

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this “**Agreement**”) is made as of the 29th day of March, 2016 (the “**Execution Date**”), by and between Square 643 Associates LLC, a District of Columbia limited liability company (hereinafter referred to as the “**Seller**”) and 700 Delaware LLC, a District of Columbia limited liability company or its permitted assigns (hereinafter referred to as the “**Purchaser**”).

RECITALS:

- A. Seller is the owner of certain real property known as Square 0643 in Lot 0830 containing approximately 16,644 square feet of land (the “**Land**”), which Land is improved with (among other things) a historic church (the “**Original Building**”) and a non-historic accessory building located to the north of and adjacent to the Original Building (the “**Annex**”), all located at 700 Delaware Avenue, S.W., Washington, DC (the foregoing real property, together with all rights and appurtenances thereto, collectively, the “**Original Property**”) and which Original Property is more fully described on Exhibit A attached hereto.
- B. Seller desires to sell to Purchaser, and Purchaser desires to acquire from Seller, an approximately 72.09% undivided interest (such interest to be the same as the common element interest to be assigned to the condominium unit comprising the **Housing Use** (as defined below) under the Declaration (as defined below) as the relative square footage of the Housing Use may be adjusted consistent with the Zoning Approvals (as defined below)), in the Original Property as a tenant in common (hereinafter, the “**Interest**” or the “**Property**”), with Seller and, if applicable, the Museum Operator (as defined below).
- C. Seller desires to (x) donate to Museum Operator (i) the façade and roof of the Original Building and (ii) an approximately 22.0% undivided interest (such interest to be the same as the common element interest to be assigned to the condominium unit comprising the **Museum Space** (as defined below) under the Declaration), in the Original Property (the “**Land Donation**”), as a tenant in common with Seller and Purchaser and (y) transfer to an Affiliate (“**Steve**”) an approximately 2% undivided interest (such interest to be the same as the Common Element Interest to be assigned to the condominium units comprising the **Residence** (defined below) (so that, after giving effect to the sale of the Interest to Purchaser, the transfer of the Residence to Steve and the Land Donation, Seller would own an approximately 3.91% undivided interest in the Original Property) as tenant in common with Purchaser and Museum Operator). If the Land Donation does not occur as of the Closing (defined below), Seller would own an approximately 27.91% undivided interest, subject to adjustment if the relative square footage of the Housing Use is adjusted pursuant to the Zoning Approvals.
- D. Concurrent with and as a condition to closing of the purchase and sale transaction contemplated in this Agreement (the “**Closing**”), Seller and Purchaser, together

Board of Zoning Adjustment
District of Columbia
CASE NO.19451
EXHIBIT NO.65A

with the Museum Operator (if the Land Donation has occurred), shall enter into a tenant in common agreement (the “**TIC Agreement**”), to govern all matters concerning the ownership, maintenance and redevelopment of the Original Property, including the obligations of the parties with regard to the redevelopment of the Original Property as a mixed-use condominium project, with the Annex being demolished, the Original Building being rehabilitated and restored, and a new Mixed Use Building (as defined below) being constructed on the Land to support the uses to be located therein as described below, including the Museum Space (as defined below) (including artist work/live space) and a portion of the Events Space (as defined below) (collectively, the “**Project**”), such Project to be completed in compliance with the terms of any final planned unit development approvals to be obtained from the Zoning Commission for the District of Columbia (the “**Zoning Commission**”) by Purchaser (and approved by Seller to the extent required subject to the terms of this Agreement) (the “**Zoning Approvals**”).

