or issued by any governmental authority, or actions in any court on account thereof, against or affecting the Property at the date of settlement of this contract, shall be complied with by the Seller, and the Property conveyed free thereof.

17. **NOTICE.** Notices required to be given to Seller by this contract shall be in writing and effective as of the date on which such notice is delivered to the Agents of the Seller named in Paragraph 29 entitled "Agency" at the principal place of business of said Agent. Notice required to be given to the Purchaser by this contract shall also be in writing and effective either when delivered to the Purchaser or when mailed to the Purchaser's address shown in Paragraph 31 entitled "AGREEMENT OF PRINCIPALS".

18. **NOTICE AND DISCLOSURE OF AVAILABILITY OF SEWAGE DISPOSAL SYSTEM AND DESIGNATED AREAS.** Notice is hereby given, pursuant to the Montgomery County Code, to the prospective Purchaser of the obligation of the Seller, or his duly authorized Agent to disclose to the

Purchaser any information known to the Seller as to whether the property is connected to a community sewage system. The Purchaser hereby acknowledges that, prior to entering into this Contract, Seller or his duly authorized Agent, disclosed that sewer services are publicly provided to the Promenade by the Washington Suburban Sanitary Commission.

19. GENERAL/MASTER PLAN. The Purchaser acknowledges that he has been appraised of his rights to review the applicable Master Plan and the Wedges and Corridors General Plan for the bi-county Region, including maps showing planned land uses, roads and highways, and the location and nature of proposed parks and other public facilities effecting the property herein described prior to execution of this contract. He acknowledges that he has reviewed said applicable plans prior to execution of this contract or does hereby waive his right to do so. The Purchaser also acknowledges that the Agent has advised him of the relative location of any airport or heliport existing within a five-mile radius of the property. The Purchaser acknowledges that he is aware that the applicable Master Plan or General Plan for Montgomery County is available at the Maryland National Capital Park and Planning Commission and at no time did the Agent explain to him the intent or meaning of such a Plan, nor did he rely on any representations made by the Agent pertaining to the applicable Master Plan or General Plan.

20. NOTICE TO PURCHASER AND ALL OTHER PARTIES-GUARANTY FUND. Any person aggrieved in accordance with Article 56, Section 217A of the Maryland Code may be entitled to recover compensation from the Maryland Real Estate Guaranty Fund for his actual monetary loss not to exceed twenty five thousand dollars (\$25,000).

21. NOTICE OF ASBESTOS BULK SURVEY REPORT. The Purchaser is hereby notified that the Property has been the object of an "Asbestos Bulk Survey Report" dated April 28, 1988, prepared by Med-Tox Associated, Inc. and that a copy of said report is available for examination in the Administrative Office during normal business hours. The Purchaser is encouraged to examine said report regarding the existence of construction materials located in the Promenade, which contain or may contain asbestos.

22. SUBDIVISION PLAN. The Purchaser hereby waives the receipt of an entire copy of the single recorded subdivision plat. Prior to, or at the time of settlement, the Purchaser shall be provided with a copy of said subdivision plat where required.

23. CREDIT INFORMATION RELEASE. The Purchaser hereby authorizes the Agent(s) to disclose to the Seller or any Lender the credit information provided to the Agent (s) by the Purchaser. Further, the Purchaser authorizes the Cooperative to obtain a credit report from a credit reporting agency.

24. ADDITIONAL PROVISIONS. Special provisions recited below and in the attached addendum, if any, are hereby made part of this Contract.

Addendum attached: \_\_\_\_\_yes \_\_\_\_\_no

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25. LENDER REQUIREMENTS AND FINANCING PROVISIONS. Seller agrees to comply with reasonable Lender requirements where applicable. Seller shall allow inspections of all the property and furnish any pertinent information required by the Purchaser or his Lender in reference to obtaining a loan commitment. Proceeds of loans acquired pursuant to Paragraph 2 shall be applied to the purchase price.

26. COOPERATIVE DOCUMENTS. Upon final ratification of this Contract, Seller shall promptly furnish to the Purchaser prior to settlement the following documents and statements pertaining to the Cooperative:

- A. A copy of the Articles of Incorporation, By-Laws, Occupancy Agreement and House Rules.
- B. A copy of the statement of financial condition of the Cooperative for the most recent fiscal year for which the statement is available, and the current operating budget.

27. RESCISON. Purchaser shall have the right for a period of three calendar days following Purchaser's receipt of the foregoing documents to cancel this contract by giving notice in writing and returning said documents to Seller or Agent, and in such event, Purchaser's deposit shall be returned without delay or deduction there from. If Purchaser fails to exercise this right to cancel, this contract shall be and will remain in full force and effect and binding on all parties hereto.