- E. The uses contemplated for the Project consist of (i) a condominium unit of approximately 9,674 square feet to be used as event/performance/entertainment use space (the “**Events Space**”), to be located in the Original Building and Annex, (ii) a condominium unit of approximately 1,361 square feet to be used as studio work/live space for artists in residence, and of approximately 3,000 square feet to be used as exhibit space (collectively, the “**Museum Space**”), (iii) a condominium unit of approximately 1,300 square feet to be used as a residential unit (the “**Residence**”) to be owned by Steve, all located in the Original Building and in the portion of the Mixed Use Building to be constructed where the Annex is now located, (iv) a condominium unit of approximately 31,859 square feet to be used as residential use space (the “**Housing Use**”), to be located in an “L” shaped structure to be constructed adjacent to the Original Building (including common elements, the “**Mixed Use Building**”), with (a) the portion of the Mixed Use Building located on the north side of the Original Building (where the Annex is now located) anticipated to be five (5) stories high and containing approximately 4,454 square feet of the Housing Use (which portion of the Housing Use will be located above the portion of the Museum Space, the Residence and the Events Space that is located in the Mixed Use Building), and (b) the portion of the Mixed Use Building located on the east side of the Original Building anticipated to be seven stories high and containing approximately 27,405 square feet of the Housing Use, and (v) such below grade parking facilities (if any) as may be mandated pursuant to the Zoning Approvals, to be limited common elements appurtenant to the applicable condominium unit(s) which give rise to such mandated parking, it being agreed that unless otherwise required by the Zoning Approvals, the parking serving the Housing Use shall be entirely below grade and the parking serving the other uses shall be entirely at grade. The patio area fronting H Street shall be a limited common element appurtenant to the Museum Space or Events Space and the owner of the condominium unit to which such patio space is appurtenant shall have the right to control access to such space by means of a fence, landscaped berm or similar device.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the day and year first above written.

PURCHASER:

700 DELAWARE LLC,
a District of Columbia limited liability company

By: _____
Name: _____
Title: _____

SELLER:

SQUARE 643 ASSOCIATES LLC,
a District of Columbia limited liability company

By: Steph M. Tanne
Name: Stephen M. Tanne
Title: President

The undersigned Escrow Agent hereby agrees to the provisions of this Agreement applicable to it and acknowledges receipt of the First Deposit.

ESCROW AGENT:

Kevin P. Fay, P.A., as authorized agent for First American
Title Insurance Company

By: _____

EXHIBIT C

Letter of Intent with District for Family Life Center Lease

(See attached)

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF GENERAL SERVICES



November __, 2015

Re: Letter of Intent for the lease of premises at 700 Delaware Ave, SW., Washington, D.C.

The Department of General Services (“DGS”), on behalf of the District of Columbia, presents this letter of intent (this “LOI”) to 700 Delaware, LLC for the lease of certain premises located at 700 Delaware Avenue SW, Washington, D.C. (the “Premises”).

Outlined below are the principal terms and conditions that would serve as the basis for a lease agreement for the Premises (the “Lease”).

TENANT

District of Columbia, a municipal corporation, acting by and through its Department of General Services (the “District”).

The District of Columbia agency initially occupying the Premises (defined below) will be the Department of Human Services (“DHS”). Subject to the provisions of the “Use” section below, the District shall have the right to substitute another District agency as occupant of the Premises without such substitution constituting a sublease of the Premises or an assignment of the Lease and shall not require the consent of Landlord (defined below).

LANDLORD

700 Delaware Avenue, LLC (“Landlord”).

PREMISES

The Premises shall consist of a newly constructed building with approximately 30,000 to 35,000 rentable square feet and containing fifty (50) sleeping rooms (each, a “Unit”), and other ancillary space (the “Building”), together with the right to use any common areas on the real property upon which the Building is located (the “Land”) or areas exclusively benefitting the Building. The estimated number of Units and number of beds shall be set forth in the Lease as the Rooms & Beds Chart exhibit.

The Premises will have a street address of 700 Delaware Ave, SW 20024, known for tax and assessment purposes as Square 0643, and Lot 0830 (the “Land”).

For informational purposes only with no impact on the Annual Rental set forth herein, the rentable square footage (“RSF”) of the Building shall be measured, in accordance with BOMA *standards for measurement*, upon completion of the Tenant Improvements (defined below). Such final determination of the RSF of the Building shall be set forth in a declaration of delivery for the Premises, the form of which shall be an exhibit to the Lease, signed by Landlord and the District (the “**Declaration**”).

Landlord and the District acknowledge that (i) a building, currently used as a museum/exhibition space, is located on the Land (the “**Museum**”), (ii) Landlord intends to build a structure which will connect to each of the Building and the Museum (the “**Connecting Structure**”), and (iii) Landlord intends to subject the Land, the Museum, the Connecting Structure, and the Building to a condominium regime, pursuant to which each of the Museum, the Building and the Connecting Structure shall constitute a condominium unit. The District shall have the right to review and approve all condominium instruments and other documents relating to the condominium regime or the condominium association (including all amendments thereto), including, without limitation, all certificates of formation, bylaws, rules and regulations, declarations, prior to execution, filing and recordation, as applicable, in order for the District to ensure that the Lease, and the District’s use and occupancy of the Premises, may not be adversely affected thereby.

PERMITTED USE

Landlord and the District acknowledge and agree that (a) the District’s intended use of the Premises is as follows: housing for District of Columbia families for a stay between 30 to 90 days (with the Premises having a minimum of 50 Units), the provision of meals (not prepared at the Premises) by the District to such persons and a resident operator provided by the District (the final terms of use to be set forth in the Lease), and (b) Landlord shall, at its sole cost and expense, seek any zoning use variance or other zoning exception as may be required for such use of the Premises, and shall obtain a certificate of occupancy for a “boarding house” or any other type of use that shall permit Tenant’s intended use of the Premises (collectively, the “**Zoning/Certificate Approvals**”). The District may use the Premises for any lawful use that is in compliance with the Zoning/Certificate Approvals. The District shall comply with all written, reasonable rules and regulations promulgated for the Premises by Landlord or the condominium association, subject to the District’s review and approval rights set forth in this LOI.

For purposes of this LOI and the Lease, a resident of the Premises is referred to herein as an “**Occupant**.”

RENT COMMENCEMENT DATE

The Rent Commencement Date for the Premises shall be the date upon which Landlord has delivered the Premises to the District Substantially Completed (conditions of delivery and definition of substantial completion to be defined and set forth in the Lease). Substantially Completed shall include the issuance of a temporary certificate of occupancy for the Premises

EXHIBIT E

Conceptual Design

See attached.

700 DELAWARE AVE SW
WASHINGTON, D.C.

03/16/2016

UNIT MIX		
Floor	Name	Area

Level 3	2 BED	180 SF
Level 3	2 BED	169 SF
Level 3	3 BED	228 SF
Level 3	3 BED	220 SF
Level 3	3 BED	220 SF
Level 3	3 BED	189 SF
Level 3	4 BED	270 SF
Level 3	4 BED	490 SF

UNIT: 8

Level 4	2 BED	184 SF
Level 4	3 BED	209 SF
Level 4	3 BED	220 SF
Level 4	3 BED	270 SF
Level 4	3 BED	259 SF
Level 4	3 BED	324 SF
Level 4	3 BED	259 SF
Level 4	3 BED	247 SF
Level 4	3 BED	228 SF
Level 4	3 BED	257 SF
Level 4	3 BED	259 SF
Level 4	3 BED	225 SF
Level 4	4 BED	257 SF
Level 4	4 BED	290 SF

UNIT: 14

Level 5	3 BED	218 SF
Level 5	3 BED	236 SF
Level 5	3 BED	250 SF
Level 5	3 BED	250 SF
Level 5	3 BED	245 SF
Level 5	3 BED	256 SF
Level 5	3 BED	247 SF
Level 5	3 BED	259 SF
Level 5	3 BED	225 SF
Level 5	3 BED	324 SF
Level 5	3 BED	257 SF
Level 5	3 BED	220 SF
Level 5	3 BED	228 SF
Level 5	4 BED	257 SF

UNIT: 14

UNIT MIX		
Floor	Name	Area

Level 6	3 BED	228 SF
Level 6	3 BED	220 SF
Level 6	3 BED	220 SF
Level 6	3 BED	220 SF
Level 6	4 BED	256 SF
Level 6	4 BED	257 SF
Level 6	4 BED	490 SF

UNIT: 7

Level 7	3 BED	228 SF
Level 7	3 BED	220 SF
Level 7	3 BED	220 SF
Level 7	3 BED	220 SF
Level 7	4 BED	256 SF
Level 7	4 BED	257 SF
Level 7	4 BED	490 SF

UNIT: 7

TOTAL UNITS: 50

Gross Building Area	
Level	Area

Level -1	5,954 SF
Level 1	3,756 SF
Level 2	3,678 SF
Level 3	4,005 SF
Level 4	6,852 SF
Level 5	6,688 SF
Level 6	4,005 SF
Level 7	4,005 SF

38,943 SF