28. SPECIAL NOTICE. NEITHER THE COOPERATIVE NOR THE AGENT(S) ASSUME ANY RESPONSIBILITY FOR THE CONDITION OF THE PROPERTY NOR FOR THE PERFORMANCE OF THIS CONTRACT BY ANY OR ALL PARTIES HERETO. PURCHASER HEREBY WARRANTS AND REPRESENTS UNTO THE SELLER, THE COOPERATIVE AND THE REAL ESTATE BROKERS HEREIN THAT NO AGENT, SERVANT OR EMPLOYEE OF SAID REAL ESTATE BROKER OR THE COOPERATIVE HAS MADE ANY STATEMENT, REPRESENTATION OR WARRANTY TO THEM REGARDING THE CONDITION OF THE PREMISES OR ANY PART HEREOF UPON WHICH PURCHASER HAS RELIED AND WHICH IS NOT CONTAINED IN THIS CONTRACT.

29. AGENCY. The Seller recognizes \_\_\_\_\_ and \_\_\_\_\_ as the Agent(s) procuring this contract and agrees to pay such Agent(s) a brokerage fee for services rendered as specified in a separate Listing Agreement. If not previously paid by the Seller, the party making settlement is hereby irrevocably authorized and directed to deduct and pay the aforesaid brokerage fee from the proceeds of the sale.

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Sales Associate (Signature)

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Sales Manager

\_\_\_\_\_  
Sales Associate (Print Name)

\_\_\_\_\_  
Sales Associate MCDR#

\_\_\_\_\_  
Office Code

\_\_\_\_\_  
Phone number

30. INSPECTION BY COOPERATIVE. The Purchaser and Seller authorize an agent of the Cooperative to conduct an inspection of the Unit immediately prior to the date of settlement to determine the condition thereof. The Cooperative shall be entitled to impose a reasonable charge to be paid by the Seller for conducting such inspection. The Purchaser and Seller agree and acknowledge that the inspection and any resulting report indicating the condition of the Property is for the sole and exclusive use of the Cooperative and neither the Purchaser nor the Seller shall be entitled to rely upon the thoroughness or the accuracy of such inspection and report. In any event, the Cooperative shall have no liability to the Purchaser and Seller, or either of them for any errors or omissions in the inspection conducted by its agent and/or any error or omission contained in any report resulting from such inspection.

31. AGREEMENT OF PRINCIPALS. We, the undersigned, hereby ratify, accept and agree to this Contract and acknowledge receipt of a copy thereof. The principals to this Contract mutually agree that it shall be binding upon them, their heirs, executors, administrators, personal representatives, successors and assigns; that the provisions hereof shall survive the execution and conveyance of the Corporate Documents herein stated and shall not be merged therein; that this Contract and any attached addendum contains the final and entire agreement between the parties hereto and neither they nor their Agent shall be bound by any terms, conditions, statements, warranties or representations, oral or written, not herein contained; and that this Contract or any modification, amendment or addendum hereto shall be null, void and unenforceable until both the Seller and the Purchaser have a) signed, or where appropriate, initialed this contract or any modification, amendment or addendum or b) transmitted assent through a wired or electronic medium which produces a tangible record of the transmission (such as a telegram, mailgram or data gram) and c) provided to the other party, in accordance with the paragraph labeled "NOTICES", a signed, or where appropriate, initialed contract, modification, amendment or addendum or the transmitted assent.

\_\_\_\_\_  
SELLER

\_\_\_\_\_  
PURCHASER

\_\_\_\_\_  
SELLER

\_\_\_\_\_  
PURCHASER

\_\_\_\_\_  
Address of Seller

\_\_\_\_\_  
Address of Purchaser

\_\_\_\_\_  
Residence Telephone

\_\_\_\_\_  
Residence Telephone

\_\_\_\_\_  
Business Telephone

\_\_\_\_\_  
Business Telephone

The Seller or Purchaser, whichever one provides final ratification, is requested to complete the following:

\_\_\_\_\_  
200\_\_\_\_\_  
Date of Final Ratification

\_\_\_\_\_  
Time of Final ratification

\_\_\_\_\_  
Initials

LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS  
DISCLOSURE OF INFORMATION AND ACKNOWLEDGMENT

Lead Warning Statement

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

*Seller's Disclosure (Initial)*

(a) Presence of lead-based paint and/or lead-based paint hazards (check one below)

Known lead-based paint and or/lead-based paint hazards are present in the house.  
(explain)

\_\_\_\_\_

Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the house.

(b) Records and Reports available to Seller (check one below):

Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the house (list documents):\_\_\_\_\_

\_\_\_\_\_

Seller has no reports or records pertaining to lead-based paint and/or lead based paint hazards in the house.

*Purchaser's Acknowledgment (Initial)*

- (c) Purchaser has received copies of all information listed above.
- (d) Purchaser has received the pamphlet "Protect Your Family From Lead In Your Home,"
- (e) Purchaser has (check one below):
  - Received a ten (10) day opportunity (or mutually agreed upon period) to conduct a risk assessment inspection of the presence of lead-based paint or lead-based paint hazards; or
  - Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

*Agent's Acknowledgment (Initial)*

- (f) Agent has informed the Seller of the Seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certificate of Accuracy

The following parties have reviewed the information and certify, to the best of their knowledge, that the information they have provided is true and accurate.

_____	_____	_____	_____
Buyer	Date	Buyer	Date
_____	_____	_____	_____
Seller	Date	Seller	Date
_____	_____	_____	_____
Agent	Date	Agent	Date

NOTICE AND AGREEMENT

LEAD BASED PAINT HAZARDS. (Title X, Section 10108, the Residential Lead-Based Paint Hazard Reduction Act of 1992) (the Act), requires the disclosure of certain information regarding lead-based and lead-based paint hazards in connection with the sale of residential real property. Unless otherwise exempt, the Act applies only to housing constructed prior to 1978. A seller of pre-1978 housing is required to disclose to the buyer(s), based upon the seller’s actual knowledge, all known lead-based paint or lead-based paint hazards applicable to the property. The seller, however, is not required to conduct or pay for any lead-based paint risk assessment or inspection. At the time that the offer to purchase is entered into by the buyer(s), the seller is required to provide the buyer(s) with the EPA pamphlet entitled “Protect Your Family From Lead In Your Home” and “Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards” form.

The seller is required under the Act to provide the buyer(s) with a ten (10) day time period (or other mutually agreeable time period) for the buyer(s), at buyer(s) expense, to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards unless the buyer(s) waives such assessment or inspection by indicating such waiver on the Lead-Based Paint Disclosure form. Seller and any agent involved in the transaction are required to retain a copy of the completed Lead-Based Paint Disclosure form for a period of three (3) years following date of settlement.

The act is effective September 6, 1996, for a seller who owns more than four (4) dwelling units, whether single family or multi-family, and December 6, 1996, for a seller who owns four (4) or fewer dwelling units.

A SELLER WHO FAILS TO GIVE THE REQUIRED LEAD-BASED PAINT DISCLOSURE FORM AND EPA PAMPHLET MAY BE LIABLE UNDER THE ACT FOR THREE TIMES THE AMOUNT OF DAMAGES AND MAY BE SUBJECT TO BOTH CIVIL AND CRIMINAL PENALTIES.

SELLER REPRESENTS AND WARRANTS TO BUYER, BROKER(S), BROKERS(S)’ AGENT AND SUBAGENTS, INTENDING THAT THEY RELY UPON SUCH WARRANTY AND REPRESENTATION, THAT THE PROPERTY (Seller to initial applicable line):

- \_\_\_\_\_ Was constructed prior to January 1, 1978; or
- \_\_\_\_\_ Was constructed after January 1, 1978; or
- \_\_\_\_\_ Uncertain as to age of the property.

SELLER ACKNOWLEDGES RECEIPT OF BROCHURE “EPA & HUD REAL ESTATE NOTIFICATION AND DISCLOSURE RULE QUESTIONS AND ANSWERS”.

**If the Property was constructed prior to January 1, 1978 or if the date of construction is uncertain as indicated by Seller’s initial above,**

- Seller and buyer mutually agree that the requirements of the Act shall apply to the sale of the property.
- Seller and Buyer acknowledge that the real estate brokers and salespersons involved in the sale of the property have no duty to ascertain or verify the date of construction and assume no such duty or responsibility.

- Seller and Buyer agree and represent and warrant, each unto the other, that no binding and enforceable contract shall be deemed to exist or to have been formed unless all of the requirements of the Act were fully satisfied and complied with prior to the execution of this Contract by Seller and Buyer.
- Seller and Buyer represent and warrant that each intended, as a material term of the offer and acceptance, that the requirements of the Act be fully complied with as an express condition of the formation of a binding and enforceable contract by and between the parties.

Buyer and Seller acknowledge by their signatures below that they have read and understand the provisions of this agreement.

_____	_____	_____	_____
Buyer	Date	Buyer	Date
_____	_____	_____	_____
Seller	Date	Seller	Date